Barclays PLC

2017 Financial Results

22 February 2018

Jes Staley

Barclays Group Chief Executive Officer

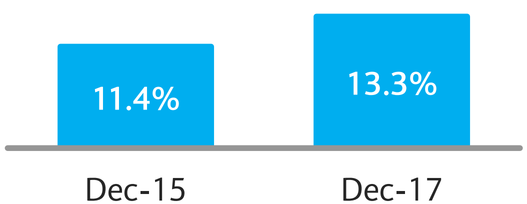
Diversified Transatlantic Consumer and Wholesale Bank

Move from restructuring to shareholder returns

Restructuring completed in 2017

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

CET1 ratio



190bps

Focus on improved returns to shareholders

RoTE targets[1]

- >9% in 2019
- >10% in 2020

Return of capital

- 2017: 3.0p dividend
- 2018: 6.5p dividend[2]

[1] Excluding litigation and conduct and based on a CET1 ratio of c.13% | [2] Barclays anticipates paying a total cash dividend of 6.5p per share for 2018, subject to regulatory approvals |

Operational highlights: improved profitability in 2017

FY17 Group highlights

Income ↓2%
£21.1bn

Costs[1] ↓5%
£14.2bn

PBT ↑10%
£3.5bn

CET1 ratio ↑90bps
13.3%

RoTE[2]
5.6%

Barclays UK

- Continued support for the UK with gross lending of £30bn[3]
- Mortgage growth of £4bn, while maintaining pricing and underwriting discipline
- Continued stable asset quality reflecting ongoing prudent positioning
- Further growth in digitally active customers, up 7% to 10.1 million
- Barclays' digital banking ranked #2 globally for user experience[4]

Barclays International

- Record Banking revenues of £5.3bn and highest global Banking fee share in three years of 4.3%
- Markets income in Q4 down only 10% YoY in USD
- 12% underlying growth in US Cards net receivables[5] and successful Uber partnership launch
- Over 100k clients migrated to new merchant acquiring platform
- 60bps reduction in annual Group term wholesale funding cost[6] expected due to redemption of expensive legacy securities

[1] Excluding litigation and conduct | [2] Excluding litigation and conduct, losses related to the sell down of BAGL and US deferred tax assets re-measurement | [3] Includes gross lending in Mortgages, Consumer Lending and Business Banking | [4] Wavestone November 2017 report covering 17 international banks, based on more than 60 criteria | [5] Excluding the impact of FX and the Q117 asset sale, including held for sale balances | [6] Margin over the reference rate applicable to the wholesale funding |

Now focused on profitability and returning capital to shareholders

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%

Revised dividend policy

Dividend	2017: 3.0p dividend 2018: 6.5p dividend[3]

Barclays understands the importance of the ordinary dividend for our shareholders.

Barclays is therefore committed to maintaining an appropriate balance between total cash returns to shareholders, investment in the business and maintaining a strong capital position.

Going forward, Barclays intends to pay an annual ordinary dividend that takes into account these objectives and the medium-term earnings outlook of the Group[4]. It is also the Board's intention to supplement the ordinary dividends with additional returns to shareholders as and when appropriate.

[1] Excluding litigation and conduct and based on a CET1 ratio of c.13% | [2] Excluding litigation and conduct | [3] Barclays anticipates paying a total cash dividend of 6.5p per share for 2018, subject to regulatory approvals | [4] In determining any proposed distributions to shareholders, the Board will take into account Barclays' commitments to all its stakeholders, such as those made in respect of pensions, and will also consider the expectation of servicing more senior securities |

Tushar Morzaria

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 | Refer to slide 21 for more detail |

Q417 Group highlights

Improved operational efficiency and capital strength

Financial performance

Income ⬆1%
£5.0bn (Q416: £5.0bn)

PBT ⬇72%
£93m (Q416: £330m)

Cost: income ratio
87% (Q416: 87%)

LLR ⬇2bps
56bps (Q416: 58bps)

RoTE
-10.3% (Q416: 1.1%)

CET1 ratio ⬆20bps
13.3% (Sep-17: 13.1%)

- Continued capital accretion
  - CET1 ratio up 20bps on Sep-17 at 13.3%
    - Including US DTA write-down impact of c.20bps
- US tax reform impact
  - Reduction in US DTAs of net £0.9bn[1]
  - Guiding to Group effective tax rate in mid-20s for 2018
- Positive cost: income jaws[2]
  - Income grew 1% while costs reduced 6%
- Continuing prudent risk management
  - 12% reduction in impairment on Q416, resulting in LLR of 56bps

[1] £1.2bn decrease to US DTAs due to the US Tax Cuts and Jobs Act, partially offset by an unrelated £0.3bn increase due to re-measurement of BBPLC's US branch DTAs | [2] Excluding litigation and conduct | Refer to slide 25 for more detail |

Q417 Barclays UK results

Growth in customer balances, with disciplined pricing and prudent risk management

Financial performance

Income ⬆ 2%
£1.9bn (Q416: £1.8bn)

PBT ⬇ 22%
£452m (Q416: £583m)

Cost: income ratio
66% (Q416: 58%)

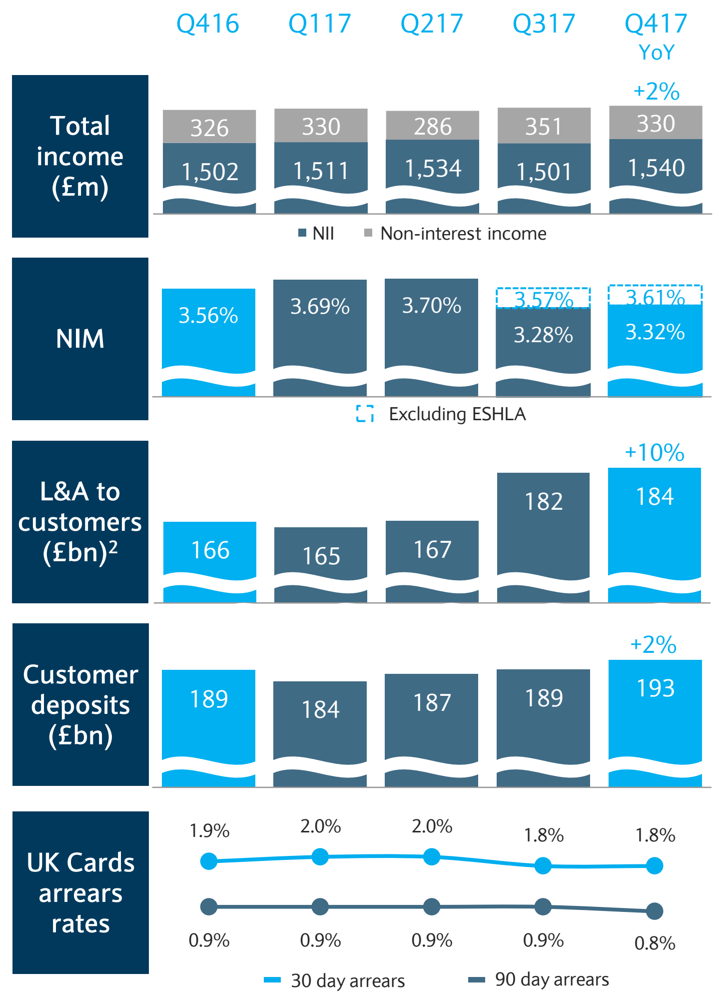
RoTE
10.7% (Q416: 18.2%)

NIM[1]
3.32% (Q416: 3.56%)

LLR ⬇ 3bps
39bps (Q416: 42bps)

RWAs ⬆ £3.4bn
£70.9bn (Dec-16: £67.5bn)

- Stable income from growth in L&A and deposits while maintaining pricing and underwriting discipline
- Stable NIM of 332bps, including a c.30bps impact from the inclusion of the ESHLA portfolio as guided
- L&A growth of £2bn in Q417, largely driven by controlled growth in mortgages
- Further deposit growth in Q417, with continued franchise strength in Personal Banking
- Improved arrears rates in UK Cards and 2% growth in interest earning lending
- Costs increased to £1.2bn due to investment in digital banking and cyber resilience, and branch optimisation



[1] Includes ESHLA portfolio. Excluding ESHLA, NIM was 3.61% in Q417 | [2] At amortised cost. Q317 and Q417 include ESHLA portfolio | Refer to slide 26 for more detail |

Q417 Barclays International results

CIB impacted by low levels of volatility, while CC&P benefitted from the repositioning of US Cards

Financial performance

Income ↓8%
£3.3bn (Q416: £3.6bn)

PBT ↓98%
£6m (Q416: £373m)

Cost: income ratio
89% (Q416: 78%)

RoTE
-15.9% (Q416: 1.0%)

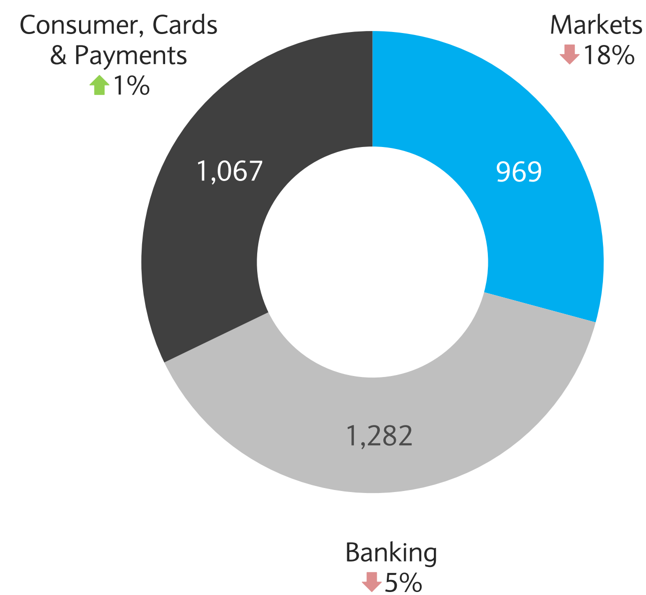
NIM
4.31% (Q416: 3.91%)

LLR ↓2bps
76bps (Q416: 78bps)

RWAs ↓£2.4bn
£210.3bn (Dec-16: £212.7bn)

- CIB impacted by low volatility and client activity compared to a strong Q416
- Average Q417 USD depreciated by 7% against GBP YoY
  - Headwind to income and tailwind to impairment and costs
- Impairment decreased 9%, driven by repositioning of US Cards, partially offset by a large single name charge in CIB
- RoTE impacted by US DTA re-measurement and a provision in respect of Foreign Exchange matters

Balance across businesses
Q417 income (£m)



Refer to slide 29 for more detail |

Q417 Barclays International: Corporate & Investment Bank results

Resilient income performance despite low market volatility and strong prior year comparator

Financial performance[1]

Income ⬇11%
£2.3bn (Q416: £2.5bn)

Impairment ⬆41%
£127m (Q416: £90m)

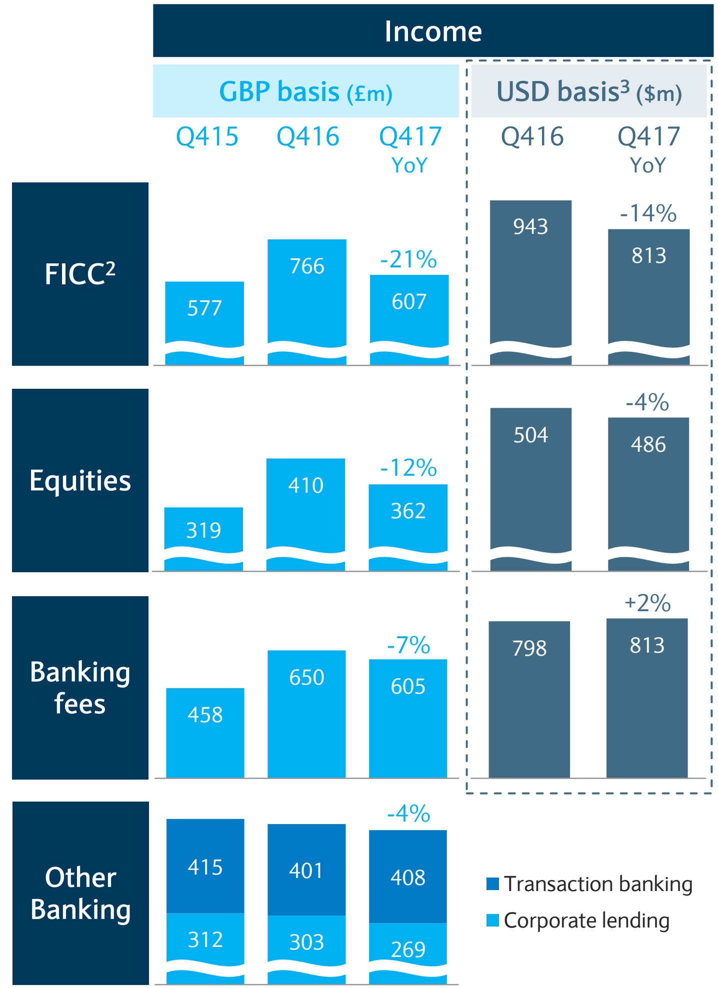
Costs ⬆4%
£2.4bn (Q416: £2.3bn)

