



Barclays PLC Fixed Income Investor Call

FY 2014 Results Announcement

3 March 2015



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Barclays Group Finance Director

Summary Group financials: Adjusted profits up 12%

Year ended – December (£m)	2013	2014	
Income	27,896	25,728	
Impairment	(3,071)	(2,168)	
Total operating expenses	(19,893)	(18,069)	
– <i>Costs to achieve Transform (CTA)</i>	(1,209)	(1,165)	
Adjusted profit before tax	4,908	5,502	
Tax	(1,963)	(1,704)	
NCI and other equity interests	(757)	(1,019)	
Adjusted attributable profit	2,188	2,779	
Adjustments	– <i>Provisions for PPI and IRH redress</i>	(2,000)	(1,110)
	– <i>Gain on US Lehman acquisition assets</i>	259	461
	– <i>Provision for ongoing investigations and litigation relating to Foreign Exchange</i>	–	(1,250)
	– <i>Loss on announced sale of the Spanish business</i>	–	(446)
	– <i>ESHLA valuation revision</i>	–	(935)
	– <i>Own credit and goodwill impairment</i>	(299)	34
Statutory profit before tax	2,868	2,256	
Statutory attributable profit/(loss)	540	(174)	
Basic EPS ¹	15.3p	17.3p	
Return on average equity ¹	4.1%	5.1%	

Financial performance

- Adjusted profit before tax increased by 12% to £5.5bn as PCB and Barclaycard continued to grow profits. This was partly offset by reduced income in the Investment Bank, which made progress on its origination-led strategy whilst driving cost savings and RWA efficiencies
- Adjusted income decreased 8% while impairment reduced by 29% due to a £732m reduction in Non-Core to £168m and 8% reduction in the Core business
- Total adjusted operating expenses decreased 9% to £18.1bn driven by savings from Transform programmes and favourable currency movements. Operating expenses excluding CTA were £16.9bn, down from £18.7bn in 2013 and ahead of the £17bn 2014 target
- Adjusted attributable profit was £2.8bn, resulting in EPS of 17.3p
- Core RoE was 9.2% (or 10.9% excluding CTA) – Group RoE was 5.1%
- Barclays Non-Core attributable loss reduced by 43% to £1.1bn, and RoE drag fell to 4.1%

¹ EPS and RoE calculations are based on adjusted attributable profit, also taking into account tax credits on AT1 coupons |

Strengthening key financial metrics

(£bn)		Dec-13	Sep-14	Dec-14
Balance Sheet	Total assets	1,344	1,366	1,358
	Leverage exposure ¹	n/a	1,324	1,233
	Leverage ratio ¹	n/a	3.5%	3.7%
Capital ²	Fully loaded CET1 ratio	9.1%	10.2%	10.3%
	Fully loaded CET1 capital	40.4	42.0	41.5
	Risk-weighted assets	442	413	402
Liquidity	Liquidity coverage ratio ³	96%	115%	124%
	Liquidity pool	127	146	149
Funding	Loan to Deposit Ratio ⁴	91%	90%	89%
	Wholesale funding ⁵	186	178	171
	NSFR ³	94%	n/a	102%

Highlights

- Continued strengthening of all key balance sheet metrics
- Good progress on capital position with fully loaded CRD IV CET1 ratio of 10.3% and BCBS leverage ratio of 3.7%, both well on track towards 2016 Transform targets
- Liquidity pool increased to £149bn, 82% of which in cash and deposits with central banks and high quality government bonds
- Solid LCR with a £30bn surplus above 100% future requirement
- Funding profile remained conservative with Loan to Deposit Ratio of 89% in retail and corporate businesses
- Wholesale funding outstanding was £171bn, of which £75bn matures in <1 year
- NSFR exceeded 100% well ahead of implementation date

¹ Estimates based on current understanding of the BCBS 270 standards and the requirements contained in the European Commission delegated act | ² Based on Barclays interpretation of the final CRD IV text and latest EBA technical standards | ³ LCR based on CRD IV rules as per the EU Delegated Act and the NSFR based on the final guidelines published by the BCBS in October 2014. NSFR disclosed semi-annually | ⁴ LDR calculated for PCB, Africa Banking, Barclaycard and Non-Core retail | ⁵ Excludes repurchase agreements |

