# Barclays PLC

## Barclays Yankee Bank Credit Forum

September 2016

# Political and economic landscape following Brexit Vote

| | POLITICAL PROCESS | BANK OF ENGLAND ACTIONS |
|---|---|---|
| June | • UK votes to exit the European Union<br>• Prime Minister David Cameron announces resignation | • Governor Carney releases statement highlighting strength of UK financial system and commitment to "take all necessary steps" |
| July | • Theresa May becomes new Prime Minister, with support from the vast majority of her party's MPs | • The FPC delays introduction of a countercyclical buffer (CCyB) in the UK until at least June 2017 |
| August | • Government establishing its negotiating position, determining its objectives for exit and future trade negotiations | • The MPC cuts base rate by 25bp, announces further QE and introduces the Term Funding Scheme for UK banks<br>• The FPC announces that UK banks can exclude central bank reserves from the leverage exposure calculation |
| | • Theresa May has indicated Article 50 will not be triggered in 2016, leading to an expectation for 2017<br>• Key cabinet minister expects the new relationship with the EU to be finalised in time for the next scheduled general election in May 2020 | • "*The Bank will not hesitate to take additional measures as required as those markets adjust and the UK economy moves forward. These adjustments will be supported by a resilient UK financial system – one that the Bank of England has consistently strengthened over the last seven years*" (Governor M. Carney, 24 Jun 2016) |

# Transatlantic Consumer, Corporate & Investment Bank

***Our strategy is on track and is showing encouraging progress***

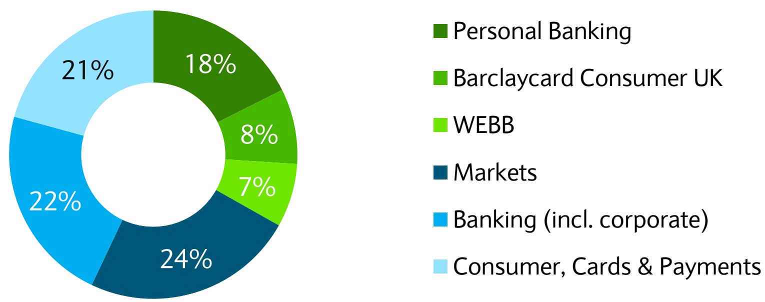
| | | |
|---|---|---|
| Strong Core returns | Double digit Core RoTE | 11.0% RoTE[1] |
| Non-Core closure | New cost guidance for 2017 | £400m-£500m[2] |
| | Continued momentum, on track to close in 2017 | c.£20bn RWAs |
| Sell down Barclays Africa | First sale of 12.2% stake complete | c.10bps CET1 benefit |
| Reduce costs | On track to meet £12.8bn 2016 Core cost target, subject to FX[3] | Targeting Group cost: income ratio <60% |
| Capital strength | Strong capital ratios, providing additional flexibility | 11.6% CET1 ratio |

**Group RoTE converging with Core RoTE**

[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 |

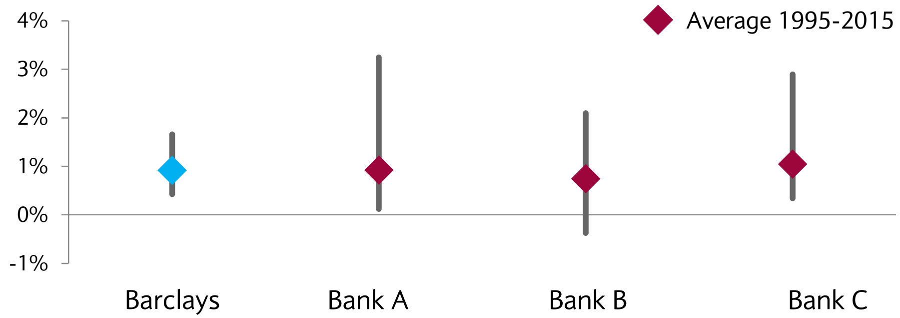
# Resilience from diversification and prudent risk management

