

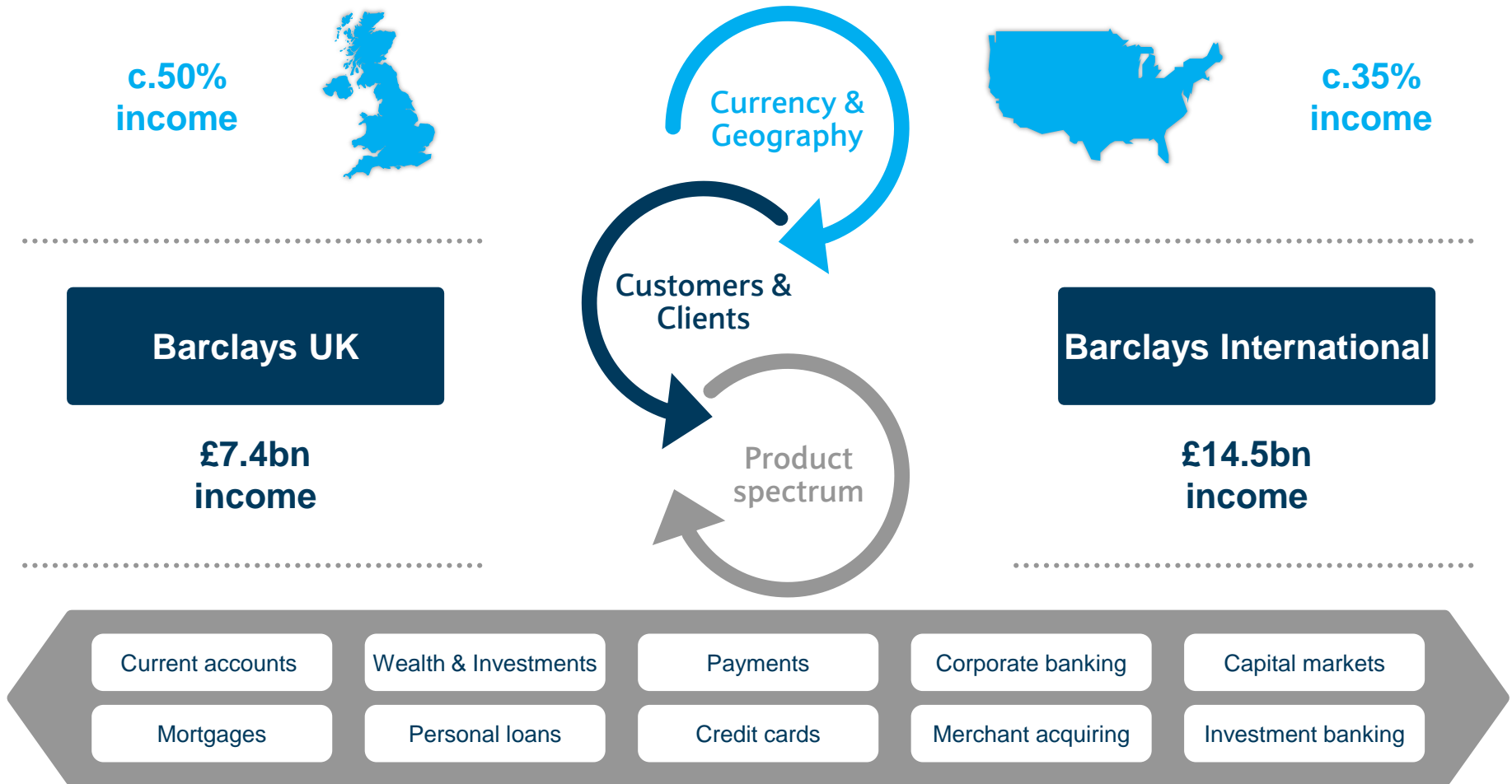
Deutsche Bank UK Retail Banks Conference

Ashok Vaswani, CEO Barclays UK

17 March 2017



Barclays Group: Diversification provides balance and stability



Barclays UK: Differentiated by scale, digital leadership and innovation



Meaningful relationships: driving increased engagement with existing customers and clients

