Barclays’ perspectives on the banking industry

The operating environment has evolved since the financial crisis

Barclays has taken action to adapt

Confidence in Barclays’ positioning for the future
The banking sector has evolved post the financial crisis

Significantly increased capital and liquidity requirements across the sector

Global Banks Common Equity Tier 1 Ratio\(^{(1)}\)

- **2009**: 5.7%
- **2015**: 11.5%

Global Banks Liquidity Coverage Ratio\(^{(1)}\)

- **2009**: 83%
- **2015**: 124%

Bank valuations remain pressured

Price / Tangible Book Value\(^{(2)}\)

- **2009**: 1.6x
- **Current**: 0.8x

\(^{(1)}\) Source: Basel Committee Quantitative Impact Study December 2010 and Basel Committee Basel III Monitoring Report March 2016 – data reflects the average for ‘Group 1 banks’ which are classified as those with Tier 1 capital in excess of EUR3bn and are internationally active by the Basel Committee on Banking Supervision. Data assumes full implementation of the Basel Committee’s final rules for capital and risk-weighted assets.

\(^{(2)}\) Source: Factset data as of September 8th, 2016. Banks included in the analysis: Barclays, Lloyds Banking Group, HSBC, Standard Chartered, RBS, UBS, Credit Suisse, BBVA, Santander, Intesa Sanpaolo, BNP Paribas, Societe Generale, Deutsche Bank, Unicredit, JPMorgan, Goldman Sachs, Morgan Stanley, Bank of America and Citigroup.
Barclays’ focused Corporate & Investment Bank

World class franchise with Global reach anchored in the two financial centres of London and New York

Markets
- Equities
  - Cash Equities
  - Equity Derivatives
  - Prime Financing
- Credit
  - Investment Grade
  - High Yield
  - Loans
  - Distressed
  - Municipals
- Macro
  - Rates
  - Foreign Exchange
  - Fixed Income Financing

Banking
- ECM
- DCM
- Advisory
- Corporate Lending
- Transactional Banking

Summary financials – Q216
- PBT: £909m
- RoTE(1): 9.5%

CIB Market Risk and Counterparty Credit Risk RWAs represent just 13% of Group RWAs

1 Annualised ROTE.
Evidence of Barclays’ success in repositioning the Corporate & Investment Bank

Barclays has significantly outperformed the market in FICC and Investment Banking Fees

Outperformance in FICC Sales & Trading and IB Fees(1)

H116 vs. H115

FICC

Investment Banking Fees

Barclays Coalition Index

- 6%
- 11%
- 2%
- 20%

H116 Key Drivers of Investment Banking Fees Performance(2)

- Highest ranked European bank on fee share globally and in the US
- Increased market share in completed M&A by 7.7% in the Americas and 8.1% in EMEA vs. 2015
- #2 in EMEA Fixed Income Underwriting
- #1 in All EMEA Investment Grade Debt Underwriting
- Improved ranking in Americas Corporate High Yield Debt Underwriting to #4

Coalition Analysis of H116 Credit Sales & Trading Landscape – Barclays is in the Top 5 for the Following Products(1):

<table>
<thead>
<tr>
<th>Global</th>
<th>Americas</th>
<th>EMEA</th>
</tr>
</thead>
<tbody>
<tr>
<td>High Yield</td>
<td>Loan Trading</td>
<td>EM Flow Credit</td>
</tr>
<tr>
<td>✓</td>
<td>✓</td>
<td>✓</td>
</tr>
</tbody>
</table>

1 Coalition Index includes Bank of America, Barclays, BNP Paribas, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, HSBC, JPMorgan, Morgan Stanley, Societe Generale and UBS. Barclays revenues reflect those of the Core Investment Bank. Coalition Index revenues reflect the Coalition Standard Product Taxonomy. Rankings are based on Barclays’ product offering and internal structure. 

