



# Barclays PLC

Morgan Stanley European Financials Conference  
24 March 2015



Antony Jenkins

Barclays Group Chief Executive

# Financial highlights

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Increased adjusted pre-tax profits by 12% – Core up 3%, Non-Core losses down 24%

Costs excluding CTA £16.9bn, ahead of £17bn guidance

Core business performed well with PBT of £6.7bn and RoE of 10.9% ex-CTA

Strong progress on shrinking Non-Core and releasing capital

Building capital: CET1 ratio 10.5%<sup>1</sup> and BCBS leverage ratio 3.8%<sup>1</sup>

<sup>1</sup>Including Spain disposal |

## 2016 Transform targets

		2016 Target	2014
Group	Capital	CRD IV FL CET1 ratio >11.0%	10.5% <sup>1</sup>
	Leverage	Leverage ratio >4.0%	3.8% <sup>1</sup>
	Dividend	Payout ratio 40-50%	38%
Barclays Core	Returns	Adjusted RoE >12%	10.9% <sup>2</sup>
	Cost	Adjusted operating expenses <£14.5bn	£15.1bn <sup>2</sup>
Barclays Non-Core	Returns	Drag on adjusted RoE <(3%)	(4.1%)

<sup>1</sup>Including Spain disposal | <sup>2</sup>Excluding CTA |

# Approach to technological development

## Barclays Accelerator

- Invites FinTech start-ups to apply from all over the world
- Run in partnership with Techstars, one of the world's leading start-up accelerators
- 15 week programme run in East London
- Received 531 applications in 2015 from 64 countries
- Recently launched in New York



## Barclays Escalator

- Based in London and Manchester
- State of the art event and networking spaces tailor-made for high growth start-ups
- 2,500 companies supported through the Innovation Loft



## Pingit & Twitter

- Launched Pingit to 13.5m Twitter users in March
- First British bank to allow people to pay each other using their Twitter handle



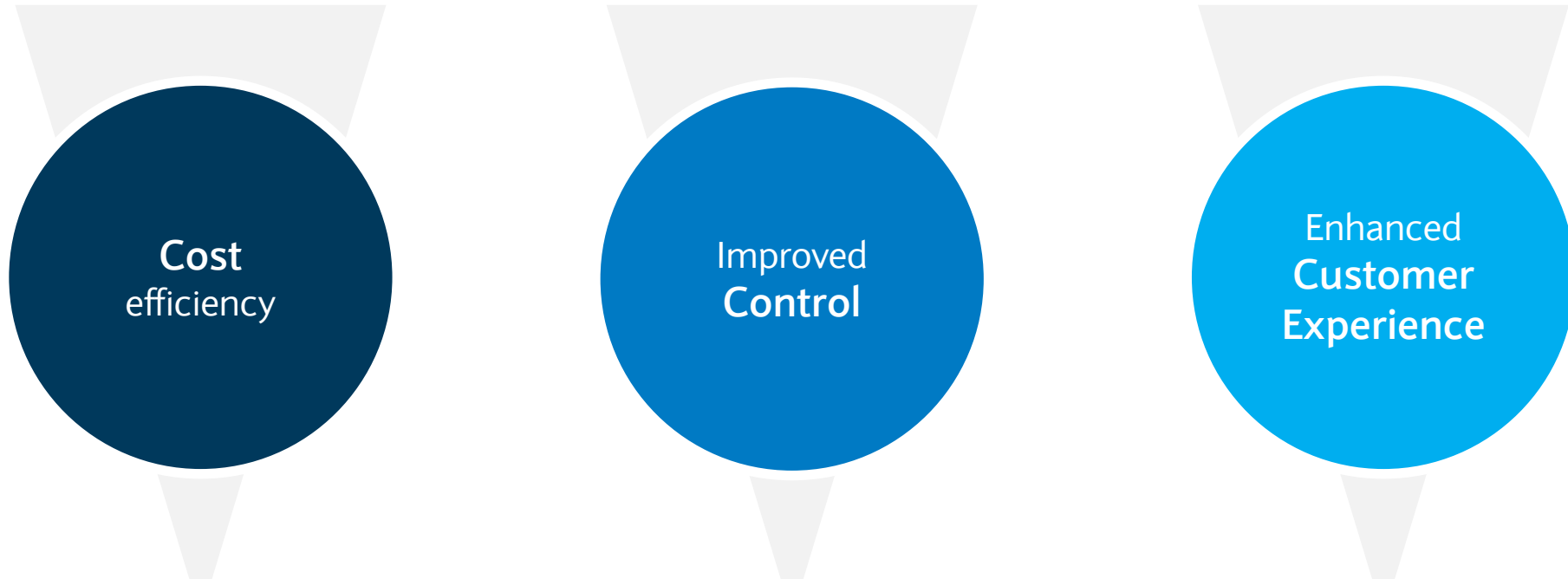
- 'Open market' wearable contactless payment product
- Can be used at over 300,000 contactless payment terminals across the UK
- To be launched more broadly to the market in 2015