## Diversified income by business – H116[1]



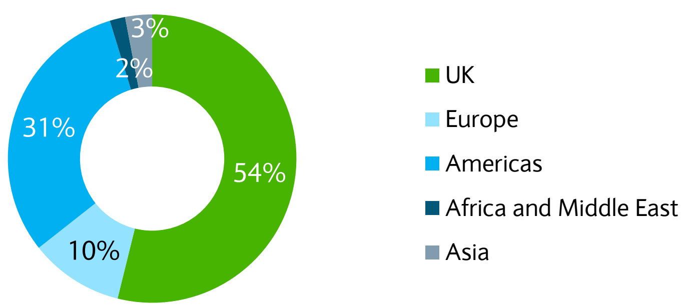

Well balanced business mix with income diversification across consumer and wholesale banking

## Lower volatility of LLR vs. other major UK banks[2]



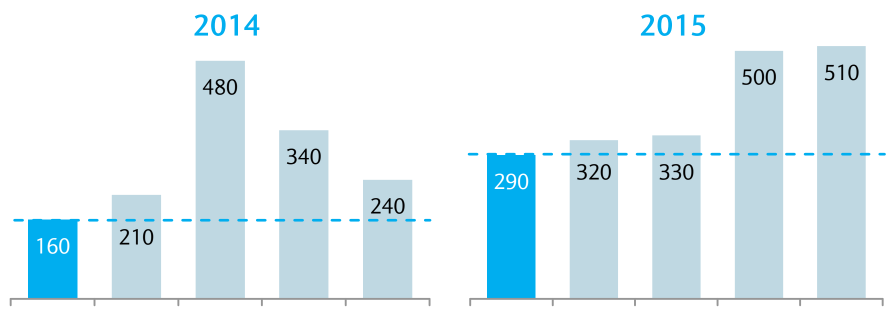

Consistently conservative risk management with lower LLR volatility through the cycle

## Diversified income by geography – H116[3]




Geographic diversification with almost one third of our income from the Americas

## Bank of England stress tests - CET1 ratio drawdown (bps)[4]

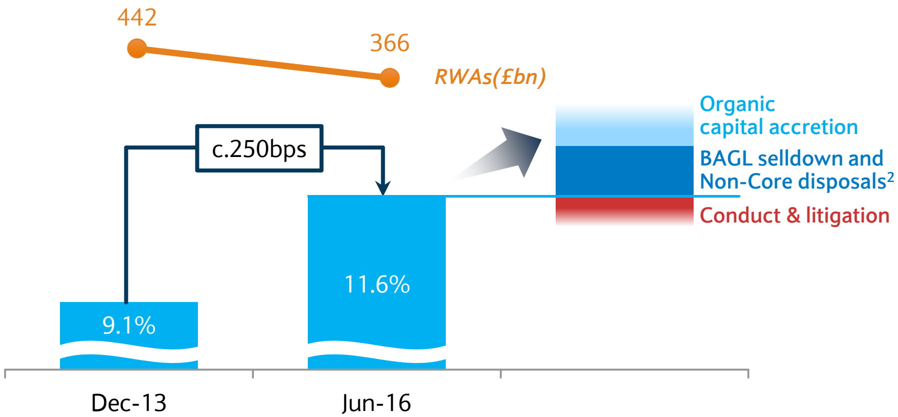



Lowest stress loss in both 2014 and 2015 BoE stress tests post strategic management actions

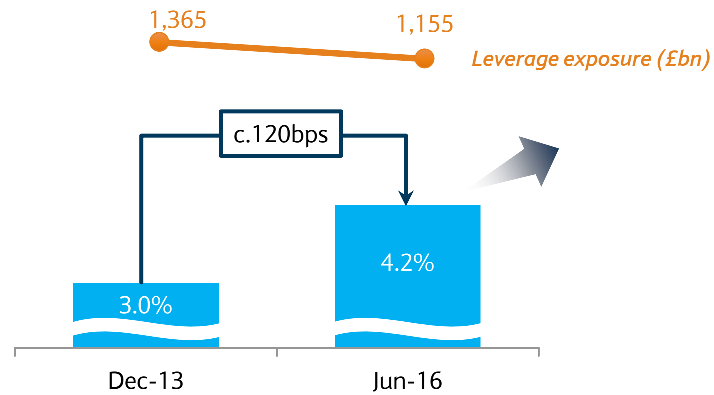
[1] Excludes Non-Core income of £(586)m and Head Office income of £301m | [2] Source: Autonomous | [3] Excludes income from Africa Banking treated as a discontinued operation | [4] Post strategic management actions

