Barclays PLC
Fixed Income Investor Call

FY 2017 Results Announcement

22 February 2017

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Barclays Group Finance Director

FY17 Group highlights

A year of strong strategic progress and improved profitability

Financial performance

Income ⬇2%
£21.1bn (FY16: £21.5bn)

PBT ⬆10%
£3.5bn (FY16: £3.2bn)

Cost: income ratio
73% (FY16: 76%)

LLR ⬆4bps
57bps (FY16: 53bps)

RoTE
-3.6% (FY16: 3.6%)

CET1 ratio ⬆90bps
13.3% (Dec-16: 12.4%)

TNAV ⬇14p
276p (Dec-16: 290p)

- Strategic milestones achieved ahead of schedule
  - Sell down of BAGL on 1 June 2017
  - Non-Core closed on 1 July 2017
- Improved profitability with PBT up 10% to £3.5bn
  - Costs reduced 5% to £14.2bn[1] delivering positive jaws
  - RoTE of 5.6% and EPS of 16.2p excluding litigation and conduct, losses related to the BAGL sell down and US DTA re-measurement
- Capital strength, allowing focus on returns and updated dividend policy
  - CET1 ratio at 13.3%, up 90bps YoY and within the end-state target range
  - RWAs decreased £53bn to £313bn
  - 2017 dividend confirmed at 3.0p, intention to pay 2018 dividend of 6.5p[2]

[1] Excluding litigation and conduct | [2] Subject to regulatory approvals |

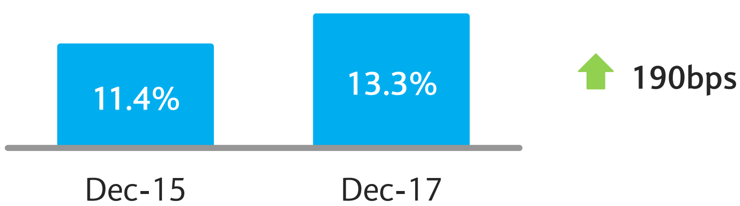
Diversified Transatlantic Consumer and Wholesale Bank

Move from restructuring to Group returns targets

Restructuring completed in 2017

- Africa sell down completed ✓
- Non-Core closed ✓
- Group ServCo launched ✓
- Structural reform on track ✓

CET1 ratio



Focus on Group returns targets

RoTE[1]	>9% in 2019 >10% in 2020
CET1 ratio	c.13% 150-200 bps above regulatory minimum level
Costs	£13.6-13.9bn in 2019[2] Cost: income ratio <60%

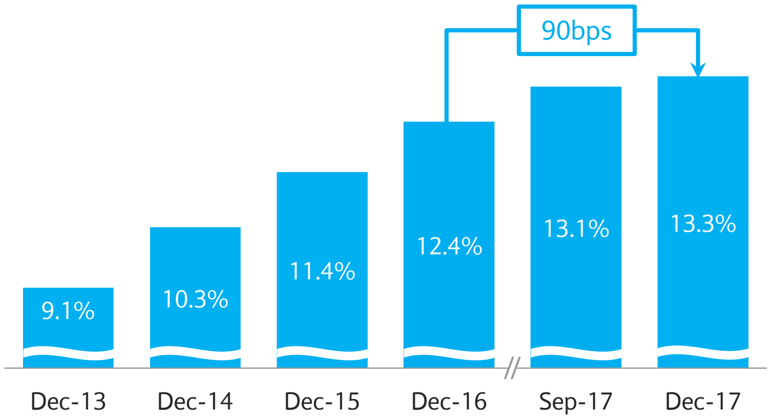
[1] Excluding litigation and conduct and based on a CET1 ratio of c.13% | [2] Excluding litigation and conduct |

Kathryn McLeland

Group Treasurer

Further improved CET1 and leverage ratios

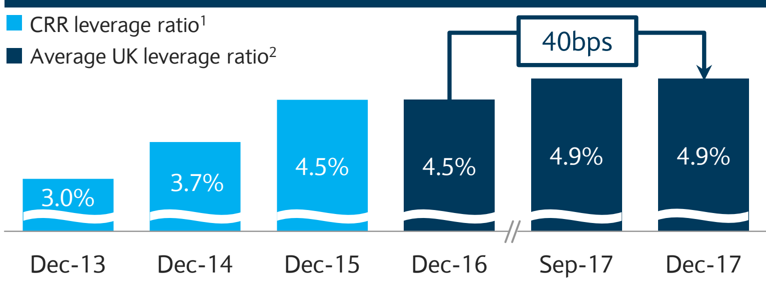
Fully loaded CET1 ratio



	Dec-13	Dec-14	Dec-15	Dec-16	Sep-17	Dec-17
RWAs (£bn)		402	358	366	324	313

- CET1 ratio increased by 90bps in the year to 13.3% driven largely by:
  - c.90bps of organic profit generation from continuing operations
  - c.60bps reflecting the proportional consolidation of BAGL to 14.9% and the associated reduction in RWAs
  - c.40bps from other RWA reductions (excluding FX) including from the rundown of Non-Core
- Offset by:
  - c.30bps from dividends paid in the year
  - c.20bps from US DTA re-measurement arising from the net impact of US tax reform and the US branch exemption election
  - c.20bps from litigation and conduct charges related to PPI
  - c.20bps from pension deficit reduction contributions
  - c.10bps of other movements including preference share redemptions
- CET1 ratio increased by 20bps in Q417, primarily reflecting the benefit of proportional consolidation of BAGL to 14.9% and further RWA reductions, partially offset by the re-measurement of US DTAs and litigation and conduct charges
- Expect another c.10bps benefit from the full regulatory deconsolidation of BAGL in 2018, i.e. a pro forma CET1 ratio of c.13.4%

