Deutsche Bank Global Financial Services Investor Conference

3 June 2015

(Amended in places to improve readability only)

Jason Napier

Good morning everyone and thank you for joining us. My name is Jason Napier. I'm the analyst on Barclays in the European Bank Equity Research team. It gives us great pleasure to have Barclays with us today. Ashok Vaswani is the Head of the Retail and Corporate Banking business. As you know from the format of these things we will have introductory comments, setting the scene, and then we will be moving to an interactive fireside chat format. So Ashok, thank you.

Ashok Vaswani

Thank you, Jason. So glad to be here. Lovely to be back in New York. I thought I'd do three things this morning. I think it would be useful to talk a little bit about the context of the environment in which we're operating. I really want to emphasise this point around that we've been on this journey for a while. So the story I am talking to you today is not about tomorrow's promise, it's really about today's story. And the third thing I want to talk about is why, personally, I am so excited about this opportunity that we have ahead of us.

So, let's start right at the beginning. May 8, last year, Barclays did a whole re-segmentation and bought together what we are now calling Personal and Corporate Banking, PCB. And we bought together the retail business, the wealth business and the corporate business. This has actually been quite a unique combination, not too many big banks actually organise like this. And in doing this, I think we've kind of identified three big areas of competitive advantage.

The first big area of competitive advantage is around the customer and client continuum. A lot of banks have small business as part of retail, then large business someplace else. Somebody has a cut off at 5 million, somebody has a cut off at 25 million, you choose the number somewhere in-between. And what happens is that you get a very disturbed customer relationship as the customer grows the business.

With [our structure], you get a very seamless strength right up the client continuum. Two: think of it as a product continuum. At the end of the day, it's got to be products that we sell and we can really get industrial strength scalable engines to provide products irrespective of which segment of customers is buying it, you obviously get a lot of cost advantage, resilience and a much better client satisfaction. And I think that's a big deal.

The third big deal is really about how you connect clients, big corporate clients, to lots and lots of customers. So we've got about 25,000 large clients, we've got about 850,000 small businesses and how do you connect that and really help a client's business to grow while delivering value to small businesses? And I come back to that because - everybody talks to you about, how everybody is going digital and how fewer people are going to the branches and stuff like that - but I think these are the kinds of things, which truly take digital to a completely different place and we should talk about that.

PCB is a pretty large business; it's got about £9 billion of revenues. In 2013, the business made about £2.6 billion in PBT; 2014, up 29% to £3.3 billion, 13.7% return on equity. If you take return on tangible equity, getting closer to 17.5%, so pretty good business, pretty much a powerhouse and how we develop upon that is an interesting thing.

You know, every time I land back in New York - I have been really lucky, I worked in New York for six, seven years - and every time there is a buzz about New York. You love coming back to New York. And you think about New York and you say, my God, what George Bernard Shaw really said about the UK and the US, so true, really two countries divided by a common language. It is so, so different working out in the UK, than working out in the US right? So I thought then we'll take a moment to reflect on some of those things. I think about it in two buckets; I think about it in a structural bucket and I think about it in an operating environment bucket. So the structural bucket, the United States has a fantastic thing around Fannie and Freddie, they write a whole bunch of mortgages, you can sell up the mortgages to Fannie and Freddie. You have exciting stuff like MSR and stuff like that, but generally speaking your balance sheet gets cleared with a lot of these kind of loans, right? It's very different in the UK. Yes, we can securitise but mostly our mortgage book is on balance sheet.

