The Group Service Company enables the delivery of world class services to our customers and clients while driving efficiency gains

<table>
<thead>
<tr>
<th>Topic</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer-centricity</td>
<td>Delivering strategically aligned and sustainable processes for our customers and clients, driven by their needs</td>
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<tr>
<td>Breaking down silos</td>
<td>Implement a group-wide shared service operating model as a lever to reduce costs through economies of scale and process reengineering</td>
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<tr>
<td>Simplification and clarity</td>
<td>A comprehensive, coherent and integrated shared service provider to operate efficiently in a ring-fence ready environment</td>
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<tr>
<td>Security, resilience and</td>
<td>Holistic approach to security and global resilience with a coordinated and structured approach to controls</td>
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<tr>
<td>controls</td>
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<tr>
<td>Innovation / ‘Rise’</td>
<td>Preeminent platform for innovation driven by customer and client experience</td>
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</tbody>
</table>
We are building the Group Service Company for sustainable strategic advantage

Barclays UK

Barclays International

Group Service Company

**COO**
- Technology
- Data
- Strategy
- Cyber & Physical Security
- Controls
- Innovation ‘Rise’
- Real Estate
- Operations

**Functions**
- Finance
- Risk
- Treasury
- Internal Audit
- Compliance
- HR
- Legal
- Tax

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 the development of simplified and standardised operating environments to create greater leverage

We have organised our operations, technology and general services into Transaction Cycles focused on a set of common processes and solutions

- **Customer-centricity**
  - Shift from a product-centric to a customer-centric approach
  - Greater business agility and reduced time to market
  - High specialisation

- **Simplification**
  - Structurally simplified organisation
  - Global reach and local action
  - Demolish redundancy
  - Investing in automation and self service

- **Standardisation**
  - Standardise operating environment
  - Reduce legacy fragmentation
  - Leverage industry utilities
  - Location strategy

- **Innovation**
  - ‘Rise’ open innovation platform
  - Accelerator programme for FinTech companies
  - Increase the frequency and pace of controlled experiments

- **Transparency**
  - Active business engagement will drive and flex costs of services
  - Value enhancing service level agreements relentlessly measured by KPIs

- **Control**
  - Structured and consistent across the organisation
  - Expand advanced monitoring and self-healing software
  - Increase resilience via global footprint
Generating shareholder value by positioning Barclays at the forefront of industry change and innovation

Building holistic group wide capabilities to transform customer interactions and drive growth

<table>
<thead>
<tr>
<th>FOCUS AREAS</th>
<th>OUTCOMES</th>
</tr>
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<tbody>
<tr>
<td>Shared Services Synergies</td>
<td>Excellence in Cost:Income</td>
</tr>
<tr>
<td>Innovation</td>
<td>Next generation products and services</td>
</tr>
<tr>
<td>Automation, Digitisation and Data</td>
<td>Benefits across the full P&amp;L</td>
</tr>
<tr>
<td>Cloud &amp; API</td>
<td>Increase productivity</td>
</tr>
<tr>
<td>Resilience and Security</td>
<td>Enhanced customer and client trust</td>
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</tbody>
</table>

- Shared best practices and solutions across the Group Service Company
- Build once, use many times approach

- Leverage the customer franchise and market position to launch differentiating capabilities
- Transforming into a FinTech incumbent

- Transforming and automating customer interactions
- Utilisation and monetisation of data

- Accelerate cloud infrastructure driven services
- Extending our platform functionality using APIs

- Deep control of cyber and technological risks
- Strengthened Controls environment to reduce operational risks and improve compliance
## Case study: SkyBranches / Contact Centres