2 League table data from Dealogic as of June 30th, 2016.
Credit market evolution post the financial crisis

The market environment and structure has changed as liquidity levels remain low relative to pre-crisis levels

US Investment Grade bid-offer\(^{(1)}\)  US High Yield average trade size\(^{(1)}\)  US High Yield liquidity premium\(^{(1)(2)}\)

**Bid-offer spreads remain elevated relative to pre-crisis levels**

**Trade sizes have decreased due to trades being broken up more as well as the emergence of electronic trading platforms**

**Liquidity risk premium has increased as the market has adjusted to the new environment**

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\(^{(1)}\) Source: Barclays Research. \(^{(2)}\) Reflects liquidity premium for being in smaller than median sized High Yield bonds.
Barclays Global Financial Services Conference | 12 September 2016

Transatlantic Consumer, Corporate & Investment Bank

Materially Simplified Barclays

<table>
<thead>
<tr>
<th>Barclays UK</th>
<th>Barclays Corporate &amp; International</th>
<th>Non-Core</th>
<th>Africa Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>UK consumer and business bank differentiated by scale and digital innovation</td>
<td>Diversified transatlantic wholesale and consumer bank</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Banking</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Barclaycard Consumer UK</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wealth, Entrepreneurs &amp; Business Banking</td>
<td></td>
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</table>

Summary financials – Q216

- Barclays UK: PBT: £625m, RoTE(2): 18.4%
- Barclays Corporate & International: PBT: £1,262m, RoTE(2): 11.9%
- CIB RoTE(2): 9.5%
- CC&P RoTE(2): 26.3%

Generating a strong Core RoTE of 11.0%(2) on an increasing tangible equity base

1 Excluding notable items. 2Annualised RoTE; excludes notable items.
### Our strategy is on track and showing encouraging progress

<table>
<thead>
<tr>
<th>Strategy Area</th>
<th>Key Points</th>
<th>Figures / Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Strong Core returns</strong></td>
<td>Double digit Core RoTE</td>
<td>11.0% RoTE(^{(1)})</td>
</tr>
<tr>
<td><strong>Non-Core closure</strong></td>
<td>New cost guidance for 2017</td>
<td>£400m-£500m(^{(2)})</td>
</tr>
<tr>
<td></td>
<td>Continued momentum, on track to close in 2017</td>
<td>c.£20bn RWAs</td>
</tr>
<tr>
<td><strong>Reduce costs</strong></td>
<td>On track to meet £12.8bn 2016 Core cost target, subject to FX(^{(3)})</td>
<td>Targeting Group cost: income ratio &lt;60%</td>
</tr>
<tr>
<td><strong>Sell down Barclays Africa</strong></td>
<td>First sale of 12.2% stake complete</td>
<td>c.10bps CET1 benefit</td>
</tr>
<tr>
<td><strong>Capital strength</strong></td>
<td>Strong capital ratios, providing additional flexibility</td>
<td>11.6% CET1 ratio</td>
</tr>
</tbody>
</table>

\(^{(1)}\) Q216 RoTE excluding notable items  
\(^{(2)}\) Excluding notable items. Based on current exchange rates  
\(^{(3)}\) Target set at an average USD exchange rate for 2016 of 1.42
Barclays is open for business

<table>
<thead>
<tr>
<th>Barclays UK</th>
<th>Barclays Corporate &amp; International</th>
</tr>
</thead>
<tbody>
<tr>
<td>£4.8bn of mortgage applications, market share +1% on same period last year</td>
<td>€5bn bond for European Stability Mechanism</td>
</tr>
<tr>
<td>£1bn of unsecured personal lending</td>
<td>£1.8bn bonds for Vodafone</td>
</tr>
<tr>
<td>Q216 SME lending up 2.8% y-o-y; continue to see healthy levels of applications and acceptance rates</td>
<td>$2.8bn cross-border merger of Nortek, Inc. and Melrose Industries Plc.</td>
</tr>
<tr>
<td>£1bn Worldpay secondary placing</td>
<td></td>
</tr>
</tbody>
</table>

Since EU Referendum 23rd June

Our customers and clients are looking to us for advice, financing and partnership

£4.8bn

£1bn

£1.8bn

£1bn

£5bn

4.2% y-o-y increase in Barclaycard UK consumer spend data for August

£1bn

Worldpay secondary placing

Barclays is open for business

£4.8bn of mortgage applications, market share +1% on same period last year

£1bn of unsecured personal lending

Barclays

UK

Our customers and clients are looking to us for advice, financing and partnership

Since EU Referendum 23rd June

£4.8bn

£1bn

£1.8bn

£1bn

£5bn bond for European Stability Mechanism

Q216 SME lending up 2.8% y-o-y; continue to see healthy levels of applications and acceptance rates

4.2% y-o-y increase in Barclaycard UK consumer spend data for August

£1bn Worldpay secondary placing

Barclays Corporate & International

$2.8bn cross-border merger of Nortek, Inc. and Melrose Industries Plc.
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