



Barclays PLC

Fixed Income Investor Presentation

2014 Full Year Results

3 March 2015

Financial highlights

Increased adjusted pre-tax profits by 12% – Core up 3%, Non-Core losses down 24%



Costs excluding CTA £16.9bn, ahead of £17bn guidance



Building capital: CET1 ratio 10.5% and BCBS leverage ratio 3.8%¹



Core business performed well with PBT of £6.7bn and RoE of 9.2% (10.9% ex-CTA)



Strong progress on shrinking Non-Core and releasing capital



¹ Including Spain disposal |

Performance Overview

Summary Group financials: Adjusted profits up 12%

Year ended – December (£m)	2013	2014	
Income	27,896	25,728	
Impairment	(3,071)	(2,168)	
Total operating expenses	(19,893)	(18,069)	
– <i>Costs to achieve Transform (CTA)</i>	(1,209)	(1,165)	
Adjusted profit before tax	4,908	5,502	
Tax	(1,963)	(1,704)	
NCI and other equity interests	(757)	(1,019)	
Adjusted attributable profit	2,188	2,779	
Adjustments	– <i>Provisions for PPI and IRH redress</i>	(2,000)	(1,110)
	– <i>Gain on US Lehman acquisition assets</i>	259	461
	– <i>Provision for ongoing investigations and litigation relating to Foreign Exchange</i>	–	(1,250)
	– <i>Loss on announced sale of the Spanish business</i>	–	(446)
	– <i>ESHLA valuation revision</i>	–	(935)
	– <i>Own credit and goodwill impairment</i>	(299)	34
Statutory profit before tax	2,868	2,256	
Statutory attributable profit/(loss)	540	(174)	
Basic EPS ¹	15.3p	17.3p	
Return on average equity ¹	4.1%	5.1%	

Financial performance

- Adjusted profit before tax increased by 12% to £5.5bn as PCB and Barclaycard continued to grow profits. This was partly offset by reduced income in the Investment Bank, which made progress on its origination-led strategy whilst driving cost savings and RWA efficiencies
- Adjusted income decreased 8% while impairment reduced by 29% due to a £732m reduction in Non-Core to £168m and 8% reduction in the Core business
- Total adjusted operating expenses decreased 9% to £18.1bn driven by savings from Transform programmes and favourable currency movements. Operating expenses excluding CTA were £16.9bn, down from £18.7bn in 2013 and ahead of the £17bn 2014 target
- Adjusted attributable profit was £2.8bn, resulting in EPS of 17.3p
- Core RoE was 9.2% (or 10.9% excluding CTA) – Group RoE was 5.1%
- Barclays Non-Core attributable loss reduced by 43% to £1.1bn, and RoE drag fell to 4.1%

¹ EPS and RoE calculations are based on adjusted attributable profit, also taking into account tax credits on AT1 coupons |

Strengthening key financial metrics

(£bn)		Dec-13	Sep-14	Dec-14
Balance Sheet	Total assets	1,344	1,366	1,358
	Leverage exposure ¹	n/a	1,324	1,233
	Leverage ratio ¹	n/a	3.5%	3.7%
Capital ²	Fully loaded CET1 ratio	9.1%	10.2%	10.3%
	Fully loaded CET1 capital	40.4	42.0	41.5
	Risk-weighted assets	442	413	402
Liquidity	Liquidity coverage ratio ³	96%	115%	124%
	Liquidity pool	127	146	149
Funding	Loan to Deposit Ratio ⁴	91%	90%	89%
	Wholesale funding ⁵	186	178	171
	NSFR ³	94%	n/a	102%

Highlights

- Continued strengthening of all key balance sheet metrics
- Good progress on capital position with fully loaded CRD IV CET1 ratio of 10.3% and BCBS leverage ratio of 3.7%, both well on track towards 2016 Transform targets
- Liquidity pool increased to £149bn, 82% of which in cash and deposits with central banks and high quality government bonds
- Solid LCR with a £30bn surplus above 100% future requirement
- Funding profile remained conservative with Loan to Deposit Ratio of 89% in retail and corporate businesses
- Wholesale funding outstanding was £171bn, of which £75bn matures in <1 year
- NSFR exceeded 100% well ahead of implementation date

¹ Estimates based on current understanding of the BCBS 270 standards and the requirements contained in the European Commission delegated act | ² Based on Barclays interpretation of the final CRD IV text and latest EBA technical standards | ³ LCR based on CRD IV rules as per the EU Delegated Act and the NSFR based on the final guidelines published by the BCBS in October 2014. NSFR disclosed semi-annually | ⁴ LDR calculated for PCB, Africa Banking, Barclaycard and Non-Core retail | ⁵ Excludes repurchase agreements |

Core business performing well

Year ended – December (£m)	2013	2014
Income	25,603	24,678
Impairment	(2,171)	(2,000)
Total operating expenses	(17,048)	(16,058)
– <i>Costs to achieve Transform (CTA)</i>	(671)	(953)
Adjusted profit before tax	6,470	6,682
Tax	(1,754)	(1,976)
NCI and other equity interests	(638)	(842)
Adjusted attributable profit	4,078	3,864
Adjusted financial performance measures		
Average allocated equity	£36bn	£42bn
Return on average tangible equity	14.4%	11.3%
Return on average equity	11.3%	9.2%
Cost: income ratio	67%	65%
Basic EPS contribution	28.5p	24.0p
	Dec-13	Dec-14
CRD IV RWAs	£333bn	£327bn
Leverage exposure ¹	n/a	£956bn

Financial performance

- PBT up 3% at £6.7bn:
 - PCB and Barclaycard profits up 29% and 13% respectively
 - Africa Banking profits down 6%, but up 13% on a constant currency basis
 - Investment Bank profits down 32% in a year of transition
- Income fell 4% to £24.7bn
- Impairment improved by 8% to £2.0bn, reflecting the improving UK economic environment benefitting PCB and reduced impairment in Africa Banking South Africa mortgages portfolio
- Operating expenses down 6% to £16.1bn reflecting Transform savings across the businesses, partially offset by an increase in CTA spend, including restructuring of the branch network and technology improvements to increase automation in PCB
- Core attributable profit was £3.9bn with Core EPS of 24p
- Core RoE was 9.2% (10.9% excluding CTA) on average allocated equity of £42bn, up £6bn from 2013

¹ BCBS 270 leverage exposure. All references to leverage exposure in this document is on this basis |

Continued shrinkage and capital return in Non-Core

Year ended – December (£m)	2013	2014
– <i>Businesses</i>	1,498	1,101
– <i>Securities and Loans</i>	642	117
– <i>Derivatives</i>	153	(168)
Income	2,293	1,050
Impairment	(900)	(168)
Total operating expenses	(2,845)	(2,011)
– <i>Costs to achieve Transform (CTA)</i>	(538)	(212)
Loss before tax	(1,562)	(1,180)
Tax	(209)	272
NCI and other equity interests	(119)	(177)
Attributable profit/(loss)	(1,890)	(1,085)
Financial performance measures		
Average allocated equity ¹	£17bn	£13bn
Period end allocated equity	£15bn	£11bn
Return on average tangible equity drag	(9.6%)	(5.4%)
Return on average equity drag	(7.2%)	(4.1%)
Basic EPS contribution	(13.2p)	(6.7p)

Highlights

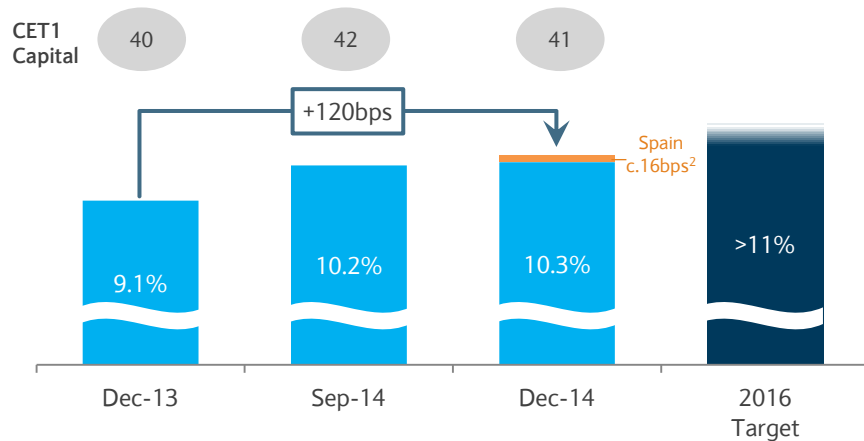
- Loss before tax reduced by 24% to £1,180m as improvements in impairments and costs were partially offset by significant declines in income due to sales and rundown of businesses, securities and loans and the non-recurrence of favourable fair value movements on derivatives
- 2013 CTA spend primarily reflects restructuring in Europe, with the subsequent savings flowing through 2014 operating expenses
- The income and costs relating to Spain will exit on completion, with a c.£280m reduction in annualised income, offset by c.£240m saving in gross costs
- Period end equity reduced by £4.1bn to £11.0bn
- Reduced loss and lower allocated equity reduced drag on Group RoE to 4.1%, well within the 6% to 3% drag guidance



Capital & Leverage

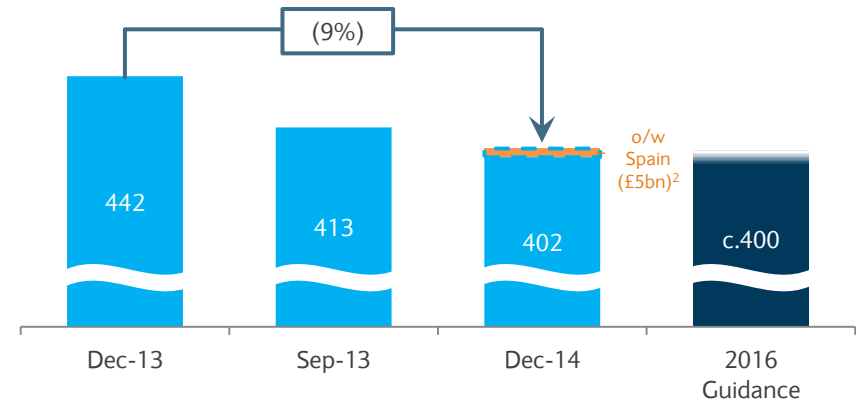
Good progress on CET1 ratio towards 2016 Transform target

Fully loaded (FL) CRD IV CET1 ratio progression¹



- FL CRD IV CET1 ratio up 120bps, or c.140bps if including the sale of the Spanish businesses, demonstrating good progress towards 2016 Transform target of greater than 11%
- Continued capital build as FL CRDIV CET1 capital grew by £1.1bn to £41.5bn, after absorbing £3.3bn of adjusting items
- Confident that our planned trajectory positions us well to meet future regulatory requirements

RWA reduction (£bn)

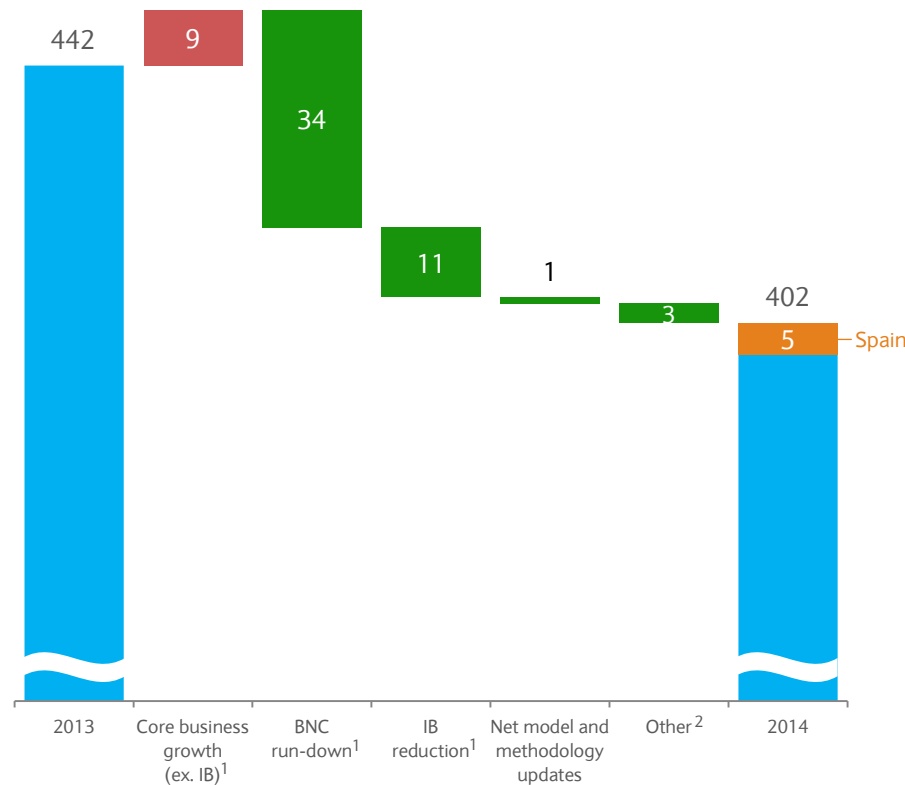


- RWAs reduced by £41bn, or £46bn including the sale of the Spanish businesses, reflecting excellent progress on the run-down of Non-Core to £75bn
- Increases due to model updates largely offset by methodology and policy driven decreases

