Barclays PLC

Goldman Sachs European Financials Conference

Tushar Morzaria, Group Finance Director

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Simplifying Barclays to improve Group returns

1. Generating double digit RoTE in the Core – 10.7%[1] in Q116
2. Accelerating rundown of Non-Core for closure in 2017 and progressing selldown of Barclays Africa Group Limited
3. Balancing capital accretion with improvement in RoTE
4. Allocating capital to achieve balance and diversification across the Group
5. Continuing focus on cost efficiency – on track to achieve 2016 Core cost guidance

[1] Excluding notable items. Core RoTE including notable items was 9.9%. Group RoTE, including Non-Core, was 3.8%

Transatlantic Consumer, Corporate & Investment Bank

Barclays UK	Barclays Corporate & International	Non-Core	Africa Banking
UK consumer and business bank differentiated by scale and digital innovation	Diversified transatlantic wholesale and consumer bank		
Personal Banking Barclaycard Consumer UK Wealth, Entrepreneurs & Business Banking	Corporate & Investment Bank Consumer, Cards & Payments	Expect to close in 2017 with £20bn of RWAs	Aim to achieve regulatory deconsolidation First selldown to 50.1% completed

Summary financials – Q116	
PBT: £704m	PBT: £1,027m
EPS contribution: 2.8p	EPS contribution: 3.5p
RoTE[1]: 20.5%	RoTE[1]: 9.5%

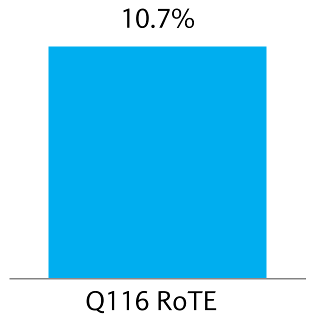
Group returns to converge with Core returns over a reasonable timeframe

[1] Annualised RoTE

Core franchise already generating double digit RoTE

Barclays Core

- Delivering double digit Core RoTE, on a £3.7bn higher average tangible equity base year on year
- Equity held against Africa Banking already allocated to the Core
- Equity now allocated to businesses at 11.5% CET1 ratio



Summary financials – Q116[1]

Income	£5,392m
PBT	£1,717m
Cost: income ratio	61%
Loan loss rate	42bps
EPS contribution	5.8p
RoTE	**10.7%**

Barclays UK

- Maintaining attractive returns through continued delivery of structural cost reductions, given subdued income growth

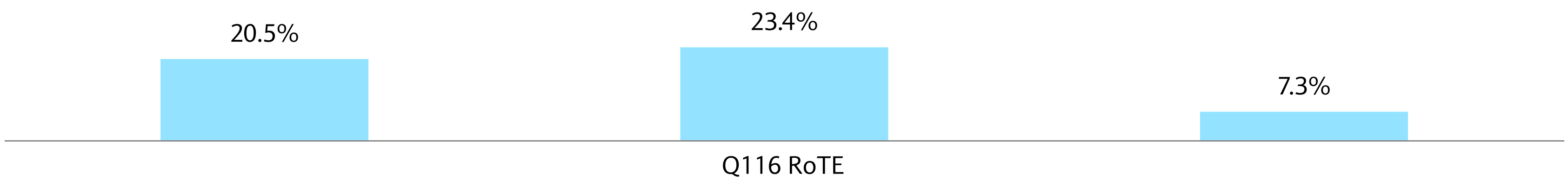
Barclays Corporate & International

Consumer, Cards & Payments

- Allocating more capital to higher returning businesses within Consumer, Cards & Payments with exciting growth potential

Corporate & Investment Bank

- Driving improved returns through intense focus on capital and cost efficiencies



Focus on allocation of capital and cost efficiency within the Core to optimise returns

[1] Core includes Head Office financial results, including average allocated tangible equity of £4.9bn which contains the Africa Banking discontinued operation. Numbers exclude notable items

Barclays UK: Differentiated by scale and digital innovation

Unique opportunity to grow through leveraging our scale and technology to maintain attractive returns

Credit cards: Align Barclaycard UK with personal banking and target existing customers who don't have a Barclaycard

Mortgages: Target Premier and Wealth customers who hold a non-Barclays mortgage

Digital: Continue digital transformation of our customer base, automating processes and generating higher returns
- Driving lower costs through structural efficiencies