bPay

# Leading the way in technology

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Barclays is committed to pioneering technology and adapting to a changing world



To become the 'Go-To' bank –  
a strong business delivering sustainable returns

# Technology continues to enhance the customer experience

PCB

Digital banking

Over 80% of all payments and transfers in personal banking are digital

Mobile banking



Average customer uses mobile banking 30 times/month

Pingit

Almost 1 million active customers

Digital Eagles



Provide help and advice on all new technology

Branch formats

Around 500 Automated Service Counters, increasing to 800 by 2016

Mobile cheque imaging



Saves time and reduces costs for customers

Finger vein technology





Quick and secure identification for corporate customers

Digital client on-boarding

Pilot reduces average corporate client on-boarding time by 50%

# Technology continues to enhance the customer experience

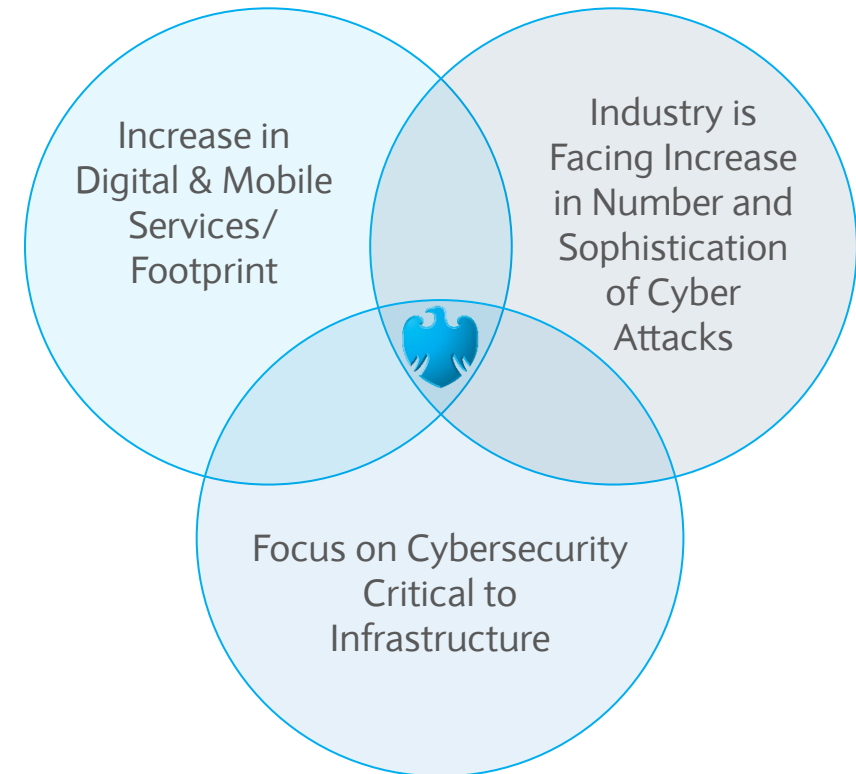
	Contactless card technology	Introduced on Transport for London
Barclaycard	bPay Band 	Convenient wearable contactless payment technology
	Apple Pay	Apple Pay available with all Barclaycard-branded cards in the US
Africa	Automated cheque payments	Quick and convenient, with no paperwork
IB	OTC derivatives clearing	Agreement with SunGard to develop operations utility
	Barclays Live 	Customised data and analytics on-the-go



