Barclays PLC
Fixed Income Investor Call

2014 Interim Results

30 July 2014

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Steady performance in traditional banking franchises

Six months ended – June (£m)	2013	2014
Income	15,071	13,332
Impairment	(1,631)	(1,086)
Total operating expenses	(9,781)	(8,877)
- Litigation and conduct	*(126)*	*(211)*
- Costs to achieve Transform (CTA)	*(640)*	*(494)*
Adjusted profit before tax	3,591	3,349
Tax	(1,124)	(1,109)
NCI and other equity interests	(412)	(480)
Adjusted attributable profit	2,055	1,760
Adjusting items:		
- Own credit	*86*	*52*
- Provision for PPI redress	*(1,350)*	*(900)*
- Provision for IRHP redress	*(650)*	*-*
Statutory profit before tax	1,677	2,501
Statutory attributable profit	671	1,126
Adjusted financial performance measures		
Return on average equity (including CTA)[1]	7.8%	6.5%

Financial Performance

- Adjusted profit fell by 7% to £3.3bn, driven largely by a 12% reduction in income, primarily in the Investment Bank
- Partially offset by improved profit in Personal and Corporate Banking (PCB), Barclaycard, and Barclays Non-Core (BNC)
- Continued strong credit risk management led to 33% improvement in impairment and loan loss rate of 45bps
- Steady progress on operating expenses with total Group cost base falling by 9% to £8.9bn
- Adjusted attributable profit was £1.8bn, resulting in an EPS of 10.9p, with adjustments related principally to the additional PPI provision
- Statutory profit before tax was 49% higher at £2.5bn, with attributable profit up 68% to £1.1bn
- Group RoE fell to 6.5%, including costs to achieve Transform, while Core RoE was 11%
- Barclays Non-Core loss before tax reduced by 27% to £491m, ROE drag fell to 4.5%.

[1]RoE calculations are based on adjusted attributable profit, also taking into account tax credit on AT1 coupons

Strong credit fundamentals provide a platform for long-term sustainable returns

(£bn)		Dec-13	Jun-14
Balance Sheet[1]	Total assets	1,344	1,315
	PRA leverage exposure	1,365	1,266
	BCBS leverage exposure	n/a	1,353
	PRA leverage ratio	3.0%	3.4%
	BCBS leverage ratio	n/a	3.4%
CRD IV Capital[2]	Fully loaded CET1 ratio	9.1%[3]	9.9%
	Fully loaded CET1 capital	40.4	40.8
	Fully loaded T1 capital	42.7	45.4
	Risk weighted assets	442[3]	411
Liquidity	Liquidity Coverage Ratio[4]	96%	107%
	Net Stable Funding Ratio[4]	95%	98%
Funding	Loan to deposit ratio[5]	91%	92%
	Weighted average maturity[6]	69mths	80mths
	Wholesale funding	186	179

Highlights

- Key balance sheet and capital measures continue to progress towards targets
- Fully loaded CRD IV CET1 ratio increased to 9.9% during the period
- Fully loaded CRD IV CET1 capital increased by £0.4bn due mainly to retained earnings
- RWAs decreased by £31bn to £411bn, primarily driven by reductions in Barclays Non-Core
- Estimated PRA leverage ratio increased 40bps to 3.4%. The estimated ratio was 3.4% on a BCBS 270 calculation basis
- Funding remained stable at 92% loan to deposit ratio for PCB, Barclaycard, Africa Banking and Non-Core retail
- Estimated Liquidity Coverage Ratio (LCR) based on the CRD IV rules strengthened to 107%, equating to a £9bn surplus above the 100% requirement for 2018.