# Significant strengthening of financial position

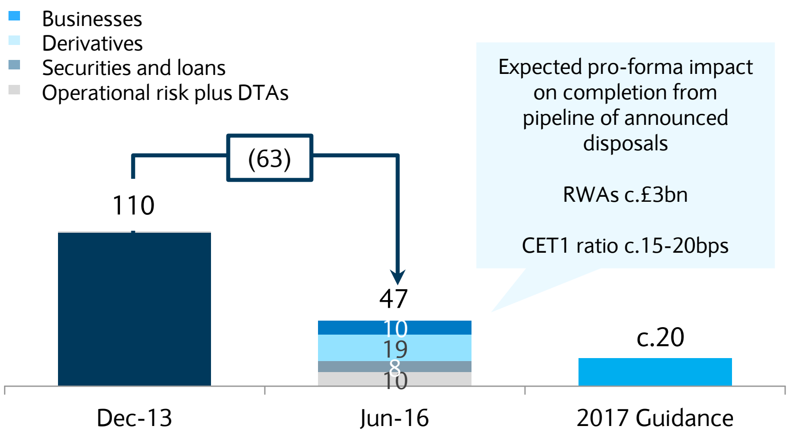
## Fully loaded CET1 ratio[1]




## Leverage ratio[3]




## Barclays Non-Core RWAs (£bn)




Expected pro-forma impact on completion from pipeline of announced disposals

RWAs c.£3bn

CET1 ratio c.15-20bps

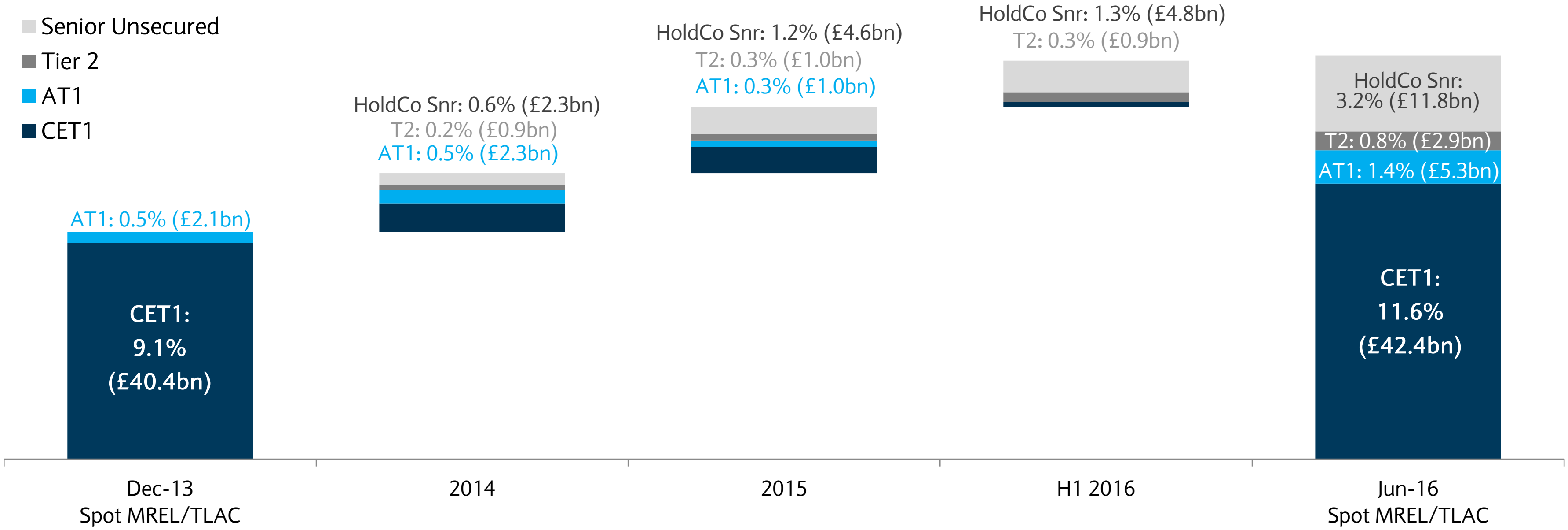
## Liquidity and funding metrics

| | Dec-13 | Jun-16 |
|---|---|---|
| Estimated CRD IV liquidity coverage ratio | 96% | 124% |
| NSFR[4] | 94% | 106% |
| Wholesale funding(£bn) | 186 | 154 |

