



# Barclays PLC

Morgan Stanley European Financials Conference

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Barclays Group Chief Executive Officer

# Strong evidence of strategic progress in 2016

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Strong Core business

9.4% Core RoTE<sup>1</sup>

- Barclays UK 19.3%
- Barclays International 8.0%

Africa sell-down

First stake sold and separation terms agreed

Non-Core rundown

Accelerated progress, closing ahead of schedule

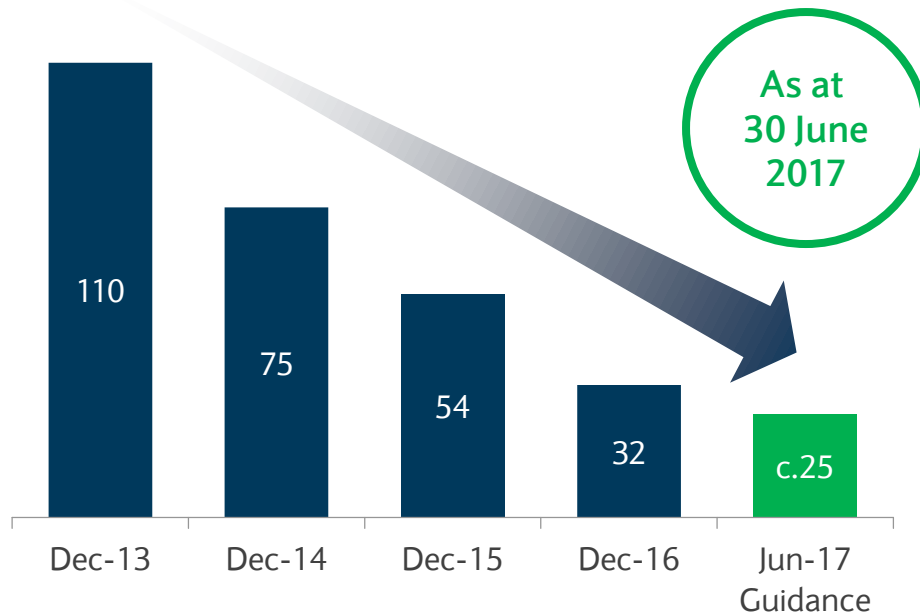
Group returns

Focused on generating attractive and sustainable Group returns

<sup>1</sup> FY16 RoTEs excluding notable items |

# Non-Core closure six months early at June 2017

RWAs (£bn)<sup>1</sup>



*Will have reduced RWAs by c.£85bn in just over three years*

## Businesses

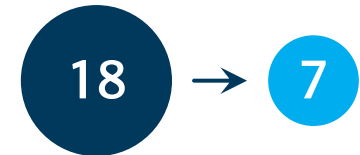
RWAs (£bn)<sup>2</sup>

Significant deals announced or completed

Dec-14

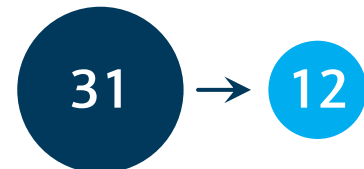
Dec-16

- IB offices in nine countries
- Index business<sup>3</sup>
- Asia wealth
- Southern European cards
- Italy retail
- France retail