¹ Based on Barclays interpretation of the final CRD IV text and latest EBA technical standards. Following the full implementation of CRD IV reporting in 2014, the previously reported 31 December 2013 RWAs were revised by £6.9bn to £442bn and fully loaded CET1 ratio by (0.2%) to 9.1% | ² As announced on 2 January 2015 |

RWAs: Well managed to support business growth and returns

RWAs (£bn)



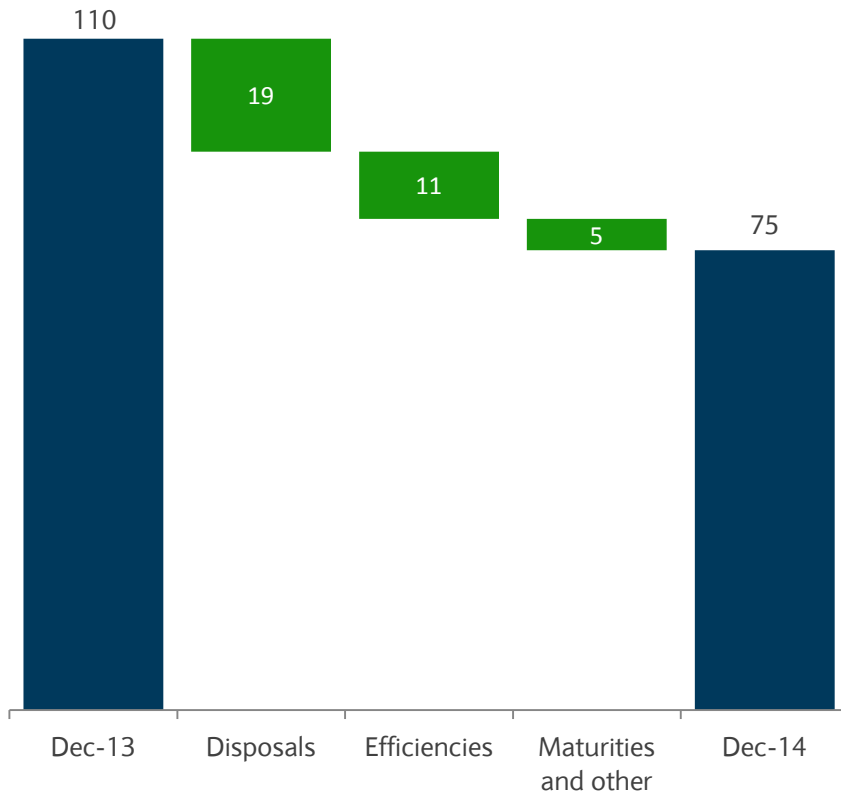
Highlights

- RWAs reduced by £40.6bn, or £46bn including the sale of the Spanish businesses, reflecting excellent progress on the rundown of Non-Core, allowing for growth in Core businesses
- Non-Core RWAs reduced £35bn to £75bn reflecting the disposal of businesses, rundown and exit of securities and loans, and derivative risk reductions
- If excluding the impact of methodology and model changes, Investment Bank RWAs reduced by £11bn driven principally by trading book risk reductions
- Increases due to model updates largely offset by methodology and policy driven decreases

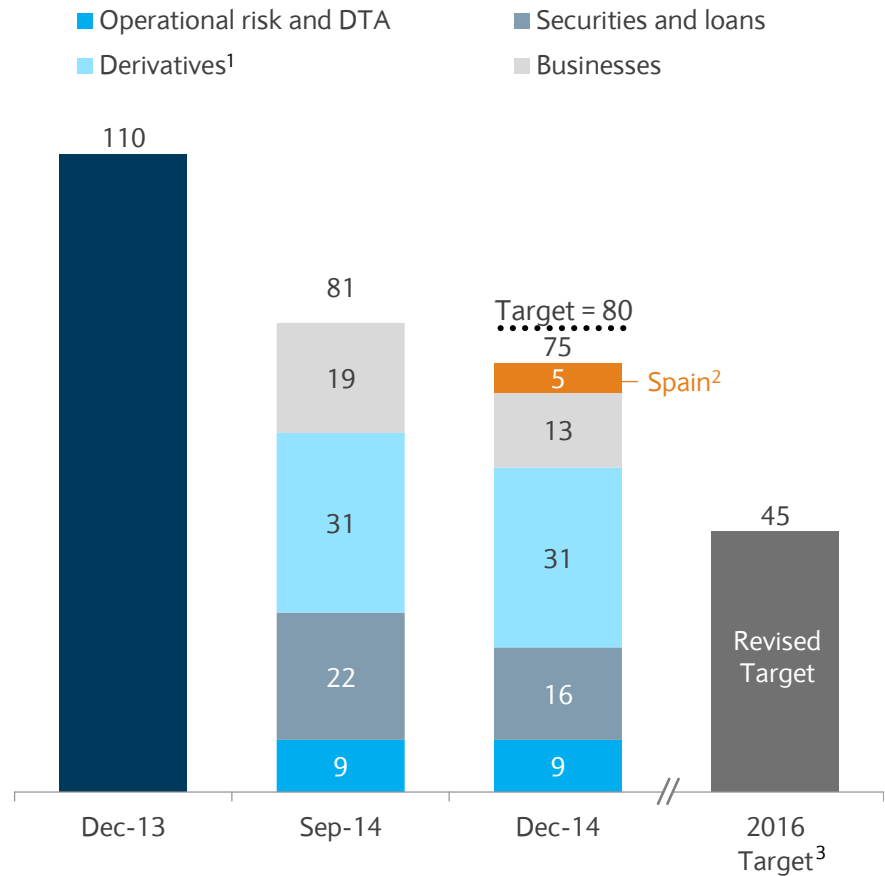
¹ Excludes model and methodology driven movements | ² Includes foreign exchange movements of £(1.5)bn. This does not include movements for modelled counterparty risk or modelled market risk |

Barclays Non-Core: Outperforming on RWA

RWA reduction bridge (£bn)



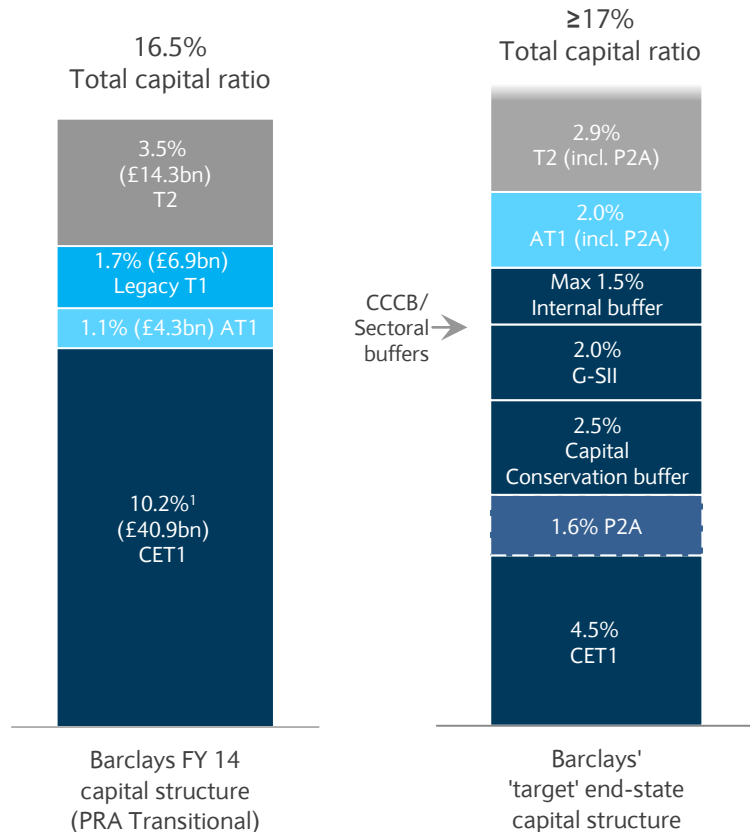
RWA by type (£bn)



¹ Derivatives figure for Sep-14 has been adjusted following reclassification of assets previously reported in securities and loans | ² Portion of Spain within Barclays Non-Core | ³ 2016 target amended to reflect the impact of Spain |

Continued progress on the transition towards our 'target' end-state capital structure

Evolution of capital structure



Fully loaded CRD IV capital position

- Fully loaded CRD IV CET1 ratio at 10.3% (10.2% on PRA transitional basis) on track to meet our target of > 11% in 2016. The ratio was well in excess of the 7% PRA regulatory target²
- Robust buffers to contingent capital triggers³
 - AT1 contingent capital: c.330bps or £13.3bn
 - T2 contingent capital: c.530bps or £21.5bn⁴
- As we build CET1 capital over the transitional period, we expect to reach a range of 11.5-12% in end-state reflecting our intention to hold an internal management buffer of up to 150bps over future minimum requirements⁵
- Transitional total capital ratio increased to 16.5% (2013: 15.0%), and fully loaded total capital ratio increased to 15.4% (2013: 13.9%)
- Further clarity required on Total Loss Absorbing Capacity (TLAC) quantum and composition. In the interim, we continue to build towards our 'target' end-state capital structure which assumes at least 17% of total capital; final requirements subject to PRA discretion

Pillar 2A requirement⁶

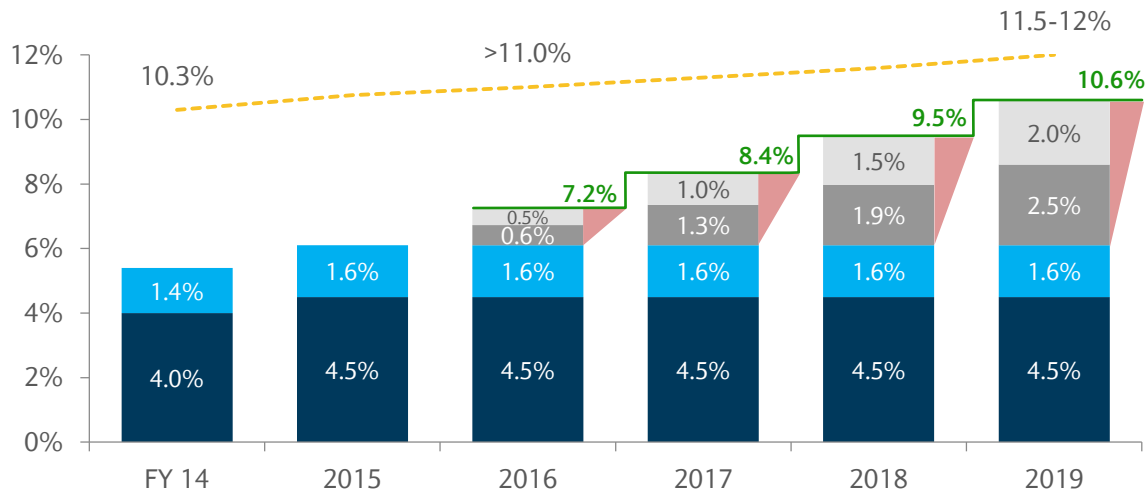
- Barclays 2015 Pillar 2A requirement as per the PRA's Individual Capital Guidance (ICG) is 2.8%. The ICG is subject to at least annual review
 - CET1 of 1.6% (assuming 56%)
 - AT1 of 0.5% (assuming 19%)
 - T2 of 0.7% (assuming 25%)
- The PRA consultation on the Pillar 2 framework (CP1/15), and Basel Committee consultations and reviews of approaches to Pillar 1 and Pillar 2 risk might further impact the Pillar 2A requirement in the future