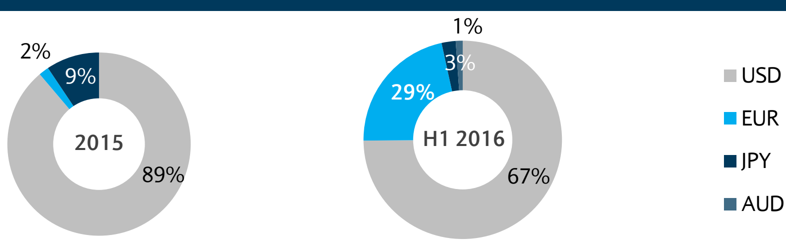
[1] Based on Barclays interpretation of the final CRD IV text and latest EBA technical standard | [2] Implementation of Barclays' intentions is subject to, amongst other things, shareholder and regulatory approval. Implementation of these plans is also subject to significant execution risks and there can be no assurance the expected benefits will be realised on the proposed timescale or at all | [3] The Jun-16 leverage ratio has been calculated in accordance with the requirements of CRR which was amended effective from Jan 2015, using the end-point CRR definition of Tier 1 capital for the numerator and the CRR definition of leverage exposure. Dec-13 not directly comparable with the Jun-16 calculation due to different basis of preparation | [4] Estimated based on the final BCBS rules published in October 2014

# Proactive transition to HoldCo capital and funding model

## HoldCo issuance by year[1,2]




## Divesifying our currency mix – Currency split of senior Holdco funding (annual issuance)




- We have completed our inaugural GBP senior Holdco issuance in August 2016 for GBP 1.25 billion
- Our private MTN issuance is ongoing with EUR and AUD transactions executed since the end of H1 16

[1] Instruments assumed to qualify for MREL/TLAC is based on Barclays' understanding of current regulatory proposals which are subject to change including (i)"FSB's Total Loss-absorbing Capacity (TLAC) Term Sheet", published on 9 November 2015, (ii)"The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities – consultation on a proposed Statement of Policy" published on 11 December 2015 , and (iii) "The minimum requirement for own funds and eligible liabilities (MREL) – buffers and Threshold Conditions" consultation published by the Bank of England on 11 December 2015. Actuals will depend on the Bank of England's implementation of the final rules | [2] Annual issuance balances based on FX rate on 30 June 2016 for debt accounted instruments and historical transaction rates for equity accounted instruments with respective year-end RWAs. The sum of the respective annual balances may therefore not correspond to the aggregate H1 2016 position |

# Simplified businesses in preparation for structural reform

## Barclays PLC[1]

Divisional constructs

| Barclays UK | Barclays Corporate & International | Non-Core | Africa Banking |
|---|---|---|---|
| UK consumer and business bank[2] differentiated by scale and digital innovation | Diversified transatlantic wholesale and consumer bank | Expect to close in 2017 with c.£20bn of RWAs | Aim to achieve regulatory deconsolidation<br>First selldown to 50.1% completed |
| Personal Banking<br>Barclaycard Consumer UK<br>Wealth, Entrepreneurs & Business Banking | Corporate & Investment Bank<br>Consumer, Cards & Payments | | |

Summary financials – H116

| Barclays UK | Barclays Corporate & International |
|---|---|
| PBT: £1,080m | PBT: £2,753m |
| RoTE[3]: 13.6% | RoTE[3]: 14.3% |
| RWAs: £67bn | RWAs: £209bn |