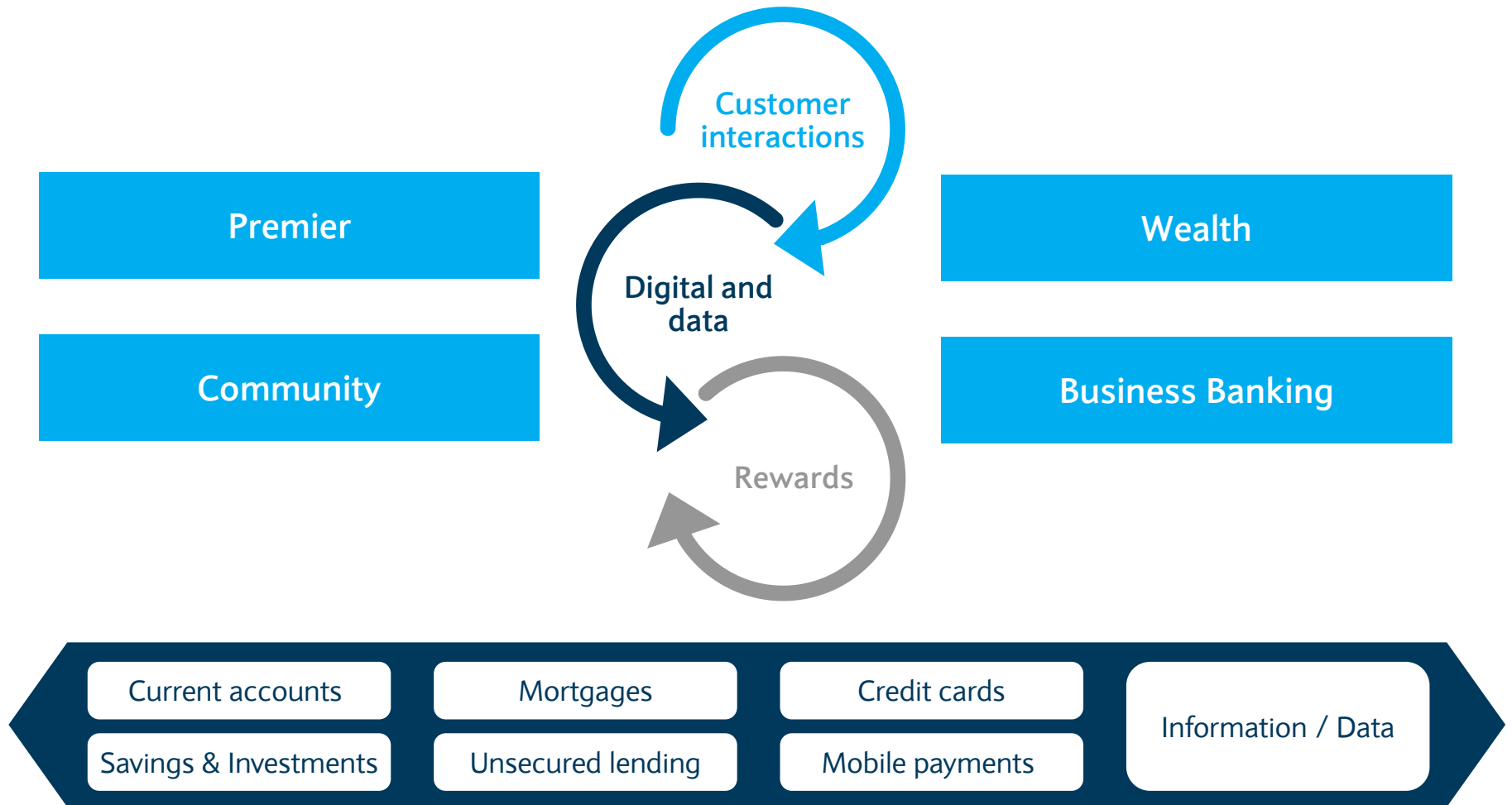
- Transforming customer interactions
- Leveraging digital and data
- Rewarding customers

Delivering sustainable returns: stable NIM, prudent growth in balances, conservative risk appetite and structural cost reduction over time


Key metrics FY 2016 ¹		
£7.4bn Income	3.62% NIM	19.3% RoTE
£2.6bn PBT	53% Cost : income ratio	52 bps LLR