# Strengthening controls

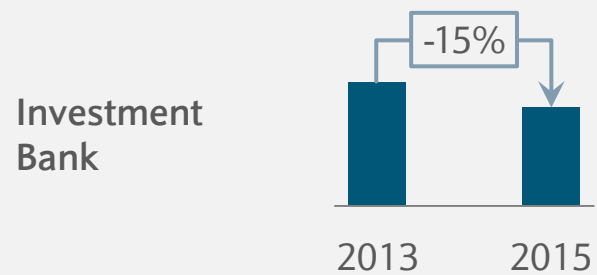
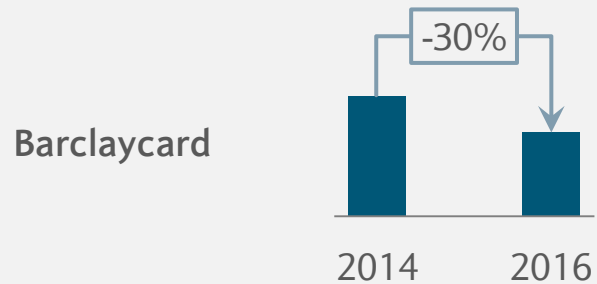
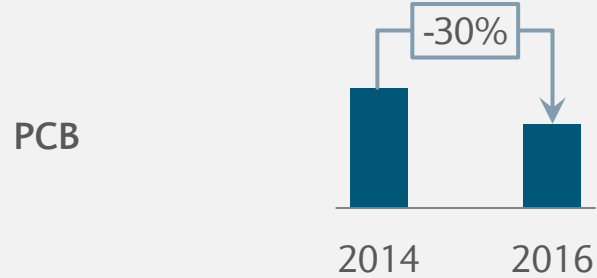
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- Technological changes give rise to cybersecurity threats
- Barclays continues to invest in technology and people to protect against emerging threats
  - Increased funding and resources dedicated to cybersecurity
  - Investment in senior hires, such as former head of EC3
  - Equal emphasis on detection and prevention capabilities
  - Move from reactive perimeter-focused defence to a proactive approach



