Barclays PLC
Barclays Global Financial Services Conference
11 September 2017
Jes Staley
Barclays Group Chief Executive Officer
Completed Barclays’ restructuring

- **Africa selldown complete**: Sold down to target shareholding of c.15% and achieved proportional regulatory consolidation.

- **CET1 ratio within end-state range**: CET1 ratio of 13.1%, reflecting strong capital generation from profits and 47bps from Africa selldown.

- **Non-Core closed**: Closure on 1 July 2017 with residual RWAs of £23bn, ahead of guidance.
**Transatlantic Consumer, Corporate and Investment bank**

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**Barclays UK**

*RoTE of 20.4%¹*

*UK consumer and business bank differentiated by scale and digital innovation*

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**Barclays International**

*RoTE of 12.4%*

*Diversified transatlantic wholesale and consumer bank*

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**Group Service Company**

*Enabling world-class services for our customers and clients while driving efficiency*

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**Strong capital position**

*CET1 ratio of 13.1%*

*13.4% pro-forma for BAGL³*

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**Simpler organisation**

*Reduced headcount by c.60k*

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**Focused on improving returns**

*Group RoTE of 8.1%²*

*Core RoTE of 10.4%¹*

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¹ H117 RoTE excluding £700m of charges for PPI ² H117 RoTE excluding Africa selldown effects (£1,435m loss on sale of 33.7% of BAGL’s issued share capital and £1,090m impairment of Barclays’ holding in BAGL) and £700m of charges for PPI ³ Assuming full regulatory deconsolidation, at 30 June 2017
Targeting Group RoTE of >10%

1. Eliminate structural reform and restructuring costs
   - c.£1.2bn of costs in 2017
   - Non-Core costs c.£0.5bn
   - Structural reform/compensation charge/other1 c.£0.7bn
   - Of which c.£1bn eliminated by 2019

2. Improve CIB returns
   - Redeployment of capital in the CIB loan book and improved funding assumptions
   - Cost efficiencies and strategic investments
   - Restructured and repositioned CIB

3. Drive cost efficiency through the Service Company
   - World-class central shared services
   - Creating capacity to self-fund investment
   - Driving CIB returns higher
   - Targeting Group CIR <60% over time

1 Includes Structural Reform Programme implementation costs, the change in compensation awards introduced in Q416 and other restructuring costs.
Material reductions in our cost base, creating capacity to self-fund investment in the business

Group operating costs excluding notable items\(^1\), conduct and litigation

<table>
<thead>
<tr>
<th>Year</th>
<th>Underlying costs</th>
<th>SRP/compensation charge/other(^3)</th>
<th>Non-Core costs</th>
<th>Investment spend</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>£16.3bn</td>
<td>£1.2bn</td>
<td>£2.0bn</td>
<td>£19.5bn</td>
</tr>
<tr>
<td>2016</td>
<td>£12.3bn</td>
<td>£1.6bn</td>
<td>£1.1bn</td>
<td>£15.0bn</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td>£c.0.5bn</td>
<td>£c.0.7bn</td>
</tr>
<tr>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Of which c.£1bn expected to be eliminated by 2019</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

\(^1\) As previously presented in Barclays’ annual reports
\(^2\) Africa Banking reclassified as a discontinued operation in 2016
\(^3\) 2013 includes costs to achieve as previously disclosed in Barclays’ annual reports, 2016 and 2017 include Structural Reform Programme implementation costs, the change in compensation awards introduced in Q416 and other restructuring costs

Capacity for re-investment

Target CIR over time

\(< 60\%\)
Service Company enables the delivery of world class services to our customers and clients while driving efficiency gains.

Barclays UK

Barclays International

Group Service Company

COO

Functions

Ensuring seamless connectivity with the business entities

Scaling market leading technology and removing redundancy

Sharing best practices

Initial stand-up September 2017

Fully operational in April 2018
Facilitating simplified and standardised operating environments to create greater operational leverage

Transaction cycle examples:

- Fraud
- Digital
- Enterprise data
- Procurement
- Collections
- Payments
- Contact Centres
- Innovation / ‘Rise’
- Onboarding / KYC
- Location Strategy / Real Estate
- Cyber security
- Mortgages

ServCo: 29 Transaction Cycles

Customer and client focus
Breaking down silos
Simplification and clarity
Security, resilience and controls
Innovation

Operations, technology and functional services organised into transaction cycles, focused on common processes and solutions
Managing the bank through transaction cycles, driving savings and the capacity to self-fund investment

Firm-wide approach to key fraud types
Adopting machine learning and AI

Alignment of policy, processes and toolsets across Barclays UK
Digitisation and automation of processes

Consolidation of global contact centre estate
Creation of ‘universal banker’ across multiple products at first point of contact

Customer and client journey automation
Build once and deploy across all channels
Cloud and API ready

Supplier and consultant rationalisation
Enhanced procurement discipline

10 fraud handling departments reducing to 1
Reducing customer friction, improving detection
Minimising the cost of fraud

Single customer view across all products
Consolidating 9 locations down to 4

Consistent customer service standards launched globally
Voice biometrics live

9.6m digitally active UK customers
5.9m Barclays Mobile Banking active users
55% of instant lending via mobile channel

Material reduction in preferred suppliers, accounting for over 70% of 3rd party spend

Standardised front to back processes and solutions that operate horizontally across the Group
Creating capacity for investment

**Payments**
- #2 Merchant Acquirer in Europe
- 1 in every 3 UK card transactions
- New merchant acquiring platform ‘bPaid’

**US Cards**
- #9 Issuer in the US
- Co-brand model
- New co-brand credit card partnership with Uber

**Barclays UK**
- 24m Customers
- 9.6m Digitally active
- Mobile active customers +19%
- #1 Mobile Banking App
- Data analytics to build meaningful customer relationships and growth

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1 Nilson report #1104 for US Cards and #1110 for Payments  
2 Great British Mobile Banking Review 2017 – The Memo
Leading on FinTech innovation through Rise

Rise, created by Barclays, is a community of the world’s brightest FinTech start-ups, experts and industry leaders, working together with us to create the future of financial services. It has state-of-the-art workspaces and is home to the Barclays Accelerator programme, powered by Techstars.

Created by BARCLAYS

100+ companies through the Accelerator since 2013
250+ start-ups are members of Rise

| London | Manchester | New York | Vilnius | Tel Aviv | Mumbai |
Group financial targets

Intend to achieve these targets within a reasonable timeframe

<table>
<thead>
<tr>
<th>Returns</th>
<th>Group Return on Tangible Equity (RoTE)</th>
<th>&gt;10%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>Group CET1 ratio</td>
<td>150-200 bps above regulatory minimum level ⇒ c.13%</td>
</tr>
<tr>
<td>Costs</td>
<td>Group Cost: income ratio</td>
<td>&lt;60%</td>
</tr>
</tbody>
</table>

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