PBT
-£252m (Q416: £155m)

RoTE
-20.2% (Q416: -1.2%)

RWAs ⬇£2.4bn
£176.2bn (Dec-16: £178.6bn)

- Total CIB income reduced against a strong prior year comparator
- Low market volatility and client activity impacted Markets performance, which decreased 10% in USD
  - Equity financing income improved on higher client balances
- Banking fee income reduced in GBP (+2% in USD) due to lower equity underwriting performance
  - Fee share growth in advisory and debt underwriting
- Impairment largely reflected a single name corporate charge
- Costs excluding L&C decreased due to the effects of the Q416 changes to compensation awards, partially offset by continued investment in technology
  - L&C increased due to a provision in respect of Foreign Exchange matters



[1] 7% depreciation of average USD against GBP was a headwind to income and tailwind to impairment and costs | [2] FICC = Macro + Credit |
[3] USD basis is calculated by translating GBP revenues by month for Q417 and Q416 using the corresponding GBP / USD FX rates | Refer to slide 30 for more detail |

Q417 Barclays International: Consumer, Cards & Payments results

Investing for growth across CC&P, while repositioning to a lower risk mix in US Cards

Financial performance[1]

Income ⬆1%
£1.1bn (Q416: £1.1bn)

Impairment ⬇23%
£259m (Q416: £336m)

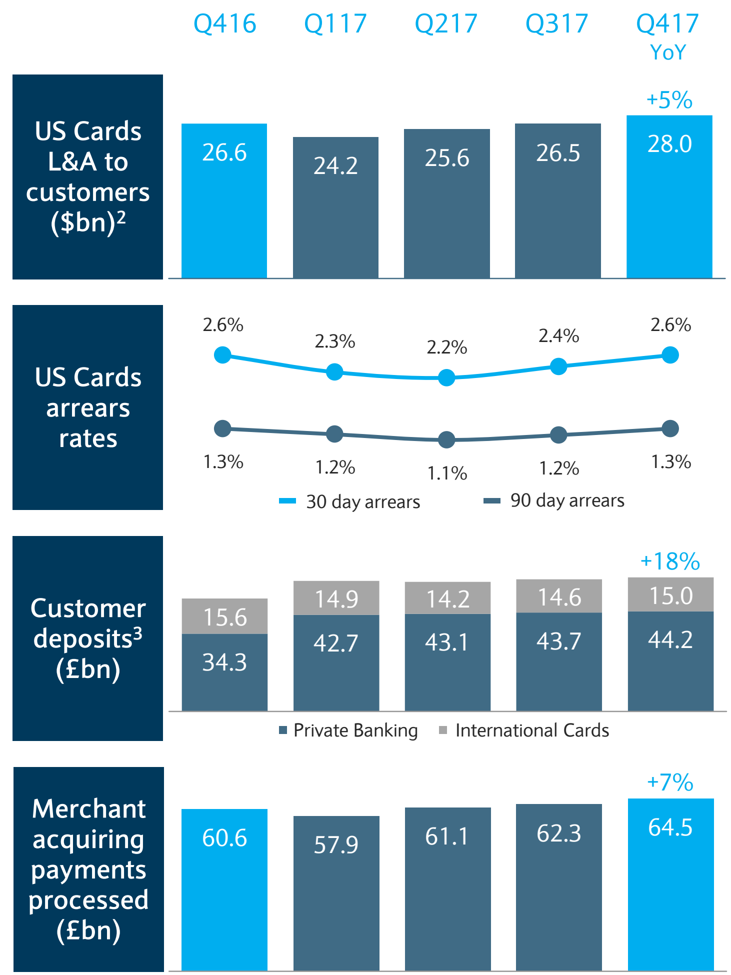
Costs ⬆10%
£564m (Q416: £511m)

PBT ⬆18%
£258m (Q416: £218m)

RoTE
8.9% (Q416: 13.2%)

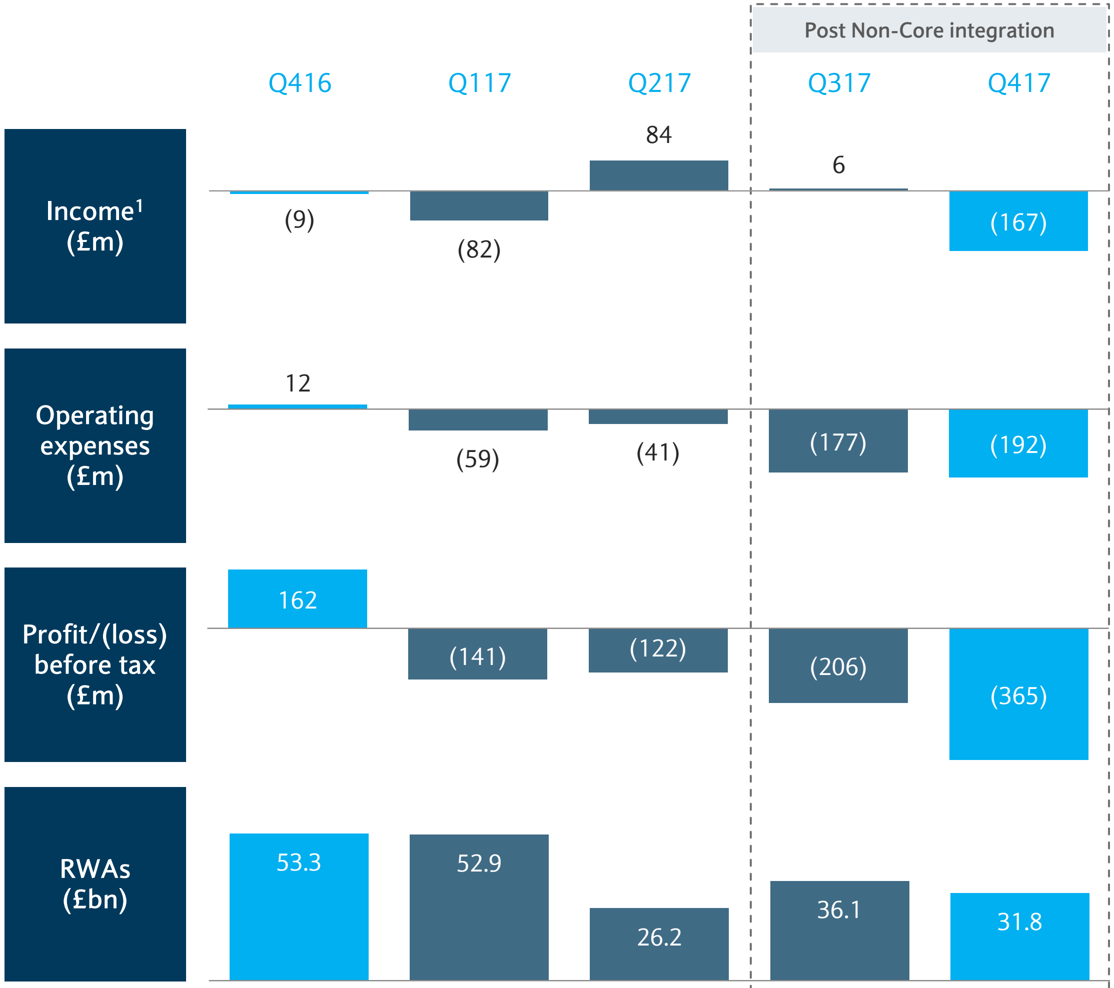
RWAs ⬅➡£0bn
£34.1bn (Dec-16: £34.1bn)

- Underlying growth in US Cards
  - Net L&A grew 12% in USD, excluding the $1.6bn of higher risk assets sold in Q117
  - Strong growth in American Airlines and JetBlue balances
- Encouraging Uber partnership launch
- Stable arrears rates YoY reflected repositioning of the portfolio towards a lower risk mix
- Business growth and investment, primarily within US Cards and merchant acquiring, increased costs
- Record volumes of payments processed in merchant acquiring
- Successfully completed migration of customers to a new merchant acquiring platform, driving deeper customer relationships



[1] 7% depreciation of average USD against GBP was a headwind to income and tailwind to impairment and costs | [2] At amortised cost. Q417 includes held for sale balances |
[3] Balances affected by the realignment of certain clients between Barclays UK and Barclays International in Q117 in preparation for structural reform | Refer to slide 31 for more detail |

Head Office



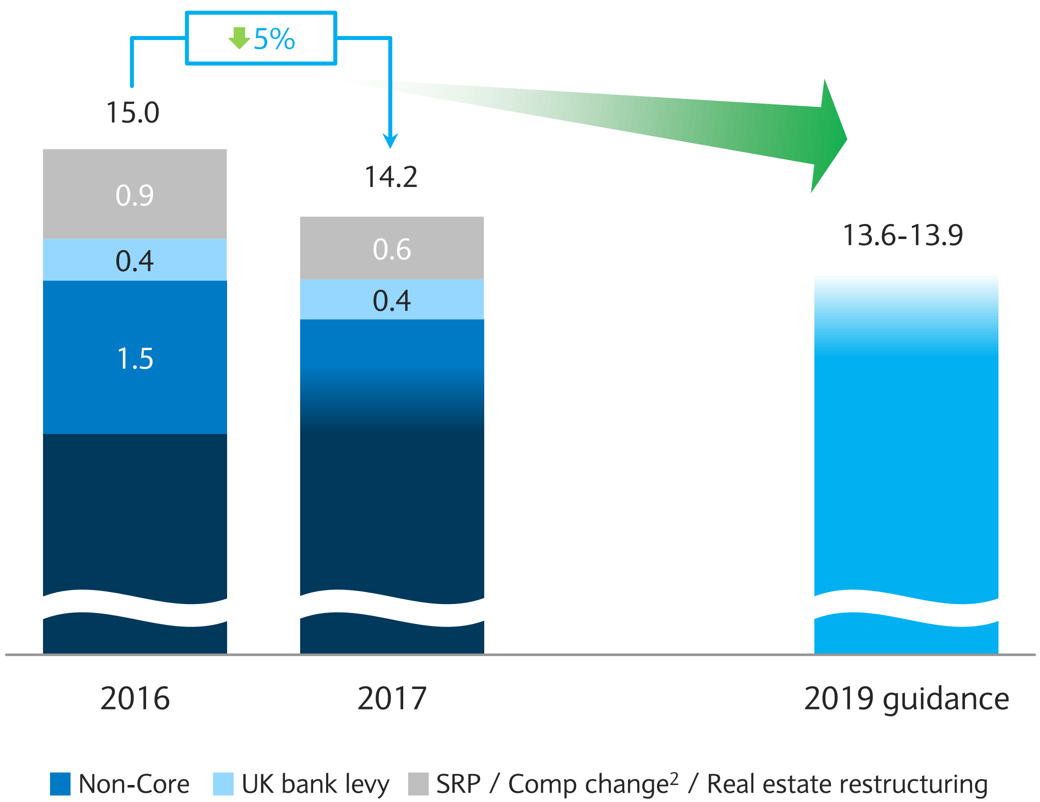
- Negative income in Q417 reflected the net impact of treasury operations
- Q417 operating expenses included costs associated with integrated Non-Core assets and businesses, and higher L&C
- Loss before tax was £365m in Q417
  - Q416 included a currency translation reserve gain on the sale of Southern European Cards
- RWAs declined to £31.8bn, primarily reflecting the proportional consolidation of BAGL
- Intention to include certain legacy BBPLC capital instruments in Head Office from Q118