You think about payments and you think about 'wow look at the amount of innovation that's happening in the payment space', and so much focus being paid in the United States and hardly anybody is paying any attention to it in the UK, and you have done the conclusion. Look interchange rates in this country still running 180, 175 basis points, in the UK and Europe, my God, it's like down to virtually nothing, like six cents on a debit card transaction and 80 basis points on a credit card transaction, leading to very, very different kind of outcomes. You think about the wealth space and how retail distribution review in the UK has forced banks to talk about how much are we going to charge you for financial planning separately, from how much are we going to charge you from execution or getting you into particular fund or not. Again, quite a fundamental difference. I know, we can go on and on and say there are pretty significant fundamental differences. The other one is that there is no statute of limitations. You're never going to believe this - I wouldn't - that there is no statute of limitation. In the United States for the most part after seven years, you're pardoned and you're done and you kind of move on, right? In the UK, that doesn't happen.

And then on the environmental side, the regulators, we have twin peak regulators; the FCA, the PRA. And the FCA has really driven stuff in a particular way. And I know the CFPB is doing a lot of work in the United States, but somehow it feels that the FCA has got an unenviable head start, if you put it that way. And what that's led to, is this notion of anything around product innovation is virtually dead, so, you can't build your business and your business strategy on product innovation. What you have to do is think about how do you build it around client centricity, customer centricity, customer experience, which has led us to think about these things in a very different way. You cannot get away with charging $34 for a bounced check and stuff like that in the UK. You would be crucified if you did that kind of thing. You actually have to prove why it costs you so much to charge that. But if you build a business model in that environment, under pressure, you make that work. The ability to scale it becomes really, really, cool.

So the working environment from the UK and US is interesting, I thought we'd just put it into perspective. Like I said, we've been at this for about two years now. So this is not about saying 'I promise you I will do this for you tomorrow, I promise you my cost will go down, I promise you my revenue will go up' and things like that. What we sincerely believe is that the GDP is growing 1% or 2%, and financial services, generally speaking, grow with that. We've got our national fair share somewhere between 18% to 20% of the market, our revenues will grow slowly, low-single digits. Importantly, we run our businesses in control, we take a low risk appetite and therefore we can run it somewhere between 20 basis points, 25 basis points of LLR and actually in pretty good shape.

And then quarter-on-quarter, you reduce your cost base, and I will come back to that, I will show how we are doing that. But if you get these three things done, you can deliver double-digit PBT. You get into a very nice place where you can deliver double-digit PBT and actually keep moving your return on equity up in quite a nice fashion and that's really what we are trying to get done.

So, now you've seen how that is really going to happen. So let me give you an anecdote. I wish I could invite you all, in fact, you are all invited to come to Level 23 of One Churchill Place. In level 23 of One Churchill Place, our headquarters, we created something that we call the Digital Branch. It's a very cool place. Every time you're down, you should go there, it gets our spirits going. That Level 23 of One

Churchill Place cost me about one-fifteenth the cost of my entire physical network and therefore, every morning, if I can get up and move stuff from the physical network to the digital network, I am just winning big time. It's not just the front end digitisation, it's actually the automation of the entire customer journey end to end, and the creation of those industrial strength engines which deliver that kind of capability to customers.

So we roughly run the business with about 1,460 applications. We think by creating the proper industrial strength engines, we can bring those 1,460 applications down to something closer to 800. Not only does that improve customer service quite considerably, builds resiliencies make it much, much cheaper, and therefore that's the way we're trying to drive this whole thing. Digital is not just this.

Everybody talks about mobile phones and stuff like that. Obviously, with mobile phones we've got 6.6 million people who are digitally active with us. Putting that into perceptive, that's a little bit more than about 11% of the entire population of the United Kingdom. The equivalent number in the United States would be 33 million. These guys come on to the mobile 28 times a month where they do a whole bunch of stuff, but also allows them to do stuff which is not usually thought about.

So for example, can you have a button which allows you to talk and it opens a video conversation with somebody in the Sky Branch. So we want face to face, how do you do face to face on the mobile phone? 95% of our payments get done this way, account opening is a much lower number, but we are actually taking digital into the physical branch, where it's assisted digital as opposed to pure digital. Again, freeing up capacity, making the customer experience much better and things like that. So the ability to actually grow revenues at a slow-single digit, take cost out continuously, run the business in control and get to a double-digit PBT, I actually feel pretty good about that and hope to continue to deliver upon that. And I am not even starting to talk about interest rates and what happens when interest rates go up, my LDR is like 73%, obviously the interest rates go up, when they do go up, that will be a good thing for my business.