¹ Difference to fully loaded ratio of 10.3% arises from a regulatory adjustment relating to unrealised gains | ² Being the higher of 7% PRA expectation and CRD IV capital requirements | ³ CRD IV rules on mandatory distribution restrictions apply from 1 January 2016 onwards based on transitional CET1 requirements | ⁴ Based on the CRD IV CET1 transitional (FSA October 2012 statement) the ratio was 12.3% as at 31 December 2014 | ⁵ Barclays current regulatory target is to meet a FL CRD IV CET1 ratio of 9% by 2019, plus a Pillar 2A add-on. Pillar 2A requirements for 2015 held constant out to end-state for illustrative purposes. The PRA buffer is assumed to be below the combined buffer requirement of 4.5% in end-state albeit this might not be the case. CCCB, other systemic and sectoral buffer assumed to be zero | ⁶ Point in time assessment made at least annually, by the PRA, to reflect idiosyncratic risks not fully captured under Pillar 1 |

We intend to manage our CET1 capital ratio to mitigate against the risk of mandatory distribution restrictions

CET1 requirements¹ (as at 1 January except FY14)

- Minimum CET1 ratio
- Pillar 2A
- Capital conservation buffer (CET1)
- G-SII buffer (CET1)
- Trajectory of fully loaded CET1 ratio, assuming >11% target is met after which we build towards 11.5-12% in end state³
- Distributions subject to mandatory distribution restrictions
- ▴ Sliding scale of restrictions



- Mandatory restrictions to discretionary distributions² will apply to all European banks, under CRD IV, from 1 January 2016 (Art. 162.2 of CRD)
- As outlined in Art. 141 of CRD, mandatory distribution restrictions apply if an institution fails to meet the combined buffer requirement (CBR)³ at which point a Maximum Distributable Amount (MDA) is calculated on a reducing scale
- CBR is phased in from 2016. In end state, we intend to hold an internal management buffer of up to 150bps above CBR providing prudent headroom to the mandatory distribution restriction point
- As at 1 January 2016, mandatory distribution restrictions on interest payment would apply at 7.2%, stepping up to 10.6% by 2019 when the CRD IV transitional rules are fully phased in¹
- Barclays expects to have full discretion in the allocation of permitted distributions within the MDA

Estimated buffers¹ (fully loaded CET1 ratio vs. AT1 7% trigger and vs. MDA restrictions)

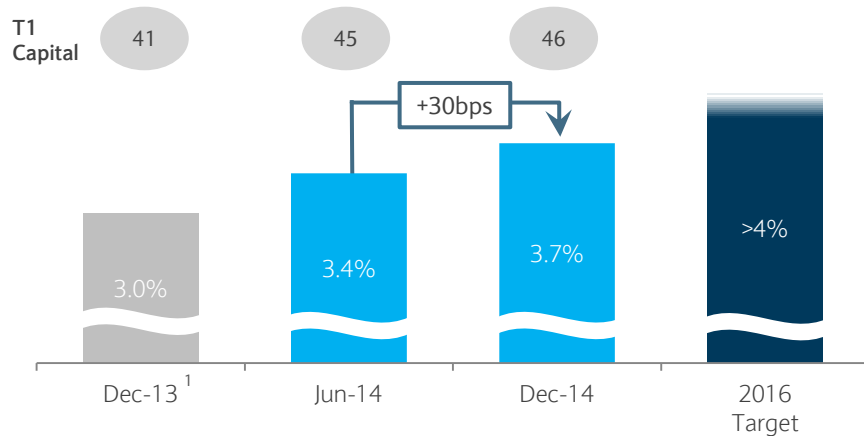
To AT1 7% trigger	c.£13bn	c.£15bn	>16bn	c.£17bn	c.£18bn	c.£18-20bn
To MDA restriction	n/a	n/a	>15bn	c.£12bn	c.£9bn	c.£4-6bn

¹ This analysis is presented for illustrative purposes only and is not a forecast of Barclays' results of operations or capital position or otherwise. The analysis is based on certain assumptions (including a straight line progress towards meeting the >11% CET1 ratio target in 2016, and 11.5-12% in end-state, and that the P2A requirement for 2015 is constant out to 2019 which may not be the case as the requirement is subject to at least annual review) which cannot be assured and are subject to change. This illustration does not consider proposals in the FSB Consultative Document on the adequacy of loss-absorbing capacity of global systemically important banks in resolution | ² Dividends on ordinary shares, interest payments in respect of AT1 securities and variable compensation |

³ As per Art. 128(6) of CRD: total CET1 capital required to meet the requirement for the capital conservation buffer, as well as an institution specific countercyclical buffer (CCCB), G-SII buffer, O-SII buffer and systemic risk buffer as applicable. For Barclays this is currently the 2.5% Capital Conservation Buffer and 2% G-SII buffer while the CCCB and other systemic risk and sectoral buffers are assumed to be zero |

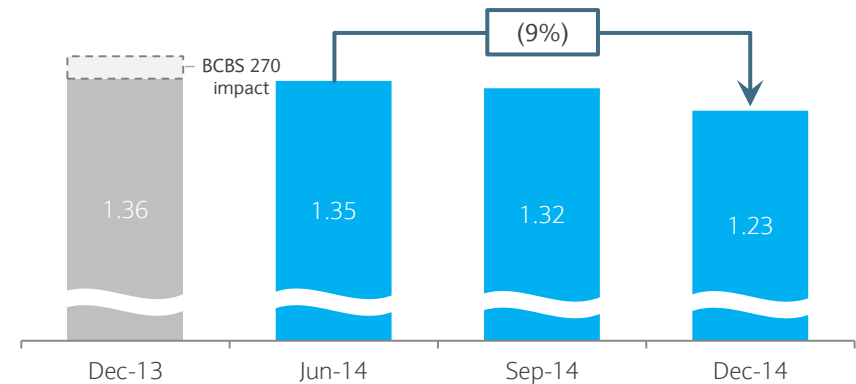
Leverage ratio progression ahead of plan

Leverage ratio progression¹



- Leverage ratio up significantly to 3.7%, or 3.8% if reflecting the sale of the Spanish businesses², well on track to meet 2016 Transform target of in excess of 4%
- Improvement over the year driven by T1 capital growth, including £2.3bn of AT1 issuance, and leverage exposure reduction
- Leverage ratio already in line with expected minimum end-state requirement of 3.7% as outlined by the Financial Policy Committee

Leverage exposure reduction (£trn)¹

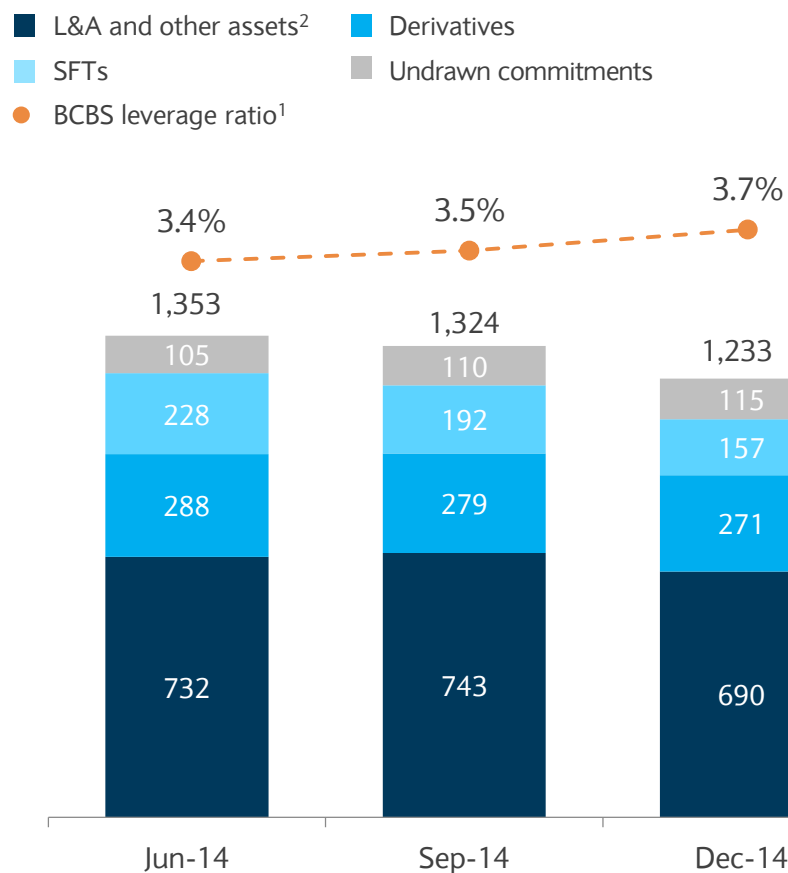


- Significant reduction in leverage exposure, driven principally by reductions in Non-Core and in the Core Investment Bank
- Leverage exposure decreased by £91bn in Q4 2014 driven mainly by a £35bn reduction in SFT exposure, £16bn reduction in PFE, and a seasonal £28bn reduction in settlement balances

¹ Dec-13 not comparable to the estimates as of Jun-14 onwards due to different basis of preparation. Dec-13 estimated ratio and T1 capital based on PRA leverage ratio calculated as fully loaded CRD IV T1 capital adjusted for certain PRA defined deductions, and a PRA adjusted leverage exposure measure. From Jun-14 onwards, estimated ratios based on current understanding of the BCBS 270 standards and the requirements contained in the European Commission delegated act. ² As announced on 2 January 2015

Steady progression on leverage ratio

BCBS leverage exposure¹ (£bn)



Highlights

- Leverage exposures during Q4 14 decreased by £91bn to £1,233bn
- Loans and advances and other assets decreased by £52bn to £713bn primarily due to a seasonal reduction in settlement balances of £28bn and a £13bn reduction in cash balances
- SFTs decreased £35bn to £157bn driven by a £26bn reduction in IFRS reverse repurchase agreements and £9bn in SFT adjustments, reflecting deleveraging in BNC and a seasonal reduction in trading volumes
- Total derivative exposures decreased £8bn due to a £16bn reduction in the potential future exposure (PFE), partially offset by an increase in IFRS derivatives and cash collateral
 - PFE on derivatives decreased £16bn to £179bn mainly due to reductions in business activity and optimisations, including trade compressions and tear-ups. This was partially offset by an increase relating to sold options driven by a change to the basis of calculation
 - Other derivatives exposures (excluding PFE) increased £8bn to £92bn driven by an increase in IFRS derivatives of £57bn to £440bn and cash collateral £13bn to £73bn. This was broadly offset by increases in allowable derivatives netting

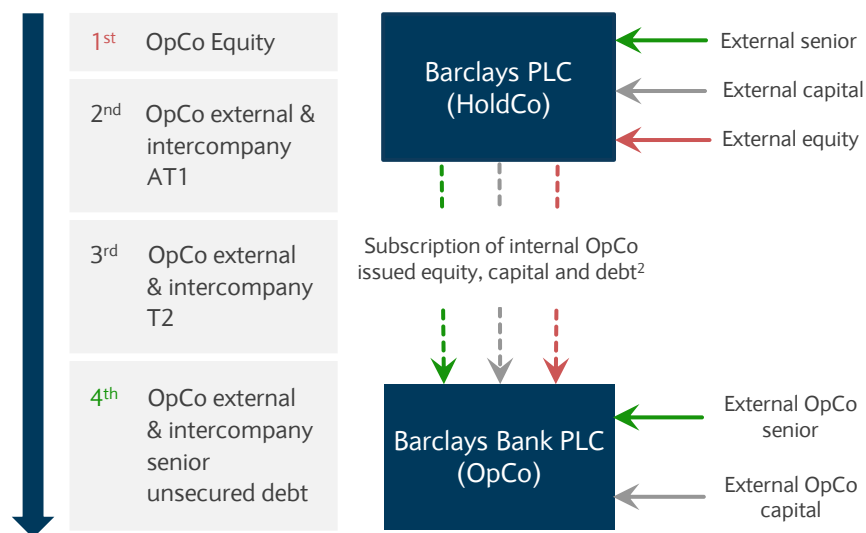
¹ Current understanding of the BCBS 270 standards and the requirements contained in the European Commission delegated act | ² Loans and advances and other assets net of regulatory deductions and other adjustments |



Liquidity & Funding

Transition towards a holding company capital and funding model

Expected creditor hierarchy during transition¹



- Losses arise at OpCo, and are transmitted to HoldCo through write-down of intercompany instruments
- Losses at HoldCo are limited to its investment in the OpCo
- Losses should be allocated in accordance with the insolvency hierarchy, meaning *pari passu* treatment of equal-ranked internal and external claims
- ‘No creditor worse off’ than in insolvency safeguard expected to apply for senior unsecured debt