¹ Excluding notable items

Barclays UK: Diversified business, driving growth with existing customers



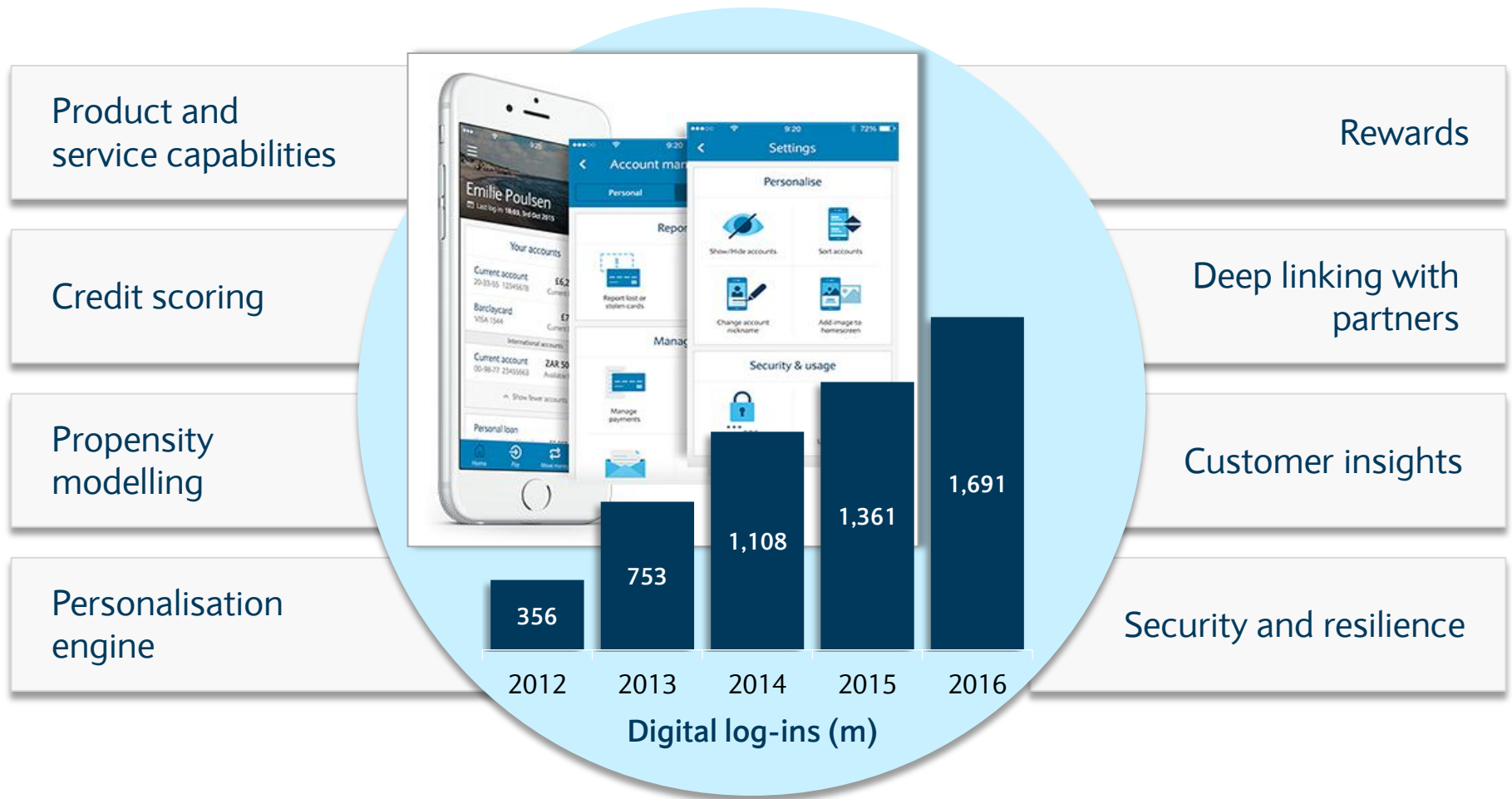
Transforming customer interactions: Delivering an omni-channel experience

	Branch	SkyBranch	Digital
Cost (Index)¹	7.5	2	1
Transformation since 2013	<p>Automate</p> <ul style="list-style-type: none"> • 71% of core branches automated with intelligent deposit machines • Reduced counter transactions by 46% to 93 million • Video banking kiosks • Intelligent safes 	<p>24x7 capability</p> <ul style="list-style-type: none"> • Video banking • Secure chat • Social media interaction 	<p>Build and scale</p> <ul style="list-style-type: none"> • Multiple digital assets launched • Barclays Mobile Banking functionality from zero to over 100 features in 2016 • 'Save and resume' across channels • New business model with partners
Quantum	1,560 to 1,305 Branches ²	6 to 2 UK sites ²	>9 million Digitally active customers