And finally, I am really, really excited actually about the future because I think we've got the unique opportunity to become the financial services partner, not financial services provider, the financial services partner for the UK ecosystem. What do I mean by that? Just think about it. There is no other bank in the world, there is absolutely no other bank in the world that deals with the north south corridor right from the UK down to Africa, right? So, I can sit in New York and talk to the CFO or Treasurer of IBM and say 'you know what, I am willing to lend you $1 billion in New York'. And he will turn around and tell me, 'join the line because there are so many other banks dying to do that to IBM'.

But the same conversation, I can say, 'by the way, I am willing to lend you £25 million in Botswana'. I have completely different connotation for him. So there's absolutely no other international banks that can make it happen. And we do enough of this stuff and I can get into many more examples, but if we can do more of this stuff on the back of it, it gives me ECM, DCM mandates in the United States. Think about the wealth business and think about the amount of wealth that's being generated in Asia, and how much of that wealth is actually coming into the UK. Again, there is absolutely nobody else. We are the only folks in town who can actually facilitate this kind of conversations. So, this is a really, really exciting opportunity, which we're working on.

So, Jason, maybe I stop there. I can go on, but I think I have to stop there and let's open it up for question and answers.

Jason Napier

Thank you Ashok. So, one of the things that we hear fairly regularly from investors actually, is about putting personal corporate together, the strength of returns in your retail business and the size of the retail business is somewhat lost particularly because Barclaycard is in its own division. Would you perhaps be able to give us a sense of the relative returns within retail versus corporate in your business?

Ashok Vaswani

Right. We've actually kind of put the businesses together, so the small business goes into the corporate kind of thing, roughly 50% the PBT. Mortgages kept separately, because it's a very regulated kind of business, low risk appetite, low RWA, £136 billion on balance sheet, about £45 billion in RWAs, good returns there. In each of our three businesses, we are generating returns in excess of cost of capital. So overall, at about 13.7%, about 13% in corporate, retail is a little higher, mortgage is more like retail, so in and about that sort of range.

Jason Napier

When we look at retail in particular, one of the things the Central Bank data confirms and anecdotal evidence is overwhelming as well, is of course the front end spreads are falling very quickly in the UK market. Could you talk a little bit about the sort of positioning of front versus back book rates in your business and where you see business' market share going all the time, it's a place you've emphasised over the last few years?

Ashok Vaswani

Jason, that's particularly true in the mortgage business. And in the mortgage business, we were running at about market share of about 8%, 9%, we've kind of moved that up to 11.5%, but I don't run that business on market share basis, I run that business purely on a returns basis. Now it is true that there has been pricing pressure on the mortgage book, but the pricing pressure in the mortgage book, we are slightly different from everybody else in multiple ways. The first thing we are different on is, we don't have an SVR book, so we don't have a standard variable book, a lot of people have a standard variable book. So what happens is that when you get pricing pressure, people who are on a standard variable rate and a much higher rate, they tend to re-mortgage and the churn therefore in that file is much, much more than it is in our file. A lot of our business is re-mortgage and therefore it works quite well for us.

Our risk appetite is relatively low. I am sitting on a LDR of 73%, my ability to continue to actually reduce deposit pricing stays. And what has happened Jason is that all the investments that we have made in customer centricity, things like my current account book; in 2012, my current account book in retail was £22 billion, now my current account book is £30 billion. That is 40% growth in like two or three years in a market in which, obviously, current accounts are not growing at a 40% rate. The point is there has to be a belief that if you get it right from a customer centricity purpose, the customer will reward you and that's what happened. Now, that is 0% interest, so the mix and blend of how much of my deposit is coming from current account or how great my cash management business is doing in generating a different kind of mix, which allows me to get a relatively low deposit base, and therefore I am able to sustain the pressure on pricing.