Barclays position

- Barclays has started to issue capital and term senior unsecured debt out of Barclays PLC, the Holding Company
- To better align the credit proposition between investors in HoldCo and OpCo securities during the transition period, proceeds raised by Barclays PLC have been used to subscribe for capital and senior unsecured term debt in Barclays Bank PLC with corresponding ranking
- As the HoldCo is a creditor of the OpCo alongside OpCo external creditors, respecting the creditor hierarchy should require *pari passu* treatment between internally and externally OpCo issued capital and debt of the same rank¹
- Maturing capital and term senior unsecured debt to be refinanced out of HoldCo during the transition period, making the external creditor hierarchy simpler post transition
 - When required to qualify as TLAC³ in a material subsidiary, senior obligations with >1 year residual maturity would need to be downstreamed in subordinated form to its “excluded liabilities”
 - Investment at HoldCo gives exposure to diversified businesses post ring-fencing, comparable to the position of OpCo investors today
- Evolving regulation, including the implementation of MREL beginning 1 Jan 2016 and any subsequent regulatory policy interpretations, may require a change to the current approach. Any change would be communicated to the market

¹ Based on Barclays expectations of the creditor hierarchy in a resolution scenario; assumes internal subordination not imposed during transition | ² Internal issuance in each case currently with ranking corresponding to external HoldCo issuance. Detailed disclosure can be found in the Barclays PLC and Barclays Bank PLC 2014 annual reports | ³ Total loss absorbing capacity (TLAC) as proposed in the FSB Consultative Document on the adequacy of loss-absorbing capacity of global systemically important banks in resolution |

Barclays PLC Parent company accounts

Barclays PLC Parent Company Balance Sheet

Balance sheet

	Notes	2014 £m	2013 £m
As at 31 December			
Assets			
Investment in subsidiary	46	33,743	30,059
Loans and advances to subsidiary	46	2,866	-
Derivative financial instrument	46	313	271
Other assets		174	812
Total assets		37,096	31,142
Liabilities			
Deposits from banks		528	400
Subordinated liabilities	46	810	-
Debt securities in issue	46	2,056	-
Other liabilities		10	-
Total liabilities		3,404	400
Shareholders' equity			
Called up share capital	31	4,125	4,028
Share premium account	31	16,684	15,859
Other equity instruments	31	4,326	2,063
Capital redemption reserve		394	394
Retained earnings		8,163	8,398
Total shareholders' equity		33,692	30,742
Total liabilities and shareholders' equity		37,096	31,142

Extract from notes to Parent Company Balance Sheet

46 Barclays PLC (the Parent Company)

Investment in subsidiary

The investment in subsidiary of £33,743m (2013: £30,059m) represents investments made into Barclays Bank PLC, including £4,326m (2013: £2,063m) of Additional Tier 1 (AT1) securities. The increase of £3,684m during the year was due to a £2,263m increased holding in Barclays Bank PLC issued securities and a further cash contribution of £1,421m.

Loans and advances to subsidiary and debt securities in issue

During the period, Barclays PLC issued £810m equivalent of Fixed Rate Subordinated Notes (Tier 2) and £2,056m equivalent of Fixed Rate Senior Notes accounted for as subordinated liabilities and debt securities in issue respectively. The proceeds raised through these transactions were used, respectively, to subscribe for £810m equivalent of Fixed Rate Subordinated Notes (Tier 2) issued by Barclays Bank PLC, and to make £2,056m equivalent of Fixed Rate Senior Loans to Barclays Bank PLC, in each case with a ranking corresponding to the notes issued by Barclays PLC.

Proxy Total Loss Absorbing Capacity (TLAC)¹

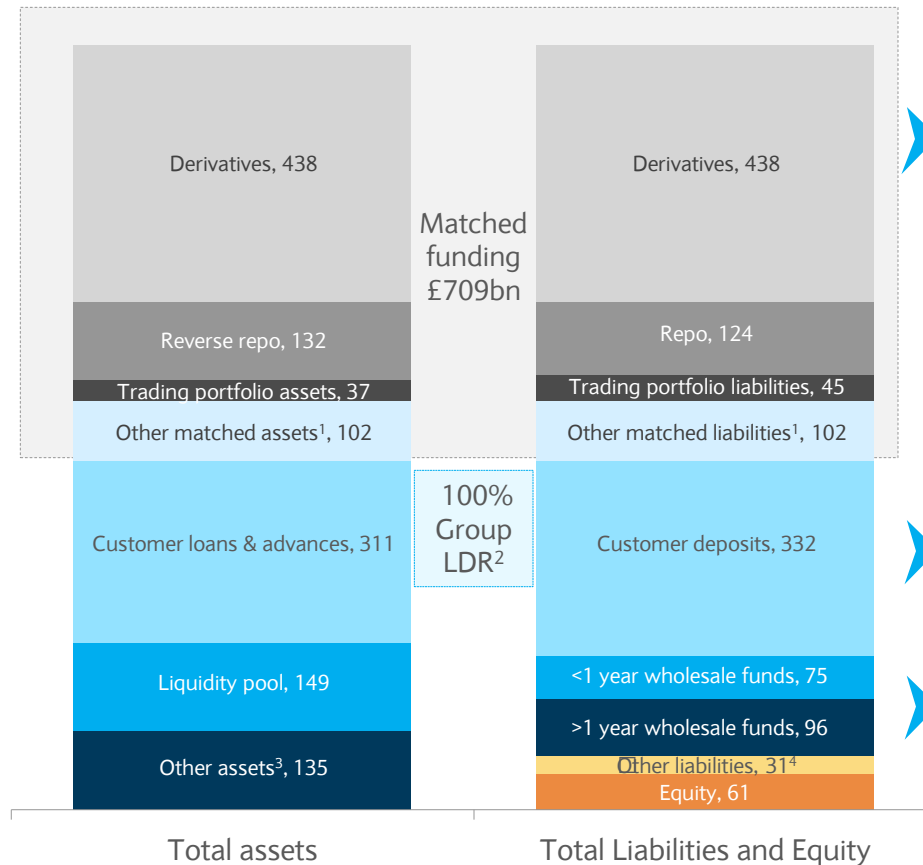
(£bn)	Dec-14
PRA transitional Common Equity Tier 1 capital	41
PRA transitional Additional Tier 1 regulatory capital	11
<i>Barclays PLC (HoldCo)</i>	4
<i>Barclays Bank PLC (OpCo)</i>	7
PRA transitional Tier 2 regulatory capital	14
<i>Barclays PLC (HoldCo)</i>	1
<i>Barclays Bank PLC (OpCo)</i>	13
PRA transitional total regulatory capital	66
HoldCo term non-structured senior unsecured debt ²	2
OpCo term non-structured senior unsecured debt ³	29
Total term non-structured senior unsecured debt	97
CRD IV RWAs	402
BCBS leverage exposure	1,233
Proxy risk-weighted TLAC ratio	~ 24%
Proxy leverage based TLAC ratio	~ 8%

- Proactive transition towards a HoldCo funding and capital model positions us well to meet potential future TLAC requirements
- While requirements remain to be set, Barclays current expectation is a multi-year conformance period
- Good portion of OpCo term senior unsecured debt maturing before 2019 which can be refinanced from HoldCo
- Based on Barclays current interpretation of TLAC requirements, proxy TLAC ratio at 24%⁴ on the assumption that Barclays Bank PLC term non-structured senior unsecured debt is refinanced from HoldCo and subordinated to OpCo excluded liabilities
- Currently do not intend to use HoldCo senior unsecured debt proceeds to subscribe for OpCo liabilities on a subordinated basis until required to do so
- The future TLAC-ratio will further benefit from CET1 capital growth and AT1 issuance towards end-state expectations
- As TLAC rules are finalised and as we approach implementation date, we will assess the appropriate composition and quantum of our future TLAC stack

¹ For illustrative purposes only reflecting Barclays interpretation of the FSB Consultative Document on "Adequacy of loss-absorbing capacity of global systemically important banks in resolution", including certain assumptions on the inclusion or exclusion of certain liabilities where further regulatory guidance is necessary. Evolving regulation, including the implementation of MREL beginning 1 Jan 2016 and any subsequent regulatory policy interpretations, may require a change to the current approach. ² Barclays PLC issued senior unsecured term debt assumed to qualify for consolidated TLAC purposes. ³ Comprise all outstanding Barclays Bank PLC issued public and private term senior unsecured debt, regardless of residual maturity. This excludes £35bn of notes issued under the structured notes programmes. ⁴ Including the 4.5% combined buffer requirement which needs to be met in CET1. The combined buffer requirement comprises a 2% G-SII buffer and 2.5% capital conservation buffer a fully phased in basis.

Balance sheet is conservatively funded

Balance sheet structure - £1.3tn (excluding BAGL), 31 Dec 14



- Derivative assets and liabilities matched
- Trading portfolio assets and reverse repurchase agreements are largely funded in wholesale markets by repurchase agreements and trading portfolio liabilities

- Customer loans and advances largely funded by customer deposits

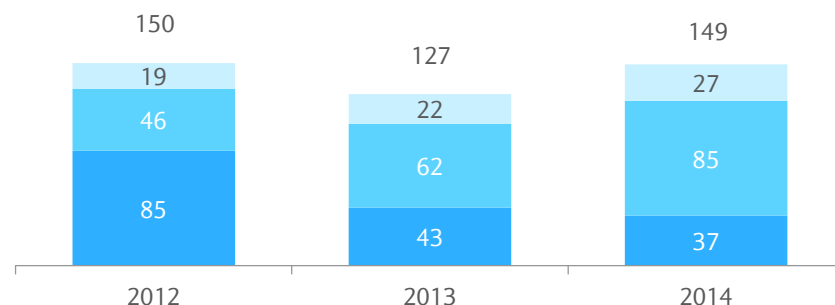
- Decreasing reliance on wholesale funding (£171bn as at 31 December 2014, down £15bn since 31 December 2013)
- Liquidity pool predominantly funded through wholesale markets, and well in excess of short-term wholesale funds

¹ Matched cash collateral and settlement balances | ² The Group Loan to Deposit Ratio (LDR) includes BAGL, cash collateral and settlement balances | ³ Including L&A to banks, financial assets at fair value, AFS securities (excluding liquidity pool), unencumbered trading portfolio assets, and excess derivative assets | ⁴ Including excess cash collateral and settlement balances

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

High quality liquidity pool (£bn)

■ Cash & Deposits at Central Banks ■ Government Bonds ■ Other Available Liquidity



Estimated CRD IV/Basel 3 liquidity ratios¹

Metric	2013	2014	Expected 100% requirement date
LCR ²	96%	124%	1 January 2018
Surplus	-	£30bn	
NSFR ³	94%	102%	1 January 2018

Surplus to 30-day Barclays-specific LRA

	2013	2014
LRA	104%	124%
Surplus	£5bn	£29bn

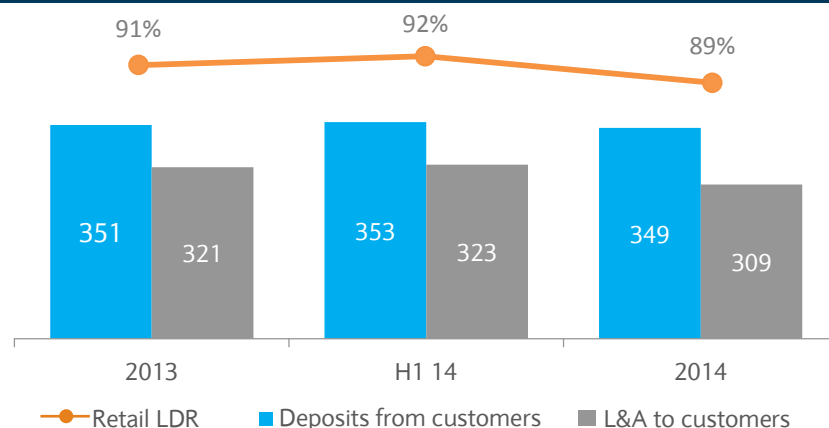
Key messages

- Further strengthened liquidity position with the Group liquidity pool up by £22bn to £149bn, building a larger surplus to the internal Liquidity Risk Appetite
- Quality of the pool remains high:
 - 82% held in cash, deposits with central banks and high quality government bonds
 - Over 95% of government bonds are securities issued by UK, US, Japanese, French, German, Danish, Swiss and Dutch sovereigns
- Even though not a regulatory requirement, the size of our liquidity pool is almost double that of wholesale debt maturing in less than a year
- Additional significant sources of contingent funding in the form of high quality assets pre-positioned with central banks globally
- Continued strengthening of estimated CRD IV/Basel 3 liquidity ratios:
 - Estimated LCR increased to 124%, mainly due to the increase in the size of the liquidity pool, resulting in a £30bn surplus above the future 100% requirement
 - Estimated NSFR strengthened to 102%, primarily driven by the progress on run-down of Non-Core