# Operating efficiencies delivering cost benefits

## IT applications decommissioned

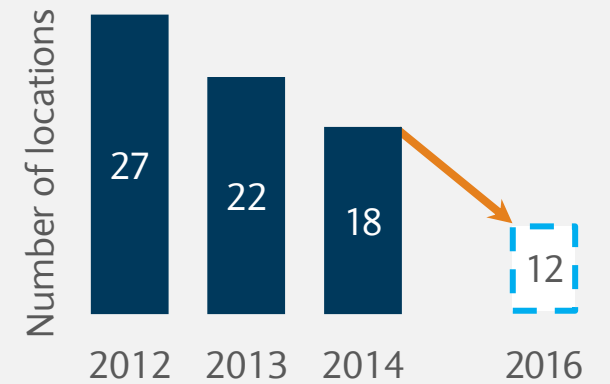


## Business instant lending

Instant and automated lending process

**21%**  
Cost: income ratio

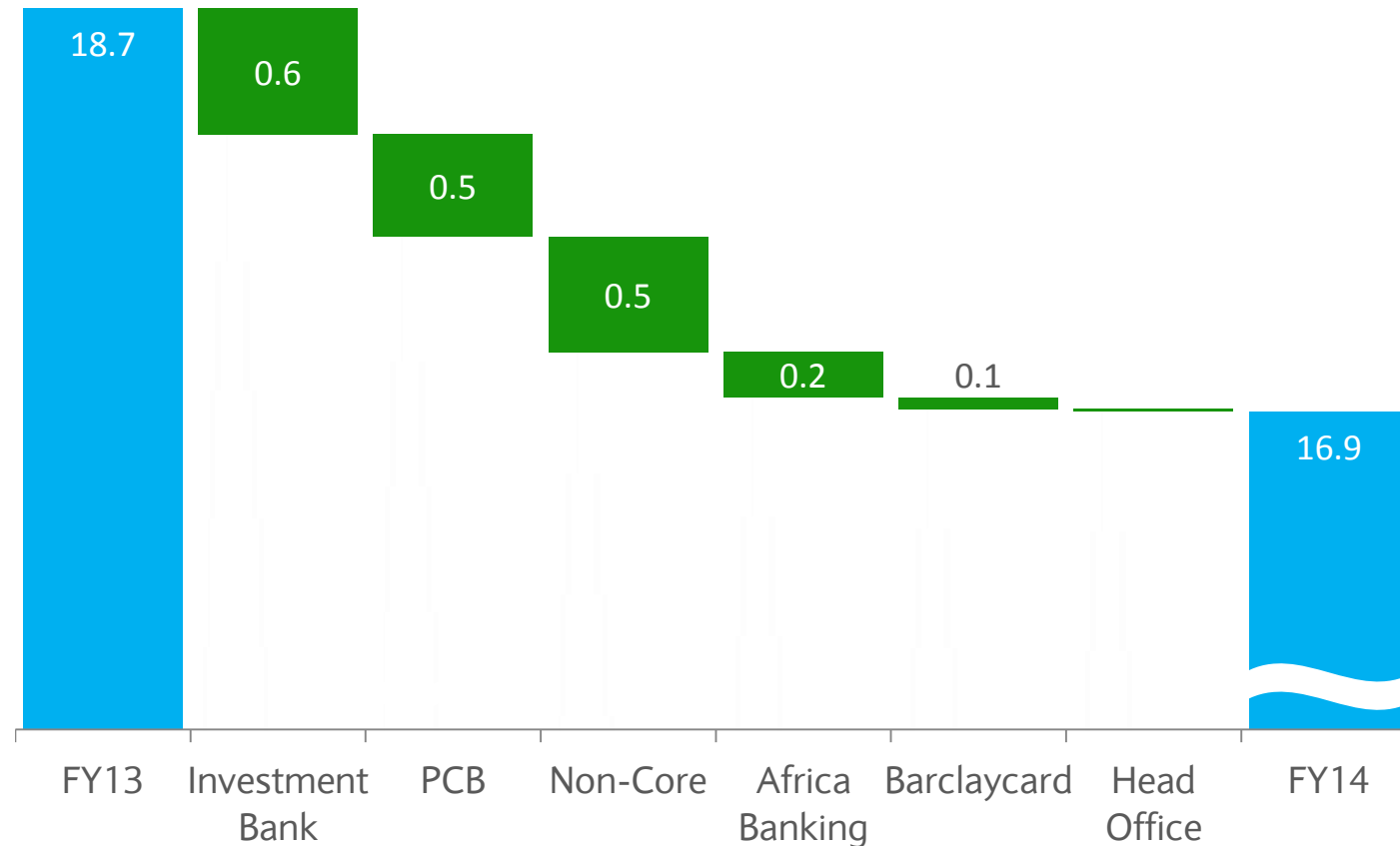
## PCB non-branch UK locations



# Operating expenses significantly reduced

## Operating expenses progress – excluding CTA (£bn)

## Highlights

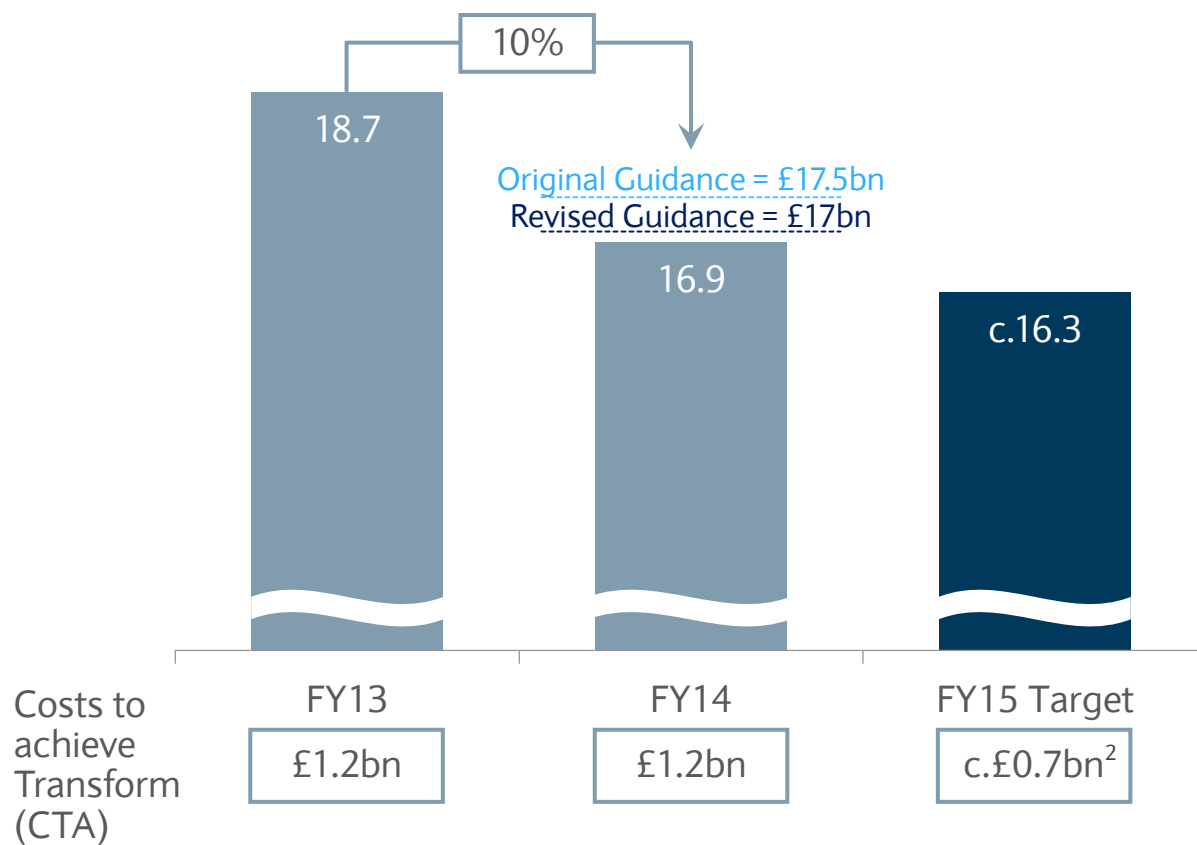


- Transform saves:
  - FTE reductions from Investment Bank front office restructuring, branch network transformation in UK and Africa and restructuring of the European business
  - Optimisation of IT platforms, consolidation of middle office functions in the Investment Bank and process improvements
- Reduction of performance costs mainly in the Investment Bank and PCB