Unsecured lending: No.1 UK digital lending product with low 20% cost: income ratio
- Potential to replicate for other products e.g. credit cards

Analytics: Utilise customer and product segment data analytics to personalise offering and reward customers

Summary financials – Q116

Income	£1,803m
PBT	£704m
Cost: income ratio	53%
Net interest margin	3.62%
Loan: deposit ratio	93%
RoTE	20.5%

24 million
customers and clients

#1
UK credit card issuer[1]

5m
Barclays Mobile Banking customers

#1
UK digitally unsecured loans [2]

#2
UK Wealth Manager[3]

[1] By card receivables. Nilson 2014 | [2] eBenchmarkers | [3] 2015 Private Asset Managers/Barclays estimates

Corporate & Investment Bank: Repositioned for success

- **Robust franchise** with strong businesses across Markets, Advisory and Underwriting, Debt and Trade Finance, Cash Management and Corporate Lending
  - Anchored in the two financial centers of London and New York
- **Resilient income** performance in Q1 reflecting market share gains
  - Highest ranked European bank both globally and in the Americas, improving our Global rank and fee share[2]
- **Intense focus on capital and cost efficiency** to drive improved returns, with further opportunities identified

Summary financials – Q116

Income	£2,596m
PBT	£701m
Cost: income ratio	69%
RoTE	7.3%

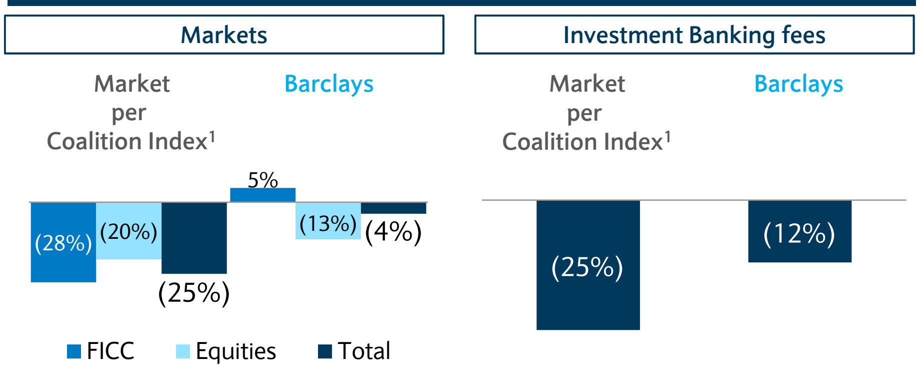
#2
in All International Bonds (from #4) [2]

#1
in EMEA Investment Grade debt and loans (from #2) [2]

#3
in Global Leveraged Finance based on fee share (from #5)[2]

Advised on **3 of the top 5** M&A deals in Q1

Q116 income performance



[1] Coalition index includes BAML, BARC, BNPP, CITI, CS, DB, GS, HSBC, JPM, MS, SG, UBS. Barclays revenues represent the Core Investment Bank; all investment banking products (including those considered Non-Core for Barclays) are included in the Market view | [2] Dealogic data

Consumer, Cards & Payments: High-returning, growth business

- **Significant growth potential** across both consumer cards and payments & merchant acquiring
  - 24% income growth in Q116 year on year
- **Building on successful growth** in Barclaycard US partnership model
  - JetBlue credit card portfolio acquisition progressing well
- **Capital light business** generating high returns
- **Will invest strategically** for both organic and inorganic growth
  - Expect continued positive jaws and strong RoTE

Summary financials – Q116

Income	£917m
PBT	£326m
Cost: income ratio	46%
RoTE	23.4%

#2
merchant acquirer in Europe[1]

Top 10
US Credit Card Receivables[1]