Leverage ratio



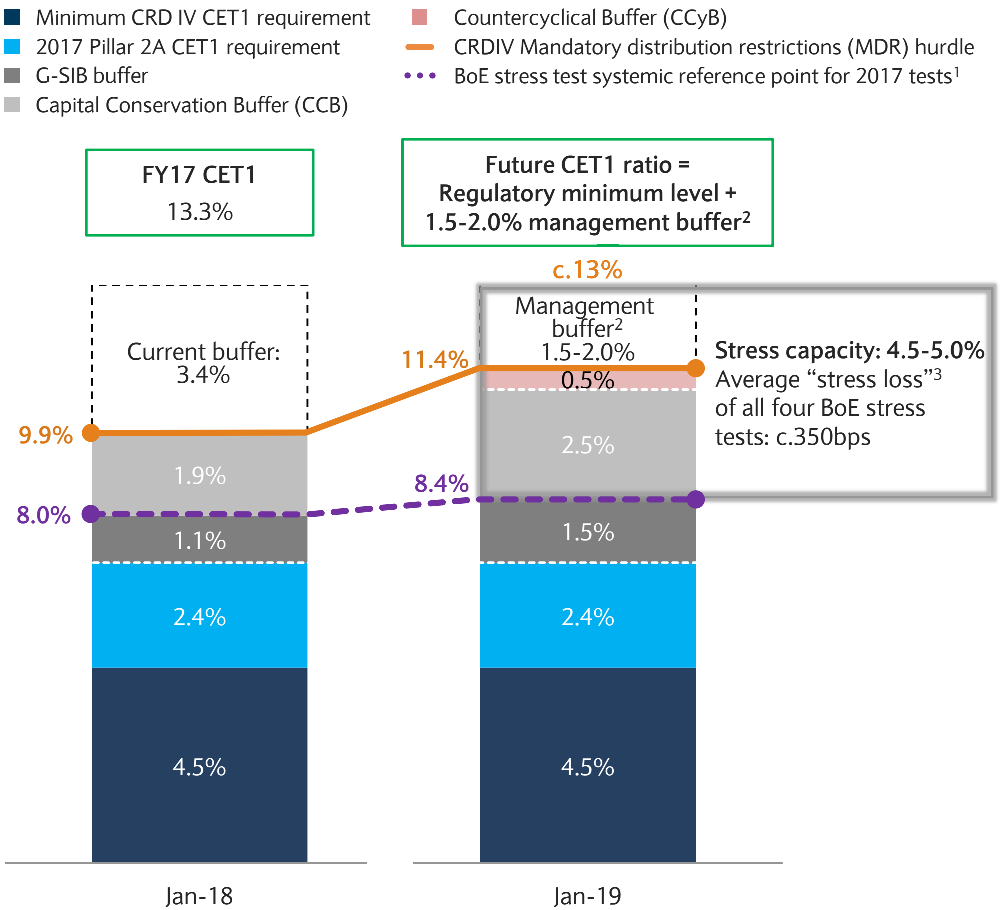
	Dec-13	Dec-14	Dec-15	Dec-16	Sep-17	Dec-17
Leverage Exposure(£bn)[3]		1,233	1,028	1,137	1,035	1,045

- The average UK leverage ratio[2] increased 40bps in the year driven by the reduction in exposures from both BAGL's regulatory proportional consolidation and Non-Core run down, as well as the issuance of Additional Tier 1 capital (AT1) securities
- UK leverage ratios on both average and spot bases were stable over the quarter, remaining at 4.9% and 5.1% respectively
- We remain comfortably above the expected 4% UK leverage minimum requirement applicable from 2019

[1] Dec-13 not comparable to the estimates as of Dec-14 onwards due to different basis of preparation | [2] The average UK leverage ratio uses capital and exposure measures based on the last day of each month in the quarter; additionally the average exposure measure excludes qualifying central bank claims | [3] Dec-14 and Dec-15 on CRR basis. Dec-16, Sep-17 and Dec-17 on average UK monthly basis |

Managing evolving future minimum CET1 levels

Illustrative evolution of minimum CET1 requirements and buffers

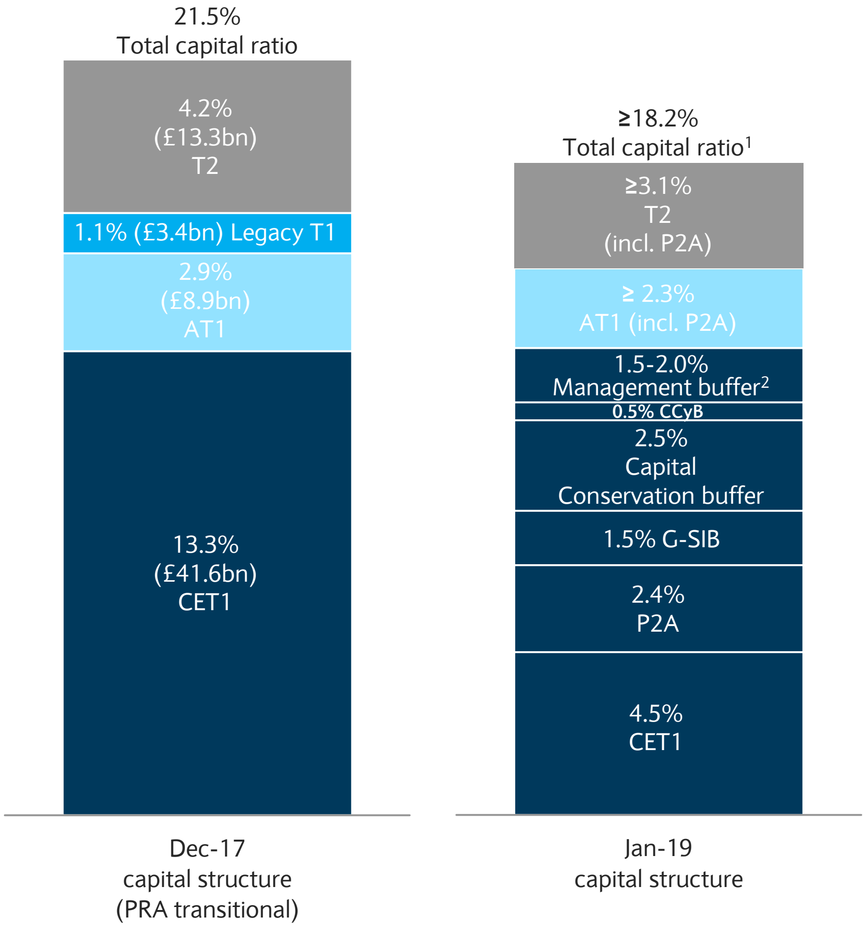


- End-state CET1 ratio expectation of c.13%
  - Assuming the introduction of a UK Countercyclical Buffer of 1% from November 2018, this would translate to c.50bps for the Group, based on our UK exposures
  - This would result in a CRD IV MDR hurdle rate of 11.4%
  - With a management buffer of 150-200bps[2], this would create stress capacity of 450-500bps
- As capital buffers and RWAs will evolve over time, the CET1 position will be managed to maintain a prudent buffer over future minimum levels, to guard against mandatory distribution restrictions pursuant to CRD IV, and to take stress testing into account
- The management buffer is prudently calibrated, intended to absorb fluctuations in the CET1 ratio, cover event risk and stress and to enable management actions to be taken in sufficient time to avoid mandatory distribution restrictions
- CET1 ratio expectations for the Group's subsidiaries, following implementation of structural reform:
  - Post ring-fencing, expect legal entity CET1 capital requirements of BBUKPLC (ring-fenced bank) and BBPLC (non ring-fenced bank) to be broadly similar to the Group and be met within the current CET1 target of c.13%

[1] Based on Barclays' understanding of "The Bank of England's approach to stress testing the UK banking system" published in October 2015 and "Stress testing the UK banking system: key elements of the 2017 stress test", published March 2017 |
[2] Incorporates any PRA buffer | [3] Average stress loss of all four past years based on applicable year-end CET1 ratios against low-point stress outcomes |

Transition to CRD IV capital structure well established

Illustrative evolution of CRD IV capital structure



[1] Includes combined buffer requirement and management buffer | [2] Incorporates any PRA buffer |

Well managed and balanced total capital structure

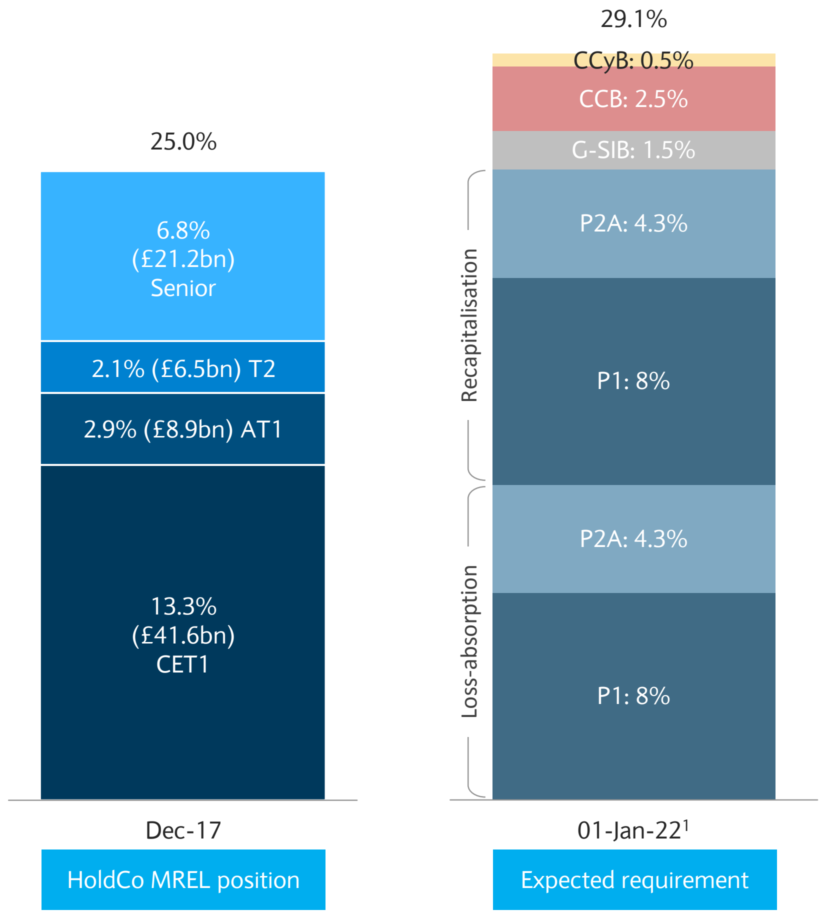
- Transitional total capital ratio increased to 21.5% (Dec-16: 19.6%), while the fully loaded total capital ratio increased to 20.7% (Dec-16: 18.5%)
- OpCo capital instruments are expected to qualify as MREL in line with their regulatory capital values until 1 January 2022 based on Barclays' understanding of the current BoE position
  - Those that are outstanding beyond 1 January 2022 will no longer qualify as MREL but, depending on their individual characteristics, may continue to qualify as Tier 2 regulatory capital
- Aim is to manage our capital structure in an efficient manner:
  - Expect to continue to hold a surplus to 2.3% of AT1 through regular issuance over time
  - The appropriate balance of Tier 2 will continue to be informed by relative pricing of Senior and Tier 2, investor appetite, maturity profile of the existing stack and MREL eligibility

Pillar 2A requirement

- Barclays' Pillar 2A requirement is set as part of a "Total Capital Requirement" (Pillar 1 + P2A) reviewed and prescribed at least annually by the PRA
- Barclays Group P2A requirement for 2018 is 4.3% and is split:
  - CET1 of 2.4% (assuming 56% of total P2A requirement)
  - AT1 of 0.8% (assuming 19% of total P2A requirement)
  - Tier 2 of 1.1% (assuming 25% of total P2A requirement)
- Basel Committee consultations and reviews of approaches to Pillar 1 and Pillar 2 risk might further impact the Pillar 2A requirement in the future

MREL issuance remains on track

HoldCo MREL position and requirement including requisite buffers



Well advanced on HoldCo issuance plan

2018 issuance plan – currently expect c.£10bn equivalent issuance in 2018[2]

- Issued £11.5bn equivalent of MREL in 2017, with maturities / call dates ranging from 5 to 30 years and comprising:
  - £6.1bn of Senior
  - £2.9bn of Tier 2
  - £2.5bn of AT1
- Subject to market conditions, expect to issue c.£10bn equivalent in 2018 to meet MREL requirements and allow for a prudent MREL management buffer
- MREL position of 28.2% as at December 2017 on a transitional basis, including eligible OpCo instruments, compared to 25.0% on a HoldCo-only basis

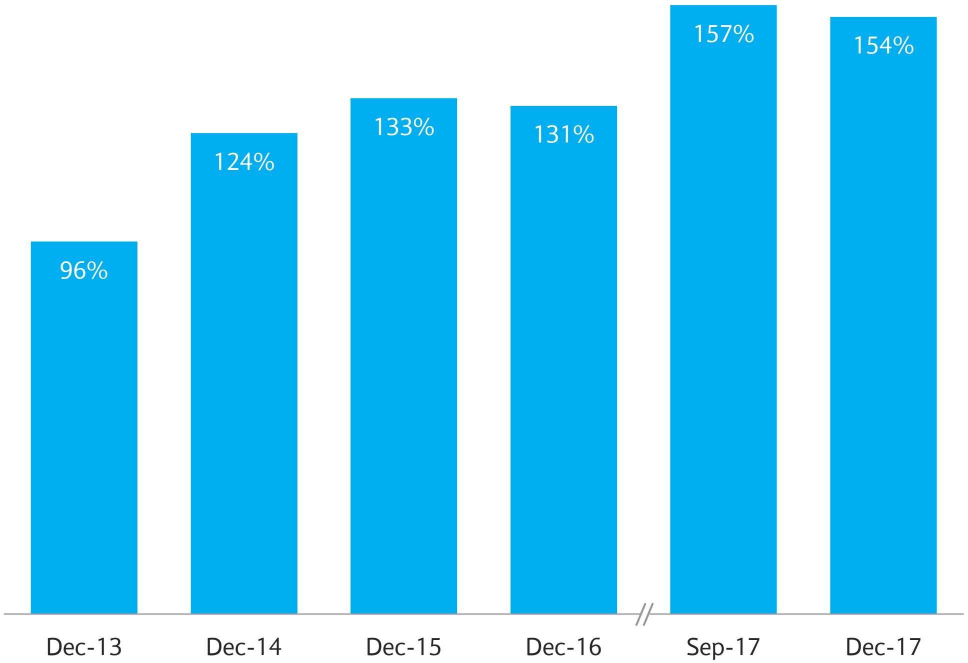
Requirements

- Barclays' indicative MREL including CRD IV buffers is currently expected to be 29.1% of RWAs from 1 January 2022 comprising:
  - Loss absorption and recapitalisation amounts
  - Regulatory buffers including a 1.5% G-SIB buffer, 2.5% Capital Conservation buffer and c.0.5% from the planned introduction of a 1% Countercyclical Buffer for the UK

[1] 2022 requirements subject to BoE review by end-2020 | [2] Issuance plan subject to, amongst other considerations, market conditions and regulatory requirements which are subject to change and may differ from current expectations |

High level of liquidity with a conservatively positioned liquidity pool

LCR continues to remain in prudential surplus

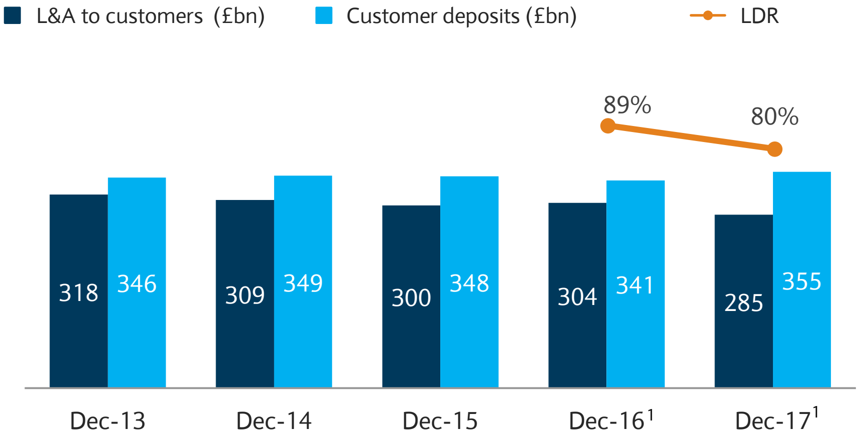


	Dec-13	Dec-14	Dec-15	Dec-16	Sep-17	Dec-17
Liquidity Pool (£bn)		149	145	165	216	220

- Liquidity pool increased £55bn in the year to £220bn, whilst LCR increased to 154% from 131%, equivalent to a surplus of £75bn to the end state 100% requirement
- Increase was driven by net deposit growth, the unwind of legacy Non-Core portfolios, money market borrowing, and drawdown from the Bank of England Term Funding Scheme
- Liquidity pool increased £4bn in the quarter, whilst the LCR remained broadly stable at 154%
- Quality of the liquidity pool remains high, with the majority held in cash and deposits with central banks, and highly rated government bonds
- Liquidity pool continued to increase and be conservatively positioned to meet the changing geopolitical and market environment, using cost efficient sources of funding without consuming UK leverage due to the cash exemption
- NSFR continues to exceed future minimum requirement of 100%

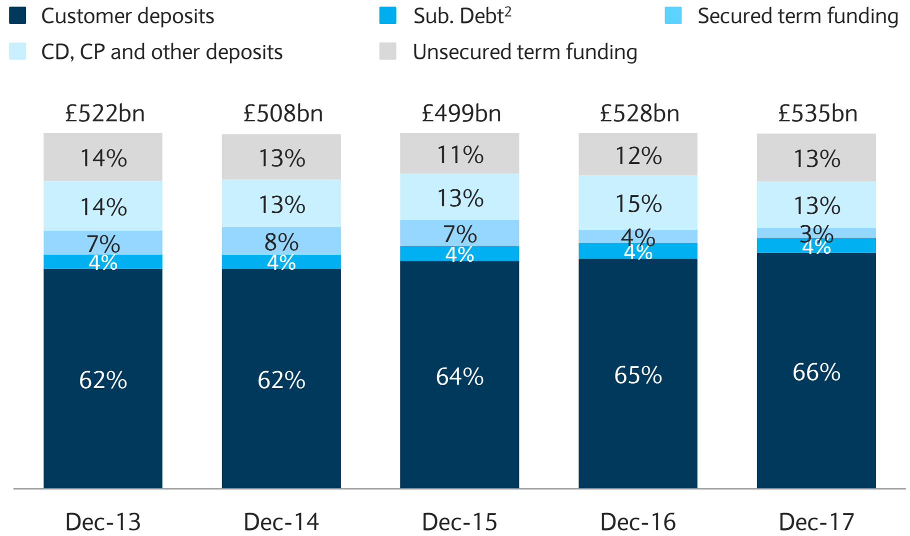
Robust group funding profile

Improved loan: deposit ratio (based on total retail and corporate funding)

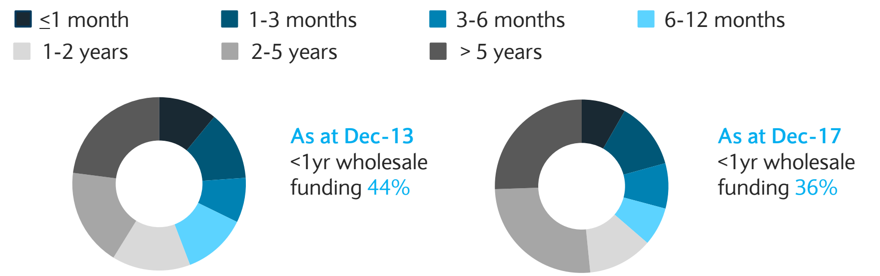


- Loan: deposit ratio of 80% at end of December 2017[1], down 9% from December 2016
- Increased proportion of customer deposits from 62% in December 2013 to 66% in December 2017 within an overall stable funding profile
- Wholesale funding outstanding excluding repurchase agreements was £157bn, diversified across currencies, notably in USD, EUR and GBP
- Decreased reliance on <1yr wholesale funding with the ratio improving to 36% of total wholesale funding from 44% in December 2013
- If credit spreads remain at current levels, the weighted average cost of new wholesale funding will be lower than the cost of maturing securities, many of which were issued at wide spreads post the crisis

Conservative and stable funding profile (£bn)



Decrease in reliance on <1yr wholesale funding



[1] Dec-17 excludes Head Office and investment banking balances other than interest earning lending. Dec-16 comparative restated to include interest earning lending balances in the Head Office and investment banking business | [2] Excludes AT1 capital and preference shares |

Structural Reform Programme

Final phase of ring-fencing execution and plans in place to serve EU clients post Brexit

Ring-fencing requirements:
Delivery on track for April 2018 migration

Milestones completed

- ✓ ServCo stand-up in September 2017
- ✓ Sort code migrations
- ✓ Ring-Fencing Transfer Scheme (RFTS) Directions hearing, including approval of communications plan

Milestones to complete

- RFTS Sanction hearing on 26 and 27 February 2018
- Transfer of BUK business to BBUKPLC planned for April 2018

Brexit preparation:
Plans in place to expand Barclays Bank Ireland (BBI) in advance of March 2019 to support activity with European clients

- Continue to provide existing services to our clients through an expanded BBI
- Is expected to be subject to full prudential regulatory regime of the Central Bank of Ireland and the ECB, and able to conduct passported activity with clients throughout Europe
- Plan to achieve operational readiness by March 2019
- Will remain a wholly owned subsidiary of BBPLC
- Well capitalised entity with a balanced funding profile, and asset and liability mix across European businesses of Barclays International
- Rated A / A-1 with stable outlook by S&P and designated “core” to BBPLC

Supports delivery of fundamentally strong banking propositions for all of our stakeholders, consistent with the Group’s strategy of being a transatlantic consumer and wholesale bank

Ratings remain a key strategic priority

Current Senior Long and Short Term ratings	Fitch	Moody's	Standard and Poor's
Barclays PLC (BPLC – HoldCo)	A F1	Baa2 Neg P-3	BBB A-2
Barclays Bank PLC (BBPLC – OpCo, future NRFB)	A RWP F1	A1 Neg P-1	A A-1
Barclays Bank UK PLC (BBUKPLC – OpCo, future RFB)	A+ (EXP) F1 (EXP)	(P) A1 (P) P-1	A (prelim) A-1 (prelim)

Future ratings expectations of BBUKPLC and BBPLC

- Rating agencies have made various statements on their expectation of ratings post ring-fencing
  - **Fitch** has assigned expected ratings of A+ / F1 to BBUKPLC, and placed BBPLC on Rating Watch Positive (RWP) in Sep-17 anticipating that it will also be rated A+ once internal MREL is downstreamed on a subordinated basis
  - **Moody's** assigned provisional ratings of A1 / P-1 to BBUKPLC in Oct-17. Moody's expects the Baseline Credit Assessment of BBPLC to be weaker following the implementation of ring-fencing, and ring-fencing is included in the rationale for maintenance of its negative outlook
  - **S&P** assigned preliminary ratings of A / A-1 for BBUKPLC in Oct-17 and in the same action, upgraded the rating of BBPLC to A / A-1 due to their assessment that it remains "core" to the group. BBPLC and BPLC were restored to stable outlooks in Nov-17

Rating priorities

- Barclays' objective is to maintain solid investment grade ratings
- Intend to create as much stability in the ratings of Barclays PLC and Barclays Bank PLC as we can, both before and after structural reform
- Focus on execution of strategy to support credit fundamentals

Restructuring completed and focusing on group returns targets

- Group restructuring completed
  - Barclays Africa sell down completed
  - Non-Core closed six months early
- At our end state CET1 target
- Strong MREL build, and liquidity and funding metrics
- Ring-fencing preparations near completion
- Prioritising improved group returns on a sustainable basis

Group targets

RoTE[1]	>9% in 2019 >10% in 2020
CET1 ratio	c.13% 150-200 bps above regulatory minimum level
Costs	£13.6-13.9bn in 2019[2] Cost: income ratio <60%

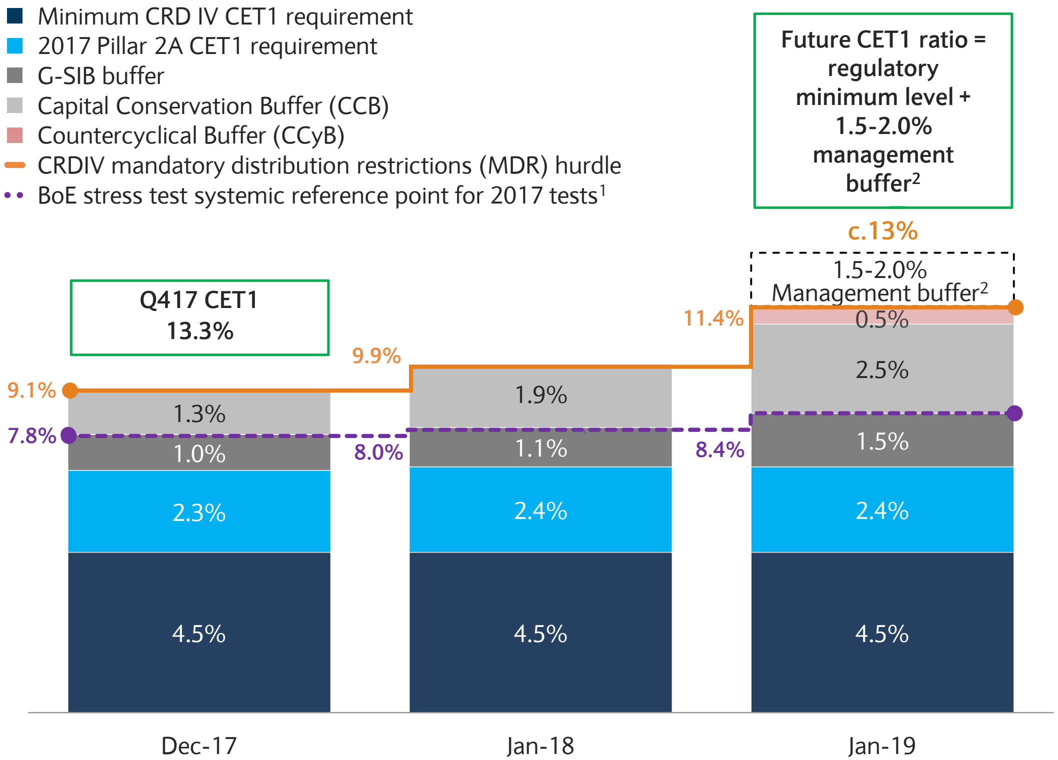
[1] Excluding litigation and conduct and based on a CET1 ratio of c.13% | [2] Excluding litigation and conduct |

Q&A

Appendix

Managing capital position above mandatory distribution restrictions and stress test hurdles

Barclays' expected MDA thresholds and systemic reference points for 2017 BoE stress test



- Maintained robust capital buffers based on 31 December 2017 capital position:
  - Buffer to 7% AT1 trigger event: c.6.3% or c.£20bn
  - Buffer to 31 December 2017 MDR hurdle: c.4.2% or c.£13bn

Distribution restrictions and management buffer

- Maintaining our CET1 ratio comfortably above the mandatory distribution threshold remains a critical management objective
- Distribution restrictions[3] apply if an institution fails to meet the CRD IV Combined Buffer Requirement (CBR), at which point the maximum distributable amount is calculated on a reducing scale
- Currently, Barclays targets a management buffer of 1.5-2.0%[2] above regulatory CET1 levels providing a prudent buffer above MDA restriction levels
- Barclays' recovery plan actions are calibrated to take effect ahead of breaching the CBR
- The Board notes that in determining any proposed distributions to shareholders, the Board will consider the expectation of servicing more senior securities

Stress tests

- Barclays' end state stress buffer is expected to be c.4.5-5.0% when including the buffer, providing prudent headroom should future stress losses be higher than the average experienced to date
- The stressed capital ratio for each year over the stress test horizon will be measured against the respective applicable stress test systemic reference point

[1] Based on Barclays' understanding of "The Bank of England's approach to stress testing the UK banking system" published in October 2015 and "Stress testing the UK banking system: key elements of the 2017 stress test", published March 2017 | [2] Incorporates any PRA buffer | [3] As per CRD Art. 141, and subject to any changes under the proposed CRR2, restrictions on discretionary distributions would apply in case of a breach of the CBR as defined in CRD Art 128(6) |

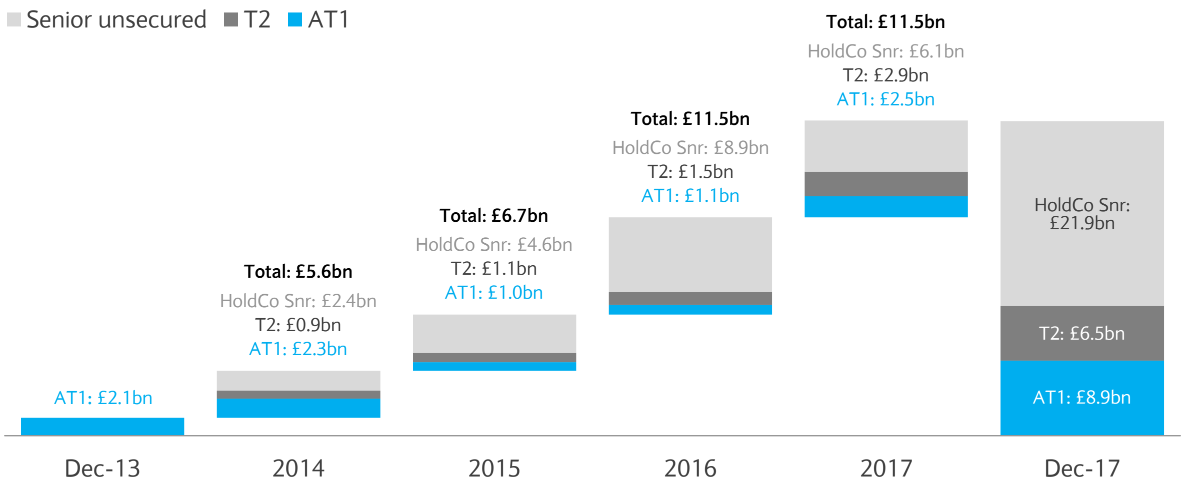
Leverage requirements

		Requirements			Disclosure obligations		Basis of preparation	
		01 Jan 2018	01 Jan 2019	01 Jan 2022	FY17	Q118 onwards	Today	01 Jan 2022[3]
UK regime	Pillar 1	3.25%	3.25%	FPC expected to review the UK leverage ratio framework during 2018	1. Spot basis *and* 2. Average of the month ends in the quarter	1. Spot basis *and* 2. Average of each day in the quarter	Per CRR[2] less central bank exposure for leverage exposure against qualifying customer deposits	
	G-SIB	0.394%	0.525%					
	CCyB		0.2%					
	Total	**3.644%**	**3.975%**					
	o/w SRP[1]	*3.644%*	*3.775%*					
	Composition requirements	>75% of Pillar 1 to be met by CET1; 100% of G-SIB and CCyB to be met by CET1						
CRR regime	Pillar 1	No requirements	3%	3%	Spot basis only for monitoring purposes		Per CRR[2]	Per CRR[2] less qualifying central bank exemption at discretion of local regulator[3]
	G-SIB		-	0.75%				
	Cash exemption		-	TBD				
	Total		**3%**	**≥3.75%**				
	Composition requirements	None specified						

[1] Systemic Reference Point for Bank of England 2018 tests, based on Barclays' understanding of "The Bank of England's approach to stress testing the UK banking system" published in October 2015 and "Stress testing the UK banking system: key elements of the 2017 stress test", published March 2017 | [2] See Barclays PLC Pillar 3 Report 2017 for full disclosure | [3] As proposed in the Dec-17 Basel 3 reforms ("Basel 4"), implementation date TBD, expected no sooner than 1 Jan 2022 |

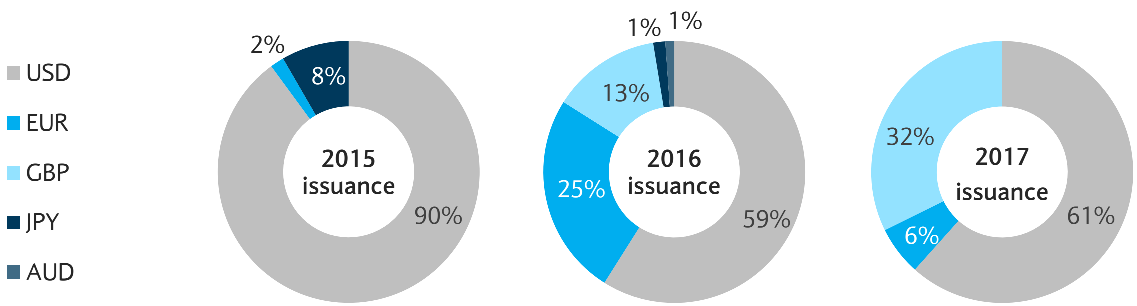
Proactive transition to HoldCo capital and funding model

HoldCo issuance by year[1]



- The Group has continued to make strong progress on its commitment to transition to a HoldCo capital and term funding model during 2017
  - Successfully issued £11.5bn equivalent from the HoldCo
  - £6.1bn[2] of OpCo capital and senior public term instruments were either redeemed or matured, including the $1.375bn 7.1% Series 3 USD preference shares
- Aim to retain a diversified funding profile at the HoldCo across currencies, maturities and markets

Currency split of senior HoldCo issuance by period



2017 highlights

- £2.5bn AT1 raised across two GBP transactions
- Development of the Green Bond Framework and issuance of Barclays' inaugural Green Bond based on UK assets – a first for the UK
- Launched our first SGD $200m Singapore Tier 2 issuance to further diversify the investor base and take advantage of attractive pricing

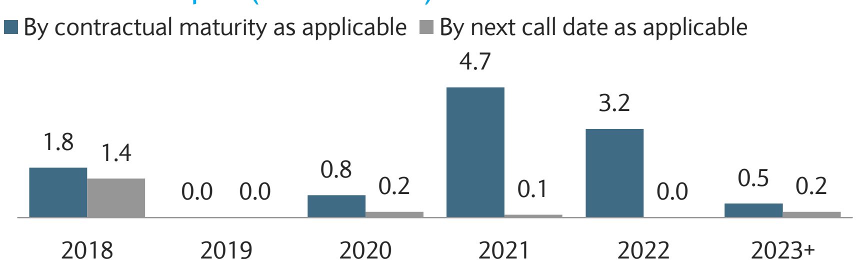
[1] Annual issuance balances based on FX rate on 31 December 2017 for debt accounted instruments and historical transaction rates for equity accounted instruments | [2] Buyback and redemption based on FX rates at time of retirement for debt accounted instruments and historical transaction rates for equity accounted instruments |

Continued progress on transition to HoldCo capital and funding model

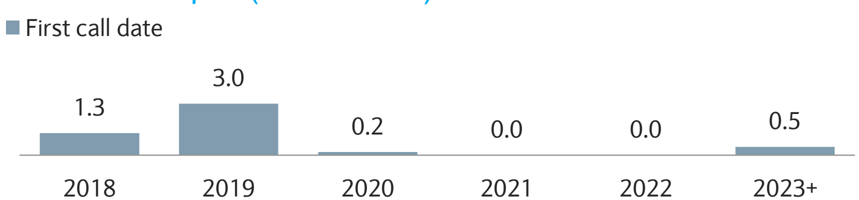
PRA transitional regulatory capital		
(£bn)	**Dec-17**	**Sep-17**
PRA transitional Common Equity Tier 1 capital	41.6	42.3
PRA transitional Additional Tier 1 regulatory capital	12.3	12.6
– Barclays PLC (HoldCo)	*8.9*	*8.9*
– Barclays Bank PLC (OpCo)	*3.4*	*3.7*
PRA transitional Tier 2 regulatory capital	13.3	14.0
– Barclays PLC (HoldCo)	*6.5*	*6.4*
– Barclays Bank PLC (OpCo)	*6.8*	*7.6*
PRA transitional total regulatory capital	**67.2**	**68.9**

Outstanding term vanilla senior unsecured debt		
(£bn)	**Dec-17**	**Sep-17**
Barclays PLC (HoldCo) term vanilla senior unsecured debt	21.9	20.6
Barclays Bank PLC (OpCo) term vanilla senior unsecured debt[2]	15.4	15.9
Total term vanilla senior unsecured debt	**37.3**	**36.5**

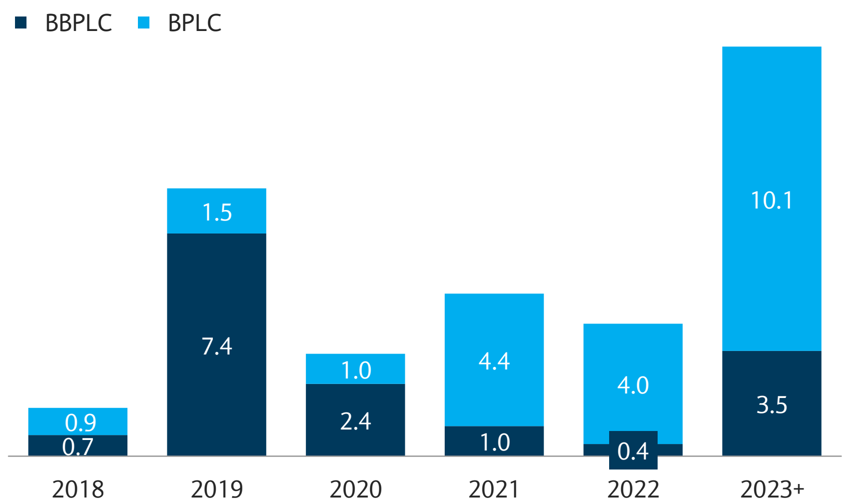
BBPLC Tier 2 capital (nominal basis) as at 31 December 2017[1]



BBPLC Tier 1 capital (nominal basis) as at 31 December 2017[1]



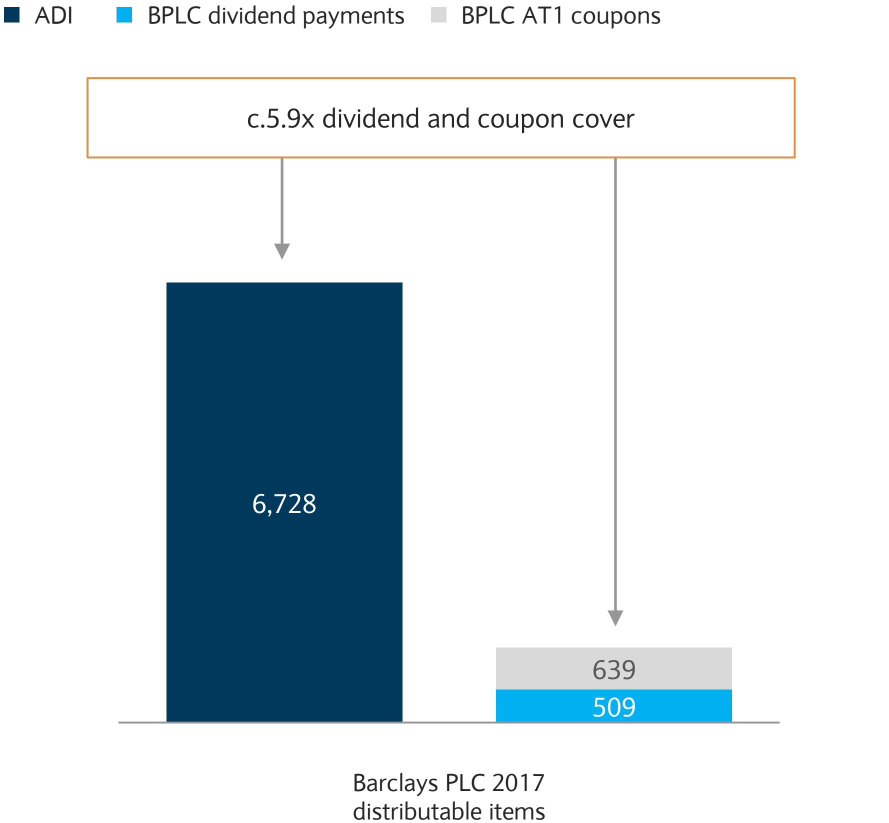
Term vanilla senior unsecured debt maturities as at 31 December 2017[1]



[1] Prepared on nominal basis which will not reconcile with regulatory or accounting bases due to adjustments | [2] Comprises all outstanding Barclays Bank PLC issued public and private term vanilla senior unsecured debt, regardless of residual maturity. This excludes £33.4bn of notes issued under the structured notes programmes |

ADI position supports strong distribution capacity

Distribution capacity as at 31 December 2017 (£m)



Distributable items

- BPLC has significant Available Distributable Items (ADIs)[1] to cover dividends on ordinary shares and AT1 distributions
- Barclays has never missed an external discretionary interest payment on its capital instruments, including during the financial crisis
- Continue to manage ADIs as part of our capital planning, including planning for structural reform

[1] Coupon payments on AT1s have to be paid from an institutions' ADIs (CRR Art 52(1)(l)). Should the level of ADIs be insufficient, coupons cannot be paid. The CRR does not provide for a particular method for the calculation of ADIs. In the absence of further regulatory guidance, Barclays PLC's distributable items are calculated consistently with the requirements of the UK Companies Act, as applicable to ordinary shares, and IFRS |

P&L bridge from Barclays PLC (BPLC) consolidated to pro forma Barclays Bank PLC (BBPLC) post ring-fencing

FY17 (£m)	BPLC consolidated	BPLC to BBPLC differences	BBPLC consolidated	Less pro forma BBUKPLC	Pro forma BBPLC
Total income	21,076	(139)	20,937	(7,087)	13,850
Credit impairment charges and other provision	(2,336)	-	(2,336)	783	(1,553)
Net operating income	18,740	(139)	18,601	(6,304)	12,297
Operating expenses	(15,456)	(233)	(15,689)	5,011	(10,678)
Other net income	257	(3)	254	5	259
Profit before tax	3,541	(375)	3,166	(1,288)	1,878
Tax charge	(2,240)	115	(2,125)	566	(1,559)
Profit after tax in respect of continuing operations	1,301	(260)	1,041	(722)	319
Loss after tax in respect of discontinued operations	(2,195)	-	(2,195)	-	(2,195)
Loss after tax	(894)	(260)	(1,154)	(722)	(1,876)

Effecting UK ring-fencing within Barclays

- The differences between BPLC consolidated and BBPLC consolidated primarily relates to cash flow hedging at BPLC not included in BBPLC and Group Service Company (ServCo) margin in BBPLC, eliminated on consolidation in BPLC
  - The ServCo margin primarily represents four months of margin on costs recharged to BBPLC since the ServCo was established on 1 September 2017
- In order to effect ring-fencing, we intend to transfer businesses from BBPLC to BBUKPLC, which are materially those businesses that currently comprise the Barclays UK division together with certain related Treasury operations
- We expect that those businesses which currently comprise the Barclays International and Head Office (excluding ServCo) divisions will materially remain in BBPLC
- The illustrative unaudited pro forma P&Ls of BBUKPLC and BBPLC for 2017 are presented to show the possible effect of the business transfers to BBUKPLC as if they had occurred on 1 January 2017

The pro formas represent a hypothetical situation and is not necessarily indicative of the financial position of these entities following the transfer |

Breakdown of pro forma BBUKPLC and BBPLC P&Ls post ring-fencing

FY17 (£m)	Pro forma BBUKPLC	o/w Barclays UK division	o/w Head Office division and other consolidation adjustments	Pro forma BBPLC	o/w Barclays Int'l division	o/w H117 Non-Core division[1]	o/w Head Office division and other consolidation adjustments
Total income	7,087	7,383	(296)	13,850	14,382	(530)	(2)
Credit impairment charges and other provision	(783)	(783)	-	(1,553)	(1,506)	(30)	(17)
Net operating income	6,304	6,600	(296)	12,297	12,876	(560)	(19)
Operating expenses	(5,011)	(4,848)	(163)	(10,678)	(9,855)	(284)	(539)
Other net income	(5)	(5)	-	259	254	197	(192)
Profit/(loss) before tax	1,288	1,747	(459)	1,878	3,275	(647)	(750)
Tax charge	(566)			(1,559)			
Profit after tax in respect of continuing operations	722			319			
Loss after tax in respect of discontinued operations	-			(2,195)			
Profit/(loss) after tax	722			(1,876)			

Differences between divisional and legal entity financials

- There is no financial impact at the consolidated Barclays Group level as a result of UK ring-fencing
- There are certain differences in the financial results of the BBUKPLC and BBPLC legal entities when compared to the operating divisions, which primarily relate to the Head Office division
  - Pro forma BBUKPLC includes the Barclays UK division, the related ServCo margin primarily for four months from September to December 2017 and the impact of BBUKPLC establishing new hedges with BBPLC on inception. The latter variance represents the P&L difference between market rates as at 1 January 2017 and the prevailing rates at the time the hedges were originally established
  - Pro forma BBPLC reflects the Barclays International division and the Non-Core division for the first six months of 2017. In addition, it includes the related ServCo margin for four months from September to December 2017, the net income from Treasury operations, the impact of BBUKPLC establishing new hedges with BBPLC upon inception, the costs associated with Non-Core assets and businesses which were integrated into Head Office from 1 July 2017, litigation and conduct costs, and the recycling of the currency translation reserve to the income statement on the sale of Barclays Bank Egypt

[1] The P&L impact of the Non-Core division for the first six months of 2017 have remained fully in BBPLC on the basis that the component related to BBUKPLC is expected to be immaterial |

Balance Sheet bridge to pro forma BBUKPLC and BBPLC post ring-fencing

FY17 (£m)	BPLC consolidated	BPLC to BBPLC differences	BBPLC consolidated	o/w pro forma BBUKPLC[1]	o/w pro forma BBPLC[1]
Assets					
Cash, balances at central banks and financial investments	229,998	1	229,999	40,426	189,573
Reverse repurchase agreements, similar secured lending and trading portfolio assets	126,306	(5)	126,301	-	128,238
Financial assets designated at fair value	116,281	1	116,282	7,193	109,089
Derivative financial instruments	237,669	318	237,987	2,136	245,781
Loans and advances	401,215	547	401,762	194,759	213,800
Goodwill and intangible assets	7,849	(2,964)	4,885	3,538	1,347
Other assets	13,930	(1,803)	12,127	2,187	10,041
Total assets	1,133,248	(3,905)	1,129,343	250,239	897,869
Liabilities					
Deposits from banks and customer accounts	466,844	488	467,332	193,401	280,728
Repurchase agreements and other similar secured borrowing	40,338	-	40,338	10,537	31,738
Trading portfolio liabilities	37,351	1	37,352	2,425	34,927
Financial liabilities designated at fair value	173,718	-	173,718	-	173,718
Derivative financial instruments	238,345	-	238,345	8,364	239,911
Debt securities in issue and subordinated liabilities	97,140	(3,561)	93,579	15,507	78,072
Other liabilities	13,496	(551)	12,945	4,118	8,928
Total liabilities	1,067,232	(3,623)	1,063,609	234,352	848,022
Total equity	66,016	(282)	65,734	15,887	49,847

Balance sheets of BBUKPLC and BBPLC

- The differences between BPLC consolidated and BBPLC consolidated primarily relate to intangible assets, property, plant and equipment and debt securities in issue downstreamed to the ServCo
- The proforma balance sheet of BBUKPLC and BBPLC as at 31 December 2017 are presented to show the possible effect of the business transfers as if they had occurred on 31 December 2017

[1] Pro forma asset and liability balances of BBUKPLC and BBPLC do not equal BBPLC consolidated primarily due to expected short-term intercompany transactions between the two legal entities |

Disclaimer

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Information relating to:

- regulatory capital, leverage, liquidity and resolution is based on Barclays' interpretation of applicable rules and regulations as currently in force and implemented in the UK, including, but not limited to, the BRRD, CRD IV and CRR texts and any applicable delegated acts, implementing acts or technical standards. All such regulatory requirements are subject to change;
- MREL is based on Barclays' understanding of the Bank of England's policy statement on "The minimum requirement for own funds and eligible liabilities (MREL) – buffers and Threshold Conditions" (PS30/16) published on 8 November 2016 and the non-binding indicative MREL requirements communicated to Barclays by the Bank of England. Binding future MREL requirements remain subject to change including at the conclusion of the transitional period, as determined by the Bank of England, taking into account a number of factors as described in the policy statement and as a result of the finalisation of international and European MREL/TLAC requirements;
- structural reform plans, including illustrations of Barclays business divisions in preparation for regulatory ring-fencing, are subject to internal and regulatory approvals and may change.
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Subject to our obligations under the applicable laws and regulations of the United Kingdom and the United States in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.