- Favourable currency moves from a cost perspective in Africa Banking, the Investment Bank and Barclaycard

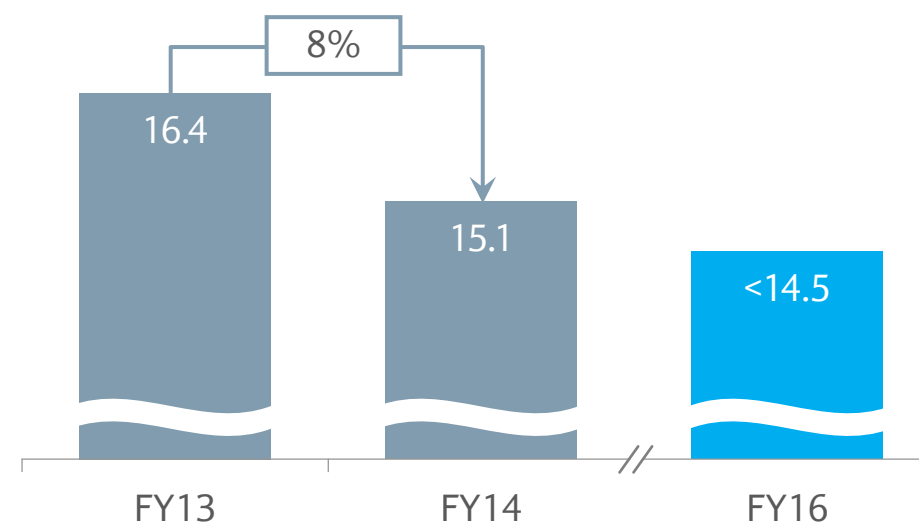
# Group cost targets

## Group cost guidance<sup>1</sup> (£bn)

## Core cost targets<sup>1</sup> (£bn)



■ Core cost target



<sup>1</sup>Excludes provisions for PPI, IRHP and FX redress, goodwill impairment and CTA | <sup>2</sup>2016 CTA target of c.£0.2bn |

# Conclusion

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Continued capital build: CET1 ratio 10.5%<sup>1</sup> and BCBS leverage ratio 3.8%<sup>1</sup>

Progress on returns with Core RoE of 10.9% ex-CTA

Strong progress on shrinking Non-Core and releasing capital

Embracing technological change key to delivering sustainable growth

Barclays on the forefront of adopting technology to become the 'Go-To' bank

<sup>1</sup>Including Spain disposal |



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