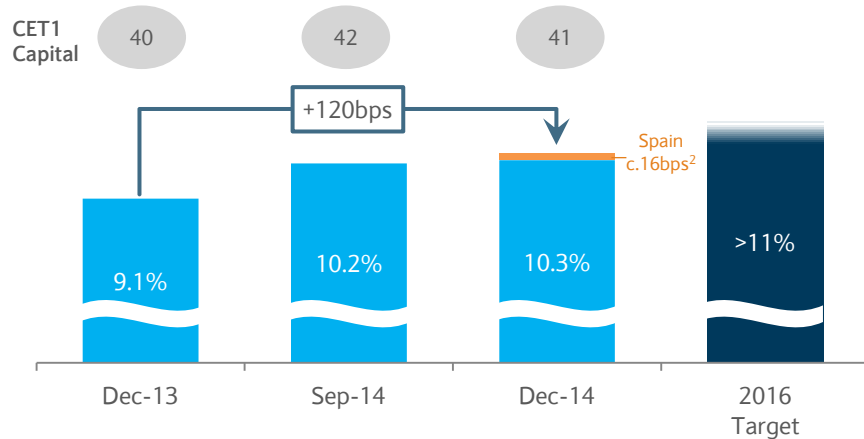


Dan Hodge

Barclays Group Treasurer

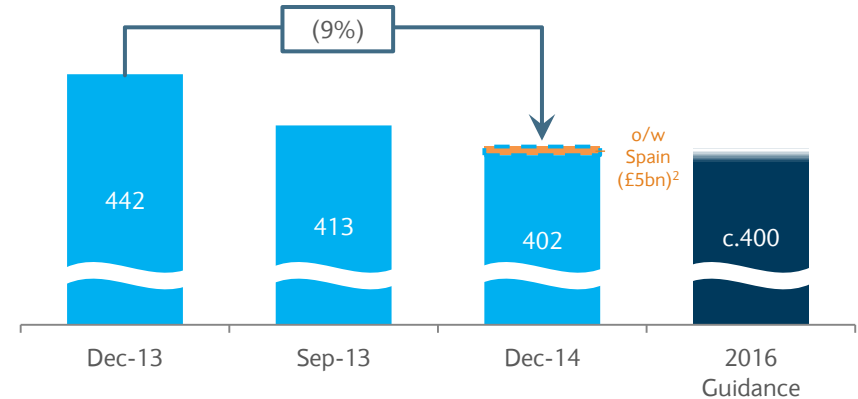
Good progress on CET1 ratio towards 2016 Transform target

Fully loaded (FL) CRD IV CET1 ratio progression¹



- FL CRD IV CET1 ratio up 120bps, or c.140bps if including the sale of the Spanish businesses, demonstrating good progress towards 2016 Transform target of greater than 11%
- Continued capital build as FL CRDIV CET1 capital grew by £1.1bn to £41.5bn, after absorbing £3.3bn of adjusting items
- Confident that our planned trajectory positions us well to meet future regulatory requirements

RWA reduction (£bn)