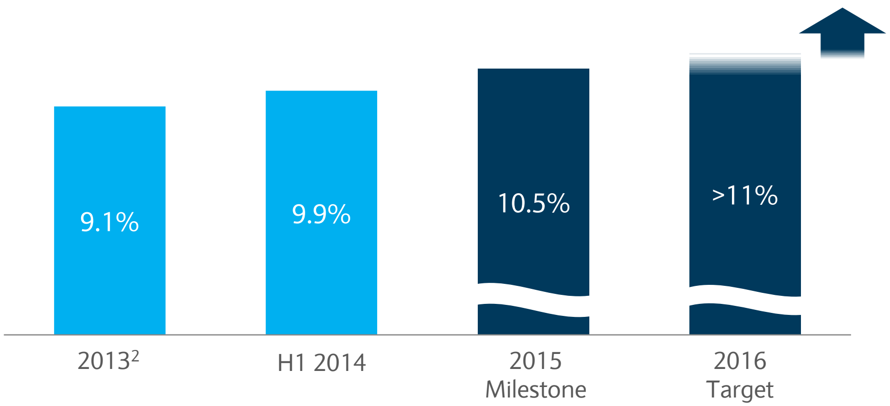
[1] Estimated leverage ratios and leverage exposure calculations reflects Barclays current understanding of the regulatory requirements and guidance, and their application in the industry | [2] Based on Barclays interpretation of the final CRD IV text and latest EBA technical standards | [3] Following the full implementation of CRD IV reporting in 2014, the previously reported 31 December 2013 RWAs have been revised by £6.9bn to £442bn and fully loaded CET1 ratio revised by (0.2)% to 9.1%. As at 31 March 2014, these figures were a £5.7bn increase and 0.1% decrease respectively | [4] Based on Barclays' interpretation of the CRD IV and Basel 3 standards and includes a number of assumptions which are subject to change prior to the finalisation of the CRD IV rules | [5] Loan to Deposit ratio for PCB, Barclaycard, Africa Banking and Non-core Retail | [6] Weighted average maturity excluding liquidity pool assets

Dan Hodge

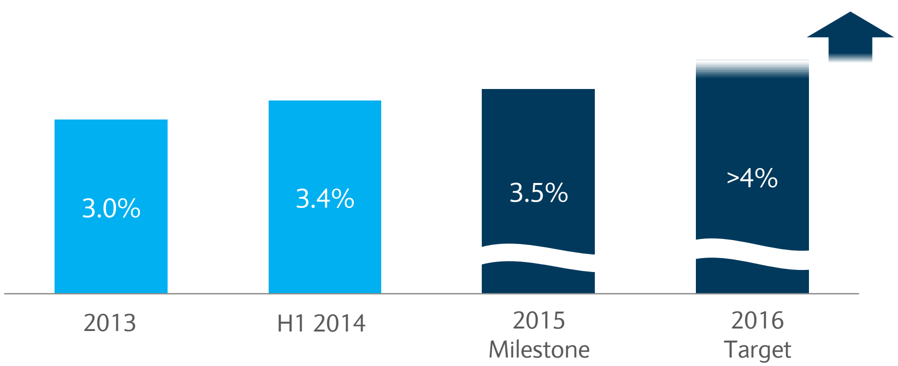
Barclays Group Treasurer

Progressive strengthening of capital and leverage ratios reflect focused capital and balance sheet management

Fully loaded CRD IV CET1 ratio (%)[1]



Estimated leverage ratio (%)[3]