¹ Barclays interpretation of current rules and guidance | ² LCR estimated based on the EU delegated act | ³ Estimated based on the final BCBS rules published in October 2014 |

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

Broadly self-funded retail businesses¹ (£bn)

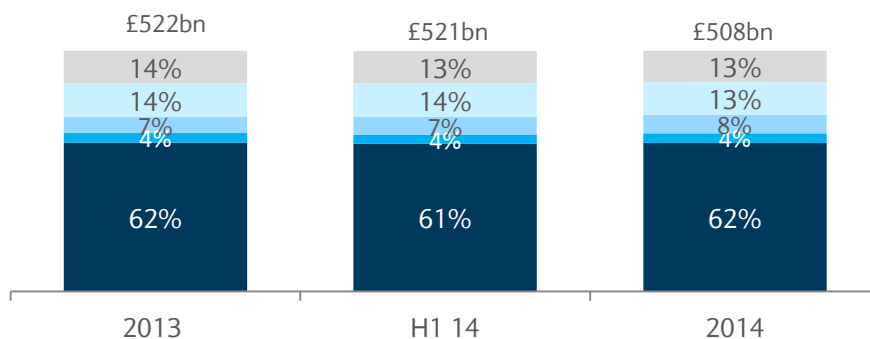


Key messages

- Group Loan to Deposit Ratio (LDR) and the LDR for PCB, Barclaycard and Africa Banking broadly unchanged at 100% and 89% respectively¹
- Excess customer deposits in PCB, Barclaycard and Africa Banking predominantly used to fund the liquidity buffer requirements for these businesses, making them broadly self funded
- The Group issued £15bn of term funding net of early redemptions during 2014 (excluding FLS) across senior unsecured, secured and subordinated debt, against £24bn of maturities
- Overall funding requirements for the Group reducing as Non-Core assets are run down

Total funding (excluding BAGL)

■ Customer deposits ■ Secured term funding ■ Sub. debt
 ■ Short-term debt and other deposits ■ Unsecured term funding



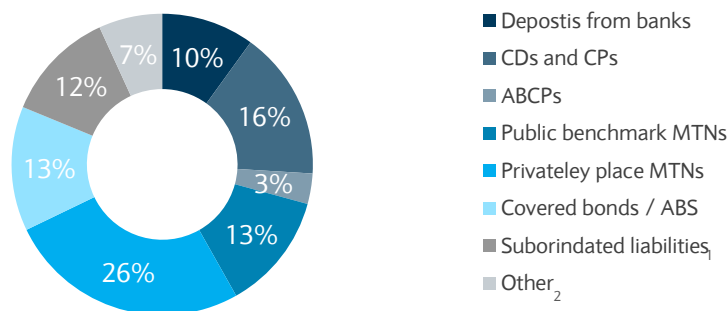
2015 Funding Plan

- Expect to issue a gross amount of £10-15bn in 2015 across public and private senior unsecured, secured and subordinated debt, materially below term maturities of £23bn for the year
- Most capital and non-structured senior unsecured debt expected to be issued out of Barclays PLC, the HoldCo, going forward
- Secured, short-term and structured notes expected to continue to be issued out of Barclays Bank PLC, the OpCo
- We intend to maintain access to diverse wholesale funding, through different products, currencies, maturities and channels
- We expect to be a regular issuer of AT1 securities over the next few years

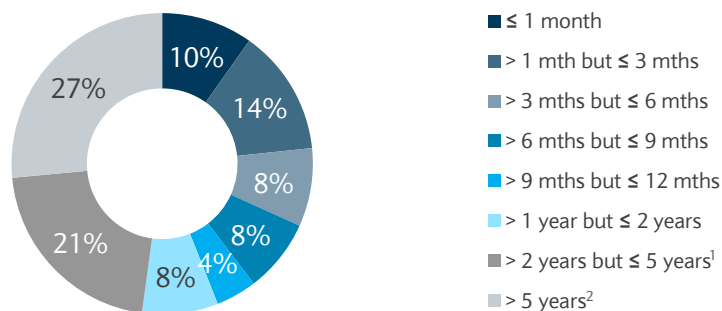
¹ LDR for PCB, Barclaycard and Africa Banking also includes the Non-Core (retail) deposits |

Continue to access diverse wholesale funding sources across multiple products, currencies and maturities

Wholesale funding by product (as at 31 December 2014)



By remaining maturity¹: WAM net of liquidity pool ≥ 105 months



By currency ¹	USD	EUR	GBP	Others
As at 31 December 2014	35%	32%	25%	8%
As at 31 December 2013	35%	36%	19%	10%

Key Messages

- Overall stock of wholesale funding continues to fall as we de-lever the balance sheet, with total wholesale funding (excluding repurchase agreements) of £171bn as at 31 December 2014, a reduction of £69bn since 2012 (31 December 2013: £186bn)
 - £75bn matures in less than one year, while £17bn matures within one month (31 December 2013: £82bn and £20bn respectively)
- £15bn of term funding (net of early redemptions) issued in 2014. Activity includes:
 - £8bn public benchmark senior unsecured debt, £2bn of which issued by Barclays PLC
 - £0.8bn Tier 2 deal issued by Barclays PLC
 - £1.5bn of Covered bonds, as well as £3bn US and UK credit card backed securities, issued by Barclays Bank PLC
- We have £23bn of term funding maturing 2015 and £13bn maturing in 2016
- We expect to issue a gross amount of £10-15bn in 2015 across public and private senior unsecured, secured and subordinated debt and to maintain a stable and diverse funding base by type, currency and distribution channel

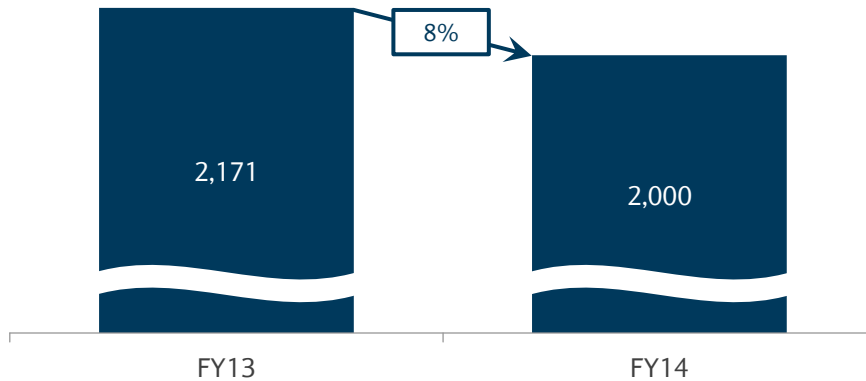
¹ Given different accounting treatments, AT1 capital is not included in outstanding subordinated liabilities, while T2 contingent capital notes are included | ² Primarily comprised of fair valued deposits (£5bn) and secured financing of physical gold (£5bn) |



Asset quality

Continued strong asset quality

Impairment charge (£m)

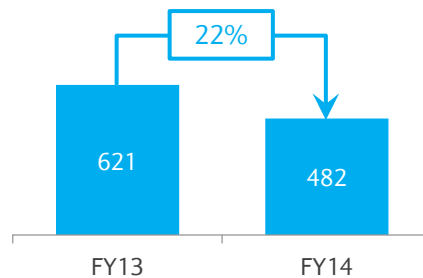


Highlights

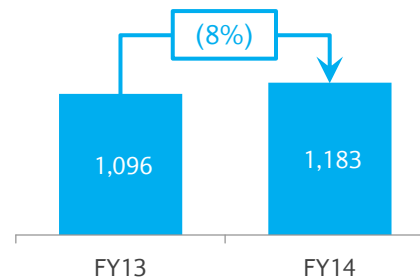
- Credit impairment charges improved 8% to £2bn, reflecting lower impairments in PCB and Africa Banking
- PCB benefitted from the improving economic environment in the UK, particularly for Corporate which benefited from one-off releases and lower defaults from large UK Corporate clients
- Africa Banking saw improvements in the South Africa mortgages portfolio and business banking
- Barclaycard increased 8% due to asset growth and enhanced coverage for forbearance. Delinquency rates remained broadly stable and the loan loss rate reduced 24bps to 308bps

Personal and Corporate Banking

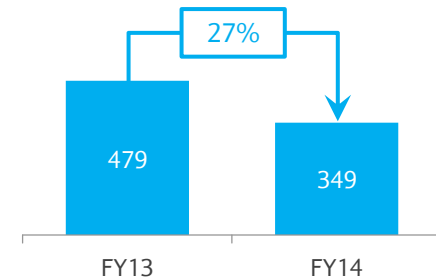
Impairment (£m)



Barclaycard



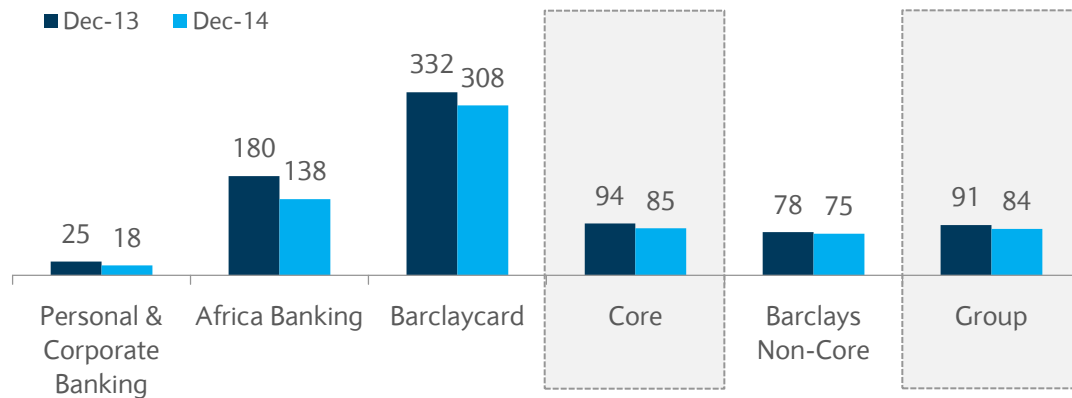
Africa Banking¹



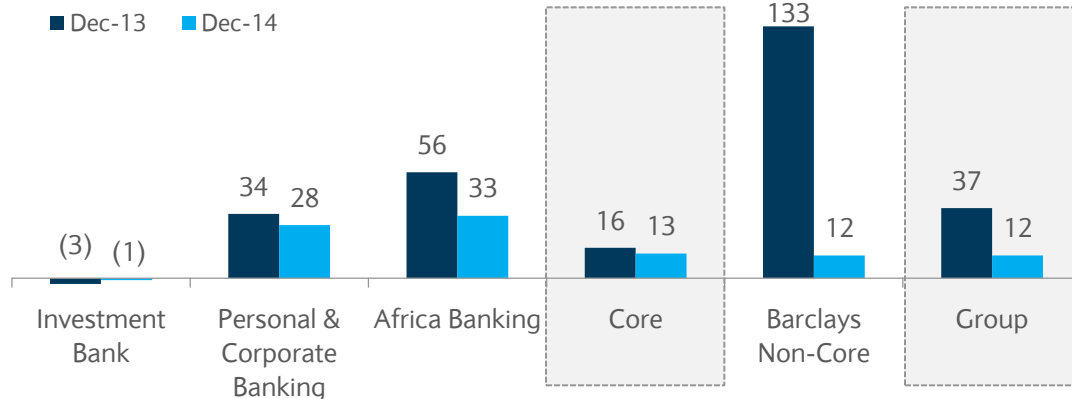
¹ Africa Banking impairment was down 14% on a constant currency basis |

Group impairment improved 29%, with positive trends across businesses

Retail loan loss rate (bps)



Wholesale loan loss rate (bps)