£11.7bn
Barclaycard US Card spend value in Q116, up 11% vs. Q115

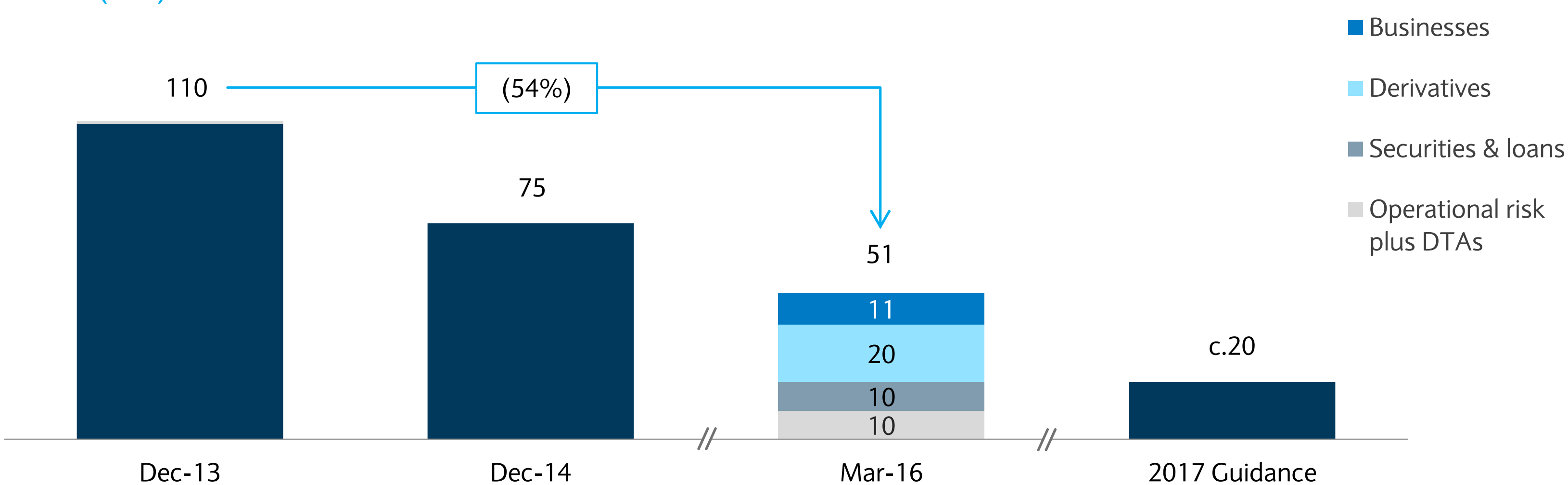
£52.4bn
value of payments processed by the Merchant Acquiring business in Q1

[1] Nilson Midyear 2015

Proven Non-Core rundown execution

- Proven management track record of executing Non-Core rundown successfully while preserving capital
  - RWAs reduced by 54% since Dec-13, despite a one-off £8bn top-up in Q116
  - RWA reduction of £3bn in Q116 in Derivatives
  - Reduction of c.£9bn in tangible equity allocated to Non-Core in the last two years
- Reiterate end-2017 target of £20bn of RWAs, with confidence in ability to achieve this
- Priority is to close Non-Core in 2017, with minimal impact on Core returns

RWAs (£bn)[1]