I am taking this opportunity to invest as much as I can on completely automating and digitising the mortgage experience. So typically when you go looking for a place, you are out on a Saturday or on a Sunday, you and your wife find this dream house and then do you really want to wait for your banker to show up on Monday morning before you're going get a mortgage? So we have done something called an agreement in principle. In literally less than 10 minutes, you answer a whole series of questions and we will tell you whether we lend to you or not, in principle, subject to documentation and all those things, but it takes a lot of the anguish out of the system. And once you lock in that kind of thing, you do that. 65% of our mortgage business comes from the intermediary channel. We are automating that process completely to make it really easy for the brokers to give us that business. And for one, I will not do things like charging my customer a different rate when he comes into my branch versus my customer who goes to an intermediary broker - that's asking for trouble in the future. So folks who are doing that sort of thing are just setting themselves for difficulty later.

Jason Napier

And one of the things that strikes us as interesting is that we are all very return focused. Today you said that you're focused on returns rather than market share. But to the extent that mortgages are the best return around on the credit side at least, and the vast majority of your cost fixed in any event, how you think about the return on the marginal mortgage, because there are some participants in the market who are prepared to accept business at ever decreasing ROEs, because the relative in mortgages is still so attractive?

Ashok Vaswani

Jason, think about it. If you completely digitise the process, then the marginal cost of raising the mortgage actually comes down quite dramatically, right? It's your cost of funding, and if you have an advantage and you can lock in the certain thing. And we can tweak the business a little bit around and say, so how much of our business is really coming from residential mortgages, how much is coming from buy to let, how much of it is coming from slightly higher LTV and tweak that a little bit, you land up in a really, really nice place. And if you're completely open and transparent with the brokers and say look, you are going to charge them the same rate, you got things like the Homeowner app, where you say, you can come to the branch or go the broker. It's really about building a great relationship with them to have them refer a lot more business to you. Actually, we're now turning around two offers in less than a day. So what does the broker also want? He wants, when he goes to a client, he wants to be assured that deal will get done. Then we have got new products. So, I don't know if you've heard of a Springboard Mortgage. It's actually pretty cool - I have got a daughter, she is 23 years old. She is in San Francisco. Clearly she is not going to be able to buy a place in San Francisco without me helping her with the down payment. If I could give her a down payment, let's say 10%, and then she takes a loan for 90%, but she pays off the bank initially, then is required to pay me off, and then pay off the bank [for the remainder]. That gets her on to the housing ladder. It gets her into a great of position from an inter-generational kind of perspective and gives me a very, very good return. Nobody else has got products like this out there in the marketplace. So, it's differentiating yourself on the speed, on product and on the customer experience.

Jason Napier

Your business - and we did that work on digital banking in 2013 – you, one of the first organisations we met that we are talking about radical reductions in portfolio size and so on. I appreciate that's good for resilience efficiency cost, the ability for your staff to actually know what the products are. To what extent does that make it harder to manage things like the cost of deposits lower?

Ashok Vaswani

At the end of the day, we used to have 64 different types of savings accounts. Do I really need 64 types of different savings accounts? We brought that down from 64 to 6. So I've got over all this headache of regulatory mailing, I've got over these headaches of different letters going to different customers. If you get one notification wrong, the FCA is going to make you do a complete backbook review. God knows how much that is going to cost you, but think about it. I draw a parallel with the auto industry. For example, look at what the auto industry has done - you create the same chassis, but that doesn't mean that the dashboard can't be slightly different, and one of them can have a B&O system versus one which has a Dolby system, so this kind of feathers on the top is what we are delivering. Things like the Features Store, which makes it a completely differentiated, unique, personalised product, yet our delivery of the product is in a very standardised way. And so everybody talks about digital, and of course when you take out a transaction from the branch to a digital channel, obviously cost will come down, but delivering digital to make it unique and personalised and actually do more business with the client is what we are talking about.

