Focus on delivering attractive Group returns to shareholders

Material simplification of Barclays – selldown of BAGL stake, elimination of Non-Core

Core business performing well

One-time increase in Non-Core – accelerated rundown in 2016, funded by lower 2016/17 dividend

Robust capital position to give flexibility

Simple financial targets to deliver attractive Group returns to shareholders, including sustainable dividend flow
2015 results give strong starting position

- Solid performance in the Core and continued Non-Core rundown
- Core business performed well, adjusted PBT of £6.9bn, up 3%, and RoTE of 10.9%
- Non-Core RWAs reduced £29bn to £47bn
- Strong capital generation of 110bps, taking the CET1 ratio to 11.4%
- Costs excluding CTA of £16.2bn, down 4%, and below £16.3bn guidance
Materially simplified and refocused Barclays

**RWAs (£bn)**

### Group RWAs

<table>
<thead>
<tr>
<th>Description</th>
<th>2013</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>£442bn</td>
<td>£358bn</td>
<td></td>
</tr>
<tr>
<td>Non-Core RWAs</td>
<td>£110bn</td>
<td>£47bn</td>
</tr>
<tr>
<td>CET1 ratio</td>
<td>9.1%</td>
<td>11.4%</td>
</tr>
</tbody>
</table>

1 Includes Head Office
Intention to reduce 62.3% stake in Barclays Africa Group Limited (BAGL)

Impact of sell-down\(^1\)

- **£2bn** Cost reduction
- **c.40,000** Headcount reduction
- **CET1 ratio uplift** in 2-3 years

**Rationale for sell-down**

- 100% financial responsibility with only 62.3% of benefits
- Despite strong returns profile locally, significantly diluted at Barclays Group level
- UK Bank Levy, GSIB buffer, MREL/TLAC and other regulatory requirements present challenges to Barclays as owners
- Intention to sell down to level which permits accounting and regulatory deconsolidation\(^1\)

**FY15 returns (%)**

<table>
<thead>
<tr>
<th></th>
<th>BAGL RoE</th>
<th>Africa Banking RoE</th>
<th>Goodwill</th>
<th>Africa Banking RoTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>RoE dilution</td>
<td>17.0</td>
<td>8.7</td>
<td>3.0</td>
<td>11.7</td>
</tr>
</tbody>
</table>

\(^1\) Implementation of Barclays' intentions are subject to, amongst other things, shareholder and regulatory approval as required. Implementation of these plans is also subject to significant execution risks and there can be no assurance the expected benefits will be realised on the proposed timescale or at all.

Sell-down will lead to further simplification of the Group, resulting in cost reductions and CET1 ratio uplift
One-time increase to Non-Core: 2017 RWA guidance retained

Non-Core RWAs (£bn)

<table>
<thead>
<tr>
<th></th>
<th>Dec-13</th>
<th>Dec-15</th>
<th>Perimeter change</th>
<th>RWA reduction 2016 &amp; 2017</th>
<th>Dec-17</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-Core RWAs</strong></td>
<td>110</td>
<td>47</td>
<td>c.8</td>
<td>c.35</td>
<td>c.20</td>
</tr>
</tbody>
</table>

- **Dec-13**: 110
- **Dec-15**: 47 (57% down in 2 years)
- **Perimeter change**: c.8
- **RWA reduction 2016 & 2017**: c.35
- **Dec-17**: c.20

**Investment Bank**
- Closing 9 countries
- Exiting certain product lines

**PCB**
- Wealth Asia

**Barclaycard**
- Southern European cards

**Africa Banking**
- Egypt and Zimbabwe

**Non-Core Guidance**

1. **Maintain guidance of around £20bn of RWAs by end-2017**

2. **Rundown will result in increased negative income and costs in 2016**
   - **Negative income**: broadly in line with Q415 run rate
   - **Costs**: additional c.£600m plus restructuring costs of c.£400m
     - Majority of these are expected to be exited in the course of 2016

**Dividends**

- In order to provide flexibility to fund the accelerated rundown, we intend to pay a dividend of 3p for 2016 and 2017 with expectation to pay out a significant proportion of earnings over time.
## Transatlantic Consumer, Corporate and Investment Bank