Highlights

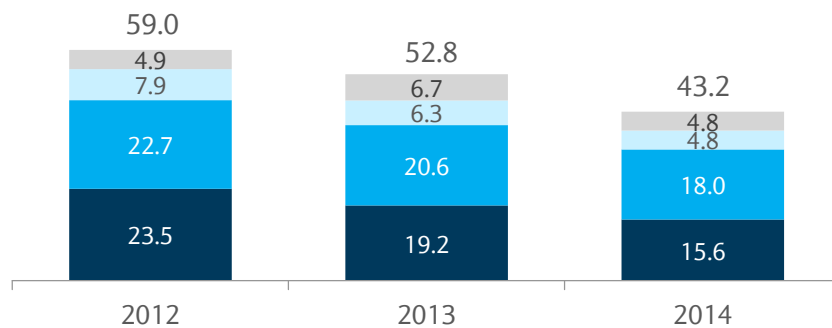
- Declining Loan Loss Rate (LLR) trend across the Group reflecting Barclays' well-managed and conservative risk profile
- The Group LLR of 46bps remains significantly below the longer term average of 88bps
- Group impairment charges improved 29% year-on-year to £2.2bn (31 December 2013: £3.1bn), principally reflecting lower charges in Personal & Corporate Banking, Africa Banking and Non-Core
- Group LLRs declining in both retail and wholesale in line with improving macro economic conditions

$$\text{LLR} = \frac{\text{Annualised impairment charge}}{\text{Gross loans and advances}}$$

Reduced exposure to Eurozone periphery

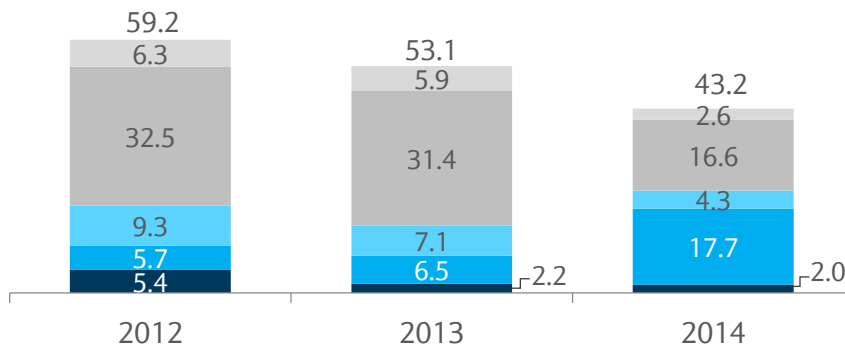
Exposures by geography (£bn)¹

■ Spain ■ Italy ■ Portugal ■ Ireland



Exposures by asset class (£bn)

■ Sovereign ■ Financial institutions ■ Corporate
■ Residential mortgages ■ Other retail lending



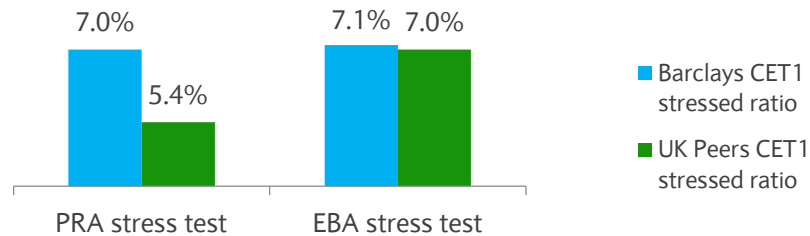
¹ Net on balance sheet

Key Messages

- The vast majority of the exposures to Spain have been disposed of as of 2 January 2015
- Exposure to Spain, Italy, Portugal and Ireland reduced further, down 18% to £43.2bn in December 2014 in line with Non-Core strategy
- £1bn of outstanding ECB LTRO as at 31 December 2014
- Local net funding mismatches decreased
 - Portugal: €1.9bn funding gap (2013: €3bn)
 - Italy: €9.9bn funding gap (2013: €11.6bn)
- We continue to explore options to exit our other European retail and corporate exposures or materially reduce the capital they consume

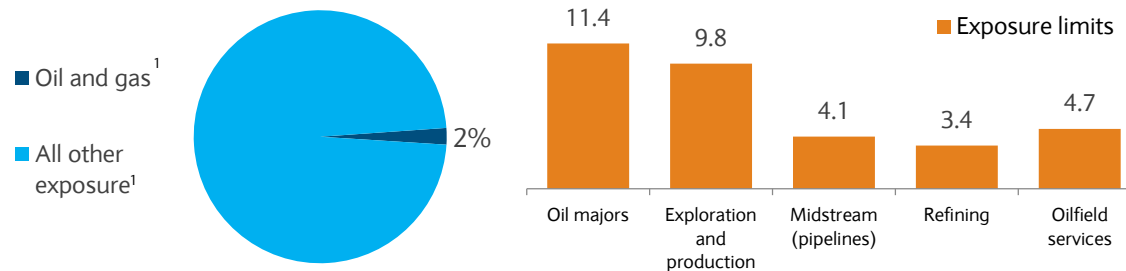
Risk – Minimising potential headwinds

Passing stress tests – stressed CET1 ratios



- Barclays has always maintained internal stress tests
- Barclays passed both the PRA and EBA stress tests in 2014, with stressed CET1 ratios ahead of UK peers
- Under the PRA test, the 7.0% represents pre-management actions, and significantly above the 4.5% minimum threshold

Managing sector exposures (£bn)

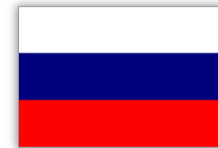


- Investment grade makes up c.90% of limits in oil and gas

Managing country exposures



- Total net exposure of £27m in Greece



- No material operations in Russia, with <£2bn exposure in relation to financing and trading counterparties

¹ Total on and off balance sheet



Credit ratings

Barclays' credit ratings remain strong and in line with peers'

	As at 3 March 2015	
	Barclays PLC	Barclays Bank PLC
Standard & Poor's		
Long Term	BBB (Stable)	A (Credit Watch Negative)
Short Term	A-2	A-1 (Credit Watch Negative)
Stand-Alone Credit Profile (SACP)	n/a	bbb+ (Stable)
Moody's		
Long Term	A3 (Negative)	A2 (Negative)
Short Term	P-2	P-1
Bank Financial Strength (BFS)	n/a	C- (Stable)
Fitch		
Long Term	A (Stable)	A (Stable)
Short Term	F1	F1
Viability Rating	a	a
DBRS		
Long Term	n/a	AA low (Stable)
Short Term	n/a	R-1 middle (Stable)

Key Messages

- Current ratings reflect Barclays' "strong franchise", "diverse revenue streams", "good asset quality relative to peers", "historically less volatile earnings than peers" and "sounds financial profile"
- S&P's Barclays PLC rating reflects 3 February 2015 decision to remove sovereign support notches from UK and Swiss Bank Non-Operating Holding Company (NOHC) ratings to reflect their view that NOHCs in these jurisdictions are unlikely to receive sovereign support. Barclays PLC benefitted from 2 notches of support previously
- Negative outlook from Moody's reflect the expected removal of sovereign support notches
- The outlooks on Barclays standalone credit profile remains stable by all rating agencies

Rating agencies evolving approach to bank ratings

S&P

- 3 February 2015 announcement placed the OpCo ratings of most UK, German and Austrian banks on 'CreditWatch with Negative implications' to reflect their view that, with the implementation of BRRD bail-in powers in these jurisdictions as of 1 January 2015, sovereign support 'has become less predictable', but that they 'continue to see unresolved questions about how the legislation may operate in practice'
- S&P expect to resolve the CWN on affected banks by 'early May 2015', which could see sovereign support notches removed for bank OpCos and their rated subsidiaries and branches, in the same way as they have been removed for NOHCs. Barclays Bank PLC's rating currently benefit from two sovereign support notches
- Concurrently, S&P are considering changes to their bank rating methodology to account for the impact that additional loss absorbing capacity (ALAC) instruments have on OpCo senior unsecured debt. This ALAC proposal has the potential to partially or completely mitigate the impact of sovereign support notch removal from some bank Operating Companies, if implemented in the current draft form

Moody's

- Barclays ratings currently include 3 notches of sovereign support, the negative outlook expressly references their publically stated intent to remove (in part or full) support notches from bank ratings
- In parallel, Moody's is expected to implement their new proposed bank rating methodology which explicitly seeks to capture the impact of changing bank regulation and gives benefit to some asset classes from loss absorbing capacity, and a proposed methodology for rating counterparty risk
- Moody's have indicated to the market that they seek to avoid rating volatility by announcing the implications of these changes in a co-ordinated manner during H1 15
- While difficult to predict precisely, methodology changes could partially or fully offset any contemplated removal of sovereign support for some liabilities

Fitch

- In March 2014 Fitch revised the outlook on long term ratings to negative for banks in the US, EU and elsewhere that benefit from sovereign support floors
- The agency is expected to take further action on sovereign support in H1 15, however as Barclays standalone credit rating does not benefit from sovereign support uplift at its current level, no rating implications are expected from any action as a consequence

Barclays manages and reserves for potential rating actions in the liquidity pool

Contractual credit rating downgrade exposure (as at 31 December 2014)		
Total cumulative cash outflow (£bn)	One-notch	Two-notch
Securitisation derivatives	5	6
Contingent liabilities	8	8
Derivatives margining	-	1
Liquidity facilities	1	2
Total	14	17

Key messages

Contractual outflows

- Potential outflows related to a multiple-notch credit downgrade are included in the liquidity risk appetite (LRA)
- The table on the left hand side shows contractual collateral requirements and contingent obligations following potential future one and two notch long-term and associated short-term simultaneous downgrades across all credit rating agencies¹

Behavioural outflows

- During the year the Group strengthened its liquidity position, building a larger surplus to its liquidity risk appetite
- This positions the Group well for any potential contractual or behavioural outflows as a consequence of the potential loss of A-1/P-1 short term ratings for Barclays Bank PLC as credit rating agencies assess sovereign support notches in their ratings

¹ These numbers do not include the potential liquidity impact from loss of unsecured funding, such as from money market funds or loss of secured funding capacity |

Summary

Business model

- Diversified international bank focused on delivering improved and more sustainable returns
- Concentrating on high growth opportunities where we have competitive advantage, eliminating marginal businesses and sharpening our focus on costs

Capital

- Strengthened capital position with fully loaded CRD IV CET1 ratio of 10.3% as at 31 December 2014, on track to deliver a ratio of greater than 11% in 2016
- Building on good track record in reducing RWAs as we run-down Barclays Non-Core and reinvest in Core businesses outside of the Investment Bank

Leverage

- BCBS leverage ratio of 3.7% as at 31 December 2014, close to our target of greater than 4% in 2016
- Planned reduction in leverage exposure by 2016 mainly through reduction in Barclays Non-Core and the Core Investment Bank

Liquidity & funding

- Diversified funding base, combining customer deposits and wholesale funding, in multiple currencies and different maturities
- Robust liquidity position, well positioned to meet anticipated future regulatory requirements

Regulation

- Proactive and practical approach to managing regulatory changes
- Established track record of adapting to regulatory developments.