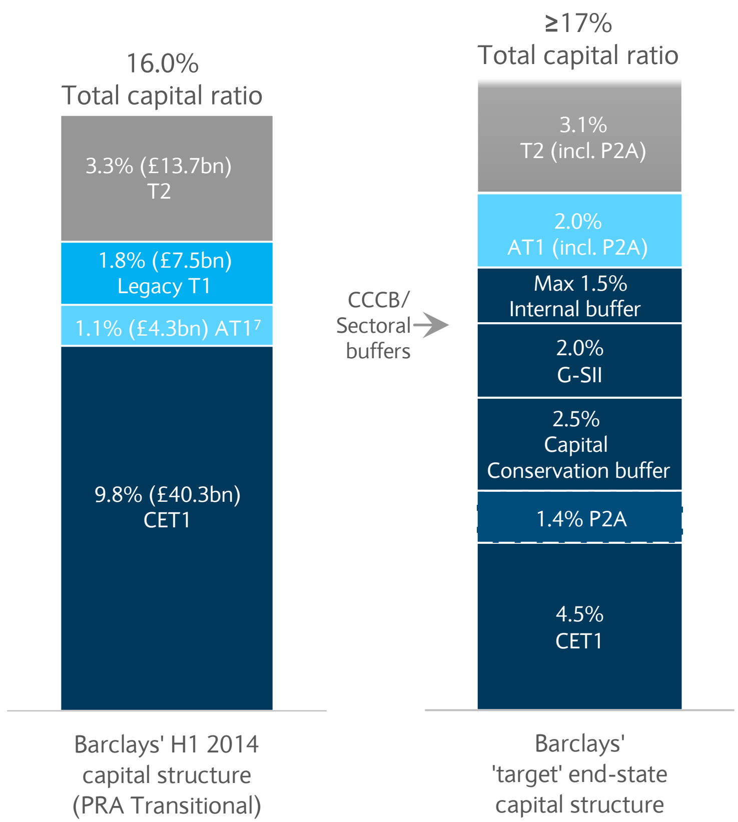


- Continue to show good progress on our fully loaded CRD IV CET1 ratio and estimated PRA leverage ratio towards 2016 targets
- Fully loaded CRD IV CET1 ratio reached 9.9% at the end of June 2014, representing good progress towards our 2016 target of over 11%
- Estimated PRA leverage ratio increased to 3.4%, primarily reflecting a £99bn reduction in PRA leverage exposure and a £2.3bn increase in PRA adjusted Tier 1 capital as a result of the recent T1 exchange
- With an estimated BCBS fully loaded Tier 1 leverage ratio of 3.4% as at H1 2014, we already exceed the PRA's request to meet a 3% leverage ratio on this calculation basis from 1 July 2014
- Confident that our planned trajectory of capital and leverage positions us well to meet future regulatory requirements.

[1] Based on our interpretation of the final CRD IV text and latest EBA technical standards | [2] Following the full implementation of CRD IV reporting in 2014, the previously reported 31 December 2013 RWAs have been revised by £6.9bn to £442bn and fully loaded CET1 ratio revised by (0.2)% to 9.1%. As at 31 March 2014, these figures were a £5.7bn increase and 0.1% decrease respectively | [3] Estimated 2013 leverage ratio is the PRA leverage ratio based on PRA adjusted FL CET1 capital and CRD IV and PRA qualifying T1 capital over PRA adjusted leverage exposure as defined in the PRA supervisory statement SS3/13, while the H1 2014 ratio and the leverage targets are estimated based on the BCBS Jan-14 calculation which excludes the headwind deductions to capital contained in the PRA definition of the ratio |

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 9.9% on track to meet our target of > 11% in 2016. The ratio was well in excess of the 7% PRA regulatory target[1]
- Robust buffers to contingent capital triggers[2]
  - AT1 contingent capital: 290bps or £11.9bn
  - T2 contingent capital: 500bps or £20.6bn[3]
- As we build CET1 capital over the transitional period, we expect reaching a range of 11.5-12% in end-state[4]
- Accelerated transition towards our end-state capital structure by exchanging 9 non-CRD IV compliant T1 securities issued by Barclays Bank PLC for £2.3bn of PRA and CRD IV compliant equity convertible AT1 securities issued by Barclays PLC
- Fully loaded total capital ratio increased to 15.0% (31 December 2013: 13.9%) and transitional total capital ratio increased to 16.0% (31 December 2013: 15.0%)
- Further clarity required on PLAC and GLAC. In the meanwhile, 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.