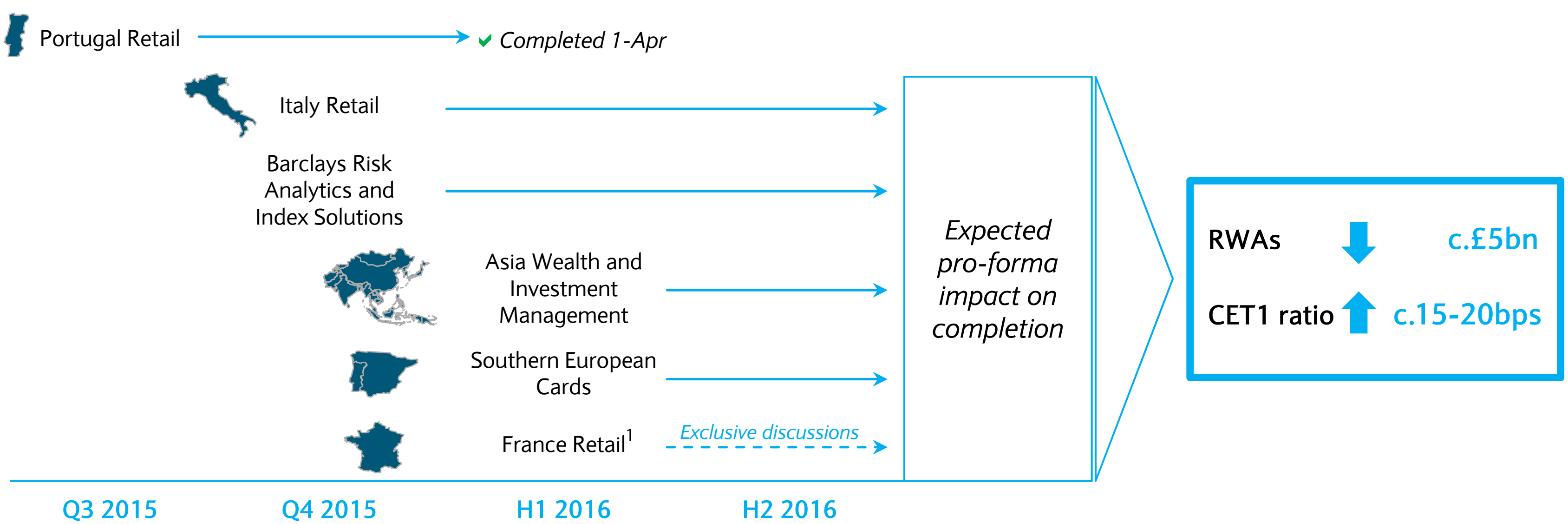


[1] Dec-13 and Dec-14 RWAs are on a pre-restatement basis. Mar-16 and 2017 Guidance are on a post-restatement basis i.e. inclusive of £8bn of RWAs added to Non–Core in Q116

Strong pipeline of announced business disposals

- Strong pipeline of Business disposals, reinforcing Non-Core RWA rundown and cost reduction momentum
  - Expect to complete announced Business disposals in 2016
  - Announced exclusive discussions regarding the potential sale of France Retail Banking[1]
- Continue to make good progress on rundown of remaining Derivatives and Securities & Loans portfolios
- Capital ratio preservation continues to be a key consideration during rundown

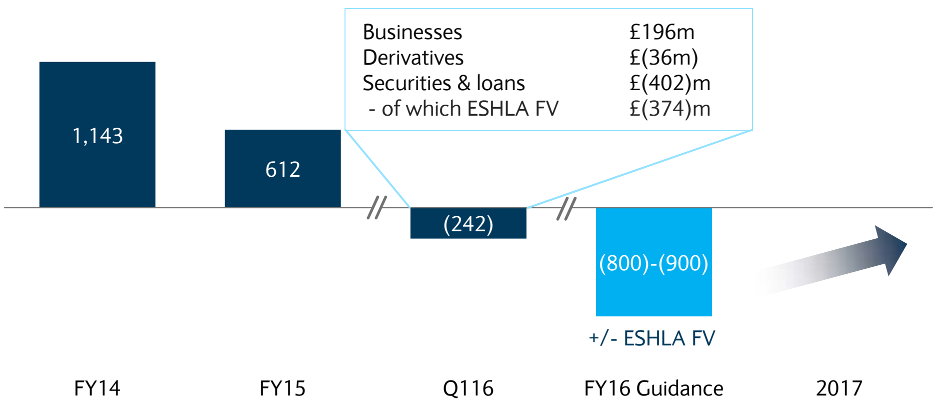
Non-Core Business disposal pipeline



[1] Barclays has entered into exclusive discussions with AnaCap Financial Partners for the potential sale of our French Retail Banking operations including our network of 74 branches, life insurance business, and wealth and investment management operations. A formal decision to sell will only be taken after completion of a required works council consultation

Non-Core income and cost guidance

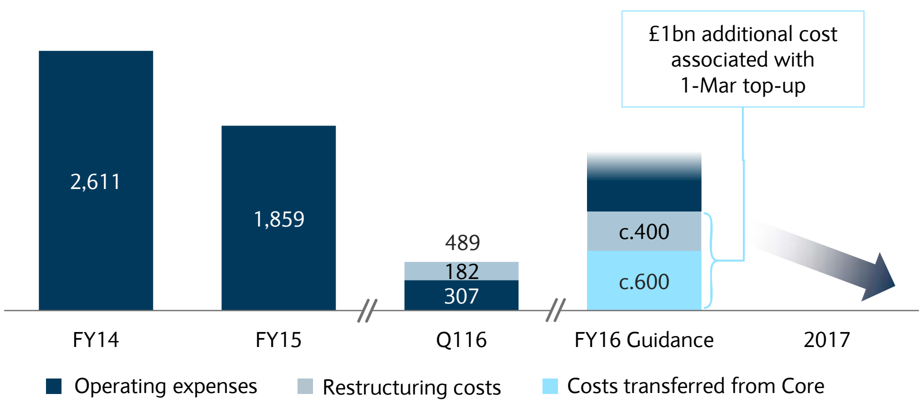
Income (£m)



