Barclays PLC

Bank of America Merrill Lynch Banking, Insurance & Diversified Financials Conference

29 September 2015

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Barclays Group Finance Director

Five measures that show our strategy is on track

1. Generate double digit Core RoE
2. Continue to reduce Non-Core
3. Build capital towards our end-state CET1 ratio
4. Reduce costs and improve efficiency
5. Resolve litigation and conduct issues

Continued good progress in Q2

Increased Group adjusted pre-tax profits by 12%, with Core up 6%

Core business continued to perform well: PBT of £2.1bn and RoE of 11.0%

Further progress on Non-Core: £1.4bn of capital released and RWAs reduced £8bn

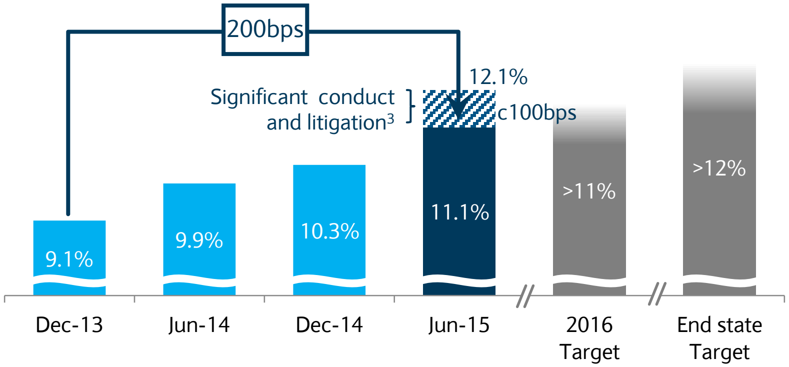
Building capital: CET1 ratio increased to 11.1% and leverage ratio increased to 4.1%

Positive cost to income jaws: Group adjusted costs of £4.2bn, down 6%

Continued progress on resolving legacy litigation and conduct matters

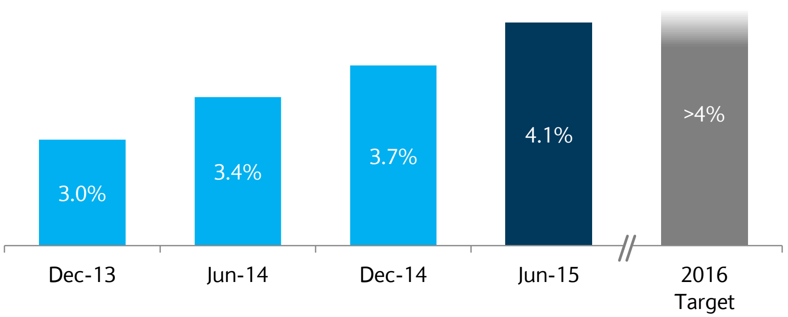
Progressive strengthening of key capital metrics

Fully Loaded CET1 ratio[1]



- CET1 ratio increased 200bps since Dec-13 to 11.1%
  - Achieved our 2016 target 18 months early
  - CET1 capital build of £0.2bn in Q215 to £42bn, and RWA reduction of £19bn to £377bn
- Continue to target an end-state capital ratio based on a management buffer of c.150bps above our regulatory minimum requirement
  - Using the current Pillar 2A, this translates to just over 12% in 2019

Leverage ratio[2]



- Leverage ratio improved 110bps in 18 months to 4.1%
  - Significant reductions in leverage exposure
  - In Q215, leverage exposure decreased to £1,139bn, driven by a reduction of £70bn in Non-Core leverage exposure to £166bn
- Reached our 2016 target and already in excess of the expected minimum end-state requirement of 3.7% as outlined by the FPC

We aim to become a progressive and sustainable dividend payer, while maintaining financial strength

[1] Based on Barclays interpretation of the final CRD IV text and latest EBA technical standards | [2] Jun-15 based on end-point CRR definition of Tier 1 capital for the numerator and the CRR definition of leverage exposure as adopted by the European Union delegated act. This is broadly consistent with the BCBS 270 definition, which was the basis of Jun-14 and Dec-14 comparatives. Dec-13 not comparable to the estimates as of Jun-14 onwards due to different basis of preparation: estimated ratio and T1 capital based on PRA leverage ratio calculated as fully loaded CRD IV T1 capital adjusted for certain PRA defined deductions, and a PRA adjusted leverage exposure measure | [3] Cumulative conduct and litigation since FY13 |