[1] Following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017, own credit, which was previously reported in the income statement for 2016, is now recognised in other comprehensive income | Refer to slide 32 for more detail |

Operating costs

Reconfiguring the cost base to improve efficiency and profitability

Group costs (£bn)[1]



2017 costs

- Reduced Group costs by 5% YoY in 2017[1]
- 2017 cost base in line with guidance
- Q417 costs of £3.6bn, excluding UK bank levy and L&C
- Included digital spend, SRP costs, branch optimisation and investment in technology

2018 costs

- Continuing investment spend on digital, cyber security and resilience, and technology infrastructure
- Savings from lower SRP, Non-Core and restructuring costs

2019 guidance

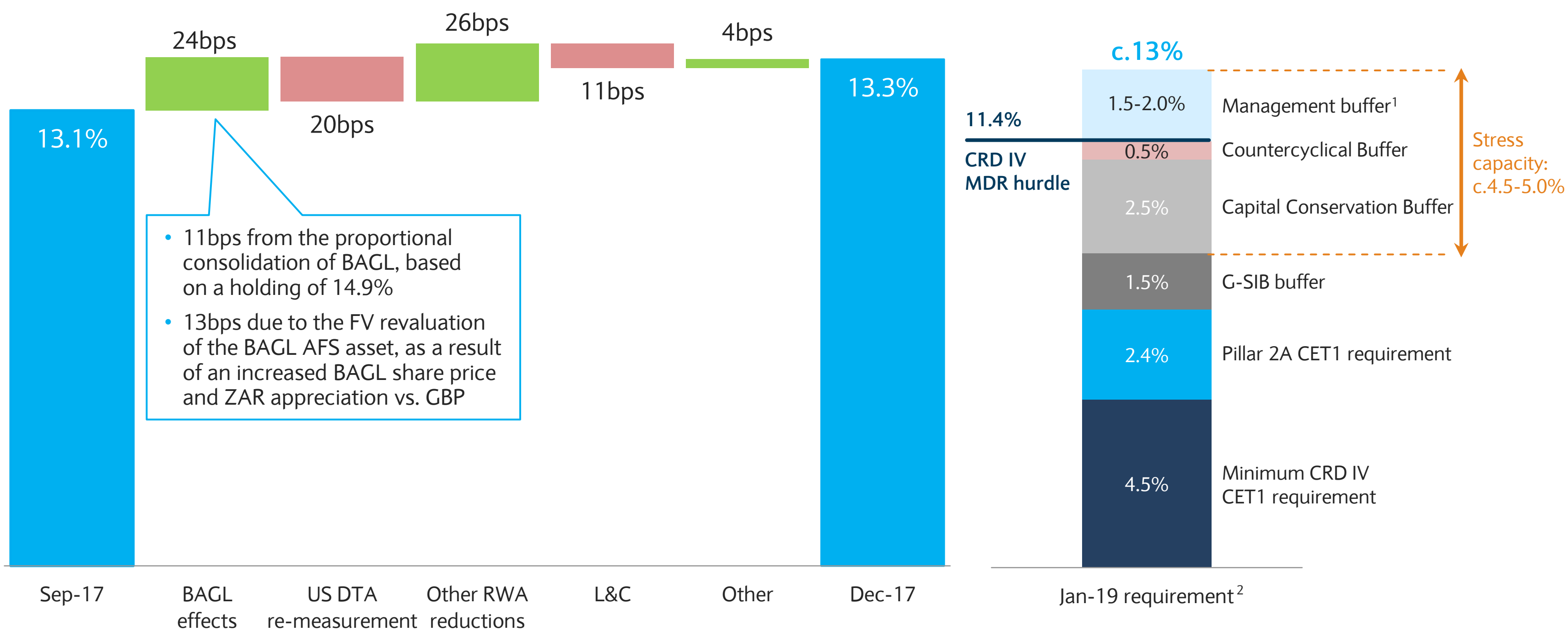
- 2019 guidance of £13.6-13.9bn[1]
- A £1.1-1.4bn reduction from 2016
- Delivering cost: income ratio below 60%

[1] Excluding litigation and conduct | [2] Charge associated with the change in compensation awards introduced in Q416 |

Capital strength

Within our end-state CET1 ratio target range

CET1 ratio progression in Q417



	Sep-17	BAGL effects	US DTA re-measurement	Other RWA reductions	L&C	Other	Dec-17
RWAs (£bn)	324.3	(2.6)	(2.3)	(6.4)			313.0

[1] Incorporates any PRA buffer | [2] Refer to slide 44 for more detail |
Future events, including regulatory fines and/or the need to settle outstanding litigation and conduct matters, could impact the CET1 ratio |

Impacts of US tax reform and IFRS 9

Tax rate

Guidance

- US federal corporate income tax rate reduced from 35% to 21%
- Group effective tax rate in future periods expected to be in the mid-20s
- Some uncertainty around BEAT[1] provisions, but current expectation is that any impact should not cause effective tax rate to exceed the mid-20s

IFRS 9

Estimated impacts[2]

- Increase in impairment stock of £2.8bn
- Decrease in TNAV per share of 13p
- Estimated fully loaded CET1 ratio impact of c.34bps
- Manageable capital impact and already factored into plans

[1] Base Erosion and Anti-Abuse Tax | [2] Based on 31 December 2017 numbers. Refer to slide 37 in the appendix for further detail |

Focused on profitability and returning capital to shareholders

- 13.3% CET1 ratio within the end-state target range
- 2017 dividend confirmed at 3.0p with intention to pay 2018 dividend of 6.5p[1]
- Prioritising improved shareholder returns on a sustainable basis

Group targets

Target	
RoTE[2]	>9% in 2019 >10% in 2020
CET1 ratio	c.13% 150-200 bps above regulatory minimum level
Costs	£13.6-13.9bn in 2019[3] Cost: income ratio <60%

[1] Subject to regulatory approvals | [2] Excluding litigation and conduct and based on a CET1 ratio of c.13% | [3] Excluding litigation and conduct |

Barclays PLC

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22 February 2018

Appendix

Material and other items – FY17 and Q417 vs. prior year

Material items (£m)	FY17	FY16	Q417	Q416	
Income					
Own credit[1]	-	(35)	-	46	Head Office
Gain on the disposal of Barclays' share of Visa Europe Limited	-	615	-	-	Barclays International 464 / Barclays UK 151
Litigation and conduct					
Charges for PPI	(700)	(1,000)	-	-	Barclays UK
Provision in respect of Foreign Exchange matters	(240)	-	(240)	-	Barclays International
Tax					
Re-measurement of US DTAs – US Tax Cuts and Jobs Act	(1,177)	-	(1,177)	-	Barclays International
Revaluation of US branch DTAs – branch exemption election	276	-	276	-	
Discontinued operation – Africa Banking (pre-tax)					
Impairment of Barclays' holding in BAGL	(1,090)	-	-	-	
Loss on sale of 33.7% of BAGL's issued share capital	(1,435)	-	-	-	
Other items of interest (£m)					
Income					
US Card asset sale	192	-	-	-	Barclays International
Valuation gain on Barclays' preference shares in Visa Inc	98	-	-	-	Barclays International 74 / Barclays UK 24
Impairment					
Charge relating to deferred consideration from US Cards asset sale	(168)	-	-	-	Barclays International
Mgmt review of UK and US cards portfolio impairment modelling	-	(320)	-	-	Barclays International (120) / Barclays UK (200)
Operating expenses					
Structural reform costs	(404)	(337)	(92)	(108)	Group
Effect of change in compensation awards introduced in Q416	(205)	(395)	(24)	(395)	
Real estate restructuring charge	-	(150)	-	-	Barclays International
Other net income					
Gain on sale of Barclays' share in VocaLink	109	-	-	-	Barclays International
Gain on sale of joint venture in Japan	76	-	-	-	
Gain on sale of Barclays Risk Analytics and Index Solutions	-	535	-	-	Non-Core
Loss on sale of French Retail Business	-	(455)	-	-	
Gain on sale of Barclays Bank Egypt	189	-	-	-	
CTR recycling on sale of Barclays Bank Egypt	(180)	-	-	-	Head Office

[1] Own credit is now recognised in other comprehensive income, following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017 |

FY17 Group results

Year ended (£m)	2017	2016	% change
Income	21,076	21,451	(2%)
Impairment	(2,336)	(2,373)	2%
– *Operating expenses (excluding UK bank levy and L&C)*	*(13,884)*	*(14,565)*	*5%*
– *UK bank levy*	*(365)*	*(410)*	*11%*
Operating expenses excluding L&C	(14,249)	(14,975)	5%
– *Litigation and conduct*	*(1,207)*	*(1,363)*	*11%*
Operating expenses	(15,456)	(16,338)	5%
Other net income	257	490	(48%)
PBT	3,541	3,230	10%
Tax charge	(2,240)	(993)	
PAT – continuing operations	1,301	2,237	(42%)
(Loss)/profit after tax – discontinued operation	(2,195)	591	
NCI – continuing operations	(249)	(346)	28%
NCI – discontinued operation	(140)	(402)	65%
Other equity instrument holders	(639)	(457)	(40%)
Attributable (loss)/profit	(1,922)	1,623	
Performance measures			
Basic (loss)/earnings per share	(10.3p)	10.4p	
RoTE	(3.6%)	3.6%	
Cost: income ratio	73%	76%	
LLR	57bps	53bps	
LDR[1]	80%	89%	
Balance sheet (£bn)			
RWAs	313	366	

FY17 performance metrics

- Income declined 2% to £21.1bn reflecting a £613m decrease in Barclays International and a £262m reduction in Head Office, partially offset by lower Non-Core related negative income
- Impairment charges were broadly stable at £2.3bn, while LLR increased 4bps to 57bps. Impairment included:
  - A charge of £168m in 2017 relating to the deferred consideration from an asset sale in US Cards
  - Non-recurrence of a £320m charge in 2016 following the management review of the UK and US Cards portfolio impairment modelling
- Costs excluding L&C reduced 5% to £14.2bn, as guided, driven by lower Non-Core related operating expenses and delivering positive jaws
- Other net income of £257m primarily reflected a gain of £109m on the sale of Barclays' share in VocaLink to MasterCard and a gain of £76m on the sale of a joint venture in Japan
- RoTE was negative 3.6% and basic loss per share was 10.3p
  - Excluding L&C, losses related to Barclays' sell down of BAGL and the one-off net charge due to the re-measurement of US DTAs, RoTE was 5.6% and earnings per share was 16.2p

[1] Excludes Head Office and investment banking balances other than interest earning lending. Comparative has been restated to include interest earning lending balances within the investment banking business |

FY17 Barclays UK and Barclays International results

Barclays UK

Year ended (£m)	2017	2016	% change
– Personal Banking	*3,823*	*3,891*	*(2%)*
– Barclaycard Consumer UK	*1,977*	*2,022*	*(2%)*
– Wealth, Entrepreneurs & Business Banking	*1,583*	*1,604*	*(1%)*
Income	7,383	7,517	(2%)
– Personal Banking	*(222)*	*(183)*	*(21%)*
– Barclaycard Consumer UK	*(541)*	*(683)*	*21%*
– Wealth, Entrepreneurs & Business Banking	*(20)*	*(30)*	*33%*
Impairment	(783)	(896)	13%
– Operating expenses (excluding UK bank levy and L&C)	*(4,030)*	*(3,792)*	*(6%)*
– UK bank levy	*(59)*	*(48)*	*(23%)*
– Litigation & conduct	*(759)*	*(1,042)*	*27%*
Operating expenses	(4,848)	(4,882)	1%
PBT	1,747	1,738	1%
Attributable profit	853	828	3%

Performance measures		
RoTE	9.8%	9.6%
Average allocated tangible equity	£9.1bn	£8.9bn
Cost: income ratio	66%	65%
LLR	42bps	52bps
NIM	3.49%	3.62%

Balance sheet (£bn)		
L&A to customers	183.8	166.4
Customer deposits	193.4	189.0
RWAs	70.9	67.5