Appendix

Repositioning and simplifying Barclays

Rightsizing and focusing the Investment Bank

Establishing a dedicated Non-Core unit and a new Personal and Corporate Banking business

Allocating capital to growth businesses

Delivering a structurally lower cost base

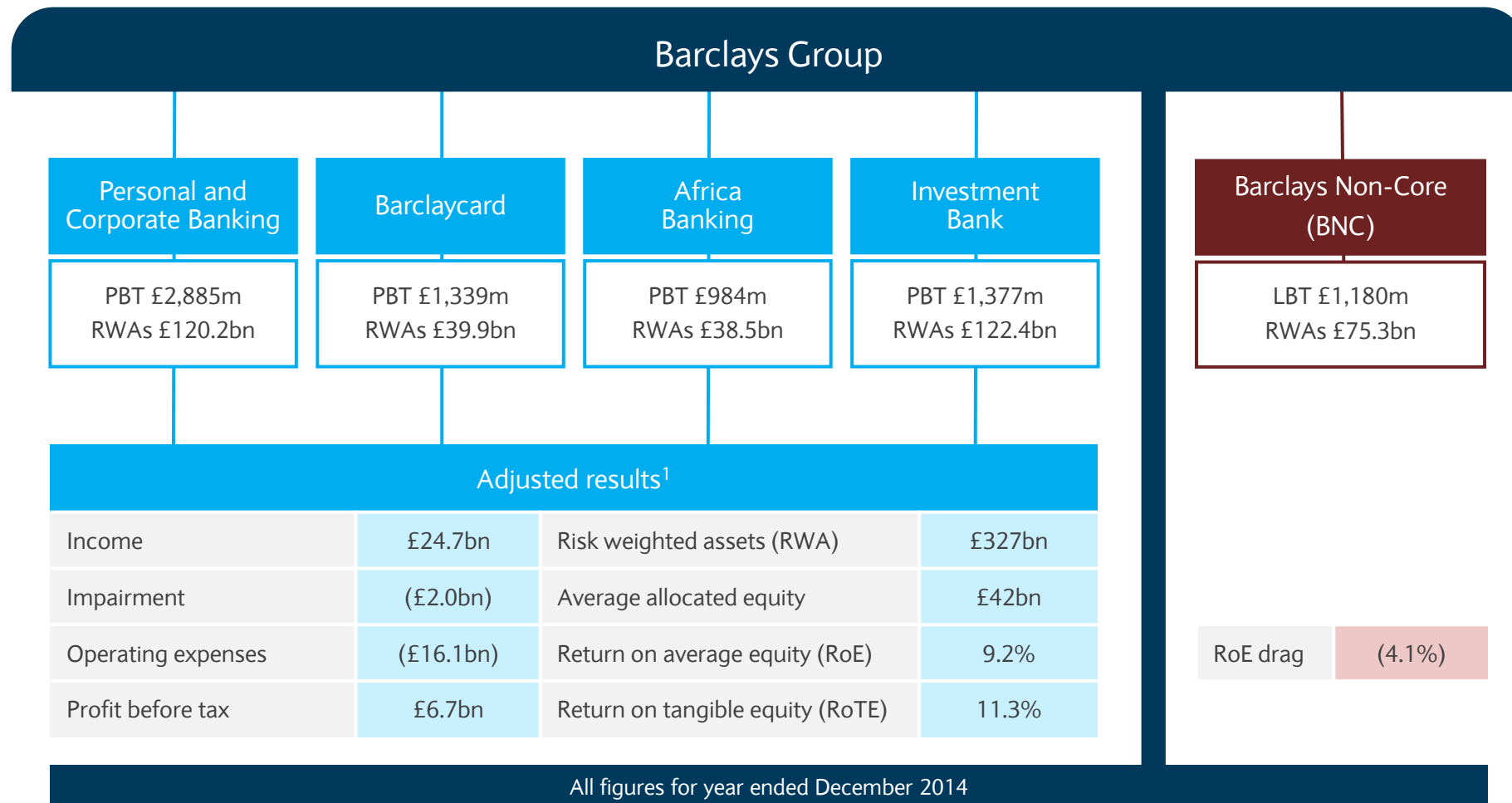
Generating higher and more sustainable returns

2016 Transform targets

		2016 Target	2014
Group	Capital	CRD IV FL CET1 ratio >11.0%	10.5% ¹
	Leverage	Leverage ratio >4.0%	3.8% ¹
	Dividend	Payout ratio 40-50%	38%
Barclays Core	Returns	Adjusted RoE >12%	10.9% ²
	Cost	Adjusted operating expenses <£14.5bn	£15.1bn ²
Barclays Non-Core	Returns	Drag on adjusted RoE <(3%)	(4.1%)

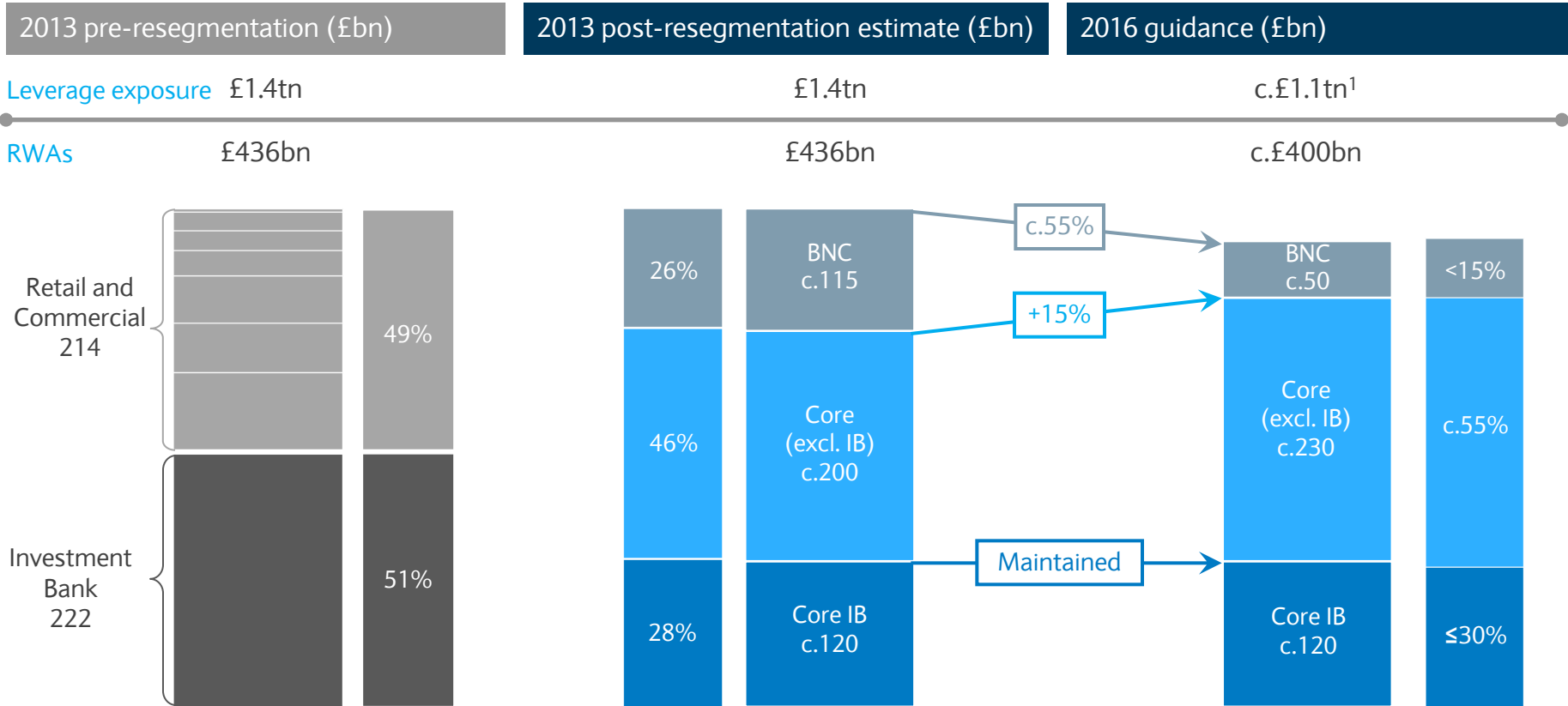
¹ Including Spain disposal | ² Excluding CTA. RoE 9.2% including CTA |

Simpler, focused and balanced structure



¹Includes Head Office as part of Core, representing £5.6bn RWAs and £97m profit before tax |

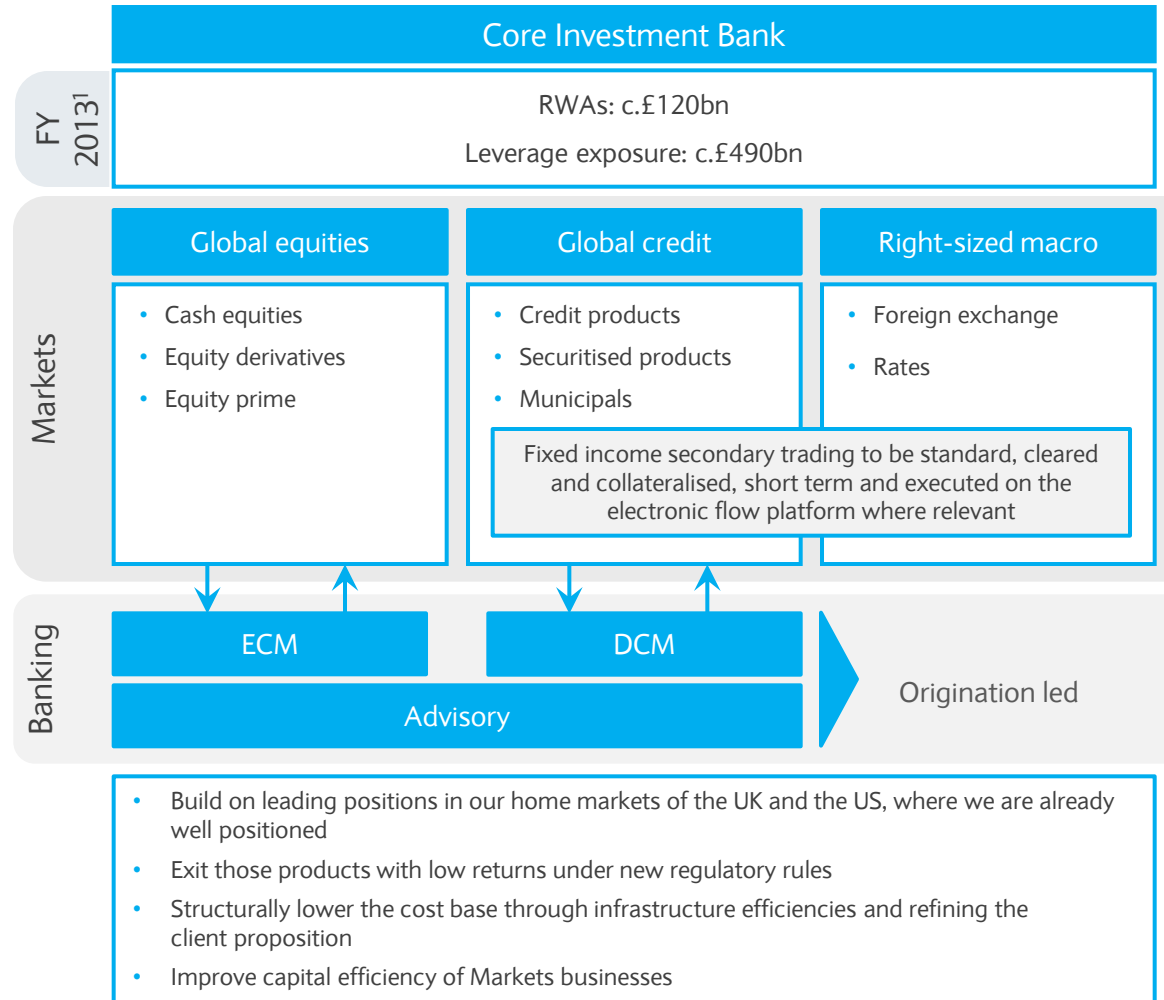
Reducing and reallocating RWAs to drive growth and returns



The Core Investment Bank will represent no more than 30% of the Group's RWAs

¹ 2016 leverage exposure estimated on the basis of calculation methodology set out in BCBS Jan-14 proposals. All other regulatory metrics calculated on a CRD IV basis