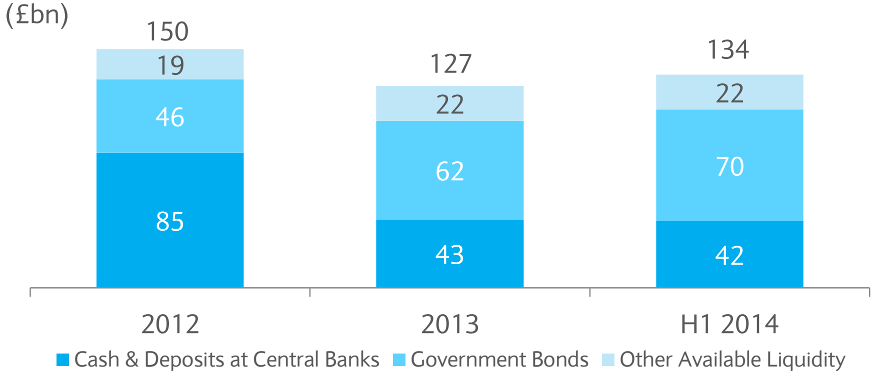
Pillar 2A guidance

- As per PS7/13[5], PRA expects UK banks to meet Pillar 2A by 1 January 2015. Barclays Pillar 2A requirement for 2014 is 2.5%[6]:
  - CET1 of 1.4% (assuming 56%)
  - AT1 of 0.5% (assuming 19%)
  - T2 of 0.6% (assuming 25%)
- Individual capital guidance determining Pillar 2A will be set and communicated at least annually, and will vary accordingly.

[1] Being the higher of 7% PRA expectation and CRD IV capital requirements | [2] CRD IV rules on mandatory distribution restrictions apply from 1 January 2016 onwards based on transitional CET1 requirements | [3] Based on the CRD IV CET1 transitional (FSA October 2012 statement) the ratio was 12% as at 30 June 2014 | [4] Pillar 2A requirements for 2014 held constant out to end-state for illustrative purposes. The PRA buffer is assumed to be below the CBR of 4.5% in end-state albeit this might not be the case. CCCB, other systemic and sectoral buffer assumed to be zero | [5] The PRA intends to consult on its Pillar 2 proposal during 2014. The EBA is also developing guidelines on Pillar 2 capital which are likely to affect how the PRA approaches Pillar 2 | [6] Point in time assessment made at least annually, by the PRA, to reflect idiosyncratic risks not fully covered under Pillar 1. The PRA has stated (in CP5/13) that capital that firms use to meet their minimum requirements (Pillar 1 and Pillar 2A) cannot be counted towards meeting buffers | [7] Fully loaded AT1 capital of £4.6bn including £0.3bn of BAGL Minority interest

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

High quality liquidity pool



Estimated[1] CRD IV/Basel 3 liquidity ratios

Metric	H1 2014	2013	Expected 100% requirement date
LCR[2]	107%	96%	1 January 2018
NSFR[3]	98%	95%	1 January 2018

Surplus to 30-day Barclays-specific LRA

	H1 2014	2013
LRA	107 %	104%
Buffer	£9bn	£5bn

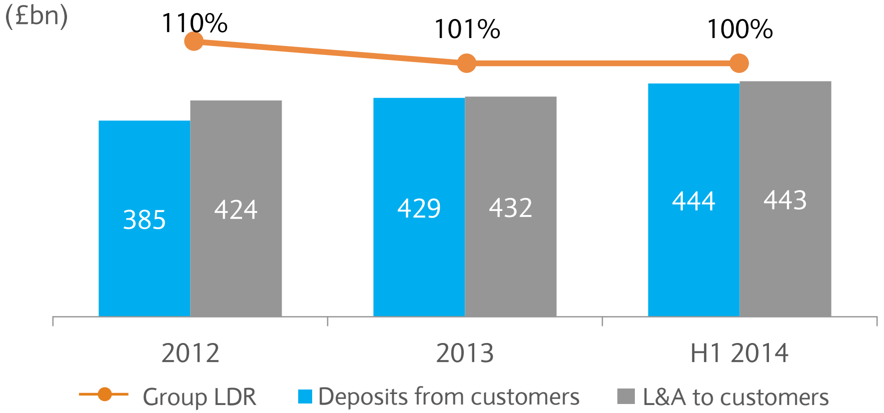
Key messages

- The Group Liquidity pool increased by £7bn to £134bn
- Quality of the pool remains high despite on-going optimisation of its composition:
  - 84% held in cash, deposits with central banks and high quality government bonds
  - Over 85% of government bonds are securities issued by UK, US, Japanese, French, German, Danish, Swiss and Dutch sovereigns
- Even though not a regulatory requirement, our liquidity pool exceeds 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[1]:
  - Estimated LCR in excess of 100% expectation in January 2018 based on both the CRD IV rules as implemented by the EBA and the Basel Standards
  - Rules on the NSFR are still evolving and subject to consultation. Expect to be in excess of 100% well ahead of the 2018 implementation timeline even if rules were to be implemented in current form.