Barclays International

Year ended (£m)	2017	2016	% change
– CIB	*9,878*	*10,533*	*(6%)*
– CC&P	*4,504*	*4,462*	*1%*
Income	14,382	14,995	(4%)
– CIB	*(213)*	*(260)*	*18%*
– CC&P	*(1,293)*	*(1,095)*	*(18%)*
Impairment	(1,506)	(1,355)	(11%)
– Operating expenses (excluding UK bank levy and L&C)	*(9,321)*	*(9,129)*	*(2%)*
– UK bank levy	*(265)*	*(284)*	*7%*
– Litigation & conduct	*(269)*	*(48)*	
Operating expenses	(9,855)	(9,461)	(4%)
Other net income	254	32	
PBT	3,275	4,211	(22%)
Attributable profit	847	2,412	(65%)

Performance measures		
RoTE	3.4%	9.8%
Average allocated tangible equity	£28.1bn	£25.5bn
Cost: income ratio	69%	63%
LLR	75bps	63bps
NIM	4.16%	3.98%

Balance sheet (£bn)		
RWAs	210.3	212.7

FY17 Corporate & Investment Bank and Consumer, Cards & Payments results

Corporate & Investment Bank			
Year ended (£m)	2017	2016	% change
– Macro	*1,634*	*2,304*	*(29%)*
– Credit	*1,241*	*1,185*	*5%*
FICC	2,875	3,489	*(18%)*
– Equities	*1,629*	*1,790*	*(9%)*
Markets	4,504	5,279	(15%)
– Banking fees	*2,612*	*2,397*	*9%*
– Corporate lending	*1,093*	*1,195*	*(9%)*
– Transaction banking	*1,629*	*1,657*	*(2%)*
Banking	5,334	5,249	2%
Income[1]	9,878	10,533	(6%)
Impairment	(213)	(260)	18%
Operating expenses	(7,742)	(7,624)	(2%)
Other net income	133	1	
PBT	2,056	2,650	(22%)
Performance measures			
RoTE	1.1%	6.1%	
Balance sheet (£bn)			
RWAs	176.2	178.6	

Consumer, Cards & Payments			
Year ended (£m)	2017	2016	% change
Income	4,504	4,462	1%
Impairment	(1,293)	(1,095)	(18%)
Operating expenses	(2,113)	(1,837)	(15%)
Other net income	121	31	
PBT	1,219	1,561	(22%)
Performance measures			
RoTE	16.7%	31.4%	
Balance sheet (£bn)			
RWAs	34.1	34.1	

[1] Includes Other income |

FY17 Head Office results

Business performance		
Year ended (£m)	**2017**	**2016**
Income[1]	(159)	103
Impairment	(17)	-
– *Operating expenses (excluding UK bank levy and L&C)*	*(277)*	*(135)*
– *UK bank levy*	*(41)*	*(2)*
– *Litigation & conduct*	*(151)*	*(27)*
Operating expenses	(469)	(164)
Other net (expenses)/income	(189)	128
(Loss)/profit before tax	(834)	67
Performance measures		
Average allocated tangible equity	9.3	6.5
Balance sheet (£bn)		
RWAs[2]	31.8	53.3

[1] Following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017, own credit, which was previously reported in the income statement for 2016, is now recognised in other comprehensive income | [2] Includes Africa Banking RWAs of £6.4bn (December 2016: £42.3bn) |

Q417 Group results

Three months ended (£m)	Dec-17	Dec-16	% change
Income	5,022	4,992	1%
Impairment	(573)	(653)	12%
– Operating expenses (excluding UK bank levy and L&C)	*(3,621)*	*(3,812)*	*5%*
– UK bank levy	*(365)*	*(410)*	*11%*
– Litigation and conduct	*(383)*	*(97)*	
Operating expenses	(4,369)	(4,319)	(1%)
Other net income	13	310	(96%)
PBT	93	330	(72%)
Tax (charge)/credit	(1,138)	50	
(Loss)/profit after tax – continuing operations	(1,045)	380	
Profit after tax – discontinued operation	-	71	
NCI – continuing operations	(68)	(90)	24%
NCI – discontinued operation	-	(123)	
Other equity instrument holders	(181)	(139)	(30%)
Attributable (loss)/profit	(1,294)	99	
Performance measures			
Basic (loss)/earnings per share	(7.3p)	0.8p	
RoTE	(10.3%)	1.1%	
Cost: income ratio	87%	87%	
LLR	56bps	58bps	
Balance sheet (£bn)			
RWAs	313	366	

Q417 performance metrics

- Income increased 1% to £5.0bn, as lower losses related to Non-Core and a 2% increase in Barclays UK offset weak market conditions in Barclays International and negative income in Head Office
- Impairment decreased 12% to £573m, driven by repositioning to a lower risk mix in CC&P
  - LLR reduced 2bps to 56bps
- Costs excluding UK bank levy and L&C decreased 5% to £3.6bn, driven by lower Non-Core related costs and a 3% improvement in Barclays International, partially offset by a 13% increase in Barclays UK
  - L&C increased primarily reflecting a £240m provision in respect of Foreign Exchange matters
- Other net income decreased to £13m primarily due to the non-recurrence of the prior year gain on the sale of Southern European Cards
- RoTE and EPS were adversely impacted by the £0.9bn net charge associated with the re-measurement of US DTAs

Q417 Barclays UK results

Business performance

Three months ended (£m)	Dec-17	Dec-16	% change
– *Personal Banking*	*1,020*	*934*	*9%*
– *Barclaycard Consumer UK*	*445*	*507*	*(12%)*
– *Wealth, Entrepreneurs & Business Banking*	*405*	*387*	*5%*
Income	1,870	1,828	2%
– *Personal Banking*	*(56)*	*(50)*	*(12%)*
– *Barclaycard Consumer UK*	*(124)*	*(118)*	*(5%)*
– *Wealth, Entrepreneurs & Business Banking*	*(4)*	*(12)*	*67%*
Impairment	(184)	(180)	(2%)
– *Operating expenses (excluding UK bank levy and L&C)*	*(1,117)*	*(989)*	*(13%)*
– *UK bank levy*	*(59)*	*(48)*	*(23%)*
– *Litigation and conduct*	*(53)*	*(28)*	*(89%)*
Operating expenses	(1,229)	(1,065)	(15%)
PBT	452	583	(22%)
Attributable profit	245	383	(36%)
Performance measures			
RoTE	10.7%	18.2%	
Average allocated tangible equity	£9.6bn	£8.6bn	
Cost: income ratio	66%	58%	
LLR	39bps	42bps	
NIM	3.32%	3.56%	
Balance sheet (£bn)			
L&A to customers[1]	183.8	166.4	
Customer deposits	193.4	189.0	
RWAs	70.9	67.5	

[1] At amortised cost |

Q417 performance metrics

- Income was broadly stable
  - Personal Banking increased 9% due to an update to EIR modelling, continued deposit growth and repricing actions
  - Barclaycard Consumer UK decreased 12% primarily due to a provision for remediation
- Impairment was broadly in line at £184m, while LLR declined 3bps to 39bps
  - Impairment decreased £17m on Q317
- Costs, excluding UK bank levy and L&C, increased 13% due to increased investment in digital banking and cyber resilience, and branch optimisation

Key drivers

Personal Banking

- Mortgage balances increased £4.1bn on Q416, driven by controlled growth in targeted customer segments
- Continued strong deposit growth of £1.8bn to £141.1bn, driven by current accounts

Barclaycard Consumer UK

- Interest earning lending increased 2%, while total lending was stable at £16.4bn
- 30 and 90 day arrears improved to 1.8% and 0.8% respectively (Q416: 1.9% and 0.9%)

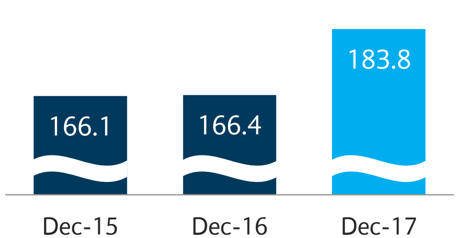
Wealth, Entrepreneurs & Business Banking

- Continued growth in deposits, while L&A at amortised cost grew mainly due to the integration of the c.£14bn ESHLA portfolio

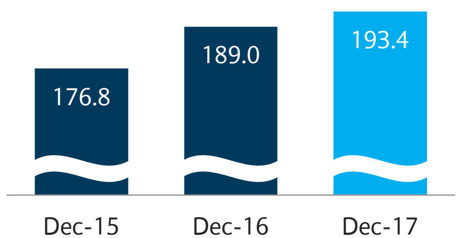
Q417 Barclays UK income

Income (£m) – Three months ended	Dec-17	Dec-16	% change
NII	1,540	1,502	3%
–NIM	*3.32%*	*3.56%*	
Non-interest income	330	326	1%
Total income	1,870	1,828	2%

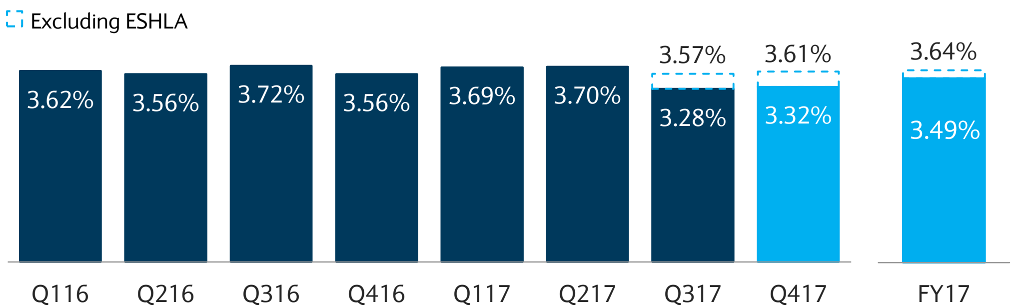
L&A to customers (£bn)[1]



Customer deposits (£bn)



NIM



Q417 performance metrics

- NIM decreased 24bps to 332bps due to the integration of the ESHLA portfolio
  - NIM was 361bps excluding ESHLA, in line with guidance
- NII increased 3% to £1,540m primarily due to liability repricing initiatives, growth in deposit balances and an update to EIR modelling, partially offset by a provision for remediation
- Excluding absorption of c.£14bn of the ESHLA portfolio, L&A at amortised cost increased by £3.5bn on Q416, driven by controlled growth in mortgage balances
- Deposits increased £4.4bn on Q416, mainly reflecting growth in current accounts and Business Banking

[1] At amortised cost |

Barclays UK: Significant opportunity with our 24 million customers by leveraging digital and data

Significant growth in digital banking – YoY

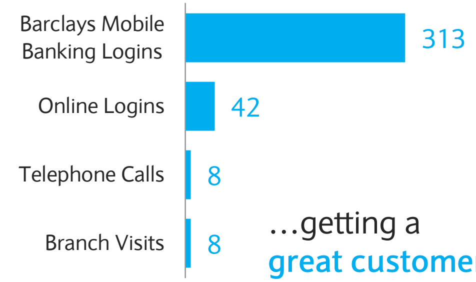
Mobile Banking[1]	**6.4m** Active users	**+18%**
Digital	**10.1m** Digitally active customers	**+7%**
Digital logins	**163m** Monthly average last 12 months	**+16%**
Payments & transfers[2]	**£25bn** Monthly average last 12 months	**+7%**
Digital Eagles	**2.9m** People Barclays has helped since April 2013	

Developments

On average, customers are logging onto **Mobile Banking over 300 times per annum…**

NPS	Mobile	Online
Barclays	+53	+33
Barclaycard	+63	+42

Average customer interactions per annum

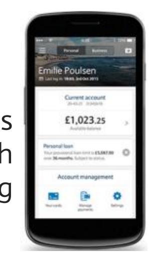


…getting a **great customer experience…**

…with **33% of our customer interactions** fulfilled through web and mobile

Instant home insurance price quote for >1m customers

>55% loans fulfilled through mobile banking



[1] Includes UK card mobile active users | [2] Digital payments and transfers volumes include Pingit |