## Derivatives

- Accelerated derivative rundown in 2016



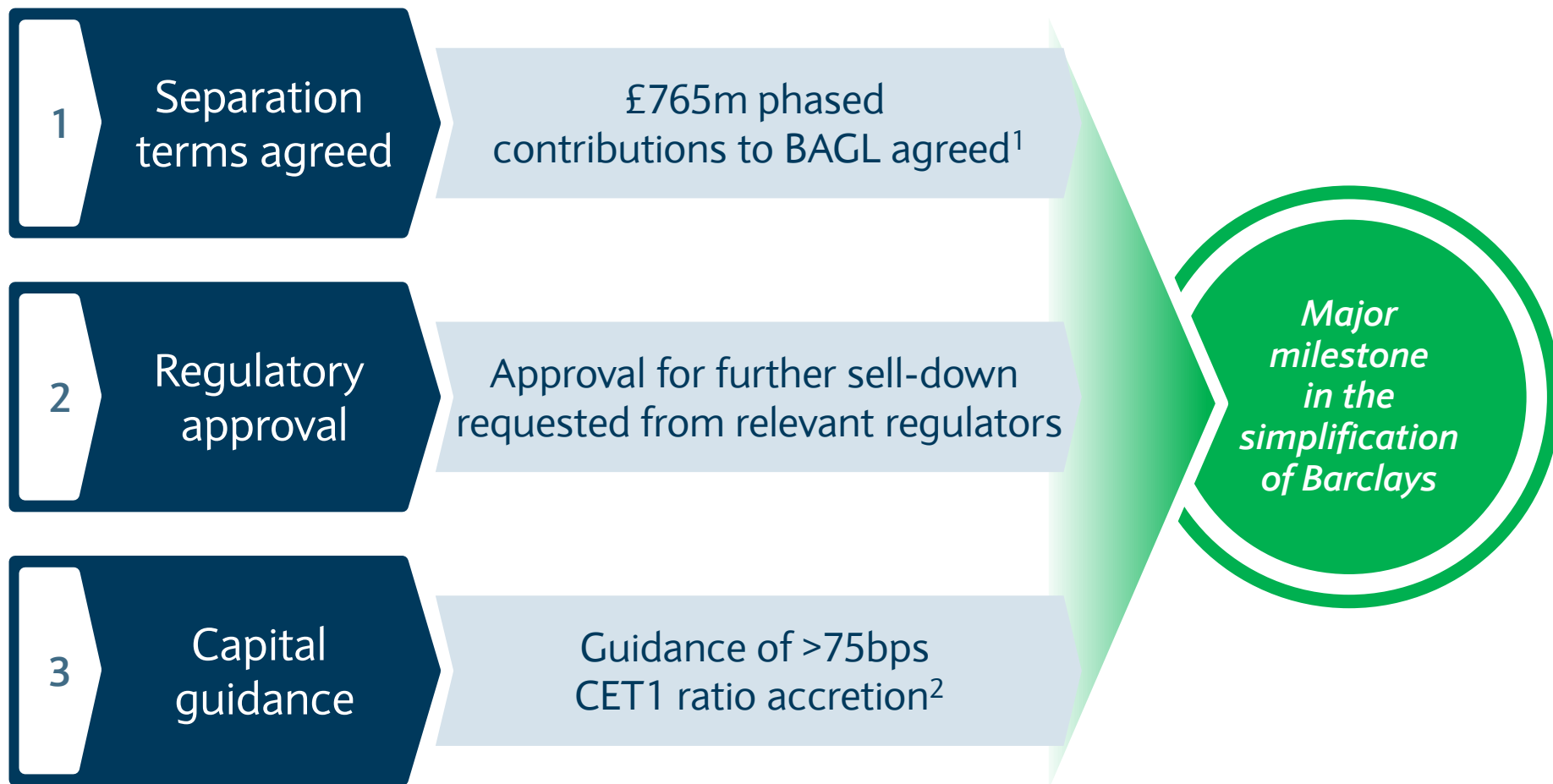
## Securities & loans

- Restructured ESHLA portfolio



<sup>1</sup> Dec-13 and Dec-14 RWAs are on a pre-restatement basis. Dec-15 onward are on a post-restatement basis i.e. inclusive of c.£8bn of RWAs added to Non-Core in Q116 | <sup>2</sup> Excludes Op risk and DTAs RWAs of £9bn as at Dec-14 and £5bn as at Dec-16 | <sup>3</sup> Barclays Risk Analytics and Index Solutions ]

# Africa sell-down on track with consistent capital guidance



<sup>1</sup> Subject to regulatory approval | <sup>2</sup> Assuming 31 December 2016 GBP ZAR FX rate of 16.78 and BAGL share price of 168.69. Aggregate effect following regulatory deconsolidation and projected separation costs, including £765m phased contributions and contribution to a new Black Economic Empowerment scheme. Implementation of Barclays' intentions is subject to, amongst other things, regulatory approval. The realisation of these plans and their intended benefits is subject to significant execution risks, including in relation to market factors, and there can be no assurance the intended benefits will be achieved on any proposed timetable or at all |

# Strong Core business performance in 2016

## Core

Income	Cost: income ratio	Profit before tax	RoTE	Average allocated tangible equity
£22.0bn ↑ 7%	61% ↓ 1%	£6.4bn ↑ 4%	9.4% ↓ 1.8%	£41.3bn ↑ £4.1bn

## Barclays UK

UK consumer and business bank differentiated by scale, data analytics and digital