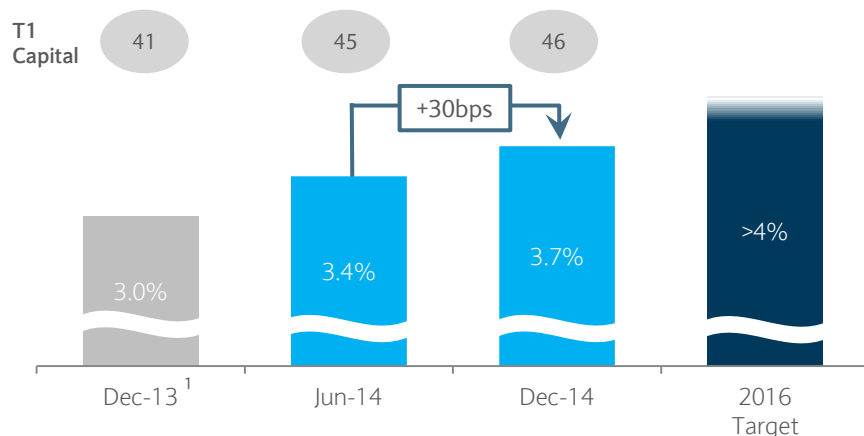


- RWAs reduced by £41bn, or £46bn including the sale of the Spanish businesses, reflecting excellent progress on the run-down of Non-Core to £75bn
- Increases due to model updates largely offset by methodology and policy driven decreases

¹ Based on Barclays interpretation of the final CRD IV text and latest EBA technical standards. Following the full implementation of CRD IV reporting in 2014, the previously reported 31 December 2013 RWAs were revised by £6.9bn to £442bn and fully loaded CET1 ratio by (0.2%) to 9.1% | ² As announced on 2 January 2015 |

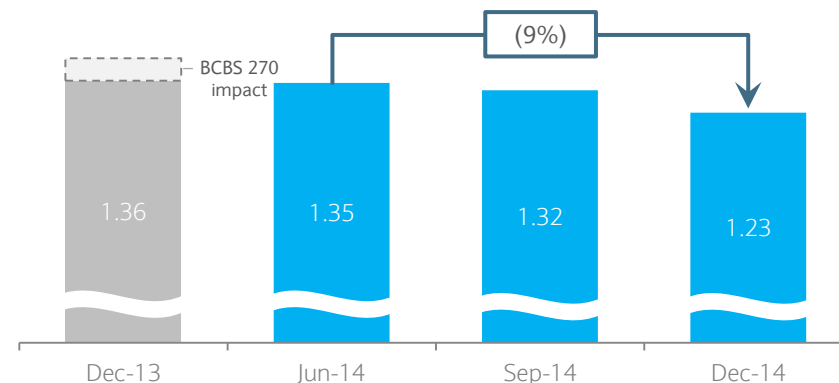
Leverage ratio progression ahead of plan

Leverage ratio progression¹



- Leverage ratio up significantly to 3.7%, or 3.8% if reflecting the sale of the Spanish businesses², well on track to meet 2016 Transform target of in excess of 4%
- Improvement over the year driven by T1 capital growth, including £2.3bn of AT1 issuance, and leverage exposure reduction
- Leverage ratio already in line with expected minimum end-state requirement of 3.7% as outlined by the Financial Policy Committee