Jason Napier

Looking at one of the other themes that you mentioned, obviously Barclays has the Transform agenda to deliver a set number of pound millions in costs. Your division is clearly going to be a big contributor to hitting those numbers. Could you talk a little bit about the biggest drivers of cost savings and the biggest drivers of cost inflation in your portfolio?

Ashok Vaswani

So it won't come as a surprise to you. Basically we run with three kinds of costs. We run with cost of people, we run with cost of technology, we depreciated and things like that, so call it kit, machines and all that stuff, and then cost of premises. Essentially speaking, these are the three big costs. This is the beauty of taking these industrial strength engines and saying that this is my platform for this kind of product and this is the one platform, which I am going to do across anywhere where it's sold. A loan is a loan is a loan, I am going to put it on this platform, I am not going to have multiple platforms, what that then does is, not only does it eliminates platforms, but all the front-end digitisation stuff becomes much, much easier.

And by the way, all the operations, you think about operation, then you say, operations are frankly only exception processing, if it can be automated, if it's an exception processing throw it to operations. If it's off the same platform, the number of different operation units you require comes down quite dramatically. So it's really important to think about it completely from an end-to-end customer journey, right from what is my industrial strength platform, how do I touch my customer and how do I automate and digitise right through, so that's a big one. Second big one is really about simplification of the business and simplification of the structure. So it's simplifying the structure, reducing your spans and layers and making it into a more nimble organisation, that helps quite big and Three is; take expensive things like network and move the network to the digital thing. I don't think branches are going to grow, at least in my lifetime, but how do you take each individual thing and make it easier for a client or a customer to do business with you. You guys in the United States are very used to taking photographs of cheques and sending it on cheque imaging. We said, if they can do it in the US, why can't we do it in the UK. That's what happened Jason. There is a law which was enacted in 1778 which stop us from doing that. So we actually lobbied with the government to change the law and we changed the law. That's good news, because the government said everybody has to do it. I can image and do my cheques, but obviously all cheques don't come on me - I have a whole bunch of cheques from other banks as well. Now the law has mandated that by July 2016, everything has to go on image and therefore 18 million cheque processing are suddenly going to walk out through the door. That's huge savings.

Jason Napier

One of the things that comes up from the cheque example actually, is that so far at least to my mind, most of what we're being offered in the digital realm is just a more convenient version of what we would have done in the physical realm. Do you think there is a killer app waiting to be developed out there that really puts banking business at risk? Orit is it really the emphasis so far is, if there is a cost out, the IRR works and so you are going to do it. Is it just about phasing or is there nothing really hugely imaginative that you can see coming out of digital?

Ashok Vaswani

Jason, that's a great question. I am spending a lot of my time thinking about that and experimenting. It's all about experimenting and suddenly if it works, of course I will tell you. But right now, I am experimenting with it. So, let's take payments for example. I hear lot of people how they wish banking was boring. That's not true. Why should it be boring? It can actually be really, really exciting.

Think about Pingit. Now Pingit is really caught on big time in the UK. We started Pingit just going peer to peer. So, mobile to mobile payment. Now we are starting to take Pingit into the corporate world. We started taking Pingit into the corporate world and you say, 'how do I do mobile checkout, how do I do things which allow a person to actually buy train tickets, bus tickets, buy your Domino's pizza', all within app on Pingit. Suddenly there is a whole series of flows, which were not earlier being done through the cash channel, which are getting converted onto Pingit. Then you say, 'can I open up Pingit, can I go for international remittances'.