Q417 Barclays International results

Business performance			
Three months ended (£m)	**Dec-17**	**Dec-16**	**% change**
– CIB	*2,252*	*2,531*	*(11%)*
– CC&P	*1,067*	*1,061*	*1%*
Income	3,319	3,592	(8%)
– CIB	*(127)*	*(90)*	*(41%)*
– CC&P	*(259)*	*(336)*	*23%*
Impairment	(386)	(426)	9%
– Operating expenses (excluding UK bank levy and L&C)	*(2,428)*	*(2,497)*	*3%*
– UK bank levy	*(265)*	*(284)*	*7%*
– Litigation and conduct	*(255)*	*(17)*	
Operating expenses	(2,948)	(2,798)	(5%)
Other net income	21	5	
PBT	6	373	(98%)
Attributable (loss)/profit	(1,168)	43	
Performance measures			
RoTE	(15.9%)	1.0%	
Average allocated tangible equity	£28.5bn	£26.6bn	
Cost: income ratio	89%	78%	
LLR	76bps	78bps	
NIM	4.31%	3.91%	
Balance sheet (£bn)			
RWAs	210.3	212.7	

Q417 performance metrics

- Income decreased 8% to £3.3bn driven by CIB, which was impacted by low market volatility and a strong prior year comparator, partially offset by underlying growth in US Cards and increased debt underwriting fees
- Impairment decreased 9% to £386m mainly driven by CC&P due to repositioning of the portfolio towards a lower risk mix, partially offset by a single name charge in CIB
- Costs excluding UK bank levy and L&C decreased 3% to £2.4bn, primarily driven by the change in accounting treatment of deferral compensation introduced in Q416, partially offset by continued investment in technology in CIB and business growth in CC&P
  - L&C increased primarily reflecting a £240m provision in respect of Foreign Exchange matters
- RoTE was impacted by US DTA re-measurement
- Results were also impacted by the 7% depreciation of average USD against GBP

Q417 Barclays International: Corporate & Investment Bank results

Business performance			
Three months ended (£m)	Dec-17	Dec-16	% change
– Macro	*320*	*505*	*(37%)*
– Credit	*287*	*261*	*10%*
FICC	607	766	(21%)
– Equities	*362*	*410*	*(12%)*
Markets	969	1,176	(18%)
– Banking fees	*605*	*650*	*(7%)*
– Corporate lending	*269*	*303*	*(11%)*
– Transaction banking	*408*	*401*	*2%*
Banking	1,282	1,354	(5%)
Income[1]	2,252	2,531	(11%)
Impairment	(127)	(90)	(41%)
Operating expenses	(2,384)	(2,287)	(4%)
Other net income	7	1	
(Loss)/profit before tax	(252)	155	
Performance measures			
RoTE	(20.2%)	(1.2%)	
Balance sheet (£bn)			
RWAs	176.2	178.6	

Q417 performance metrics

- Income reduced 11% to £2.3bn primarily as a result of low market volatility and client activity
- Impairment increased 41% to £127m due to a large single name charge
- Costs increased 4% to £2.4bn, driven by a provision in respect of Foreign Exchange matters and continued investment in technology, partially offset by the impact of the change in compensation awards introduced in Q416
- RoTE was impacted by US DTA re-measurement

Key drivers

Markets income (18%)

- Markets businesses were impacted by low market volatility
  - Credit increased 10% driven by a stronger municipals performance
  - Macro reduced 37% impacted by low volatility in rates, and the impact of the integration of Non-Core assets
  - Equities decreased 12% to £362m reflecting declines in equity derivatives and cash equities, while equity financing performance remained strong as client balances increased

Banking income (5%)

- Banking fees decreased 7% to £605m driven by lower equity underwriting and advisory fees, while debt underwriting saw improved fees and fee share
- Corporate lending decreased 11% to £269m driven by lower lending balances due to the realignment of certain clients between Barclays UK and Barclays International in preparation for structural reform, and ongoing reallocation of RWAs within CIB
- Transaction banking increased 2% to £408m due to higher deposit balances, offset by lower trade balances

[1] Includes other income |

Q417 Barclays International: Consumer, Cards & Payments results

Business performance			
Three months ended (£m)	**Dec-17**	**Dec-16**	**% change**
Income	1,067	1,061	1%
Impairment	(259)	(336)	23%
Operating expenses	(564)	(511)	(10%)
Other net income	14	4	
PBT	258	218	18%
Performance measures			
RoTE	8.9%	13.2%	
Balance Sheet (£bn)			
RWAs	34.1	34.1	

Q417 performance metrics

- Income increased 1% reflecting underlying growth in US Cards, partially offset by the impact of repositioning the US Cards portfolio towards a lower risk mix
- Impairment decreased 23% driven by the repositioning of the portfolio towards a lower risk mix, partially offset by business growth
- Costs increased 10% reflecting business growth and investment, primarily within the US Cards and merchant acquiring businesses

Key drivers

Barclaycard US

- 30 and 90 day arrears rates were stable at 2.6% and 1.3% (Q416: 2.6% and 1.3%) respectively, including a benefit from the Q117 asset sale
- Card spend value[1] of £15.9bn grew 7% excluding FX impacts
- Customer deposits[2] grew 6% in USD to $19.0bn
- US Cards net L&A[3] grew 12% in USD to $28.0bn, excluding the $1.6bn of higher risk assets sold in Q117

Barclaycard Germany

- Continued growth in net L&A to customers of 10% to £3.2bn, including the impact of FX

Barclaycard Business Solutions

- Record volume of payments processed by the merchant acquiring business of £64.5bn, an average of £702m per day, up 7%

Private Banking

- Total client assets grew 5% on an underlying basis to c.£90bn

[1] Includes balance transfers | [2] Core Retail deposits grew 13% in USD to $12.6bn | [3] Including held for sale balances |

Q417 Head Office results

Business performance		
Three months ended (£m)	**Dec-17**	**Dec-16**
Income[1]	(167)	(9)
Impairment	(3)	-
– *Operating expenses (excluding UK bank levy and L&C)*	*(76)*	*15*
– *UK bank levy*	*(41)*	*(2)*
– *Litigation and conduct*	*(75)*	*(1)*
Operating expenses	(192)	12
Other net (expenses)/income	(3)	159
(Loss)/profit before tax	(365)	162
Performance measures (£bn)		
Average allocated tangible equity[2]	10.0	7.2
Balance sheet (£bn)		
RWAs[3]	31.8	53.3

Q417 performance metrics

- Loss before tax was £365m
- Income reduced by £158m primarily due to the net impact of treasury operations
- Operating expenses of £192m reflected costs associated with integrated Non-Core assets and businesses, and included a higher UK bank levy charge
  - L&C costs of £75m included provisions for legacy redress
- Other net income reduced to an expense of £3m reflecting the non-recurrence of a gain due to recycling of the currency translation reserve on disposal of the Southern European Cards business
- RWAs declined to £31.8bn, as the benefit of the proportional consolidation of BAGL was partially offset by the integration of Non-Core assets

[1] Following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017, own credit, which was previously reported in the income statement for 2016, is now recognised in other comprehensive income | [2] Based on risk weighted assets and capital deductions in Head Office plus the residual balance of average tangible shareholders' equity | [3] Includes Africa Banking RWAs of £6.4bn (December 2016: £42.3bn) |

Non-Core

- The Non-Core segment was closed on 1 July 2017 with the residual assets and liabilities reintegrated into Barclays UK, Barclays International and Head Office
- Financial results up until 30 June 2017 are presented in the Non-Core segment within the Group's results for the year ended 31 December 2017
  - Financial performance post integration is reflected in the Barclays UK, Barclays International and Head Office H217 results

Business performance		
(£m)	Six months ended Jun-17	Year ended Dec-16
Income	(530)	(1,164)
Impairment	(30)	(122)
– Operating expenses (excluding UK bank levy and L&C)	*(256)*	*(1,509)*
– UK bank levy	-	*(76)*
– Litigation and conduct	*(28)*	*(246)*
Operating expenses	(284)	(1,831)
Other net income	197	331
LBT	(647)	(2,786)
Balance sheet (£bn)		
RWAs	22.8	32.1

Three months ended (£m)	Dec-17	Dec-16
Income	-	(419)
Impairment	-	(47)
– Operating expenses (excluding UK bank levy and L&C)	-	*(341)*
– UK bank levy	-	*(76)*
– Litigation and conduct	-	*(51)*
Operating expenses	-	(468)
Other net income	-	146
LBT	-	(788)
Balance sheet (£bn)		
RWAs	-	32.1

Simplifying our business divisions for structural reform

Barclays PLC

Divisional constructs

Barclays UK	Barclays International	Head Office[1]
UK consumer and business bank differentiated by scale and digital innovation	Diversified wholesale and consumer bank	Incorporates re-integrated Non-Core assets and businesses and the residual holding in BAGL[2]
Personal Banking Barclaycard Consumer UK Wealth, Entrepreneurs & Business Banking	Corporate & Investment Bank Consumer, Cards & Payments	

Summary financials – FY17

Barclays UK	Barclays International	Head Office
PBT: £1,747m	PBT: £3,275m	LBT: £(834)m
RoTE: 9.8%	RoTE: 3.4%	
RWAs: £71bn	RWAs: £210bn	RWAs: £32bn

Future legal entity constructs

Formation of the UK ring-fenced bank (RFB) expected in April 2018	Barclays Bank PLC (and subsidiaries)

- Delivering entities with strong returns and well balanced funding profiles
- Well capitalised entities with strong balance sheets and asset quality
- Our objective is to maintain solid investment grade ratings

[1] We expect the Head Office division (excluding the Group Service Company) will materially remain in Barclays Bank PLC | [2] Sell down to 14.9% in 2017, resulting in proportional regulatory consolidation. Full regulatory deconsolidation expected by the end of 2018 |

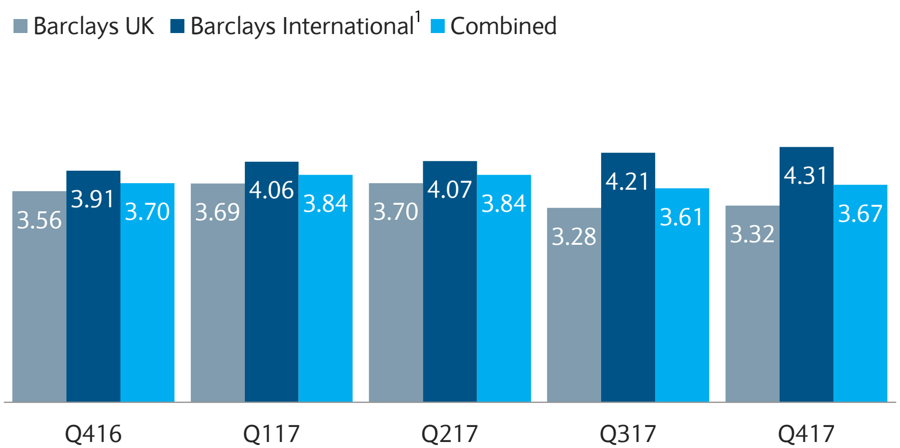
Income and margins – Q417

NII (£m) – Three months ended	Dec-17	Dec-16	% change
– *Barclays UK*	*1,540*	*1,502*	*3%*
– *Barclays International*[1]	*1,071*	*1,110*	*(4%)*
– *Other*[2]	*(339)*	*(89)*	
Total NII	2,272	2,523	(10%)
Non-interest income	2,750	2,469	11%
Total Group income	5,022	4,992	1%