### Creating a seamless end to end customer experience in an omni-channel environment

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<tr>
<th>Historical Challenges</th>
<th>Group Service Company Opportunity</th>
<th>Progress</th>
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| ~30 contact centre sites employing ~12,000 employees, providing a multi-channel experience | **Creation of a universal banker**
Focus on ‘first point of contact’ resolution | **Consolidation of four contact centres into two omni-channel centres of excellence in the UK** |
| >100 technology platforms | **Omni @ Scale**
Further develop omni-channel capabilities (e.g. video, secure chat, social media) | **Best-in-class training and development of universal bankers** |
| > 50 suppliers and outsourced services | **Platform consolidation**
Standardisation, digitalisation and automation of processes | **Customer complaint resolution at ‘first point of contact’** |
| Duplication of processes – separate contact centres dedicated to different products (e.g. debit cards vs. credit cards) | **Consolidation of locations**
Optimisation of capacity and fungibility of resources | **Further automation of customer services** |
| Inconsistent processes e.g. seven different ways to perform an address change |  | **Accelerate voice security deployment** |
| Over 60% of calls relate to general servicing |  |  |
## Case study: Fraud

Provide frictionless customer experiences by building best-in-class capabilities

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<th>Historical Challenges</th>
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<tr>
<td>▪ Genuine customer declines historically greater than market leaders</td>
<td>▪ Frictionless customer experience</td>
<td>▪ Alignment of multi-functional teams globally</td>
</tr>
<tr>
<td>▪ Disparate local processes with multiple fraud teams in business and product silos</td>
<td>▪ Minimise interruptions at point of sale and provide robust protection to customers</td>
<td>▪ Agile development to identify the best tools and processes for managing key fraud types</td>
</tr>
<tr>
<td>▪ Dislocation between risk, operations, technology, cyber and fraud analytics teams, spread across 19 locations</td>
<td>▪ Business growth</td>
<td>▪ Continuous evaluation of customer behaviour via machine learning to reduce fraud rates (e.g. 38% higher ATM fraud detection rates)</td>
</tr>
<tr>
<td>▪ Reliance on vendor solutions and legacy technology (&gt;100 different technology platforms)</td>
<td>▪ Minimise the cost of fraud</td>
<td>▪ Roll out of #digisafe programme</td>
</tr>
<tr>
<td></td>
<td>▪ By taking a firm-wide approach to key fraud types</td>
<td>▪ Expand shared services to higher valued-added analytics and reporting</td>
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<tr>
<td></td>
<td></td>
<td>▪ Decommission legacy roles, locations and technology</td>
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**Achievements**

- Alignment of multi-functional teams globally
- Agile development to identify the best tools and processes for managing key fraud types
- Continuous evaluation of customer behaviour via machine learning to reduce fraud rates (e.g. 38% higher ATM fraud detection rates)
- Roll out of #digisafe programme
- Expand shared services to higher valued-added analytics and reporting
- Decommission legacy roles, locations and technology

**Next steps**

- Efficiency savings
## Case study: Innovation / ‘Rise’

### Opportunity to remain at the forefront of industry change and innovation

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| ▪ FinTechs and large technology companies are creating new services and products far more rapidly than traditional banks  
▪ Significant investments into the sector have increased the risk of disintermediation  
▪ Challenge of discovering and evaluating emerging technologies | ▪ Customer behaviour not technology drives ‘Rise’ agenda  
▪ Investment in platforms  
New platforms enhance competitive advantage and increases productivity and automation  
▪ Attract and establish partnerships with FinTechs via our Accelerators  
We provide FinTechs with the opportunity to grow to scale  
▪ Innovate for performance  
Drive innovation for our own operational efficiency (e.g. cyber and data) | ▪ Unique insight across the spectrum of FinTech companies  
Accelerators in London, Manchester, New York, Tel Aviv, Mumbai and Vilnius  
▪ 250+ FinTech start-ups based in Barclays Accelerator sites  
▪ The platform to innovate at scale is a differentiating strategic advantage  
▪ Increase frequency and pace of controlled experiments  
▪ Improve connectivity between mainstream technology teams and Rise partners |

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Paul Compton
Group Chief Operating Officer
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