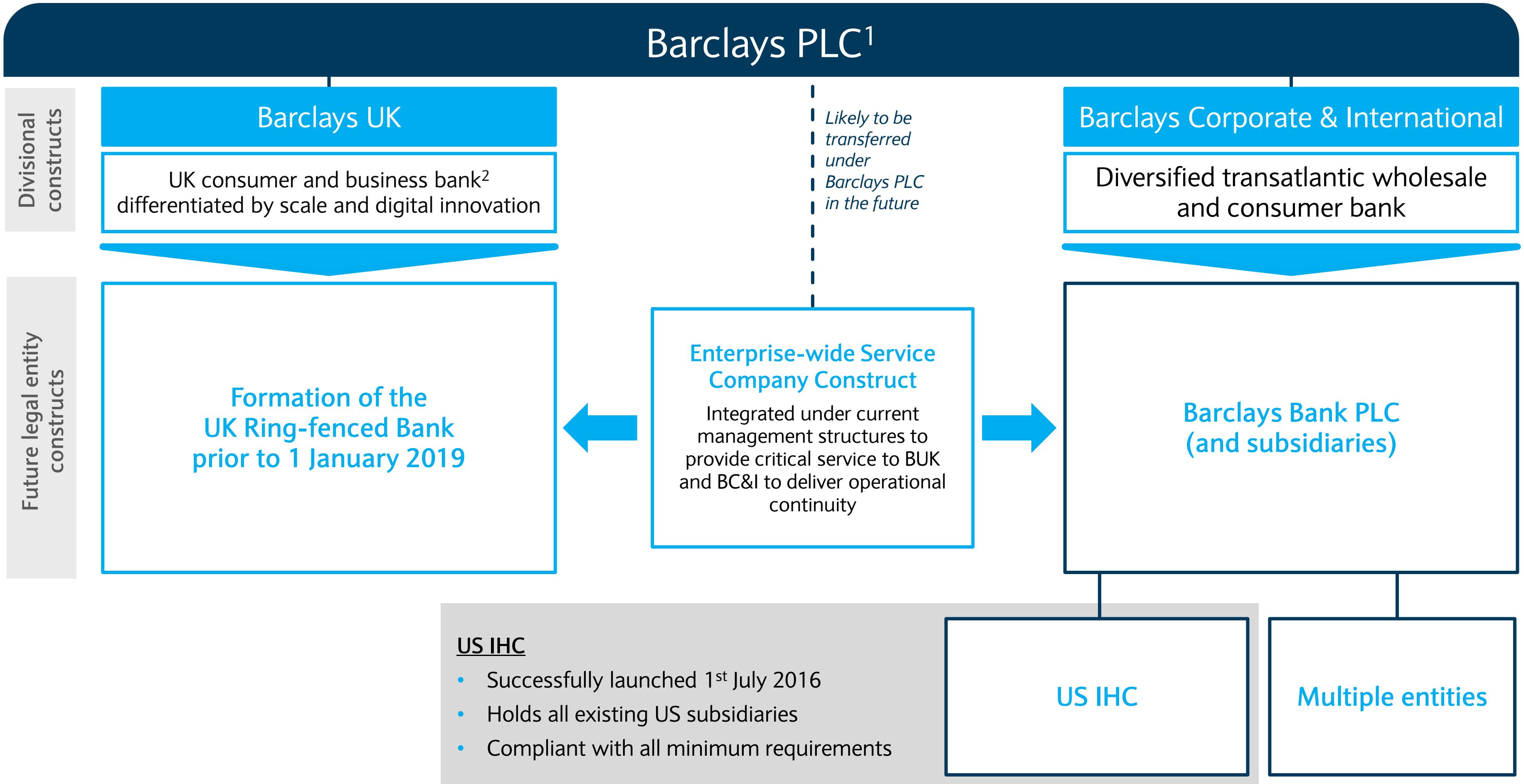
Future legal entity constructs

| Barclays UK | Barclays Corporate & International | Non-Core |
|---|---|---|
| Formation of the UK Ring-fenced Bank (RFB) prior to 1 January 2019 | Barclays Bank PLC (and subsidiaries) | Residual assets to RFB and BB PLC |

- Delivering entities with strong returns and well balanced funding profiles
- Well capitalised entities with strong balance sheets and asset quality
- Expect that both divisions, when separately assessed, would support solid investment grade ratings