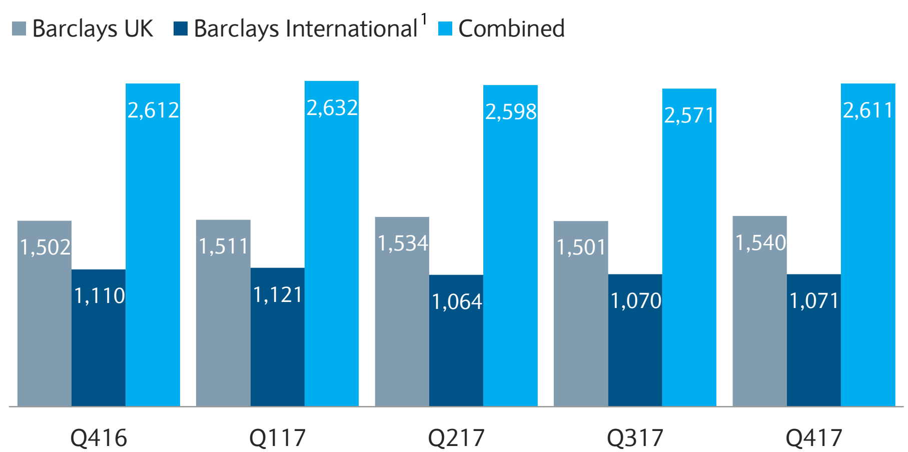
Q417 performance metrics

- Combined Barclays UK and Barclays International[1] NIM decreased 3bps to 367bps
  - Barclays UK NIM declined to 332bps, including the c.30bps impact from the inclusion of ESHLA portfolio
  - Barclays International[1] NIM increased 40bps to 431bps as balances reduced

NIM (%)



NII (£m)



[1] Barclays International margins include interest earning lending balances within the investment banking business | [2] Other includes Head Office and non-lending related investment banking balances |

Interest rate sensitivity

Illustrative sensitivity of Group NII to a 100bps parallel upward shift in interest rates[1]

Change in NII (£m)		
Year 1	Year 2	Year 3
Assuming higher pass-through on deposits		
c.200	c.550	c.850
Assuming lower pass-through on deposits		
c.450	c.850	c.1,150

Commentary / assumptions

- This analysis is based on the modelled performance of the consumer and corporate banking book, and includes the impact of both the product and equity structural hedges
- It assumes an instantaneous parallel shift in interest rate curves
- The NII sensitivity is calculated using a constant balance sheet i.e. maturing business is reinvested at a consistent tenor and margin
- However, it is assumed that a material proportion of balances deemed to be potentially rate sensitive immediately leave the bank following the rate shock
  - The estimated NII change is highly sensitive to this assumption from Year 1
- The sensitivity scenarios illustrated assume a higher and a lower pass through of rate rises to deposit pricing. Neither of these scenarios necessarily reflect pricing decisions that would be made in the event of rate rises
- The majority of the increased benefits in Years 2 and 3 can be attributed to the income from structural hedges becoming incrementally larger over the 3 year period, as the balances are rolled into hedges at higher rates
- The sensitivities illustrated do not represent a forecast of the effect of a change in interest rates on Group NII

[1] This sensitivity is provided for illustrative purposes only and is based on a number of assumptions regarding variables which are subject to change. This sensitivity is not a forecast of interest rate expectations, and Barclays' pricing decisions in the event of an interest rate change may differ from the assumptions underlying this sensitivity. Accordingly, in the event of an interest rate change the actual impact on Group NII may differ from that presented in this analysis |

IFRS 9 guidance

Estimated IFRS 9 impact[1] (based on 31 December 2017 numbers)	TNAV[2] (£bn)	CET1 (£bn)
Increase in impairment stock	(2.8)	
Tax relief (creating timing difference DTAs)	0.6	
Impact on shareholders' equity	(2.2)	(2.2)
Impact on TNAV per share	**(c.13p)**	
Reduction in EL > Impairment capital deduction		1.2
Estimated fully loaded impact on CET1 capital		(1.0)
Increase in RWAs		0.6
Estimated fully loaded impact on CET1 ratio		**(c.34bps)**

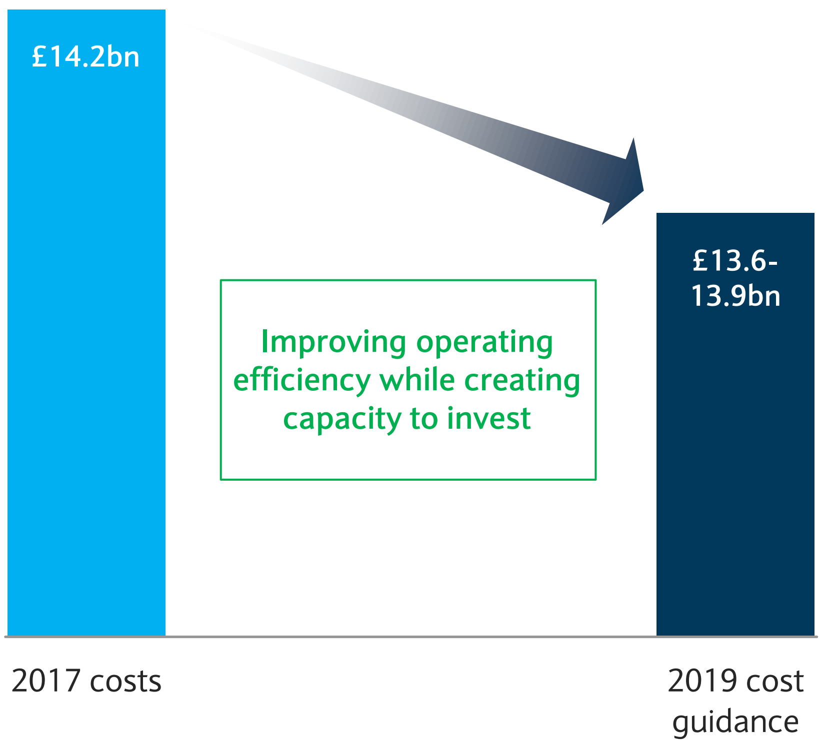
Estimated impact

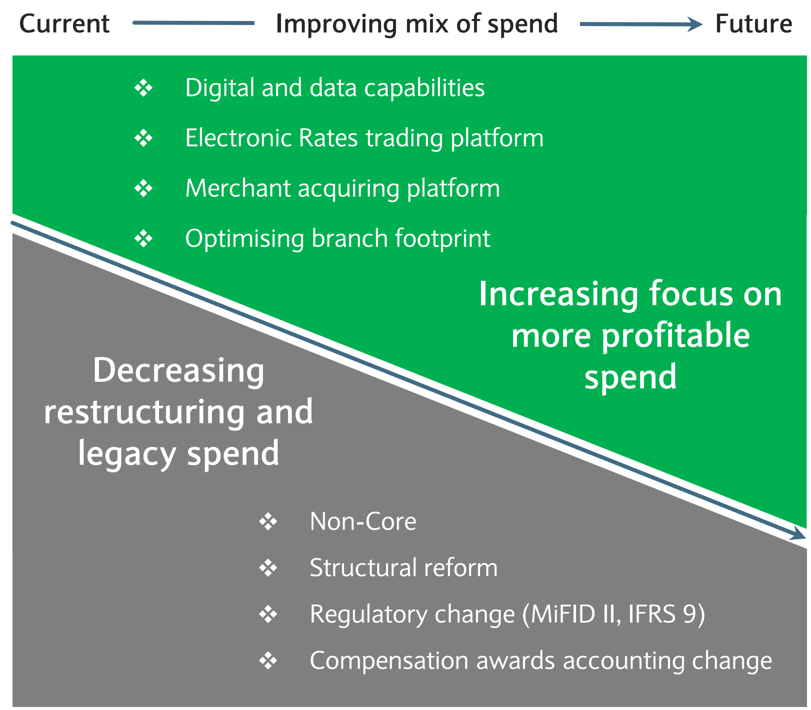
- Estimated TNAV reduction of c.13p per share, based on increase in impairment stock, net of tax relief, effective 1 January 2018
- Fully loaded CET1 ratio impact estimated to be c.34bps, with timing difference DTAs expected to remain below the 10% CET1 threshold
  - After applying transitional arrangements, impact on CET1 ratio is negligible as at 1 January 2018, and is expected to remain immaterial during 2018

IFRS 9 capital impact manageable and already factored into plans

[1] The estimated decrease in shareholders' equity includes the impact of both balance sheet classification and measurement changes, and the increase to credit impairment provisions compared to those at 31 December 2017 under IAS 39. This impact assessment has been estimated under an interim control environment with models that continue to undergo validation. The implementation of the comprehensive end state control environment will continue as Barclays introduces business-as-usual controls throughout 2018 | [2] Tangible shareholders' equity attributable to ordinary shareholders equity attributable to ordinary shareholders of the parent |

Reconfiguring the cost base to improve profitability

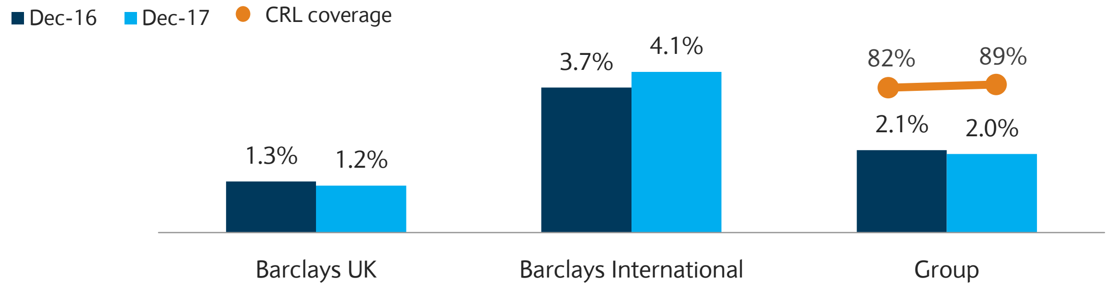




Costs exclude litigation and conduct |

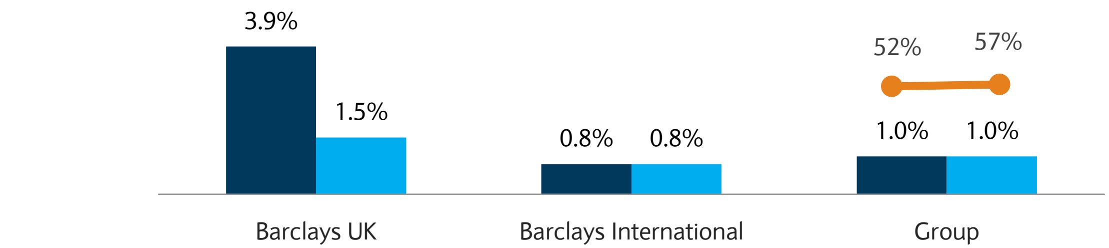
Stable underlying trends reflect prudent approach to credit risk management

Retail CRL % of Gross L&A



	Barclays UK Dec-16	Barclays UK Dec-17	Barclays International Dec-16	Barclays International Dec-17	Group Dec-16	Group Dec-17
CRLs (£m)	2,044	1,950	1,249	1,275	4,131	3,935
Gross L&As (£m)	155,729	159,397	33,485	30,775	199,533	199,505

Wholesale CRL % Gross L&A



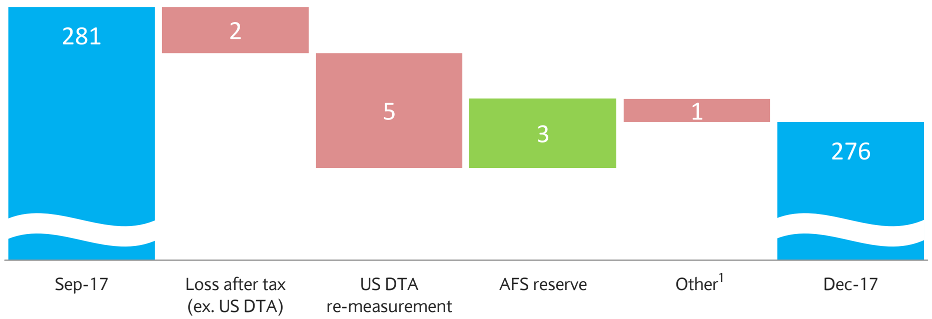
	Barclays UK Dec-16	Barclays UK Dec-17	Barclays International Dec-16	Barclays International Dec-17	Group Dec-16	Group Dec-17
CRLs (£m)	591	432	1,470	1,421	2,360	2,059
Gross L&As (£m)	15,204	28,960	180,102	170,299	241,122	206.362