[1] Includes a number of assumptions which are subject to change prior to the implementation of the CRD IV liquidity requirements | [2] LCR estimated based on CRD IV rules as implemented by the EBA. We previously estimated the ratio based on the Basel standards published in January 2013 | [3] Estimated based on our interpretation of the Basel Consultation Paper published in January 2014, including the requirement for 50% required stable funding against short-term reverse repos from non-banks. Without this interpretation of the requirement, which did not exist in the 2010 Basel publication, the NSFR would have been 113%. Further changes to the rules are expected prior to the Basel Committee's finalisation of the rules and implementation by local regulators ahead of the target 2018 compliance date |

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

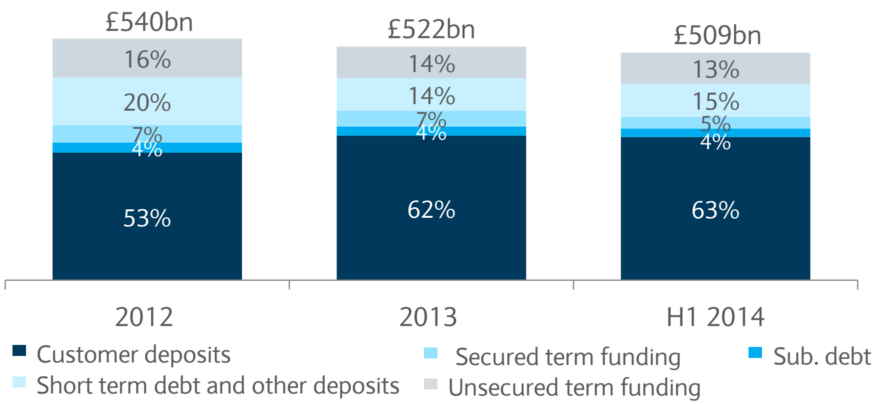
Significant increase in deposit funding



Key messages

- Group Loan to Deposit Ratio (LDR) and the LDR for PCB, Barclaycard and Africa Banking broadly unchanged at 100% and 92% respectively[1]
- Excess customer deposits in PCB, Barclaycard and Africa Banking are predominantly used to fund the liquidity buffer requirements for these businesses, making them broadly self funded
- In line with the 2014 funding plan, the Group issued £9bn of term funding net of early redemptions during H1 2014. Additionally, the Group raised £6bn through participation in the Bank of England's Funding for Lending Scheme.

Total funding (excl. Barclays Africa Group Limited)



2014 Funding Plan

- £24bn of term debt maturing in 2014, with £12bn remaining. A further £24bn maturing in 2015
- We intend to maintain access to diverse wholesale funding, through different products, currencies, maturities and channels
- We will continue to look for issuance opportunities across public and private unsecured, and secured transactions, and subordinated debt, and still be materially below overall maturities for the year
- Secured debt issuance from established platforms expected to continue supporting unsecured issuances, contributing to the stability and diversity of our funding base.

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

Summary

Business model	• A diversified international bank focused on delivering improved and more sustainable returns • Concentrating on our high growth opportunities where we have competitive advantage, eliminating marginal businesses and sharpening our focus on costs.
Capital	• Strengthened capital position with plan to deliver fully loaded CRD IV CET1 ratio of more 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	• Estimated PRA Leverage ratio of 3.4% as at 30 June 2014, well in excess of the PRA's expected leverage ratio of 3% by June 2014. Estimated BCBS leverage ratio of 3.4% • Aim to deliver a leverage ratio above 4% in 2016 with flexible plan to adapt to higher requirement in end-state if required.
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, including structural reform • Established track record of adapting to regulatory change.

Q&A

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