Supported by common infrastructure facilitating first point of contact solutions for customers and colleagues

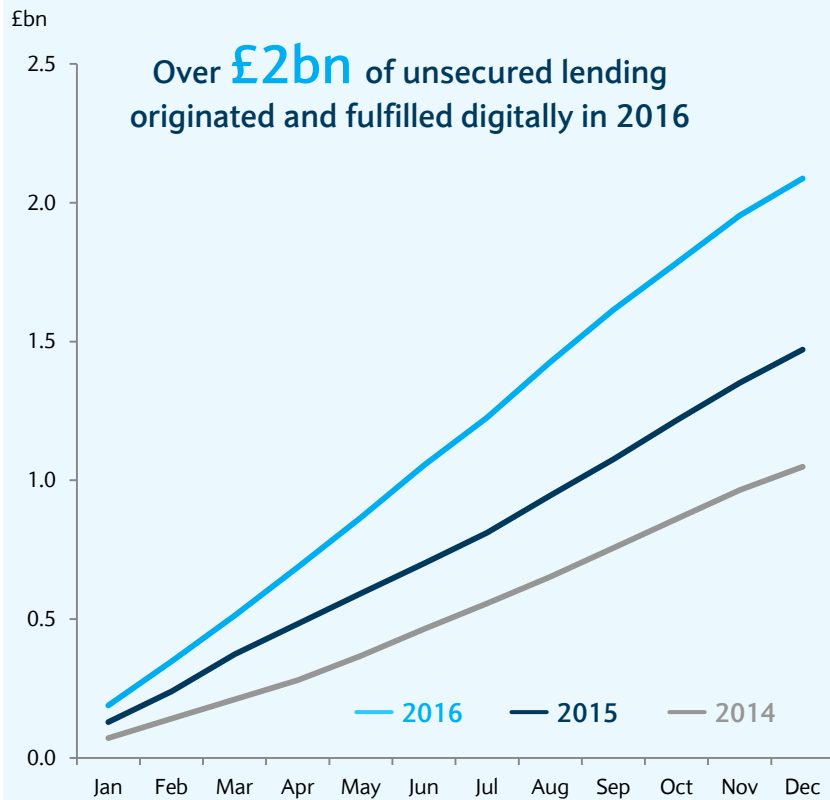
¹ Cost index represents relative aggregate cost of different customer channels | ² From 2013 to 2016

Transforming customer interactions: Developing new business models



Leveraging digital and data: Building once and reusing

Proven success in consumer lending



Digitally originated and fulfilled unsecured lending has a cost: income ratio in the low 20s

Extending across Barclays UK



6 taps from application to approval for Barclaycard

1st UK bank to have a Digital Business Lending Application on Mobile



Simplified overdrafts and SMS alerts to customers

>5m customers have personalised limits

Leveraging digital and data: Realising significant opportunity with our 24 million customers

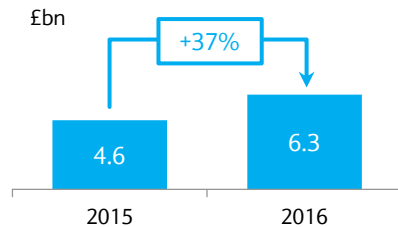
Premier and Mortgages

#1 affluent mortgage provider in the UK¹

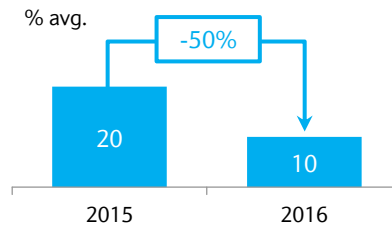
On average Premier customers are **65%** more profitable than Community customers²

£57bn Premier mortgage balances held “off-Barclays”

Premier mortgage applications³



Proportion redeemed at maturity³



Barclaycard and Current Accounts



4.3m Barclays customers pre-selected for a Barclaycard

Barclaycard customers have **£19bn** in “off-Barclays” credit card balances

- Leveraging our data to drive personalised and relevant offers to customers
- Improved underwriting at a holistic customer level
- Channel shift to digital, reducing cost and increasing customer experience and satisfaction