[1] Illustration of Barclays business divisions in preparation for regulatory ring-fencing. Plans are subject to internal and regulatory approvals and may change | [2] Including corporates with less than or equal to £6.5m equivalent turnover, subject to some specific exceptions | [3] Annualised RoTE

# Evolving Group legal structure

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# Barclays Corporate & International: Diversified transatlantic wholesale and consumer bank

## Scale and strength with growth opportunities in key geographies

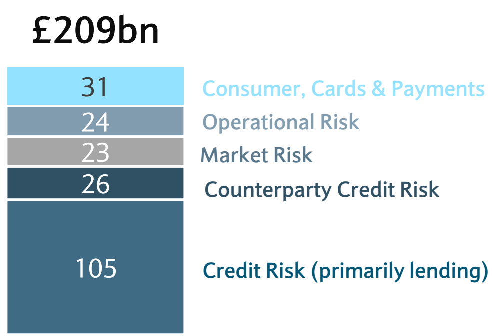
**Corporate and Investment Bank**

- #1 arranger of UK corporate loans[1]
- #1 in EMEA Investment Grade debt and loans[2]
- #1 US fee share for European banks[2]

**Consumer, Cards & Payments**

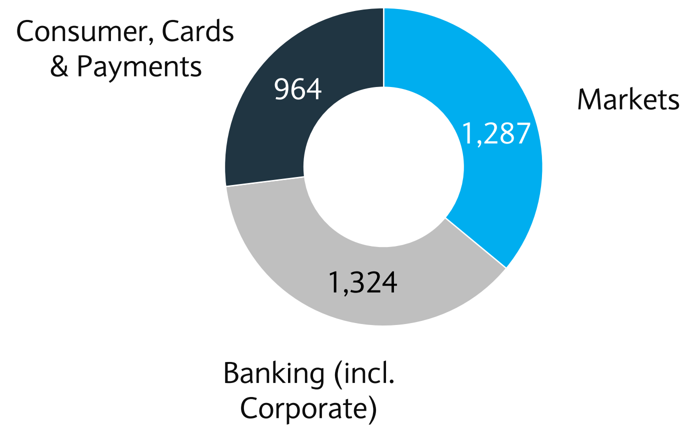
- #2 merchant acquirer in Europe[3]
- Top 10 US credit card receivables[3]
- c.£300bn payments volume in 2015

## BC&I RWAs (£bn) – Jun-16




*Markets businesses[4] = < 30% of BC&I RWAs*

## BC&I Income - Q2 16 (£m) [5]




| Q2 16 | CIB | CC&P |
|---|---|---|
| Income | £2,611m | £964m |
| PBT | £909m | £353m |
| **RoTE** | **9.5%** | **26.3%** |

[1] Dealogic 2015, by number of deals | [2] Dealogic 2015 | [3] Nilson Midyear 2015 | [4] Credit, equities and macro, excluding Markets Operational risk RWAs | [5] Q2 16, excluding notable items |

# The future is bright as we execute on our strategy

Simplifying business profile and driving improved returns while further strengthening the balance sheet as we near the end of our restructuring

Proactively transitioning capital and term funding model of the group to the HoldCo in preparation for new regulatory requirements

Well positioned for ring-fencing requirements in the UK and US as we progress our structural reform plans

*Delivering an even stronger Barclays:*

*More profitable with a well-diversified business profile, and with less complex and stronger balance sheet*

# Disclaimer

## Important Notice

The information, statements and opinions contained in this presentation do not constitute a public offer under any applicable legislation, 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 the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures 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 or guidance regarding the Group's future financial position, income growth, assets, impairment charges, provisions, notable items, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the strategic cost programme and the Group Strategy Update, rundown of assets and businesses within Barclays Non-Core, sell down of the Group's interest in Barclays Africa Group Limited, 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, 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, future levels of notable items, 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 any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; the implications of the results of the 23 June 2016 referendum in the United Kingdom and the disruption that may result in the UK and globally from the withdrawal of the United Kingdom from the European Union; the implementation of the strategic cost 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, expectations and guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in our filings with the SEC (including, without limitation, our annual report on form 20-F for the fiscal year ended 31 December 2015), which are available on the SEC's website at www.sec.gov. Subject to our obligations under the applicable laws and regulations of the United Kingdom and the United States in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise.