

# About Barclays



## Overview

Barclays is a **transatlantic consumer and wholesale bank**, offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in **our two home markets of the UK and the US**

With **over 325 years** of history and expertise in banking, Barclays operates in **over 40 countries** and employs approximately **80,000 people**. Barclays moves, lends, invests and protects money for customers and clients worldwide

For further information about Barclays, please visit [home.barclays](http://home.barclays)

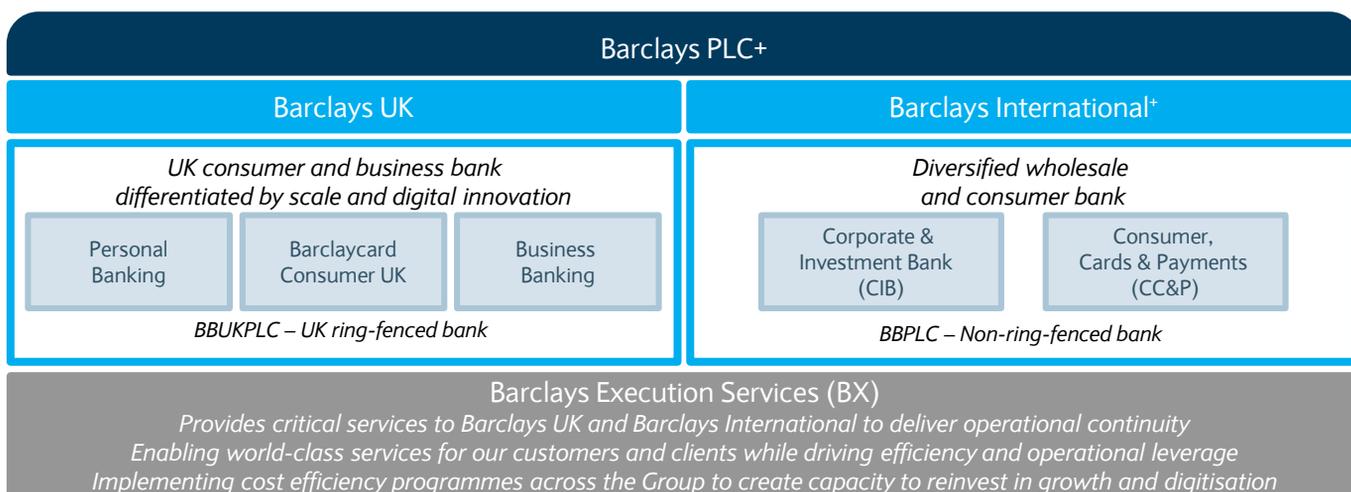
## Strategy

- Two clearly defined businesses, **Barclays UK** and **Barclays International**, provide **diversification** by business line, geography and customer, enhancing **financial resilience** and helping to contribute to the delivery of **consistent returns** through the cycle
- Focused on **improving our return on tangible equity** on a sustainable basis and **increasing cash returns to shareholders**
- Q3 2018** demonstrates **another quarter of successful execution** of our strategy, with further **progress towards our financial targets**

## Key Group financials – Q3 2018

Income	£5,129m
PBT <sup>1</sup>	£1,566m
RoTE <sup>1</sup>	10.2%
CET1 ratio	13.2%
RWAs	£316bn
TNAV	260p

## Group Divisional Structure



<sup>+</sup> Includes Head Office

## Financial targets

<p><b>Returns<sup>2</sup></b></p> <p>Group Return on Tangible Equity (RoTE)</p> <p>&gt;9% in 2019 &gt;10% in 2020</p>	<p><b>Capital<sup>3</sup></b></p> <p>Group CET1 Ratio</p> <p>c.13%</p>	<p><b>Costs</b></p> <p>Group Cost Target</p> <p>£13.6bn - 13.9bn<sup>1</sup> in 2019 Cost: income ratio &lt;60%</p>
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## Results overview<sup>1</sup> – Q3 2018

- Group PBT increased 32% to £1,566m delivering a double digit Group RoTE of 10.2% and EPS of 6.6p
  - PBT growth driven by 64% lower impairment, while continued investment drove costs 2% higher, and income decreased 1%
- Barclays UK RoTE of 22.0%: PBT increased 18% to £794m with positive operating jaws as income growth of 2% outpaced 1% higher costs from continued investment in digitising the bank
- Barclays International RoTE of 9.2%: PBT increased to £882m driving returns in CIB and CC&P of 7.0% and 19.9% respectively
  - Continued strength in Markets income more than offset by decreases in Banking fees and Corporate lending
  - Sustained underlying growth in US Cards drove CC&P income 2% higher, with strong partnership cards balance growth
- CET1 ratio of 13.2%, up 20bps QoQ driven by 37bps of profit generation.
- Tangible book value per share increased 1p to 260p