Leverage exposure reduction (£trn)¹

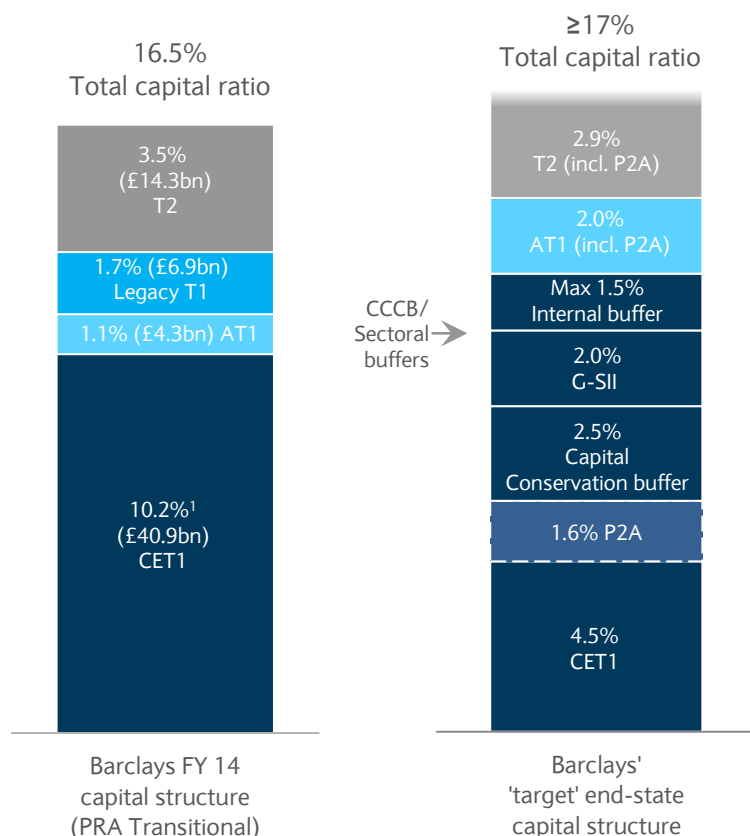


- Significant reduction in leverage exposure, driven principally by reductions in Non-Core and in the Core Investment Bank
- Leverage exposure decreased by £91bn in Q4 2014 driven mainly by a £35bn reduction in SFT exposure, £16bn reduction in PFE, and a seasonal £28bn reduction in settlement balances

¹ Dec-13 not comparable to the estimates as of Jun-14 onwards due to different basis of preparation. Dec-13 estimated ratio and T1 capital based on PRA leverage ratio calculated as fully loaded CRD IV T1 capital adjusted for certain PRA defined deductions, and a PRA adjusted leverage exposure measure. From Jun-14 onwards, estimated ratios based on current understanding of the BCBS 270 standards and the requirements contained in the European Commission delegated act. ² As announced on 2 January 2015

Continued progress on the transition towards our 'target' end-state capital structure

Evolution of capital structure



Fully loaded CRD IV capital position

- Fully loaded CRD IV CET1 ratio at 10.3% (10.2% on PRA transitional basis) on track to meet our target of > 11% in 2016. The ratio was well in excess of the 7% PRA regulatory target²
- Robust buffers to contingent capital triggers³
 - AT1 contingent capital: c.330bps or £13.3bn
 - T2 contingent capital: c.530bps or £21.5bn⁴
- As we build CET1 capital over the transitional period, we expect to reach a range of 11.5-12% in end-state reflecting our intention to hold an internal management buffer of up to 150bps over future minimum requirements⁵
- Transitional total capital ratio increased to 16.5% (2013: 15.0%), and fully loaded total capital ratio increased to 15.4% (2013: 13.9%)
- Further clarity required on Total Loss Absorbing Capacity (TLAC) quantum and composition. In the interim, we continue to build towards our 'target' end-state capital structure which assumes at least 17% of total capital; final requirements subject to PRA discretion.

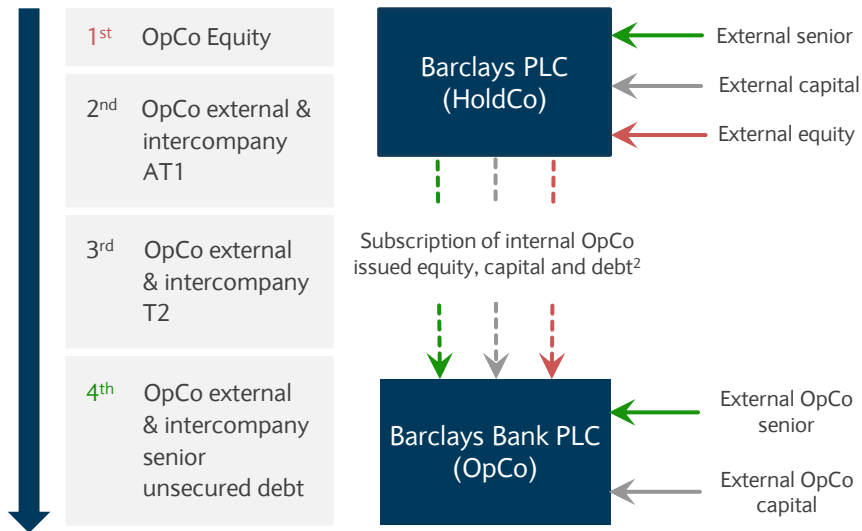
Pillar 2A requirement⁶

- Barclays 2015 Pillar 2A requirement as per the PRA's Individual Capital Guidance (ICG) is 2.8%. The ICG is subject to at least annual review
 - CET1 of 1.6% (assuming 56%)
 - AT1 of 0.5% (assuming 19%)
 - T2 of 0.7% (assuming 25%)
- The PRA consultation on the Pillar 2 framework (CP1/15), and Basel Committee consultations and reviews of approaches to Pillar 1 and Pillar 2 risk might further impact the Pillar 2A requirement in the future.

¹ Difference to fully loaded ratio of 10.3% arises from a regulatory adjustment relating to unrealised gains | ² Being the higher of 7% PRA expectation and CRD IV capital requirements | ³ CRD IV rules on mandatory distribution restrictions apply from 1 January 2016 onwards based on transitional CET1 requirements | ⁴ Based on the CRD IV CET1 transitional (FSA October 2012 statement) the ratio was 12.3% as at 31 December 2014 | ⁵ Barclays current regulatory target is to meet a FL CRD IV CET1 ratio of 9% by 2019, plus a Pillar 2A add-on. Pillar 2A requirements for 2015 held constant out to end-state for illustrative purposes. The PRA buffer is assumed to be below the combined buffer requirement of 4.5% in end-state albeit this might not be the case. CCCB, other systemic and sectoral buffer assumed to be zero | ⁶ Point in time assessment made at least annually, by the PRA, to reflect idiosyncratic risks not fully captured under Pillar 1 |

Transition towards a holding company capital and funding model

Expected creditor hierarchy during transition¹



- Losses arise at OpCo, and are transmitted to HoldCo through write-down of intercompany instruments
- Losses at HoldCo are limited to its investment in the OpCo
- Losses should be allocated in accordance with the insolvency hierarchy, meaning *pari passu* treatment of equal-ranked internal and external claims
- ‘No creditor worse off’ than in insolvency safeguard expected to apply for senior unsecured debt

Barclays position

- Barclays has started to issue capital and term senior unsecured debt out of Barclays PLC, the Holding Company
- To better align the credit proposition between investors in HoldCo and OpCo securities during the transition period, proceeds raised by Barclays PLC have been used to subscribe for capital and senior unsecured term debt in Barclays Bank PLC with corresponding ranking
- As the HoldCo is a creditor of the OpCo alongside OpCo external creditors, respecting the creditor hierarchy should require *pari passu* treatment between internally and externally OpCo issued capital and debt of the same rank¹
- Maturing capital and term senior unsecured debt to be refinanced out of HoldCo during the transition period, making the external creditor hierarchy simpler post transition
 - When required to qualify as TLAC³ in a material subsidiary, senior obligations with >1 year residual maturity would need to be downstreamed in subordinated form to its “excluded liabilities”
 - Investment at HoldCo gives exposure to diversified businesses post ring-fencing, comparable to the position of OpCo investors today
- Evolving regulation, including the implementation of MREL beginning 1 Jan 2016 and any subsequent regulatory policy interpretations, may require a change to the current approach. Any change would be communicated to the market

¹ Based on Barclays expectations of the creditor hierarchy in a resolution scenario; assumes internal subordination not imposed during transition | ² Internal issuance in each case currently with ranking corresponding to external HoldCo issuance. Detailed disclosure can be found in the Barclays PLC and Barclays Bank PLC 2014 annual reports | ³ Total loss absorbing capacity (TLAC) as proposed in the FSB Consultative Document on the adequacy of loss-absorbing capacity of global systemically important banks in resolution |

Proxy Total Loss Absorbing Capacity (TLAC)¹

(£bn)	Dec-14
PRA transitional Common Equity Tier 1 capital	41
PRA transitional Additional Tier 1 regulatory capital	11
<i>Barclays PLC (HoldCo)</i>	4
<i>Barclays Bank PLC (OpCo)</i>	7
PRA transitional Tier 2 regulatory capital	14
<i>Barclays PLC (HoldCo)</i>	1
<i>Barclays Bank PLC (OpCo)</i>	13
PRA transitional total regulatory capital	66
HoldCo term non-structured senior unsecured debt ²	2
OpCo term non-structured senior unsecured debt ³	29
Total term non-structured senior unsecured debt	97
CRD IV RWAs	402
BCBS leverage exposure	1,233
Proxy risk-weighted TLAC ratio	~ 24%
Proxy leverage based TLAC ratio	~ 8%