RoTE	19.3%
Robust NIM	3.62%
Low cost: income ratio	53%

## Barclays International

Diversified transatlantic wholesale and consumer bank

RoTE	8.0%
CC&P income growth	+21%
CIB income growth	+6%

All financial metrics are FY16 excluding notable items. Deltas represent the year-on-year change |

# A scale operator in the UK with opportunities to leverage data and digital capabilities



Provided c.£70bn of lending to UK businesses



Lent c.£3.6bn to UK SMEs and supported around 100k start-ups



Provided c.£19bn of mortgage lending to c.90,000 households



£1 in every £3 was spent through Barclaycard



Leveraging data and digital capabilities:

- Mortgages for Premier customers
- Barclaycards offered through Barclays Mobile Banking
- Smart Business
- Business lending via mobile app



Growth opportunities

Cost efficiency

# Barclays International: Encouraging progress in 2016 and well positioned for the future

## Corporate & Investment Bank

### Increase in Banking fee share<sup>1</sup>

- 5<sup>th</sup> in US
- 3<sup>rd</sup> in UK



### Best Investment Bank in Western Europe<sup>2</sup>

### #2 Corporate bank in the UK<sup>3</sup>



## Consumer, Cards & Payments

### c.£24bn US cards portfolio

### #2 merchant acquirer in Europe<sup>4</sup>

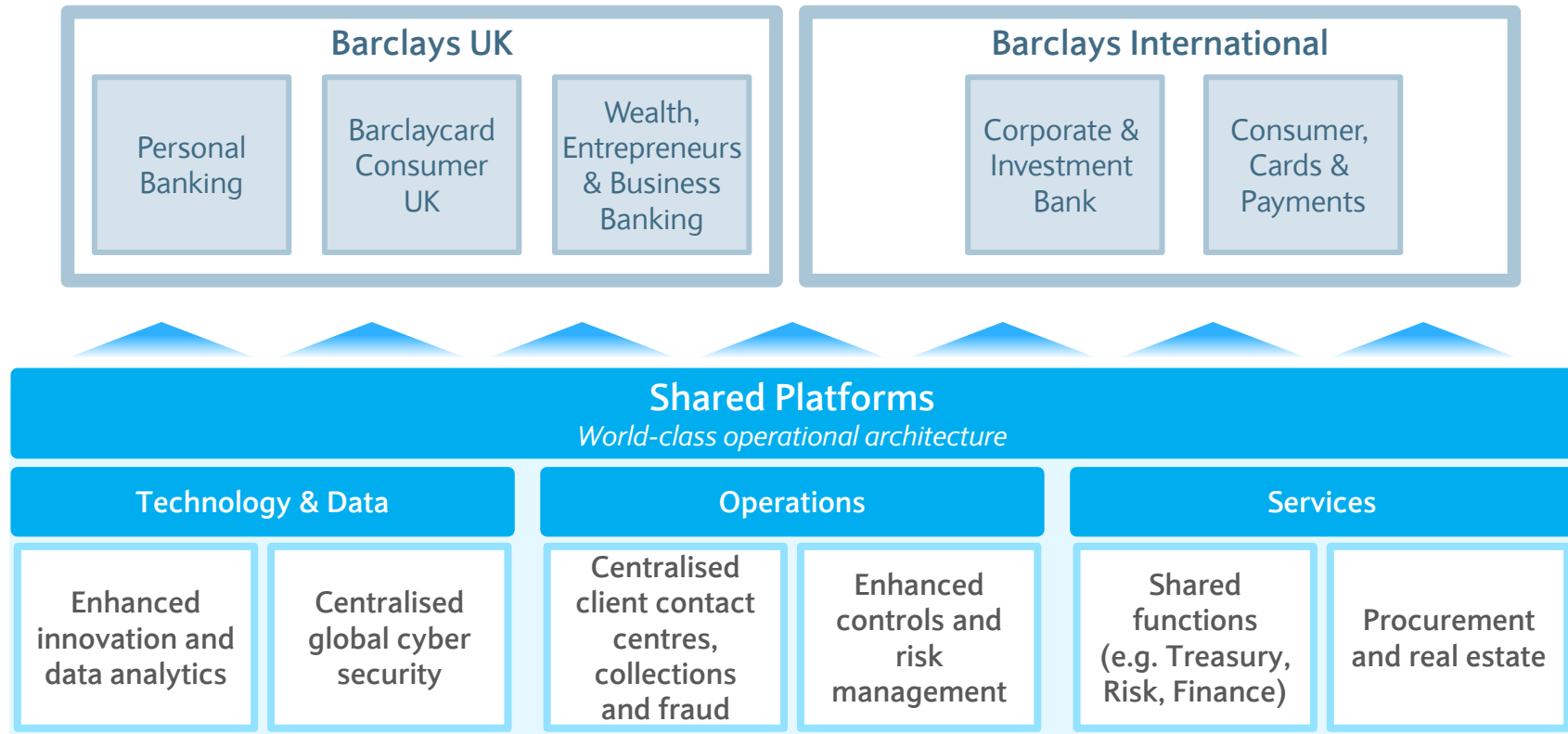
### £60bn payments processed in Q416



<sup>1</sup> Dealogic data as of 31 December 2016, 5<sup>th</sup> in the US excluding self-led deals | <sup>2</sup> Euromoney Awards for Excellence - 2016 | <sup>3</sup> Charterhouse survey results - FY16 market share data | <sup>4</sup> By volume, Nilson Report - 2016 |