Income guidance

- Income from Non-Core top-up expected to be eroded by end-2016 as business sales complete
- Guiding to negative income run-rate of just over £200m on average per quarter in 2016
  - Excluding ESHLA portfolio fair value movements, and gains and losses on Business disposals (in other net income)
- Expect negative income to be significantly lower in 2017

Costs[1] (£m)



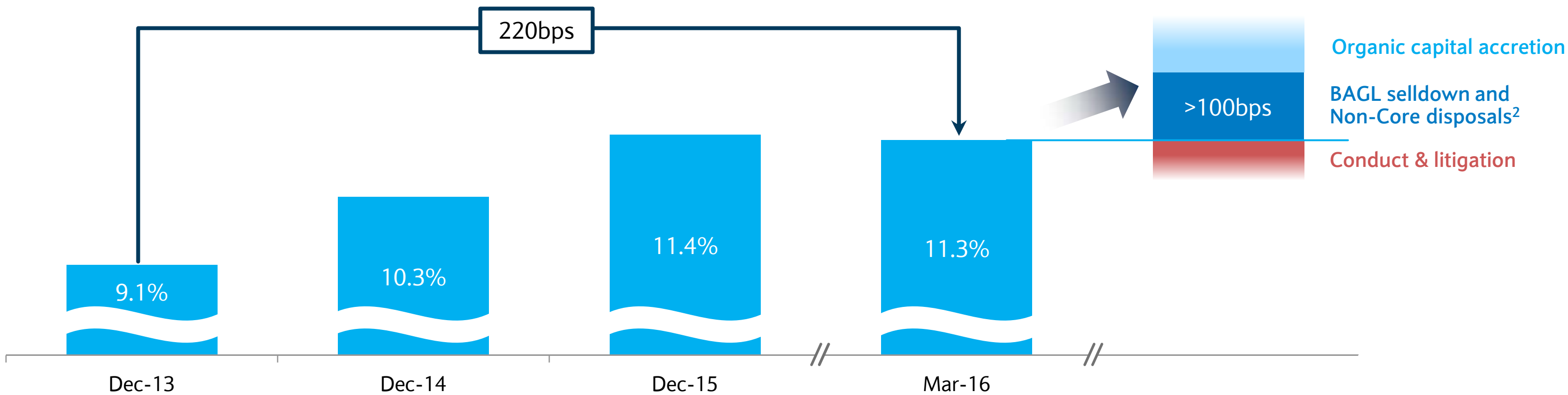
Cost guidance

- Additional c.£600m of costs from one-time Non-Core increase
  - Majority expected to be removed in 2016
- c.£400m additional one-time restructuring cost for 2016 - £182m in Q116
- Expect costs to be significantly lower in 2017 to reduce drag on Core returns when Non-Core is closed

[1] Excluding notable items, conduct and litigation and UK bank levy

Strong CET1 ratio progression

Fully Loaded CET1 ratio[1]



- CET1 ratio of 11.3% as at 31 March 2016, an improvement of 220bps since December 2013 despite absorbing conduct and litigation charges of c.150bps
- Selldown of BAGL to a level which achieves regulatory deconsolidation and Non-Core disposals expected to increase CET1 ratio by over 100bps[2]
- CET1 ratio accretion expected from further organic capital growth more than offsetting potential headwinds

[1] Based on Barclays interpretation of the final CRD IV text and latest EBA technical standard | [2] Implementation of Barclays' intentions is subject to, amongst other things, regulatory approval. Implementation of these plans is also subject to significant execution risks and there can be no assurance the expected benefits will be realised on any proposed timescale or at all

Confidence on capital trajectory allows flexibility to pursue RoTE accretive actions

Future CET1 ratio target

- Managing capital position for 100-150bps management buffer above future regulatory minimum levels (11.7% based on current expectations)