There is a corridor of nearly £12 billion that goes from the UK to India every year. A tie up with MPay in India, which is a database, and suddenly, I get instant transfer of money to India, instant credit to the account. I get the checking account at the UK end. So, suddenly it becomes exciting. Now with Pingit, say, for example we are having lunch and you pay, I need to pay you back. I can actually take a photograph of the two of us having lunch so when I pay you back, I send the photograph and say 'hey Jason, lovely to have lunch with you'. And then if you, say, take that same photograph capability and give it to an insurance company, suddenly instead of mailing a whole bunch of premium notices, how can they send photographs with the premium notice to clients allowing them to pay immediately, so think about it the other way.

If I got home insurance and my TV is broken, I take a photograph of my broken TV and I Pingit across to whoever my insurance company is and by the way they can settle the claim on an image, so you can see how these things are happening. Pingit is one big one. The Features Store to my mind is a big one, because what we are basically saying is, think about a Features Store as the iTunes Store. So you can go to iTunes Store and pick up any song you want, any podcast you want, anything you want. What we said is that at the end of the day, in any one person's financial life, there are not more than 10 or 12 big financial moments. First time you buy a car, first time you go to college, get married, kids, home, summer home, retirement, aging and I am already at eight and I'm running out.

Now let's just take for example, buying a car. Say Jason is maybe in the market for Lamborghini. Because Lamborghini is a client of mine, I ask if they would you give Jason a test ride, and so you can go into that moment and you get test ride with Lamborghini. By the way, I give you a loan, by the way I give you insurance, by the way I have tied up with the government, so you can seamlessly, seamlessly without log-in, log-out, log-in, get your parking tickets, get all that other kind of stuff, you go MOT and all that kind of good stuff. By the way RAC is equivalent of AA in the United States is a client of mine, they are ready to give you a deal and by the way, I got CloudIT, which allows you to file all your tax, all your papers relating to your car digitally in the cloud with memory service and stuff like that.

And by the way there is another client of mine who is called blackcircles.com, which does a great stuff for tyre re-treading. So when your car, when your Lamborghini has worn out tyres, they even give you a discount on how you do the tyre re-treading. Suddenly this whole ecosystem has come alive for you.

You know my favourite one is when you get married. I don't know how many of you know, Royal Mail actually has got the ability to deliver personalised stamps, so think about a bride and bridegroom wanting to choose personalised stamps for mailing out their invitations. You tie them more into the ecosystem, your personalised stamp and get it done, so it's surprise and delight, which makes it something so much more fun as opposed to just boring finance so to speak. And doing the kinds of things that we are experimenting with, you are suddenly seeing tremendous degrees of pickup, doing that on the desktop, doing that in the mobile, based on propensity, modelling, saying somebody is going to buy a new home, somebody is going to have kids, kids are going to college, how do you present those moments on the mobile and allow that person to get the full ecosystem. These are two examples of what we are trying to get done.

Jason Napier

One of the places that we think banks have struggled in the past as well, we're in a low rate environment, there are obviously reputational issues, there is conduct issues with advice and so on. Do you think mass affluent banking is something that can generate good returns over its entire life once context factored in? How do you see the sort of role of wealth within the portfolio?

Ashok Vaswani

So that's a really interesting question. Let me go a little bit into the history, maybe you are aware of this, but let me go a little bit in history and see how our wealth business really grew up. So in 2005, we took the top end of wealth in the UK and they are part of the wealth division. We made a whole bunch of investments in growing out wealth organically in Europe and in Asia, pretty good businesses, but relatively speaking sub-scale. And then in 2009, we bought the Lehman Brothers wealth business in the US. The businesses are very, very different. In the United States, as you know, better than most, in Morgan Stanley and such, the amount that you are going to pay to an Investment Representative, up to 30% of revenues and things like that, it’s often very difficult to generate a return which will justify all the energy, focus, expenses etc.