¹ Source: GFK - share of mortgage balances as at Dec-16 | ² Where a Premier customer holds loans and a mortgage or savings of £10k+ | ³ By value

Leveraging digital and data: Growing the fee line

Smart Business

Business & banking dashboard

A directory of leading business apps



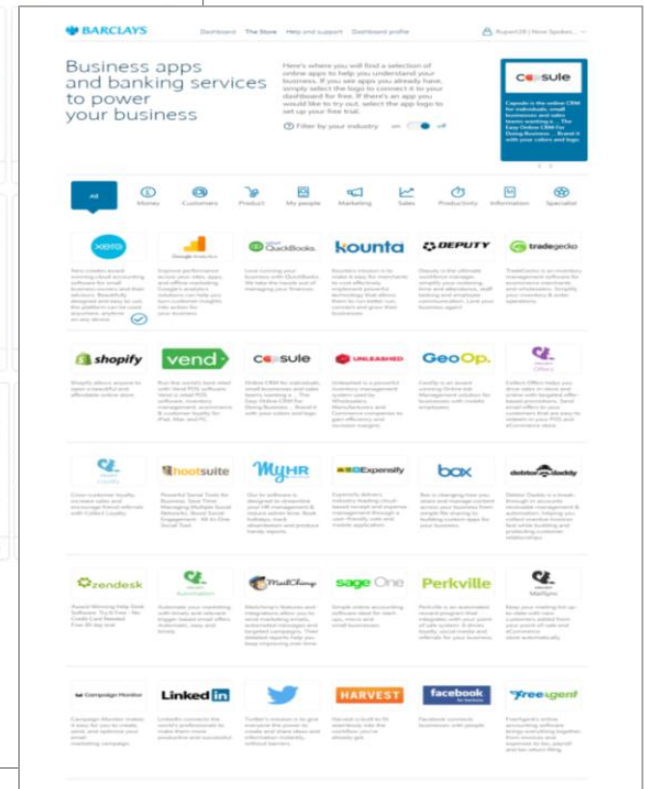
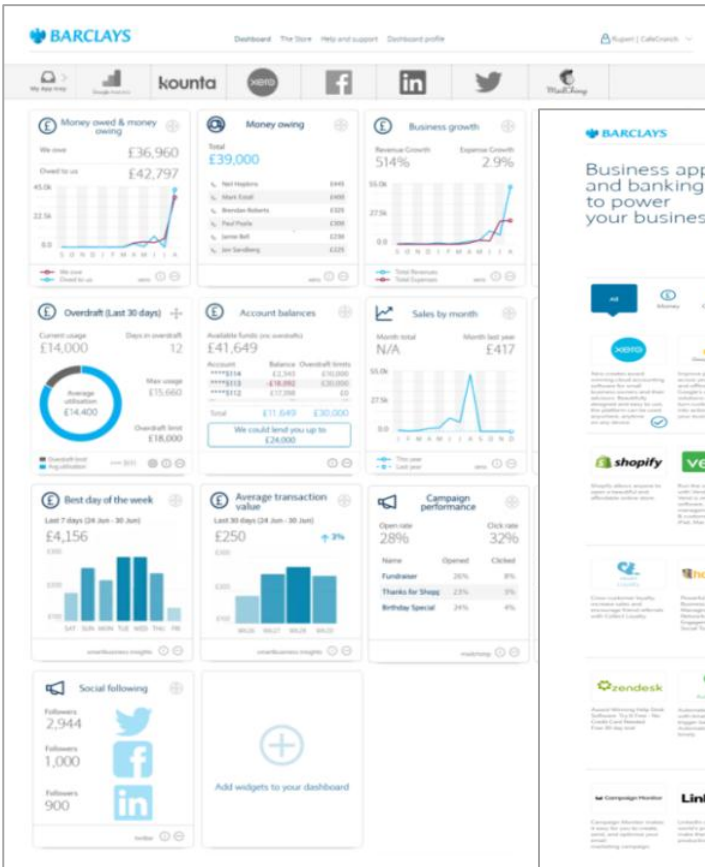
Single customer view of cash flow and its drivers all in one place



Provides relevant data to drive customer conversations and timely customer prompts