### Group performance<sup>1</sup>

Quarter ended (£m)	Sep-18	Sep-17	% change
Income	5,129	5,173	(1%)
Impairment	(254)	(709)	64%
Operating expenses	(3,329)	(3,274)	(2%)
Other net (expenses)/income	20	(2)	
<b>PBT</b>	<b>1,566</b>	<b>1,188</b>	<b>32%</b>

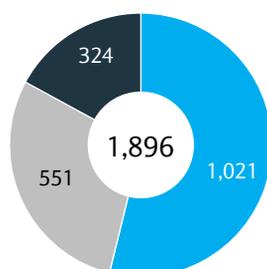
### Performance measures<sup>1</sup>

Basic earnings per share	6.6p	4.1p
RoTE	10.2%	5.7%
Cost: income ratio	65%	63%
Loan loss rate (LLR)	30bps	66bps

### Barclays UK

#### Split of income (£m)

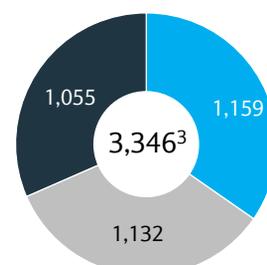
- Personal Banking
- Barclaycard Consumer UK
- Business Banking

RoTE<sup>1</sup>: 22%

### Barclays International

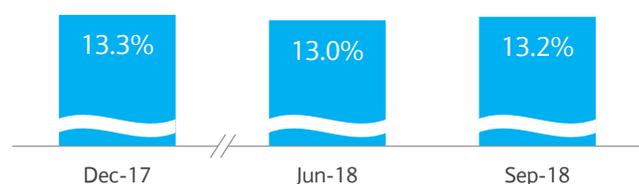
#### Split of income (£m)

- Markets
- Banking
- Consumer, Cards & Payments

RoTE<sup>1</sup>: 9.2%

## Financial strength

### CET1 ratio



### Robust average UK leverage ratio



### Solid liquidity and funding base

Group	Sep-18	Sep-17
Liquidity pool	£213bn	£216bn
Liquidity coverage ratio	161%	157%
Loan: deposit ratio <sup>5</sup>	83%	80%

### Strong asset quality

#### As at 30.09.18

As at 30.06.18

Total gross exposure (£bn)

Total impairment allowance (£bn)

Total coverage ratio (%)

	Group Retail <sup>6</sup>	Group Wholesale <sup>6</sup>
Total gross exposure (£bn)	202.8 200.2	132.7 127.6
Total impairment allowance (£bn)	5.6 5.8	1.1 1.2
Total coverage ratio (%)	2.8% 2.9%	0.8% 0.9%

## Credit ratings

As at 24 October 2018

	Barclays PLC	Barclays Bank PLC	Barclays Bank UK PLC
Fitch	A / Sta. / F1	A / RWP / F1	A / RWP / F1
Moody's	Baa3 / Stable / P-3	A2 / Stable / P-1	A1 <sup>7</sup> / Stable / P-1
S&P	BBB / Stable / A-2	A / Stable / A-1	A / Stable / A-1

## Footnotes

- <sup>1</sup> Excluding litigation and conduct
- <sup>2</sup> Excluding litigation and conduct and based on a CET1 ratio of c.13%
- <sup>3</sup> CET1 ratio is currently 180bps above the expected end point regulatory minimum level, within our end-state target range of 150-200bps above regulatory minimum. The management buffer incorporates any PRA buffer and will continue to be reviewed on a regular basis
- <sup>4</sup> Includes Other income in CIB
- <sup>5</sup> Loan: deposit ratio is calculated as loans and advances at amortised cost divided by deposits at amortised cost
- <sup>6</sup> Group also includes Head Office
- <sup>7</sup> Deposit rating

## Important Notice

The information, statements and opinions contained in this presentation do not constitute a public offer under any applicable legislation, 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.

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.
- future regulatory capital, liquidity, funding and/or MREL, including forward-looking illustrations, are provided for illustrative purposes only and are not forecasts of Barclays' results of operations or capital position or otherwise. Illustrations regarding the capital flight path, end-state capital evolution and expectations and MREL build are based on certain assumptions applicable at the date of publication only which cannot be assured and are subject to change, including amongst others, holding constant the Pillar 2A requirement at the 2017 level despite it being subject to at least annual review and assumed CRD IV buffers, which are also subject to change.

## 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 the Barclays Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures 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 or guidance regarding or relating to the Barclays Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend payout ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets, estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, IFRS 9 impacts 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 including the implementation of IFRS 9, 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 applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions; the effects of any 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 any entities within the Barclays Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; instability as a result of the exit by the United Kingdom from the European Union and the disruption that may subsequently result in the UK and globally; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Barclays Group's control. As a result, the Barclays Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set forth in the Barclays Group's forward-looking statements. Additional risks and factors which may impact the Barclays Group's future financial condition and performance are identified in our filings with the SEC (including, without limitation, our Annual Report on Form 20-F for the fiscal year ended 31 December 2017), which are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

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.