Prudent risk management

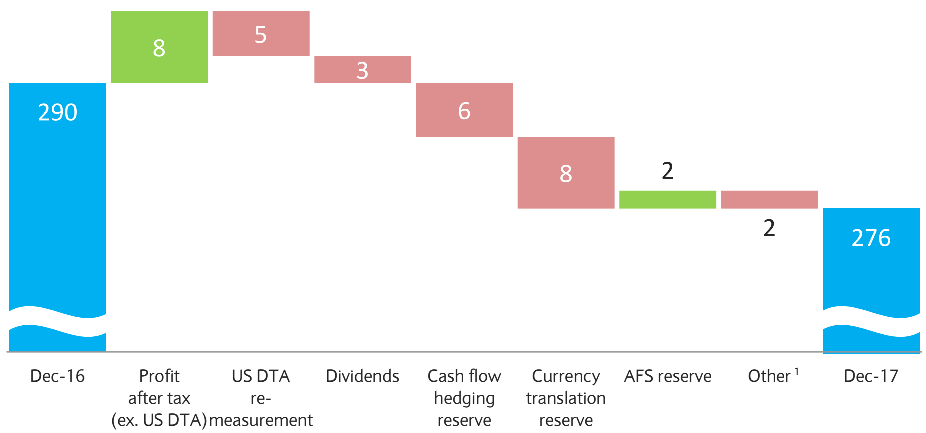
- Remain well-positioned, having maintained a consistently prudent risk appetite since the financial crisis
- In US Cards, the increasing arrears observed in the US consumer credit market from historical lows have been partially offset by ongoing rebalancing of the portfolio's overall risk profile
- Strong Credit Risk Loan (CRL) coverage ratios continue to provide significant protection
  - Group Retail CRL coverage ratio of 89% (Dec-16: 82%)
  - Group Wholesale CRL coverage ratio of 57% (Dec-16: 52%)
- Wholesale CRL as a proportion of Gross L&A movement is principally driven by the transfer of unimpaired balances previously in Barclays International & Non Core to Barclays UK, following group restructuring. Further to this, two new facilities arose in Barclays UK retail banking with wholesale exposure

Tangible Net Asset Value

TNAV (pence per share) – Sep-17 to Dec-17



TNAV (pence per share) – Dec-16 to Dec-17



Q417 highlights

- TNAV decreased by 5p in the quarter to 276p reflecting:
  - 2p of losses after tax, excluding the impact of US DTA re-measurement
  - 5p reduction as a result of the US DTA re-measurement
- Partially offset by a 3p increase in the available for sale reserve, predominantly driven by an increase in the BAGL share price as well as appreciation of ZAR against GBP

FY17 highlights

- TNAV decreased by 14p in the full year to 276p at Dec-17
- Positive impacts include:
  - 8p from profit after tax, excluding the impact of US DTA re-measurement and the effects of the BAGL sell down
  - 2p increase in available for sale reserve
- More than offset by:
  - 5p reduction as a result of the US DTA re-measurement
  - 3p dividends paid
  - 6p decrease in the cash flow hedging reserve as swap rates rose
  - 8p reduction currency translation reserve due to GBP appreciation vs. USD
- The effects of the BAGL sell down were broadly neutral as losses on sale and goodwill impairment were offset by an increase in the currency translation reserve and release of goodwill and intangibles deductions

[1] Other items include the net impact of share schemes, intangible assets and other reserves movements |

Abbreviations

AFS	Available for sale
BAGL	Barclays Africa Group Limited
BBPLC	Barclays Bank PLC
BoE	Bank of England
BEAT	Base Erosion Anti-Abuse Tax
BI	Barclays International
BPLC	Barclays PLC
BUK	Barclays UK
CC&P	Consumer, Cards & Payments
CET1	Common equity tier 1
CIB	Corporate & Investment Bank
CTR	Currency translation reserve
DTA	Deferred tax asset
EIR	Effective interest rate
EL	Expected loss
EPS	Basic earnings per share
ESHLA	Education, Social Housing & Local Authority
ETR	Effective tax rate
FICC	Fixed Income, Currencies & Commodities
FV	Fair value
FX	Foreign exchange

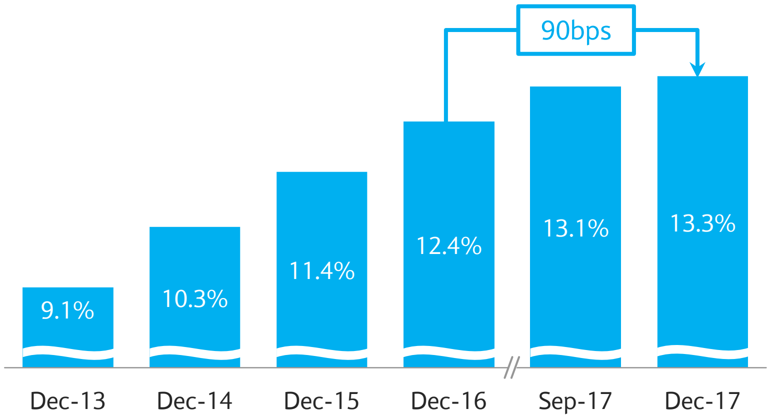
L&A	Loans and advances
LBT	Loss before tax
L&C	Litigation & conduct
LDR	Loan: deposit ratio
LLR	Loan loss rate
MDR	Mandatory distribution restrictions
NCI	Non-controlling interests
NII	Net interest income
NIM	Net interest margin
NPS	Net Promoter Score
PAT	Profit after tax
PBT	Profit before tax
P&L	Profit and loss
PPI	Payment Protection Insurance
PSD2	Payment Services Directive 2
RCI	Reserve capital instrument
RoTE	Return on average tangible equity
RWAs	Risk weighted assets
SRP	Structural Reform Programme
TNAV	Tangible net asset value
YoY	Year-on-year movement

£	GBP	Great British Pound
$	USD	United States Dollar

Fixed income appendix

Further improved CET1 and leverage ratios

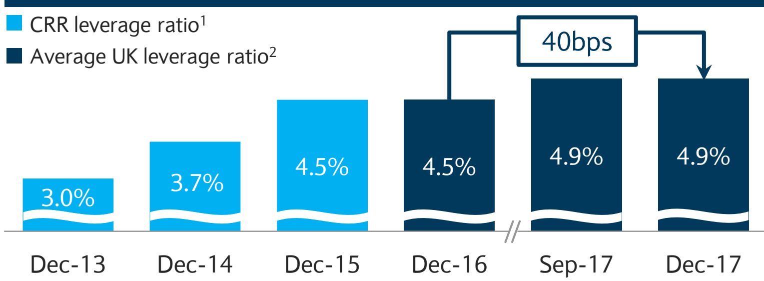
Fully loaded CET1 ratio



	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



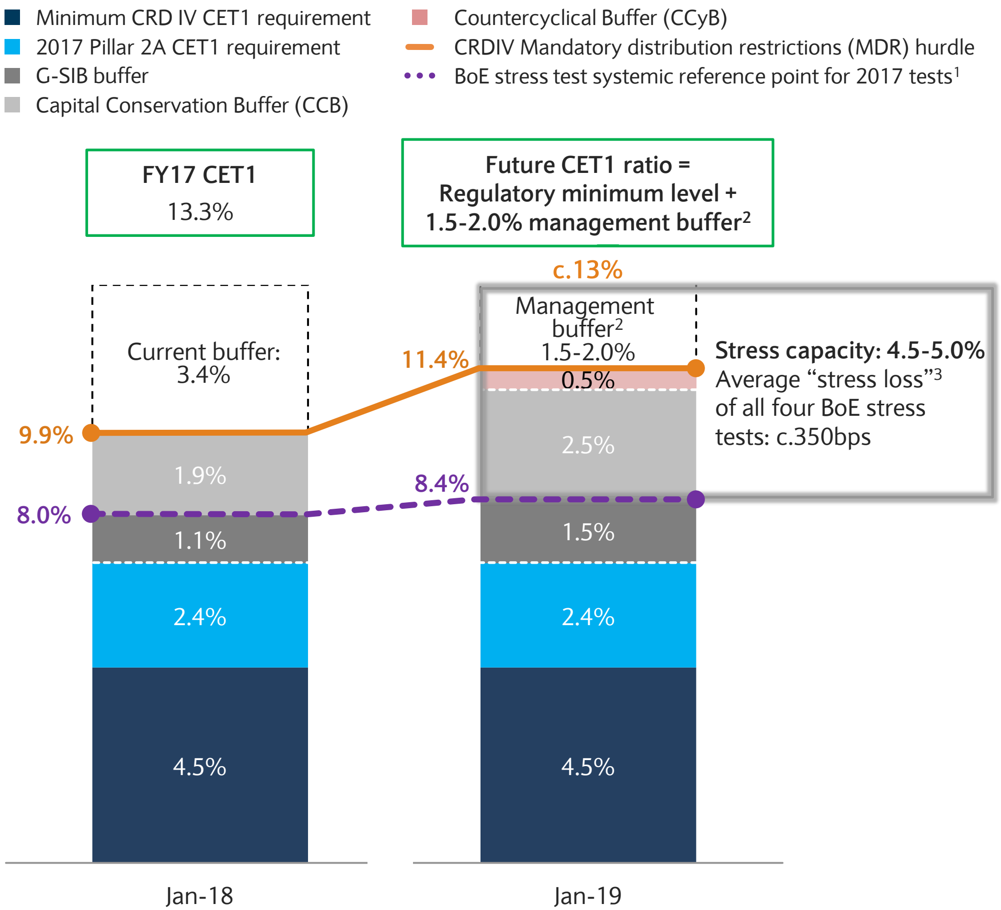
	Dec-13	Dec-14	Dec-15	Dec-16	Sep-17	Dec-17
Leverage Exposure(£bn)[3]		1,233	1,028	1,137	1,035	1,045

- 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

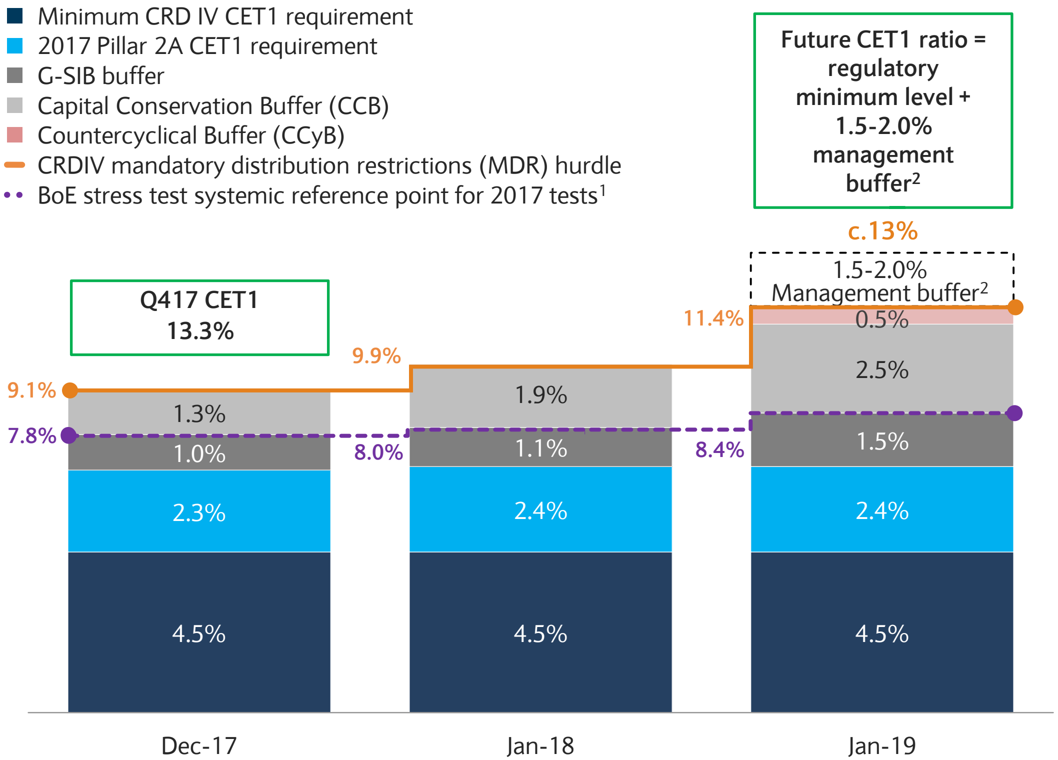


- End-state CET1 ratio expectation of c.13%
  - Assuming the introduction of a UK Countercyclical Buffer of 1% from November 2018, this would translate to c.50bps for the Group, based on our UK exposures
  - This would result in a CRD IV MDR hurdle rate of 11.4%
  - With a management buffer of 150-200bps[2], 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 |