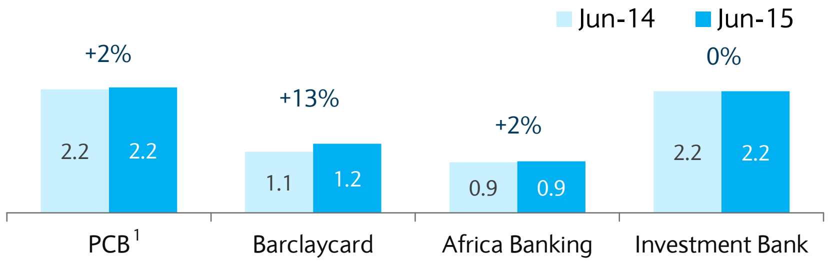
Q2 Core performance: Positive jaws and PBT up 6%

Three months ended (£m)	Jun-14	Jun-15	% change
Income	6,397	6,520	2%
Impairment	(456)	(488)	(7%)
Total operating expenses	(3,975)	(3,888)	2%
– *Costs to achieve*	*(237)*	*(184)*	*22%*
– *Litigation and conduct*	*(136)*	*(41)*	*70%*
Profit before tax	1,993	2,105	6%
Attributable profit	1,171	1,273	9%

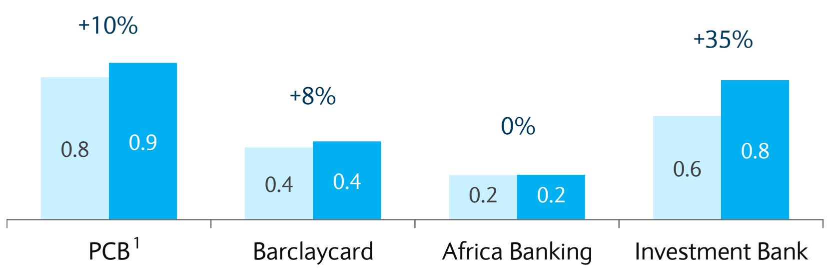
Financial performance measures		
Average allocated equity	£41.6bn	£46.7bn
Return on average tangible equity	13.8%	13.3%
Return on average equity	11.3%	11.0%
Cost:income ratio	62%	60%
Basic EPS contribution	7.2p	7.7p

	Jun-14	Jun-15
CRD IV RWAs	£324bn	£320bn
Leverage exposure	£971bn	£973bn

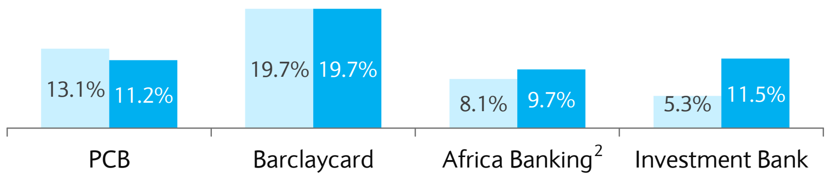
Income (£bn)



Profit before tax (£bn)



