### Political and economic landscape following Brexit Vote

#### POLITICAL PROCESS

**June**
- UK votes to exit the European Union
- Prime Minister David Cameron announces resignation

**July**
- Theresa May becomes new Prime Minister, with support from the vast majority of her party’s MPs

**August**
- Government establishing its negotiating position, determining its objectives for exit and future trade negotiations
- Theresa May has indicated Article 50 will not be triggered in 2016, leading to an expectation for 2017
- Key cabinet minister expects the new relationship with the EU to be finalised in time for the next scheduled general election in May 2020

#### BANK OF ENGLAND ACTIONS

**June**
- Governor Carney releases statement highlighting strength of UK financial system and commitment to “take all necessary steps”

**July**
- The FPC delays introduction of a countercyclical buffer (CCyB) in the UK until at least June 2017
- The MPC cuts base rate by 25bp, announces further QE and introduces the Term Funding Scheme for UK banks
- The FPC announces that UK banks can exclude central bank reserves from the leverage exposure calculation

**August**
- “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)
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
  - Continued momentum, on track to close in 2017
  - **£400m-£500m**\(^2\) c.£20bn RWAs
  - c.10bps CET1 benefit

- **Sell down Barclays Africa**: First sale of 12.2% stake complete
  - Targeting Group cost: income ratio <60%

- **Reduce costs**: On track to meet £12.8bn 2016 Core cost target, subject to FX\(^3\)

- **Capital strength**: Strong capital ratios, providing additional flexibility
  - **11.6% CET1 ratio**

\(^1\) 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\(^1\)

- Personal Banking: 21%
- Barclaycard Consumer UK: 18%
- WEBB: 8%
- Markets: 7%
- Banking (incl. corporate): 22%
- Consumer, Cards & Payments: 24%

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

Diversified income by geography – H116\(^3\)

- UK: 31%
- Europe: 2%
- Americas: 54%
- Africa and Middle East: 10%
- Asia: 3%

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

Lower volatility of LLR vs. other major UK banks\(^2\)

- Barclays: 2.90%
- Bank A: 3.20%
- Bank B: 3.30%
- Bank C: 5.00%

Consistently conservative risk management with lower LLR volatility through the cycle

Bank of England stress tests - CET1 ratio drawdown (bps)\(^4\)

- 2014:
  - Barclays: 160
  - Bank A: 210
  - Bank B: 340
  - Bank C: 290
- 2015:
  - Barclays: 240
  - Bank A: 340
  - Bank B: 330
  - Bank C: 500

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

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\(^1\) 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**

<table>
<thead>
<tr>
<th>Dec-13</th>
<th>Jun-16</th>
<th>Leverage ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1%</td>
<td>11.6%</td>
<td>3.0%</td>
</tr>
<tr>
<td>110</td>
<td>47</td>
<td>1.365</td>
</tr>
<tr>
<td>(63)</td>
<td>(63)</td>
<td>(63)</td>
</tr>
</tbody>
</table>

**Barclays Non-Core RWAs (£bn)**

- Businesses
- Derivatives
- Securities and loans
- Operational risk plus DTAs

- Expected pro-forma impact on completion from pipeline of announced disposals
- RWAs c.£3bn
- CET1 ratio c.15-20bps

<table>
<thead>
<tr>
<th>Dec-13</th>
<th>Jun-16</th>
<th>2017 Guidance</th>
</tr>
</thead>
<tbody>
<tr>
<td>47</td>
<td>19</td>
<td>c.20</td>
</tr>
</tbody>
</table>

**Liquidity and funding metrics**

- Estimated CRD IV liquidity coverage ratio
- NSFR
- Wholesale funding (£bn)

- 96% 124%
- 94% 106%
- 186 154

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1 Based on Barclays interpretation of the final CRD IV text and latest EBA technical standard. | 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. | 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. | Estimated based on the final BCBS rules published in October 2014.
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.

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.

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Simplified businesses in preparation for structural reform

<table>
<thead>
<tr>
<th>Divisional constructs</th>
<th>Barclays UK</th>
<th>Barclays Corporate &amp; International</th>
<th>Non-Core</th>
<th>Africa Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>UK consumer and business bank(^2) differentiated by scale and digital innovation</td>
<td>Diversified transatlantic wholesale and consumer bank</td>
<td>Expect to close in 2017 with c.£20bn of RWAs</td>
<td>Aim to achieve regulatory deconsolidation First selldown to 50.1% completed</td>
</tr>
<tr>
<td></td>
<td>Personal Banking</td>
<td>Corporate &amp; Investment Bank Consumer, Cards &amp; Payments</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Barclaycard Consumer UK</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Wealth, Entrepreneurs &amp; Business Banking</td>
<td></td>
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</table>

**Summary financials – H116**

<table>
<thead>
<tr>
<th></th>
<th>Barclays UK</th>
<th>Barclays Corporate &amp; International</th>
</tr>
</thead>
<tbody>
<tr>
<td>PBT:</td>
<td>£1,080m</td>
<td>£2,753m</td>
</tr>
<tr>
<td>RoTE(^3):</td>
<td>13.6%</td>
<td>14.3%</td>
</tr>
<tr>
<td>RWAs:</td>
<td>£67bn</td>
<td>£209bn</td>
</tr>
</tbody>
</table>

- **Formation of the UK Ring-fenced Bank (RFB) prior to 1 January 2019**
  - 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

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7 | Barclays Yankee Bank Credit Forum, September 2016
Evolving Group legal structure

Barclays PLC

Barclays UK
- UK consumer and business bank differentiated by scale and digital innovation

Barclays Corporate & International
- Diversified transatlantic wholesale and consumer bank

Formation of the UK Ring-fenced Bank prior to 1 January 2019

Enterprise-wide Service Company Construct
Integrated under current management structures to provide critical service to BUK and BC&I to deliver operational continuity

Likely to be transferred under Barclays PLC in the future

US IHC
- Successfully launched 1st July 2016
- Holds all existing US subsidiaries
- Compliant with all minimum requirements

Multiple entities

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.
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 in EMEA Investment Grade debt and loans
- #1 US fee share for European banks

Consumer, Cards & Payments
- #2 merchant acquirer in Europe
- Top 10 US credit card receivables
- c.£300bn payments volume in 2015

BC&I RWAs (£bn) – Jun-16

£209bn

- 31 Consumer, Cards & Payments
- 24 Operational Risk
- 23 Market Risk
- 26 Counterparty Credit Risk
- 105 Credit Risk (primarily lending)

Markets businesses = < 30% of BC&I RWAs

BC&I Income - Q2 16 (£m)

<table>
<thead>
<tr>
<th>Markets</th>
<th>Consumer, Cards &amp; Payments</th>
<th>Banking (incl. Corporate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>964</td>
<td></td>
<td>1,287</td>
</tr>
<tr>
<td>1,324</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1,287</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Q2 16

<table>
<thead>
<tr>
<th></th>
<th>CIB</th>
<th>CC&amp;P</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>£2,611m</td>
<td>£964m</td>
</tr>
<tr>
<td>PBT</td>
<td>£909m</td>
<td>£353m</td>
</tr>
<tr>
<td>RoTE</td>
<td>9.5%</td>
<td>26.3%</td>
</tr>
</tbody>
</table>

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*
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