Provides strategic options for generating income growth



Leveraging digital and data: Growing the fee line

Direct Invest



Fully integrated investment and banking service. Seamless and easy environment for customers to invest



Market leading pricing and digital engagement tools



Opportunity for customers who are investing for the first time with a focus on long term goals

The screenshot displays the Barclays Smart Investor 'Find investments' page. It features a search bar, filters for Fund manager (Barclays), IA sector (All), Ongoing charges figure (0.0% to 2.0% and above), and Past performance (0% and below to 75% and above). A table at the bottom shows investment options:

Investment	On our Funds List	FE Funds Crown Rating	Ongoing charges figure	Past performance (5yr)	Deal	Compare
Barclays Sterling Bond R Acc >		★★★★★	0.82%	-26.7% ▲	Buy	+
Barclays Sterling Bond R Dis >		★★★★★	0.82%	-26.2% ▲	Buy	+

We are the only bank to allow you to view your current account, savings and investments in one place side by side

Rewarding customers: Building loyalty and trust

- Over half a million customers signed up for Blue Rewards, increasing brand NPS by 59%
- Partnership model including cost and revenue share
- >200 retailers
- Deep linking to reward/retailer content, providing segmented customer experience

In partnership with



Including:

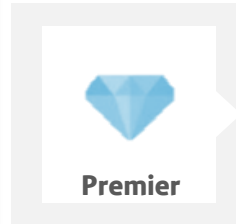


Cashback

Blue Rewards

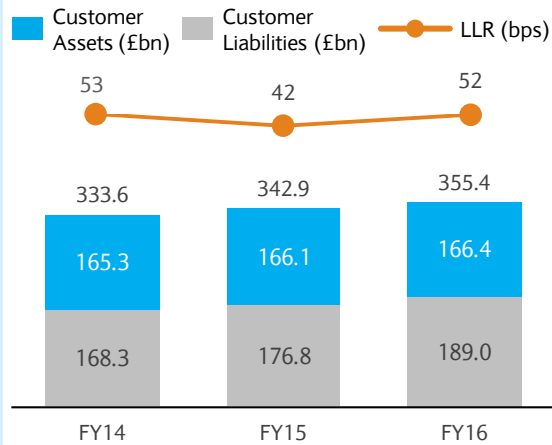
Premier Rewards

Little Book of Wonders



Delivering attractive and sustainable returns

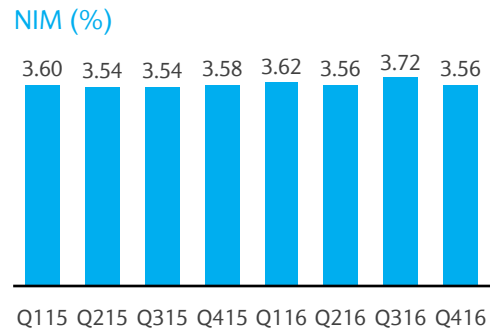
Prudent balance sheet



- Prudent growth in balances
- Maintained conservative risk profile

Stable income profile

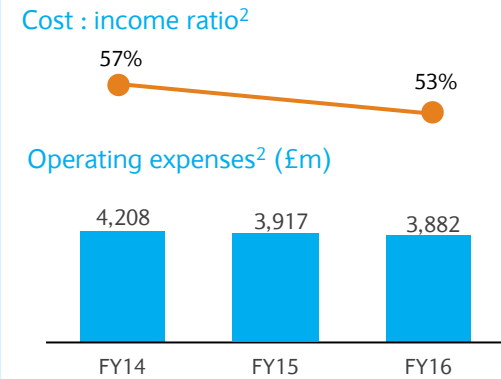
- Attractive and stable NIM: 350-360bps range for FY 2017¹



- Disciplined product pricing
- Growth through leveraging digital and data

Cost efficiency

- Aiming for <50% cost : income ratio



- Focus on automation and digitisation
- Improving cost efficiency over time

Delivering attractive and sustainable returns: FY 2016 RoTE² of 19.3%

¹ Estimated range assuming Bank of England base rate at 0.25% | ² Excluding notable items

Conclusion

Barclays UK

Diversified business differentiated by scale, digital leadership and innovation

Meaningful relationships

Driving increased engagement with existing customers and clients

- Transforming customer interactions
- Leveraging digital and data
- Rewarding customers

Sustainable returns

Delivering sustainable and attractive returns

Disclaimer

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