### Barclays PLC

<table>
<thead>
<tr>
<th>Division</th>
<th>Description</th>
<th>RWAs</th>
<th>RoTE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Barclays UK</td>
<td>Focused UK consumer and business bank with scale</td>
<td>c.£70bn</td>
<td>Double digit adjusted RoTE</td>
</tr>
<tr>
<td>Personal Banking</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barclaycard UK</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Banking and Wealth</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barclays Corporate &amp; International</td>
<td>Diversified transatlantic wholesale and consumer bank</td>
<td>c.£195bn</td>
<td>Double digit adjusted RoTE</td>
</tr>
<tr>
<td>Corporate and Investment Bank</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments and Merchant Acquiring</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Barclaycard and Wealth International</td>
<td></td>
<td></td>
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</tr>
</tbody>
</table>

- **BAGL**
  - Announced intention to sell down and deconsolidate
- **Non-Core**
  - Focus on completion of rundown

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**Well capitalised, supporting solid investment grade credit ratings**

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1 Illustration of Barclays business divisions in preparation for regulatory ring-fencing. Plans are subject to internal and regulatory approvals and may change. Figures given are illustrative based on FY15 financials re-calculated on re-segmented basis. Illustrative financials are not a forecast of future metrics and may differ materially upon implementation of the future legal entity restructuring. Illustration excludes Head Office.
Barclays UK: Focused UK consumer and business bank with scale

Differentiated through scale, with 23 million customers, and digital innovation

- **Personal Banking**
  - 16 million retail customers
  - Digital is our biggest branch

- **Barclaycard UK**
  - 11 million UK customers
  - #1 UK credit card issuer\(^1\)

- **Business Banking and Wealth**
  - 23% of all UK startups\(^2\)
  - #2 UK wealth manager\(^3\)

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\(^1\) By card receivables. Nilson 2014
\(^2\) In 2015. BBA SME Dataset
\(^3\) 2015 Private Asset Managers / Barclays estimates
Barclays Corporate & International: Diversified transatlantic wholesale and consumer bank

**Scale and strength with growth opportunities in key geographies, with prudent risk management**

<table>
<thead>
<tr>
<th>Corporate and Investment Bank</th>
<th>Payments and Merchant Acquiring</th>
<th>Barclaycard and Wealth International</th>
</tr>
</thead>
<tbody>
<tr>
<td>🔹 Top tier investment bank</td>
<td>🔹 #2 merchant acquirer in Europe³</td>
<td>🔹 #5 US co-brand credit card issuer⁴</td>
</tr>
<tr>
<td>🔹 #1 US fee share for European banks¹</td>
<td>🔹 c.£300bn payments volume in 2015</td>
<td>🔹 Top 10 US credit card receivables⁵</td>
</tr>
<tr>
<td>🔹 #1 arranger of UK corporate loans²</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Diversified and resilient transatlantic business with global client reach**

**Delivering solutions for our corporate clients’ financing, payments and transactional banking needs**

**Strong growth potential across Barclays Corporate & International businesses**

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Benefits of diversification

Barclays UK
- Focused UK consumer and business bank with scale
- Personal Banking
  - Barclaycard UK
- Business Banking and Wealth
  - Innovative provider of lending and financial services in the UK

Barclays Corporate & International
- Diversified transatlantic wholesale and consumer bank
- Corporate and Investment Bank
  - Payments and Merchant Acquiring
- Barclaycard and Wealth International
  - Connecting users of capital to the providers of capital

Well capitalised, strong prospects for the future
Management focus to deliver value

At its core, Barclays is a strong business with diversified revenue streams

- Accelerate Non-Core rundown
  - c.£20bn RWAs by end 2017

- Continue focus on cost reductions
  - £12.8bn\textsuperscript{1} for 2016

- Settle remaining conduct and litigation

Resulting in Group RoTE converging to Core RoTE in a reasonable timeframe

\textsuperscript{1} Core costs; including SRP implementation costs and restructuring costs, excluding BAGL, and conduct and litigation and other notable items

12 | Morgan Stanley European Financials Conference | March 2016
Financial Targets

- **Group Return on Tangible Equity (RoTE)**
  - Group will converge with Core RoTE

- **Group CET1 Ratio**
  - 100-150 bps above regulatory minimum level

- **Group Cost: income Ratio**
  - Below 60%

Intend to achieve these targets within a reasonable timeframe
Jes Staley
Barclays Group Chief Executive Officer
Disclaimer

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