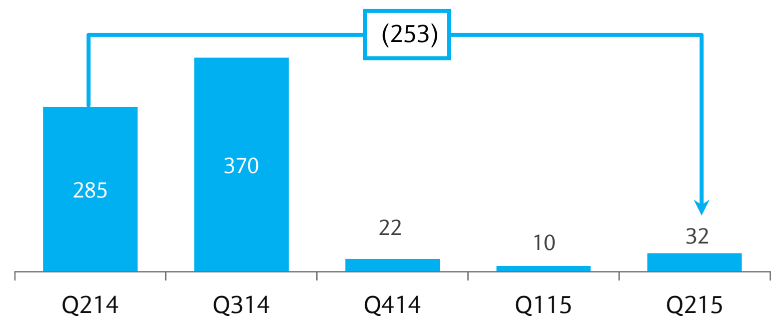
Return on average equity



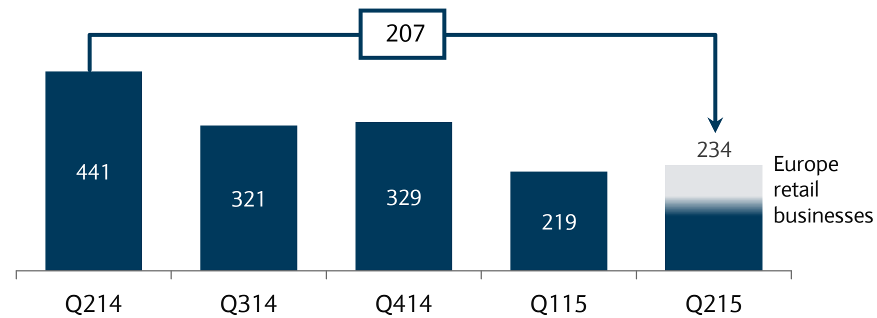
[1] Results exclude impact of charges relating to the announced disposal of the US Wealth business and customer redress in the US | [2] Barclays share of the statutory equity of the BAGL entity (together with that of the Barclays Egypt and Zimbabwe businesses which remain outside the BAGL corporate entity), as well as the Barclays' goodwill on acquisition of these businesses |

Barclays Non-Core: Reductions across every measure

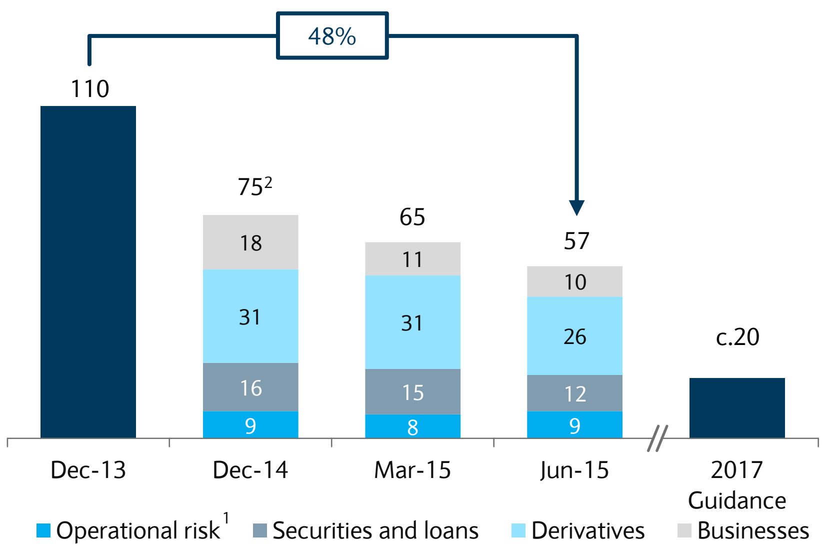
Quarterly income (£m)



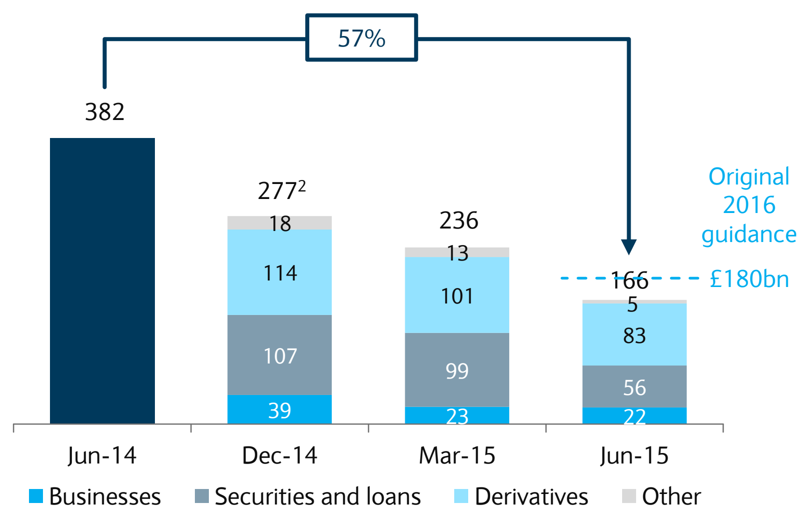
Quarterly costs[3] (£m)