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) |

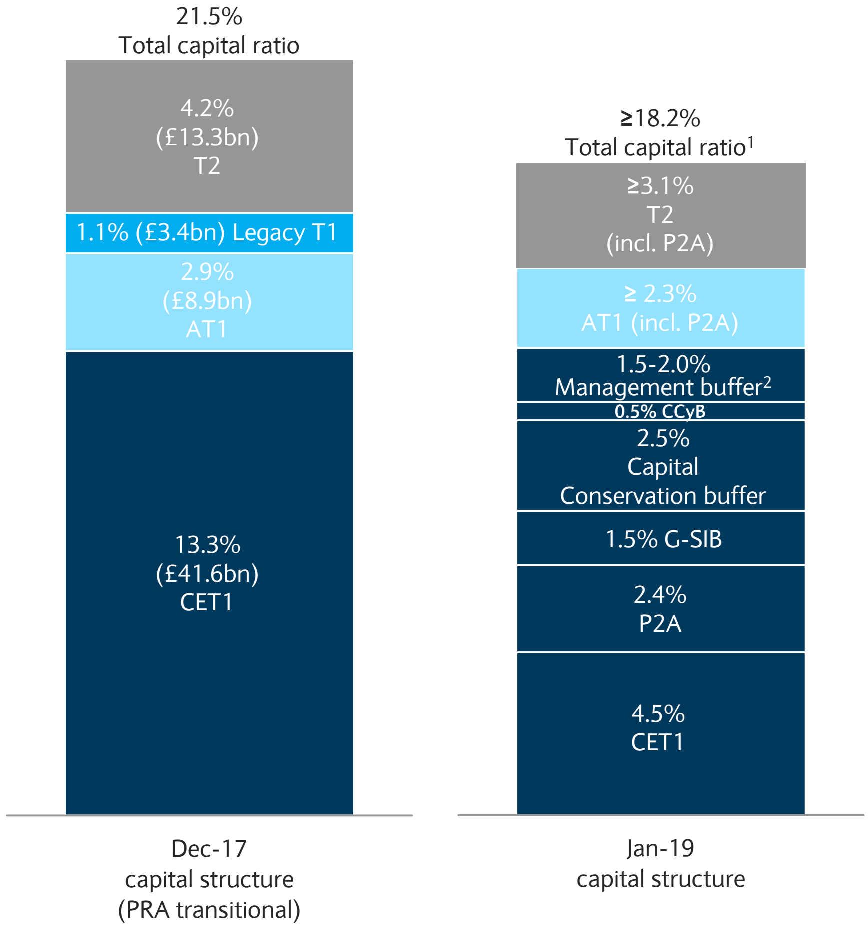
Leverage requirements

		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 |

Transition to CRD IV capital structure well established

Illustrative evolution of CRD IV capital structure



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

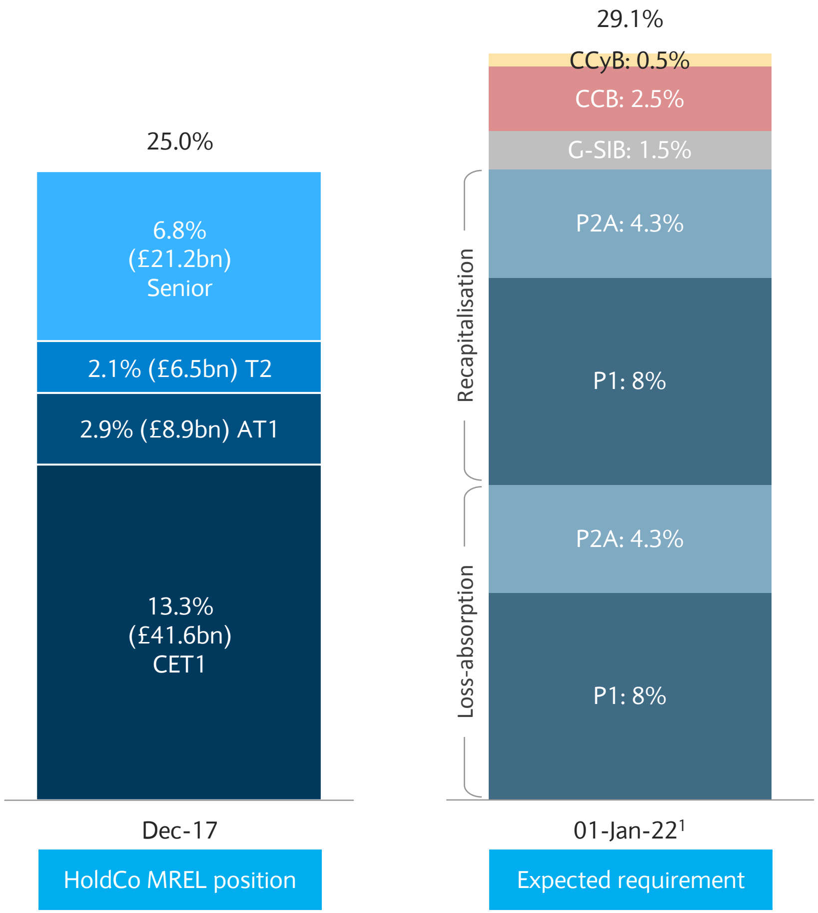
Pillar 2A requirement

- 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

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

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

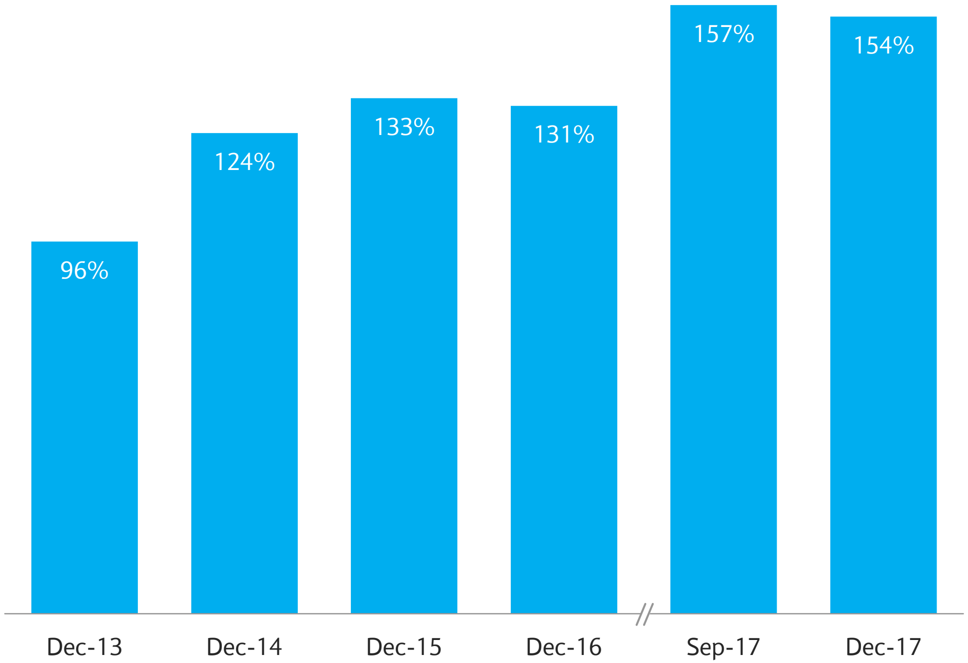
Requirements

- 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

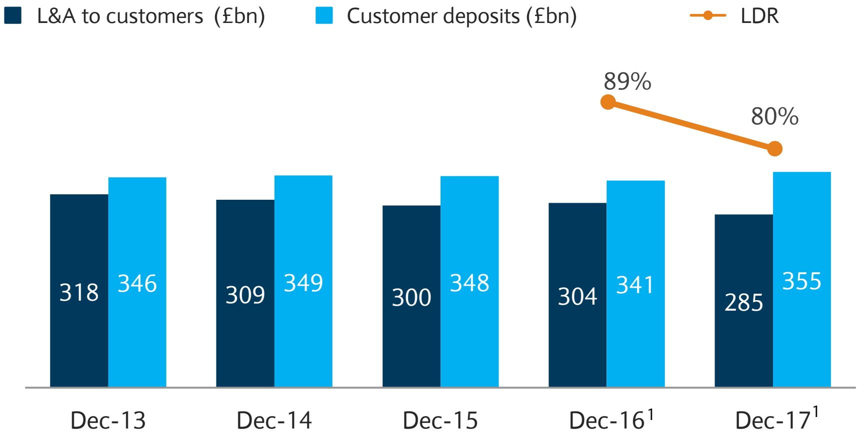


	Dec-13	Dec-14	Dec-15	Dec-16	Sep-17	Dec-17
Liquidity Pool (£bn)		149	145	165	216	220

- 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%

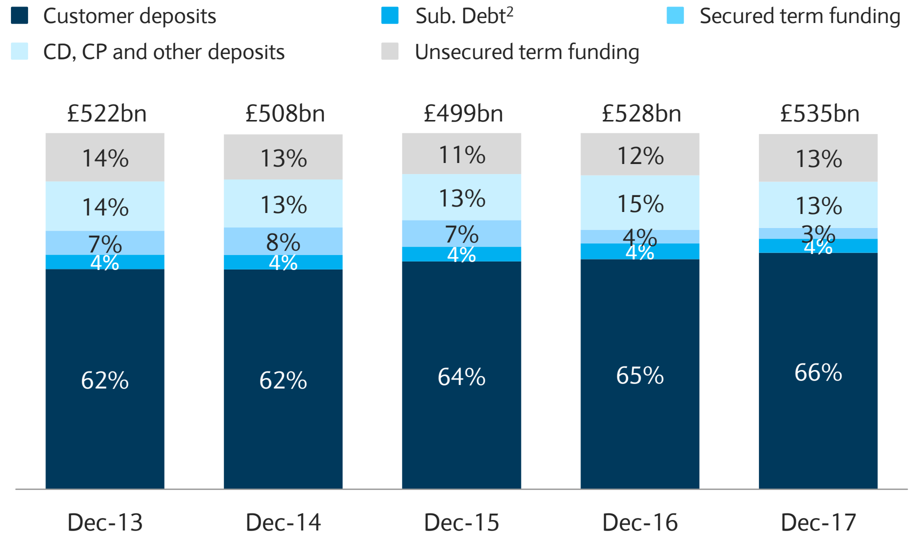
Robust group funding profile

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

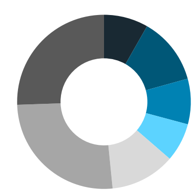
Conservative and stable funding profile (£bn)



Decrease in reliance on <1yr wholesale funding

≤1 month · 1-3 months · 3-6 months · 6-12 months · 1-2 years · 2-5 years · > 5 years

As at Dec-13
<1yr wholesale funding 44%



As at Dec-17
<1yr wholesale funding 36%

[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

Continued progress on Group legal structure

Barclays PLC

Divisional constructs

Barclays UK

UK consumer and business bank differentiated by scale and digital innovation

Barclays International and Head Office[1]

Diversified wholesale and consumer bank

Group Service Company[2]

- Provides critical services to Barclays UK and Barclays International to deliver operational continuity
- Enabling world-class services for our customers and clients while driving efficiency

Future legal entity constructs

Formation of the UK ring-fenced Bank expected in April 2018

Barclays Bank PLC (and subsidiaries)

- **US IHC**
- **Multiple entities**

[1] We expect the Head Office division (excluding the Group Service Company) will materially remain in Barclays Bank PLC | [2] Rated "A" (stable outlook) by S&P, in line with the Group Credit Profile |

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

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.

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 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 Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, structural reform, 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 and the impact of any regulatory deconsolidation resulting from the sell down of the Group's interest in Barclays Africa Group Limited, estimates of capital expenditures and 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 (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 any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; the implications of the exercise by the United Kingdom of Article 50 of the Treaty of Lisbon and the disruption that may result in the UK and globally from the withdrawal of the United Kingdom from the European Union 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, expectations and guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the 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 will be available on the SEC's website at 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.