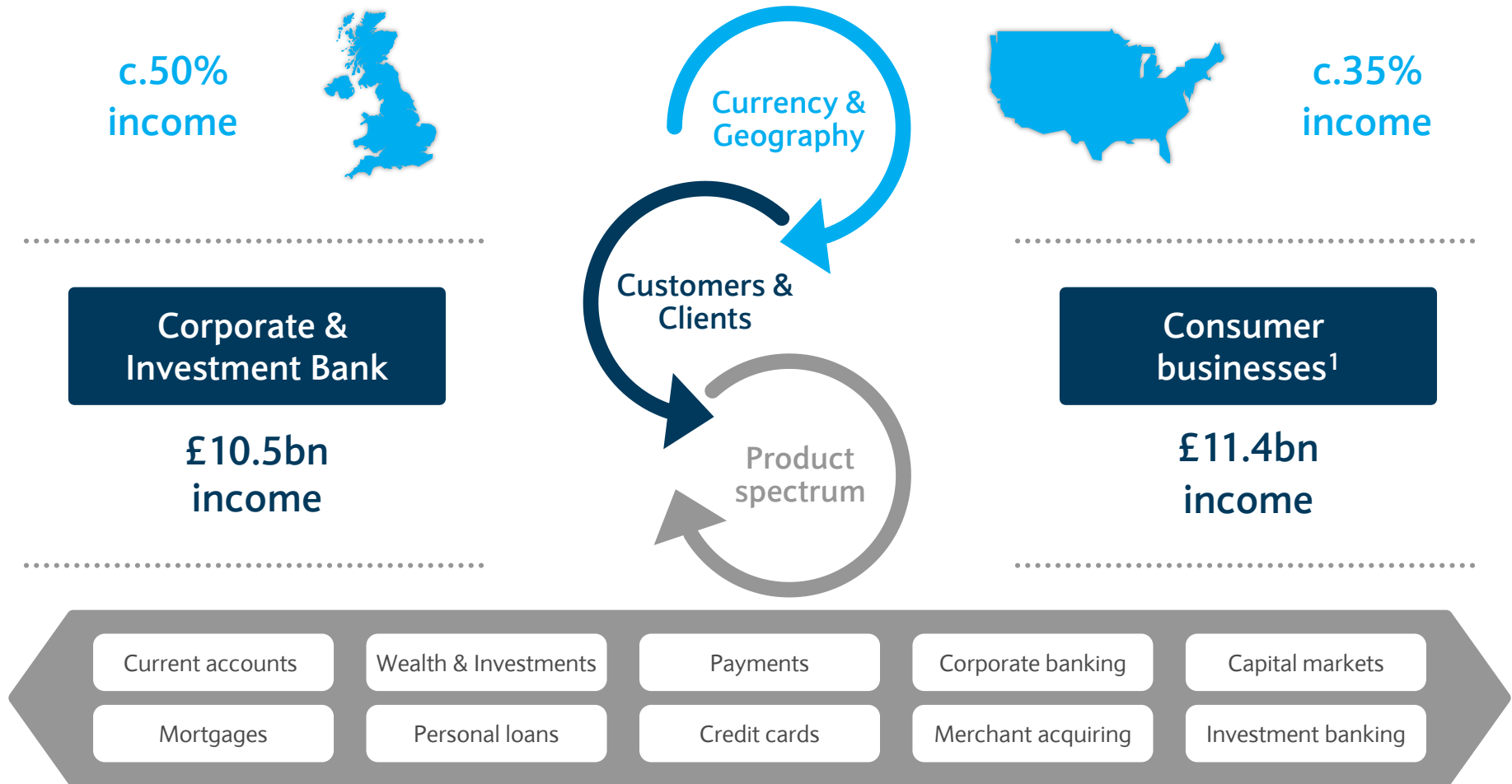


# Operational and technological strength will be a key advantage



**Driving efficiencies, cost synergies and scalability, delivering high quality analytics and controls, as well as excellent customer experience**

# Diversification provides balance and stability



<sup>1</sup> Barclays UK and Consumer, Cards & Payments, excluding notable items |

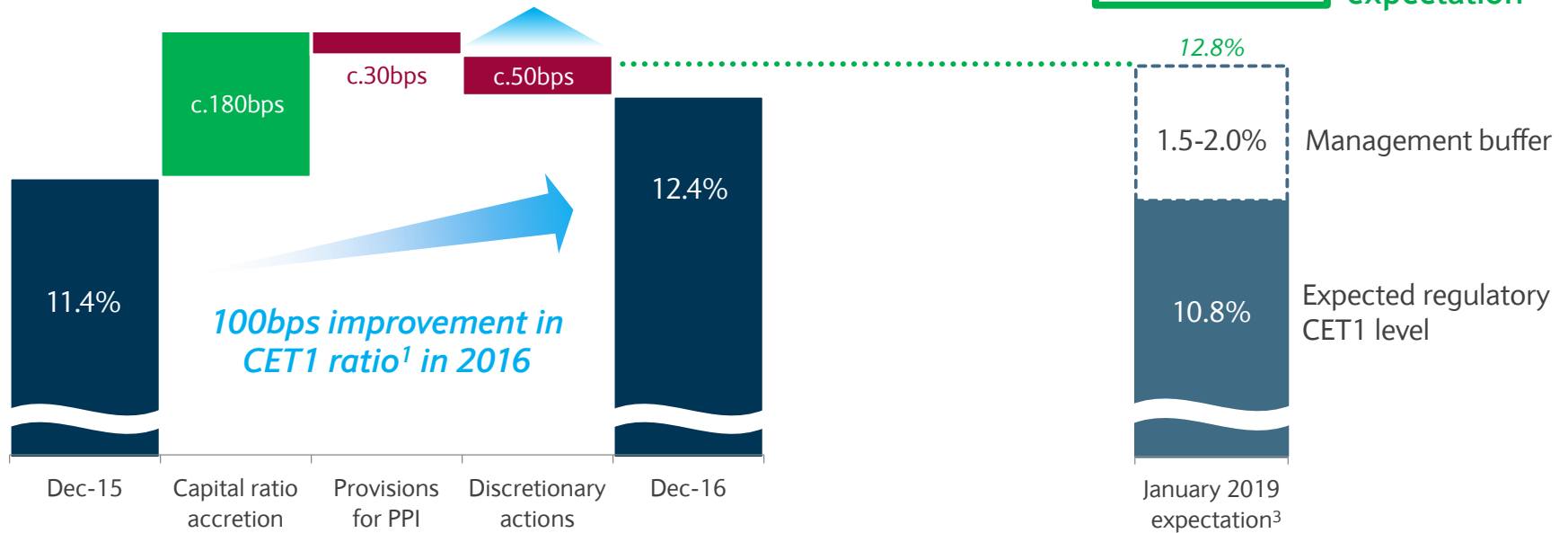
# Capital position approaching our end-state

Strong capital accretion in 2016...

...and approaching our end-state CET1 level<sup>2</sup>

## Discretionary actions and dividends

- Non-Core restructuring
- Preference share redemptions
- Compensation adjustment
- Real estate restructuring
- Dividends paid



<sup>1</sup> Fully loaded CET1 ratio. See slide 31 of Barclays' Full Year 2016 Results Presentation for full definition | <sup>2</sup> Subject to, amongst other impacts, future legacy conduct resolution costs | <sup>3</sup> See slide 31 of Barclays' Full Year 2016 Results Presentation for composition of, and relevant footnotes relating to, Barclays' expected capital requirements

# Approaching the end of Barclays' restructuring

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# Disclaimer

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