RWAs by type (£bn)



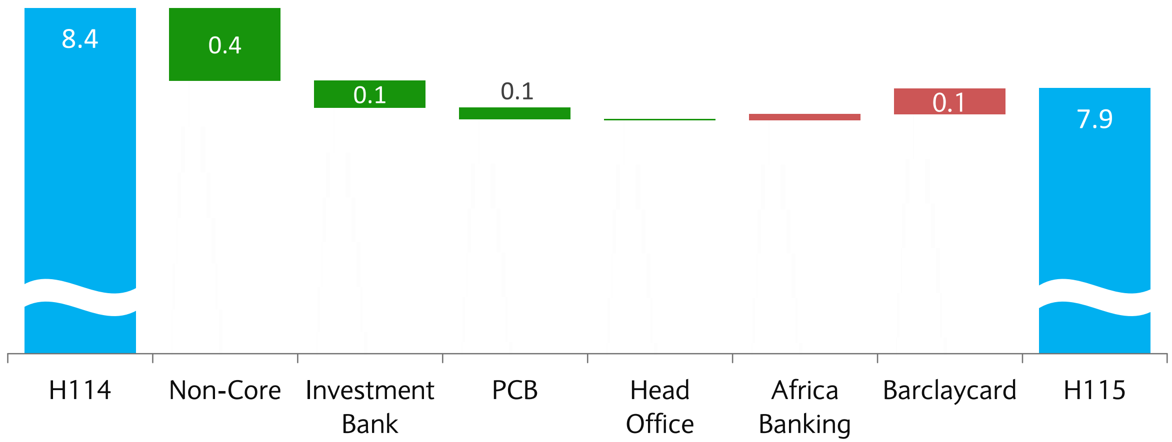
Leverage exposure by type (£bn)



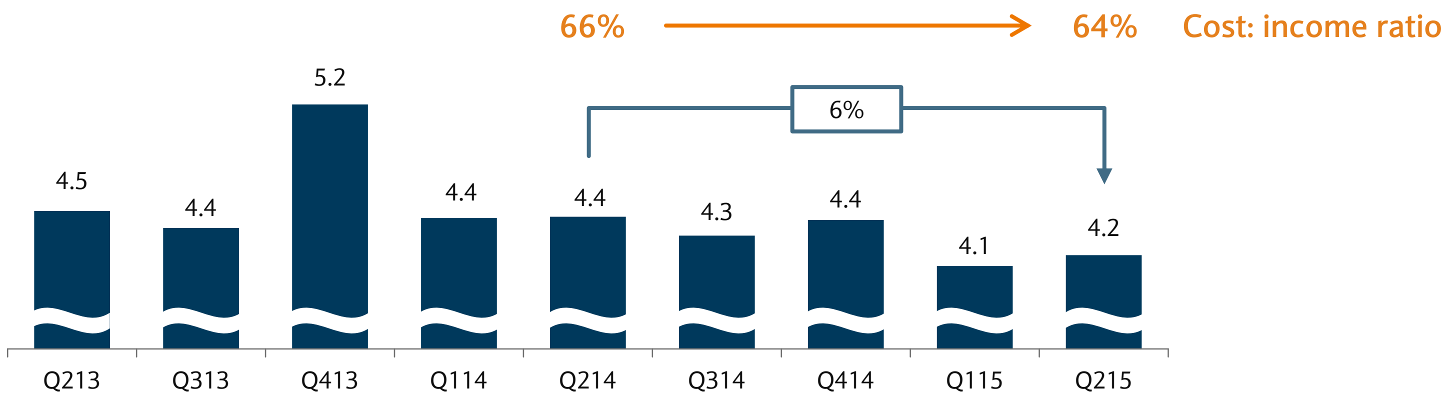
[1] Operational risk plus DTAs | [2] Total reflects rounding | [3] Excluding litigation, CTA and UK Bank Levy |