But there is absolutely no reason why we can't be number 1 in the UK. The only other player is Coutts. Coutts is a subsidiary of RBS. Coutts pride themselves on running very, very different from RBS. We are the only integrated people in town. And then think about Asia. What I love about the wealth business is that every single high net worth or ultra-high net worth client is multi-banked. So if I show up as the only British bank in town, they want some diversification from the Swiss. So for me to get a natural 20%- 25% market share can't be that hard, right? What we've got to do is, we've got to run these businesses in a far more integrated fashion, whether that is in the UK, Europe or Asia. With all due respect, the Americans are very insular, so we keep the Americans slightly on the side, but if we can integrate UK, Europe and Asia, we can get into a very, very nice platform.

Your point on conduct risk, if we can get to a common platform, which is what we are pushing for - we are pushing for Havelock and Charles River - if we can get everything on to that common platform and actually give to the customer, a unified view of the entire net wealth the customer has across various booking centres, that will be great. We've simplified considerably a number of booking centres. So other than the US, we have booking centres in Hong Kong, Singapore, London, Geneva and Monaco. That's it. And we are focused prime target market down to 70 countries. So that is really refocused, repurposed wealth. And in six, nine months' time, I think we'll see a very, very different business with very different kind of return.

Jason Napier

Under the previous firm management, the Gamma plan, huge investment, how far you from being finished in the sorts of things you are describing?

Ashok Vaswani

So I don't call it the Gamma plan any longer or anything like that. That's done and dusted, it's over. We are really, really focused on how do we bring the platform together, that's within my cost base already. So I am not asking for any kind of additional cost to do that. I think if I can get Havelock and Charles River done across UK, Europe and Asia, and I'm pretty much there. I think in six months' time, I'll be able to show you a completely different story.

Jason Napier

Last question, because we are running short of time, was just to check, capital generation in your business is immense, courtesy of the RoE of the footprint that you have. Just in terms of the outlook for greater capital backing for mortgages and the future appetite, your division has to grow. So what are your thoughts on whether you might actually see wider margins if capital backing goes up and secondly, what would be the top destination for some of the capital you reinvest as the business grows?

Ashok Vaswani

Obviously Tushar and I had many, many conversations around that. Tushar is very, very conscious of the fact that this is a business that is generating a 13.7% RoE and hopefully more towards 14%, 15% RoE, and therefore capital allocation is given to the business to grow it. I'm not holding back on any kind of mortgage growth because of capital. I may hold back and say that I am going to run it for returns, but I am not going to do stupid things to grow the business.

At the end of the day, my RWAs in the mortgage business is only £45 billion and I think we can run the corporate book quite nicely at about a £70 billion RWA kind of business. If you put everything else together, I think we can run this business quite nicely at £125 billion, £130 billion RWAs, which is pretty much where we are today. Little bit of flex here and there because of FX, because of customer behaviour, client behaviour but capital is not really what is constraining the business. And as we think about the broader Barclays and how we do capital allocation, I have to believe that the first point of contact would be PCB. Africa as you know is ring fenced and has a different kind of proposition.

Jason Napier

Very good. Well that brings us bang in on time, thank you so much for joining us.

Ashok Vaswani

Thank you.

Important Notice

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

Forward-looking Statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend payout ratios), projected levels of growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the Transform Programme and Group Strategy Update, run-down of assets and businesses within Barclays Non-Core, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards (IFRS), evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; UK, US, Africa Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of the Group; the potential for one or more countries exiting the Eurozone; the implementation of the Transform Programme; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements. Additional risks and factors are identified in our filings with the SEC including our Annual Report on Form 20-F for the fiscal year ended 31 December 2014, which are available on the SEC's website at www.sec.gov.

Any forward-looking statements made herein speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information or future events. Except as required by the Prudential Regulation Authority, the Financial Conduct Authority, the London Stock Exchange plc (the LSE) or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Barclays' expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has made or may make in documents it has published or may publish via the Regulatory News Service of the LSE and/or has filed or may file with the SEC.