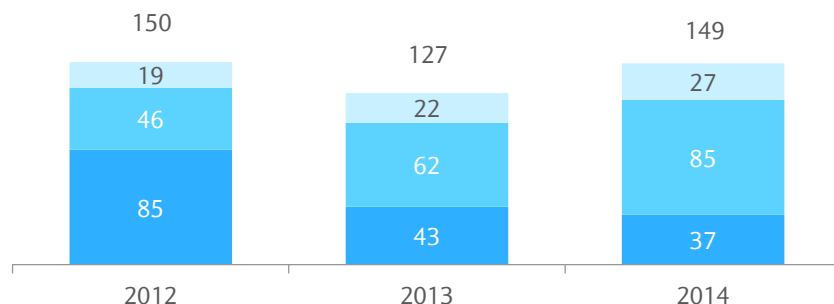
- Proactive transition towards a HoldCo funding and capital model positions us well to meet potential future TLAC requirements
- While requirements remain to be set, Barclays current expectation is a multi-year conformance period
- Good portion of OpCo term senior unsecured debt maturing before 2019 which can be refinanced from HoldCo
- Based on Barclays current interpretation of TLAC requirements, proxy TLAC ratio at 24%⁴ on the assumption that Barclays Bank PLC term non-structured senior unsecured debt is refinanced from HoldCo and subordinated to OpCo excluded liabilities
- Currently do not intend to use HoldCo senior unsecured debt proceeds to subscribe for OpCo liabilities on a subordinated basis until required to do so
- The future TLAC-ratio will further benefit from CET1 capital growth and AT1 issuance towards end-state expectations
- As TLAC rules are finalised and as we approach implementation date, we will assess the appropriate composition and quantum of our future TLAC stack

¹ For illustrative purposes only reflecting Barclays interpretation of the FSB Consultative Document on "Adequacy of loss-absorbing capacity of global systemically important banks in resolution", including certain assumptions on the inclusion or exclusion of certain liabilities where further regulatory guidance is necessary. Evolving regulation, including the implementation of MREL beginning 1 Jan 2016 and any subsequent regulatory policy interpretations, may require a change to the current approach. ² Barclays PLC issued senior unsecured term debt assumed to qualify for consolidated TLAC purposes. ³ Comprise all outstanding Barclays Bank PLC issued public and private term senior unsecured debt, regardless of residual maturity. This excludes £35bn of notes issued under the structured notes programmes. ⁴ Including the 4.5% combined buffer requirement which needs to be met in CET1. The combined buffer requirement comprises a 2% G-SII buffer and 2.5% capital conservation buffer a fully phased in basis.

Maintaining a robust liquidity position, with pool well in excess of internal and external minimum requirements

High quality liquidity pool (£bn)

■ Cash & Deposits at Central Banks ■ Government Bonds ■ Other Available Liquidity



Estimated CRD IV/Basel 3 liquidity ratios¹

Metric	2013	2014	Expected 100% requirement date
LCR ²	96%	124%	1 January 2018
Surplus	-	£30bn	
NSFR ³	94%	102%	1 January 2018