Group adjusted operating expenses: delivery to date

Year-on-year progress – excluding CTA (£bn)

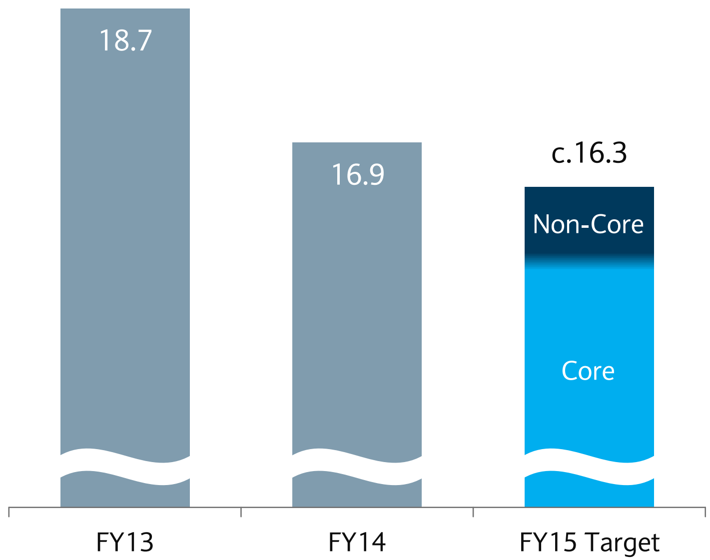


Quarterly progression – excluding UK Bank Levy (£bn)



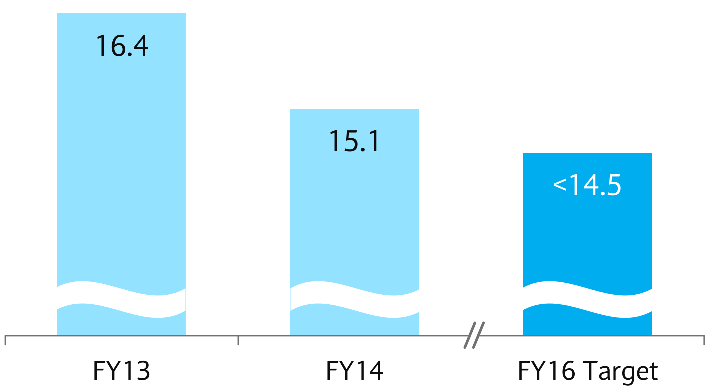
Group and Core cost targets

Group cost guidance[1] (£bn)



Costs to achieve (CTA)	£1.2bn	£1.2bn	c.£0.7bn[2]

Core cost target[1] (£bn)



Targeting cost to income ratio in the mid-50s over time

[1] Excludes provisions for UK customer and FX redress, goodwill impairment and CTA | [2] 2016 CTA target of c.£0.2bn |

Digital is Barclays biggest branch

PCB Retail

	2013	2014	June 2015
Digitally active	5.3m	6.3m	6.5m
Barclays Mobile Banking (BMB) Customers	2.3m	3.6m	4.2m
Payments and transfers (monthly)	£13.3bn	£16.1bn	£18.2bn
Unsecured lending originated digitally (yearly)	£0.5bn	£1.05bn	£0.77bn[1]

Online unsecured lending has a cost to income ratio in the low 20's

[1] June 2015 YTD. Exceeded £1.05bn during September 2015 |

Digital innovation and embracing disruptive technologies

Consumer mobile payments

- Barclays set to become the first financial services provider in the UK to introduce contactless payments from any NFC-enabled Android mobile phone
  - To be launched in Nov 2015 for Barclaycard holders and in 2016 with BMB functionality
- Apple Pay available with Barclaycard cards in the US
- Barclays partnering with Apple Pay in the UK

barclaycard | Pay

bPay

- Continued roll out of wearable technology
  - Partnership with Lyle & Scott announced - creating the world's first contactless payment jacket
  - Further partnerships with retailers to follow

Merchants

- Acquisition of the Logic Group opens a range of new payment and loyalty technology capabilities
  - Enables integration of multiple points of sale - online, mobile and in store - for the client

thelogicgroup
every interaction creates opportunity

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