

...positioning ourselves for growth while delivering a positive impact on society.



Summary

We will stay wedded to a fundamental principle of finance: earn and maintain the trust of your customers and clients. Just as 327 years ago when we were founded, Barclays will be known for the way in which we do business, the integrity with which we operate, having a positive impact on society, and delivering shareholder value.



For further information, see home.barclays/annualreport

A year ago we laid out our intention to accelerate the restructuring of Barclays and refocus our business as a transatlantic, consumer, corporate and investment bank, anchored in the two financial capitals of the world, London and New York.

I am pleased to report that the strategic actions we have undertaken in 2016 have allowed us to make strong progress against this agenda, including: reorganising our business into Barclays UK and Barclays International; renewing our commitment to operate a leading global corporate and investment bank; reducing our stake in Barclays Africa, over time, to a non-consolidated level; and accelerating the run down of our Non-Core assets.

Barclays UK and Barclays International are doing well, our Corporate and Investment Bank has solidified its position in the bulge bracket, our Non-Core run-down is ahead of schedule, and we expect to close that unit in the middle of 2017. We are also on track to complete the planned sell-down of our Barclays Africa stake to a non-consolidated level in due course. Certain legacy conduct issues remain and we intend to make further progress on them.

In short, we have accomplished a lot in a year, and I am thankful to each and every one of our colleagues who have made this possible. Their efforts mean that, in 2017, we can begin to move on from the restructuring of Barclays, shifting our focus solely to the future, and in particular to how we can generate attractive, sustainable, and distributable, returns for you, our shareholders.

This means increasing management focus on Barclays UK and Barclays International, the future of your firm. Together, they encompass a diverse set of market-leading consumer and wholesale businesses. From retail and business banking operations and our merchant acquiring business in the UK; to our corporate and investment banking and cards businesses in the US. Barclays UK and Barclays International are diversified by product, by customer and client, by currency and by geography. We deliver everything from institutional advisory to international cards and payments; from equity capital markets to corporate lending; from macro markets execution to mortgages.

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It is worth noting that just over half of our income in 2016 was from our consumer businesses, and just under half from our wholesale businesses. This balance between the two is a huge strength for Barclays, giving us opportunities for growth across a wide waterfront, and resilience in earnings if one side of the mix comes under pressure. I firmly believe that this model gives us the capacity to generate strong sustainable returns for you, our shareholders, through any cycle, especially with the reinvestment capacity we expect to generate through cost savings from the single core operational foundation that we are building.



Barclays UK

For further information, see pages 26 to 27

Personal Banking

For further information, see page 28

Barclaycard Consumer UK

For further information, see page 29

Wealth, Entrepreneurs and Business Banking

For further information, see page 30

Barclays International

For further information, see pages 32 to 33

Corporate and Investment Bank

For further information, see page 34

Consumer, Cards and Payments

For further information, see page 35

Non-Core and Africa

For further information, see page 36

Operational and technological strength is going to be a key competitive advantage for any global bank in the future. And so our intent is to build Barclays on a foundation of world class core operations and technology. This will strengthen our core processes, provide our businesses with the ability to use data in new and innovative ways, allowing us to fundamentally rethink the way we run Barclays, and how we serve our customers and clients. Upon this foundation, we can generate efficiency from scale while at the same time ensuring that we deliver world-class customer experience which is key to driving loyalty and long-term growth.

As we complete the restructuring of our bank we will stay wedded to a fundamental principle of finance: earn and maintain the trust of your customers and clients. Just as 327 years ago when we were founded, Barclays will be known for the way in which we do business, the integrity with which we operate, having a positive impact on society, and delivering shareholder value.

We will do that through providing great service, as well as playing our full part in the communities in which we live and work. I am very proud in particular of how, following the EU referendum last June, Barclays continued to be a constructive partner to our customers and clients, and to the Government, as we dealt with the initial impact of that decision.

We stayed truly 'open for business' throughout 2016, lending £3.6bn to small and medium-sized businesses in the UK. We wrote nearly £19bn of mortgages to almost 90,000 households across the country, including to over 18,000 first-time buyers. We processed some £260bn of payments for consumers and businesses in the UK, with £1 in every 3 spent on cards going through our systems. We enhanced our customers' experiences, by introducing market-leading innovations like voice security, contactless cash, a new direct investing platform, and our 'collect' cash management service for businesses.

I was particularly proud when we became the first major UK bank to run TV advertising on how people can protect themselves from fraud. We also helped to up-skill 1.7 million people through a range of regional partnerships and our LifeSkills programme. More than 43,000 colleagues also contributed 212,000 hours of time volunteering for a range of charities and causes.

Our people, and their commitment to Barclays' customers and clients, are the reason why I have such confidence in our capacity to realise our potential as a company. Regardless of role or location, seniority or business unit, I am continually amazed by the talent that we have within Barclays and the dedication people show to this institution. That dedication is one of the company's strongest assets, and it is because of it that bright years lie ahead for our bank. I look forward to discussing this future with you when we meet at our AGM.

James E. Staley
Group Chief Executive