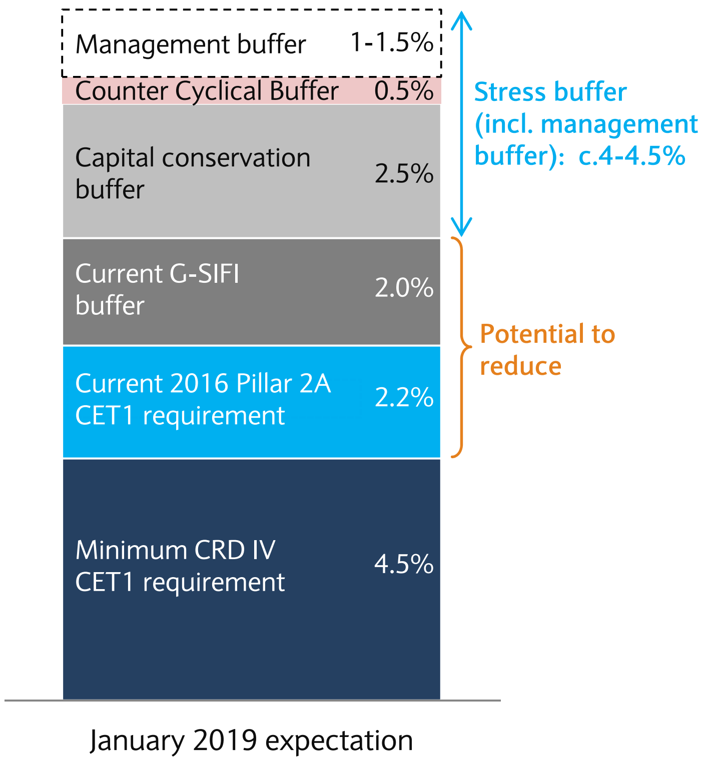
Expect buffers to evolve reflecting de-risking and regulatory comfort with capital levels

- G-SIFI buffer may reduce with further simplification of the Group
- Pillar 2A reduction may offset expected increases to RWAs from Basel proposals

Confidence on capital trajectory allows flexibility for earnings enhancing actions

- Current CET1 ratio of 11.3% at Q116
- Flightpath will not be linear as we balance CET1 ratio accretion with driving improvements in RoTE (e.g. USD preference share redemption announced on 9th May)

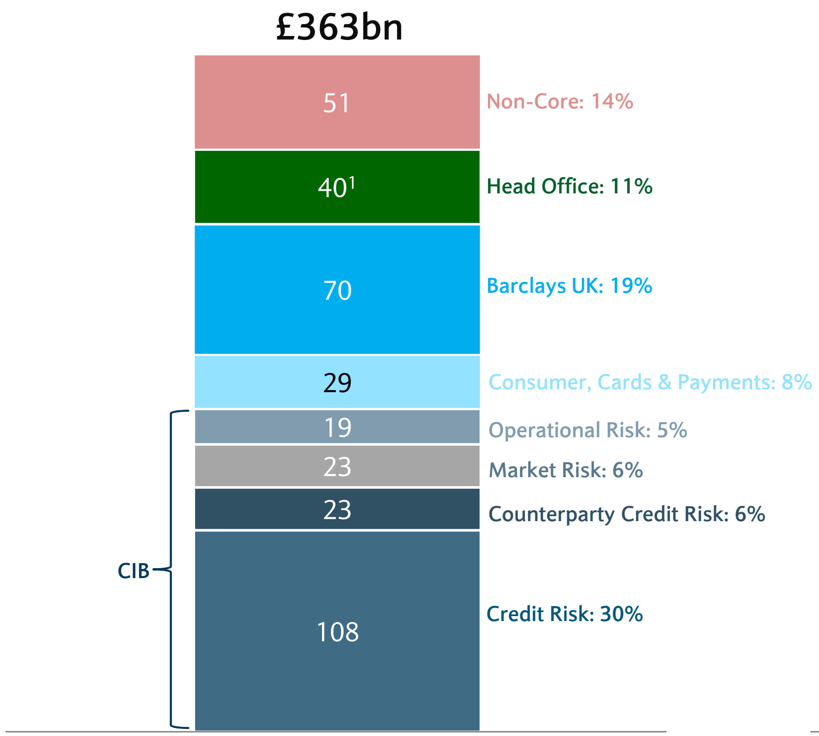
Current expected capital requirements



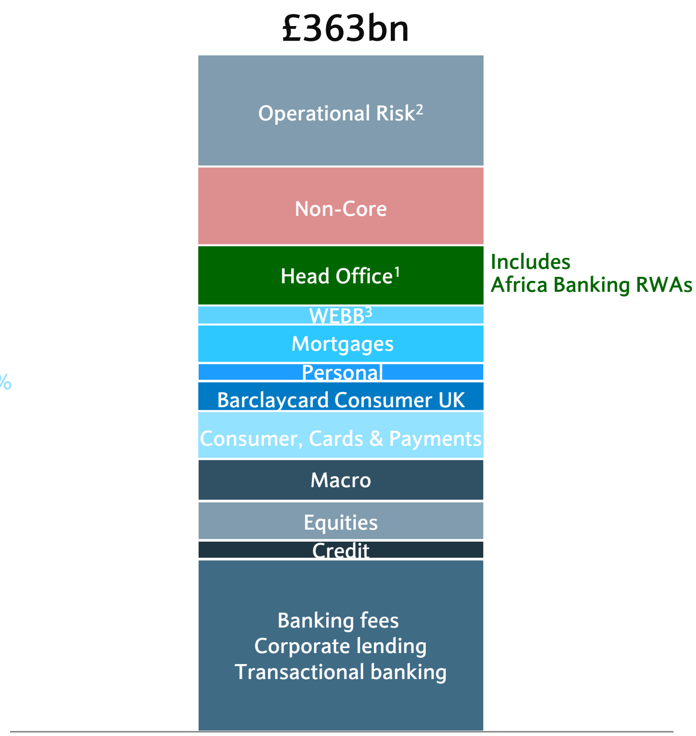
Prudent capital planning provides for ample buffers to minimum capital requirements and stress tests

Capital allocation balanced and diversified across the Group

Group RWAs (£bn) by division – Mar-16



Group RWAs (£bn) by product – Mar-16



Balanced capital allocation ensuring no single business line dominates Group performance

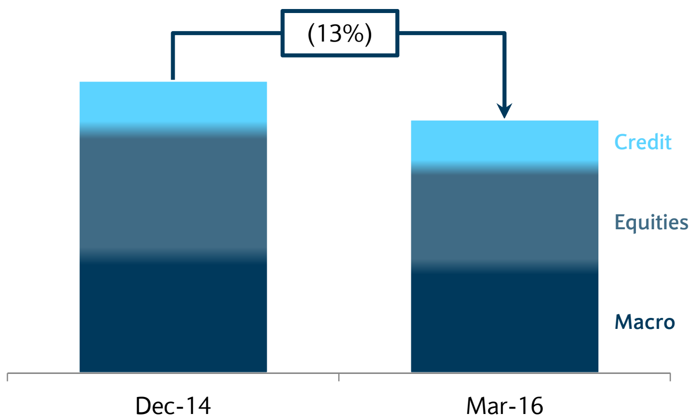
[1] Including Africa Banking discontinued operation | [2] Operational risk not allocated at a product level | [3] Wealth, Entrepreneurs & Business Banking

Reallocation of equity toward higher returning products

RWAs, excluding Op risk (£bn)

Markets - Core IB

Reduction in RWAs (%)



Increase in Income (£m)

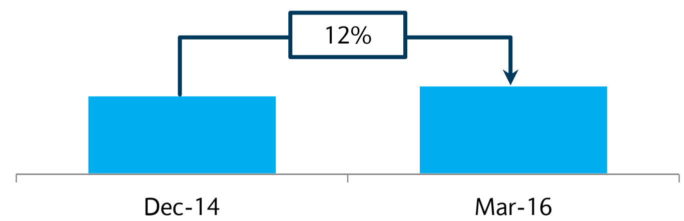
	Dec-14	% change	Mar-16
Previous 12 months Markets income	4,698	+2%	4,786

Non-Core IB RWAs

- In addition, Non-Core IB RWA reduction since Dec-13 of c.£60bn largely related to the Markets business lines

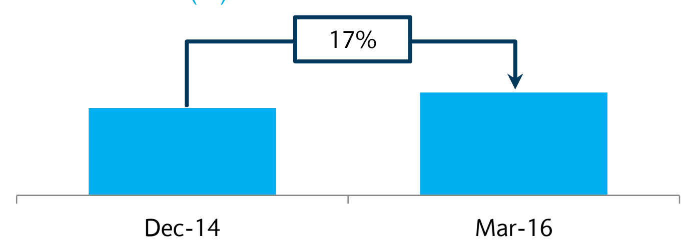
International Cards & Payments[1]

Increase in RWAs (%)



Barclays UK unsecured lending[2]

Increase in RWAs (%)



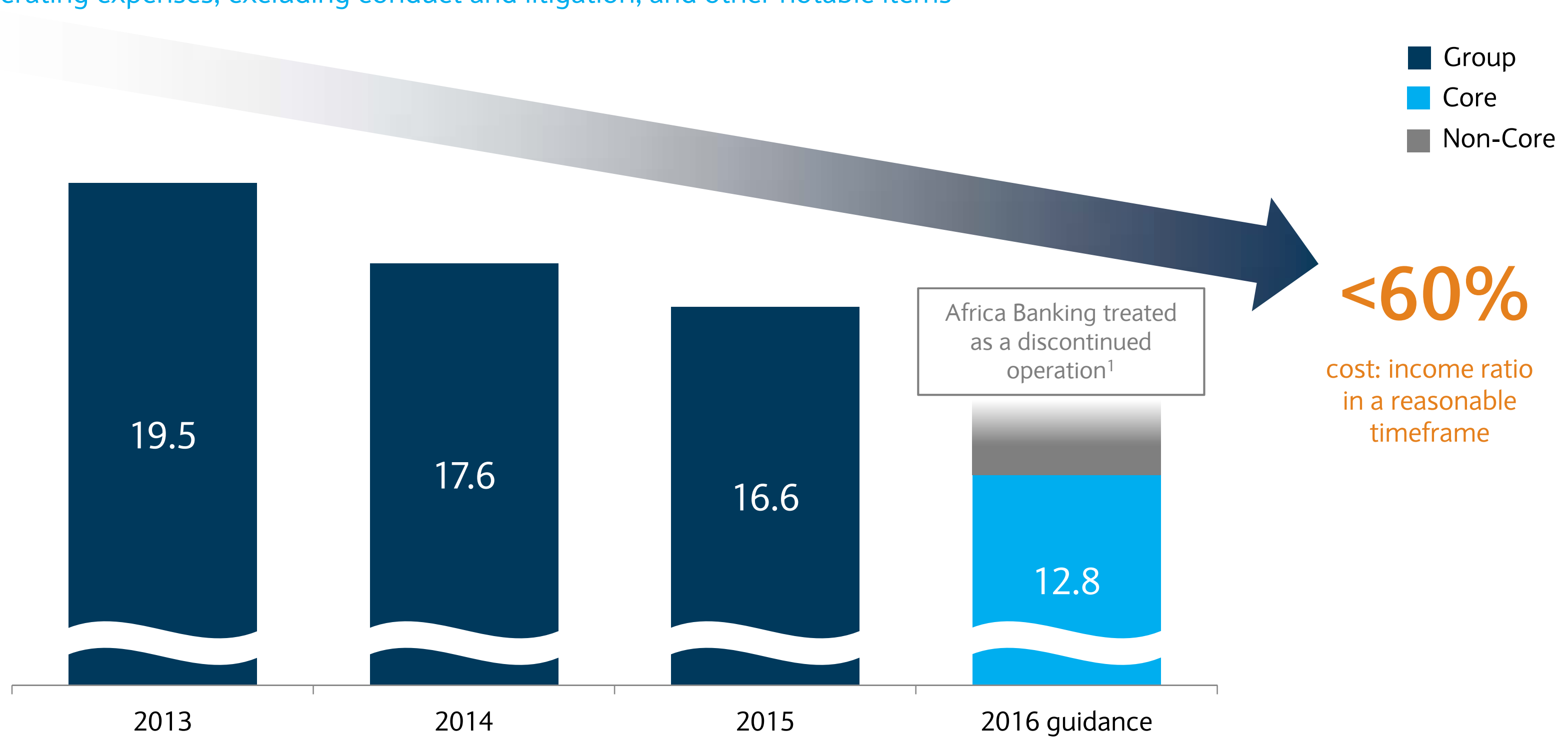
Dynamic reallocation of equity toward higher returning consumer franchises

[1] Within Consumer, Cards & Payments in BC&I | [2] Within Personal Banking in Barclays UK

Continued focus on cost discipline and efficiency

Group cost progression and Core guidance (£bn)

Total operating expenses, excluding conduct and litigation, and other notable items



Core cost guidance for 2016 of £12.8bn reaffirmed, with further cost efficiencies expected over time

[1] Africa Banking meets the requirements for presentation as a discontinued operation, and as such, its results are presented on the face of the Group income statement representing profit after tax in respect of discontinued operation

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