Surplus to 30-day Barclays-specific LRA

	2013	2014
LRA	104%	124%
Surplus	£5bn	£29bn

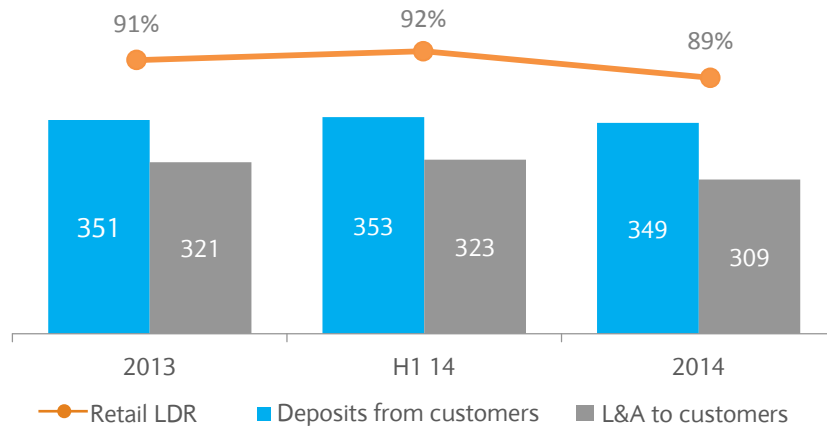
Key messages

- Further strengthened liquidity position with the Group liquidity pool up by £22bn to £149bn, building a larger surplus to the internal Liquidity Risk Appetite
- Quality of the pool remains high:
 - 82% held in cash, deposits with central banks and high quality government bonds
 - Over 95% of government bonds are securities issued by UK, US, Japanese, French, German, Danish, Swiss and Dutch sovereigns
- Even though not a regulatory requirement, the size of our liquidity pool is almost double that of wholesale debt maturing in less than a year
- Additional significant sources of contingent funding in the form of high quality assets pre-positioned with central banks globally
- Continued strengthening of estimated CRD IV/Basel 3 liquidity ratios:
 - Estimated LCR increased to 124%, mainly due to the increase in the size of the liquidity pool, resulting in a £30bn surplus above the future 100% requirement
 - Estimated NSFR strengthened to 102%, primarily driven by the progress on run-down of Non-Core

¹ Barclays interpretation of current rules and guidance | ² LCR estimated based on the EU delegated act | ³ Estimated based on the final BCBS rules published in October 2014 |

We maintain access to stable and diverse sources of funding, across customer deposits and wholesale debt

Broadly self-funded retail businesses¹(£bn)

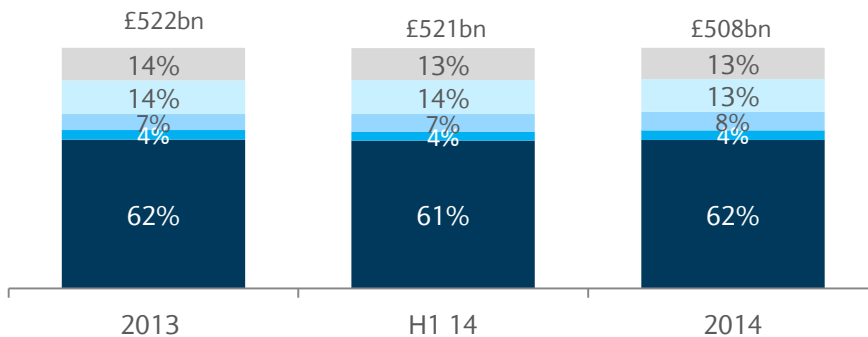


Key messages

- Group Loan to Deposit Ratio (LDR) and the LDR for PCB, Barclaycard and Africa Banking broadly unchanged at 100% and 89% respectively¹
- Excess customer deposits in PCB, Barclaycard and Africa Banking predominantly used to fund the liquidity buffer requirements for these businesses, making them broadly self funded
- The Group issued £15bn of term funding net of early redemptions during 2014 (excluding FLS) across senior unsecured, secured and subordinated debt, against £24bn of maturities
- Overall funding requirements for the Group reducing as Non-Core assets are run down

Total funding (excluding BAGL)

■ Customer deposits ■ Secured term funding ■ Sub. debt
 ■ Short-term debt and other deposits ■ Unsecured term funding



2015 Funding Plan

- Expect to issue a gross amount of £10-15bn in 2015 across public and private senior unsecured, secured and subordinated debt, materially below term maturities of £23bn for the year
- Most capital and non-structured senior unsecured debt expected to be issued out of Barclays PLC, the HoldCo, going forward
- Secured, short-term and structured notes expected to continue to be issued out of Barclays Bank PLC, the OpCo
- We intend to maintain access to diverse wholesale funding, through different products, currencies, maturities and channels
- We expect to be a regular issuer of AT1 securities over the next few years

¹ LDR for PCB, Barclaycard and Africa Banking also includes the Non-Core (retail) deposits |

Summary

Business model

- Diversified international bank focused on delivering improved and more sustainable returns
- Concentrating on high growth opportunities where we have competitive advantage, eliminating marginal businesses and sharpening our focus on costs

Capital

- Strengthened capital position with fully loaded CRD IV CET1 ratio of 10.3% as at 31 December 2014, on track to deliver a ratio of greater than 11% in 2016
- Building on good track record in reducing RWAs as we run-down Barclays Non-Core and reinvest in Core businesses outside of the Investment Bank

Leverage

- BCBS leverage ratio of 3.7% as at 31 December 2014, close to our target of greater than 4% in 2016
- Planned reduction in leverage exposure by 2016 mainly through reduction in Barclays Non-Core and the Core Investment Bank

Liquidity & funding

- Diversified funding base, combining customer deposits and wholesale funding, in multiple currencies and different maturities
- Robust liquidity position, well positioned to meet anticipated future regulatory requirements

Regulation

- Proactive and practical approach to managing regulatory changes
- Established track record of adapting to regulatory developments.



Q&A



Appendix

Barclays PLC Parent company accounts

Barclays PLC Parent Company Balance Sheet

Balance sheet

		2014	2013
	Notes	£m	£m
As at 31 December			
Assets			
Investment in subsidiary	46	33,743	30,059
Loans and advances to subsidiary	46	2,866	-
Derivative financial instrument	46	313	271
Other assets		174	812
Total assets		37,096	31,142
Liabilities			
Deposits from banks		528	400
Subordinated liabilities	46	810	-
Debt securities in issue	46	2,056	-
Other liabilities		10	-
Total liabilities		3,404	400
Shareholders' equity			
Called up share capital	31	4,125	4,028
Share premium account	31	16,684	15,859
Other equity instruments	31	4,326	2,063
Capital redemption reserve		394	394
Retained earnings		8,163	8,398
Total shareholders' equity		33,692	30,742
Total liabilities and shareholders' equity		37,096	31,142

Extract from notes to Parent Company Balance Sheet

46 Barclays PLC (the Parent Company)

Investment in subsidiary

The investment in subsidiary of £33,743m (2013: £30,059m) represents investments made into Barclays Bank PLC, including £4,326m (2013: £2,063m) of Additional Tier 1 (AT1) securities. The increase of £3,684m during the year was due to a £2,263m increased holding in Barclays Bank PLC issued securities and a further cash contribution of £1,421m.

Loans and advances to subsidiary and debt securities in issue

During the period, Barclays PLC issued £810m equivalent of Fixed Rate Subordinated Notes (Tier 2) and £2,056m equivalent of Fixed Rate Senior Notes accounted for as subordinated liabilities and debt securities in issue respectively. The proceeds raised through these transactions were used, respectively, to subscribe for £810m equivalent of Fixed Rate Subordinated Notes (Tier 2) issued by Barclays Bank PLC, and to make £2,056m equivalent of Fixed Rate Senior Loans to Barclays Bank PLC, in each case with a ranking corresponding to the notes issued by Barclays PLC.

Disclaimer

Important Notice

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or an offer to sell or solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or other financial instruments.

Forward-looking Statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projected levels of growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the Transform Programme and Group Strategy Update, run-down of assets and businesses within Barclays Non-Core, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards (IFRS), evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; UK, US, Africa, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of the Group; the potential for one or more countries exiting the Eurozone; the impact of EU and US sanctions on Russia; the implementation of the Transform Programme; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements. Additional risks and factors are identified in our filings with the SEC, including our Annual Report on Form 20-F for the fiscal year ended 31 December 2014 ("2014 20-F"), which are available on the SEC's website at <http://www.sec.gov>.

Any forward-looking statements made herein speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information or future events. Except as required by the Prudential Regulation Authority, the Financial Conduct Authority, the London Stock Exchange plc (the LSE) or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Barclays' expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has made or may make in documents it has published or may publish via the Regulatory News Service of the LSE and/or has filed or may file with the SEC, including the 2014 20-F.