Core Investment Bank: Building on competitive advantages

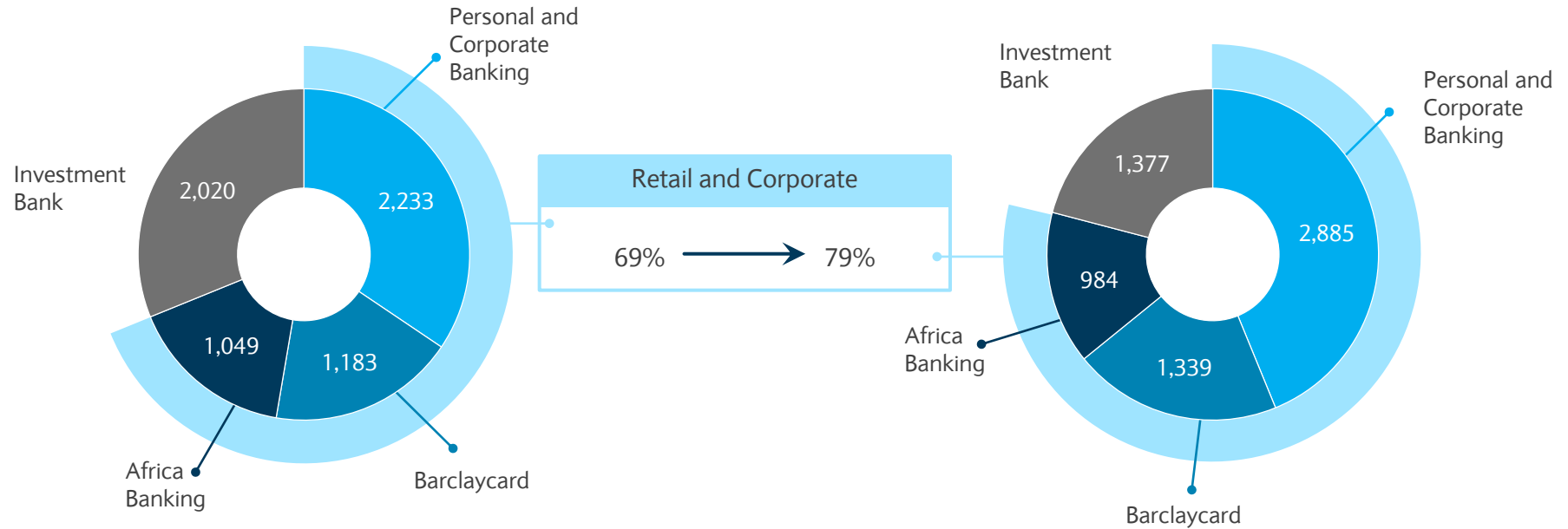


¹ CRD IV basis |

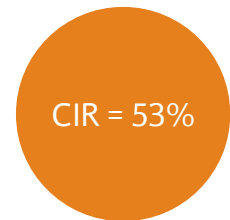
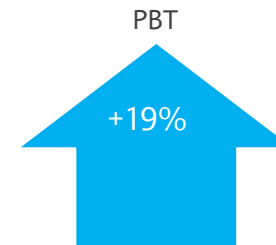
Retail and Corporate

Profit before tax of Core business: FY13¹

Profit before tax of Core business: FY14¹



Year ended – December (£m) ²	2013	2014
Income	17,007	17,090
Adjusted profit before tax	4,450	5,305
Cost: Income ratio ³	58%	53%



¹ Excluding Head Office | ² Includes Head Office | ³ Costs exclude CTA and bank levy |

PCB: Profits up 29%

Year ended – December (£m)	2013	2014
Income	8,723	8,828
Impairment	(621)	(482)
Total operating expenses	(5,910)	(5,475)
– <i>Costs to achieve Transform</i>	(384)	(400)
Profit before tax	2,233	2,885
Financial performance measures		
Average allocated equity	£17.3bn	£17.5bn
Return on average tangible equity	12.7%	15.8%
Return on average equity	9.7%	11.9%
Cost: income ratio ¹	68%	62%
Loan loss rate	28bps	21bps
Net interest margin	2.91%	3.00%
	Dec-13	Dec-14
Loans and advances to customers	£212.2bn	£217.0bn
Customer deposits	£295.9bn	£299.2bn
CRD IV RWAs	£118.3bn	£120.2bn

Financial performance

- Total income increased 1% to £8.8bn due to balance growth and improved savings margins in Personal
- Net interest margin improved by 9bps to 300bps driven primarily by personal savings
- Credit impairment charges improved 22% due to the improving economic environment in the UK
 - Corporate benefitted from one-off releases and lower defaults from large UK Corporate clients
- Costs fell 7% due to savings from Transform programme, including branch optimisation (net branch closure of 72) and increased automation from technology improvements
- Positive jaws contributed to an increased RoE of 11.9%, while RoTE improved to 15.8%
- Continue to lead the UK banking market in technology:
 - 3.6 million customers of mobile banking
 - 2.2 million customers of Pingit
 - Payment volume through our Pingit app grew almost threefold in 2014
 - The number of personal unsecured loans originating through digital channels increased by over 80% year-on-year, and this now accounts for c. 35% of all personal unsecured lending
- UK mortgage market stock share was 10.1%²

¹ 2014 CIR excluding CTA was 57% | ² Bank of England lending statistics (December 2014) |

Barclaycard: Profits up 13%

Year ended – December (£m)	2013	2014
Income	4,103	4,356
Impairment	(1,096)	(1,183)
Total operating expenses	(1,857)	(1,874)
– <i>Costs to achieve Transform</i>	(49)	(118)
Profit before tax	1,183	1,339
Financial performance measures		
Average allocated equity	£5.3bn	£5.9bn
Return on average tangible equity	19.9%	19.9%
Return on average equity	15.5%	16.0%
Cost: income ratio	45%	43%
Loan loss rate	332bps	308bps
Net interest margin	8.99%	8.75%
	Dec-13	Dec-14
Loans and advances to customers	£31.5bn	£36.6bn
Customer deposits	£5.1bn	£7.3bn
CRD IV RWAs	£35.7bn	£39.9bn

Financial performance

- Strong customer number and asset growth across all geographies
- Income increased 6%, reflecting growth in the UK consumer and merchant, Germany and US businesses, partially offset by depreciation of average USD against GBP
- NII increased 8% to £3bn driven by volume growth; NIM decreased to 8.75% from 8.99% due to a change in product mix and impact of promotional offers
- Impairment increased 8% due to asset growth and enhanced coverage for forbearance. Delinquency rates remained broadly stable and the loan loss rate reduced 24bps to 308bps
- Costs broadly flat despite continued investment in the business
- RoE increased to 16%
- Net L&A increased 16% reflecting growth across all geographies, including the impact of promotional offers and the acquisition of portfolios in the US
- 14% growth in customers and 9% increase in payments processed

Africa Banking: Constant currency profits up 13%

Year ended ¹ – December (£m)	2013	2013 Constant Currency	2014
Income	4,039	3,435	3,664
Impairment	(479)	(406)	(349)
Total operating expenses	(2,519)	(2,163)	(2,342)
– <i>Costs to achieve Transform</i>	(26)	(23)	(51)
Profit before tax	1,049	873	984
Financial performance measures			
Average allocated equity ²	£4.4bn		£3.9bn
Return on average tangible equity ²	11.3%		12.9%
Return on average equity ²	8.1%		9.3%
Cost: income ratio	62%		64%
Loan loss rate	128bps		93bps
Net interest margin	5.81%		5.95%
	Dec-13	Dec-13 Constant Currency	Dec-14
Loans and advances to customers	£34.9bn	£33.6bn	£35.2bn
Customer deposits	£34.6bn	£33.3bn	£35.0bn
CRD IV RWAs	£38.0bn		£38.5bn

Financial performance

Constant currency basis

- PBT increased by 13%, driven by 7% income growth and a 14% reduction in credit impairment charges
 - NII benefitted from increased NIM driven by higher deposit margins in RBB South Africa in addition to strong growth in Corporate and Investment Banking loans
- Impairment reduced 14% and the LLR improved by 35bps to 93bps driven by South Africa mortgages and business banking, partially offset by an increase in the card portfolio
- Costs were up 8% due to inflationary increases resulting in higher staff costs. There was also increased CTA and spend on other key initiatives
- RoE increased to 9.3% while RoTE was 12.9%

¹ Africa Banking business unit performance based on BAGL results, including Egypt and Zimbabwe | ² Barclays share of the statutory equity of the BAGL entity (together with that of the Barclays Egypt and Zimbabwe businesses which remain outside the BAGL corporate entity), as well as the Barclays' goodwill on acquisition of these businesses. The tangible equity for RoTE uses the same basis but excludes both the Barclays' goodwill on acquisition and the goodwill and intangibles held within the BAGL statutory equity |

Investment Bank: New strategy underpinning Q4 performance

Year ended – December (£m)	2013	2014
– Banking	2,485	2,528
– Markets	6,134	5,040
– Other	(23)	20
Income	8,596	7,588
Impairment release	22	14
Total operating expenses	(6,598)	(6,225)
– Costs to achieve Transform	(190)	(374)
Profit before tax	2,020	1,377
Financial performance measures		
Average allocated equity	£15.9bn	£15.4bn
Return on average tangible equity	8.5%	2.8%
Return on average equity	8.2%	2.7%
Cost: income ratio	77%	82%
	Dec-13	Dec-14
CRD IV RWAs	£124.4bn	£122.4bn

Q4 13	Q4 14	% Change
639	638	–
1,146	1,028	(10%)
(3)	-	
1,782	1,666	(7%)

Financial performance

Q4 14 vs. Q4 13

- Banking is in line with prior year at £638m. Decrease in Investment Banking fees was offset by an increase in Lending income
- Markets income decreased 10%
 - Credit down 25% to £173m
 - Equities up 2% to £431m
 - Macro down 14% to £424m

FY14 vs. FY13

- Income decreased 12%
- Operating expenses decreased 6% reflecting a 9% reduction in compensation costs, as well as Transform savings
- FY14 highlights
 - #2 in All International Bonds¹
 - Banking strength in dual home markets with #2 position in total UK fees and #6 in the US¹

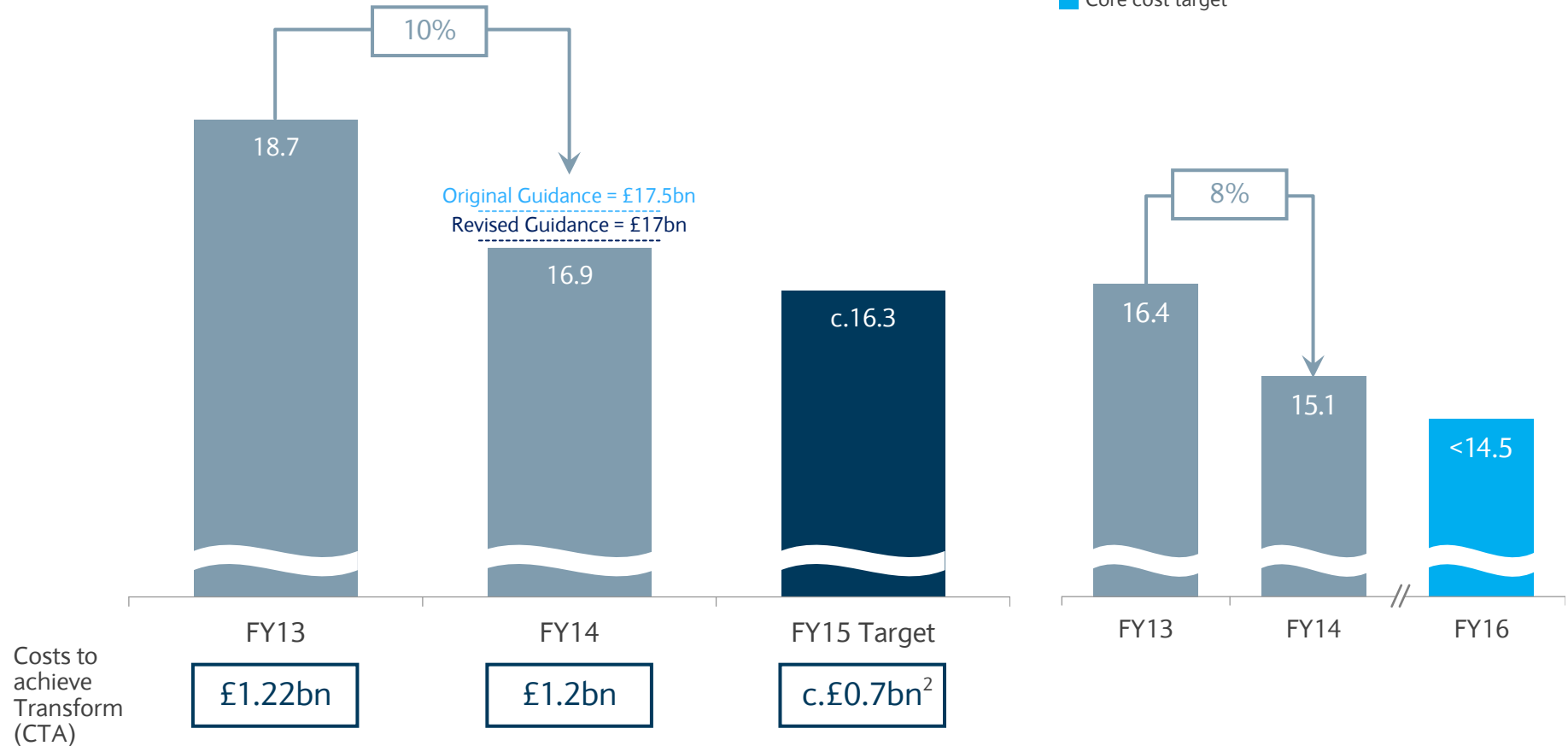
¹ Source: Dealogic |

Group cost targets

Group cost guidance¹ (£bn)

Core cost targets¹ (£bn)

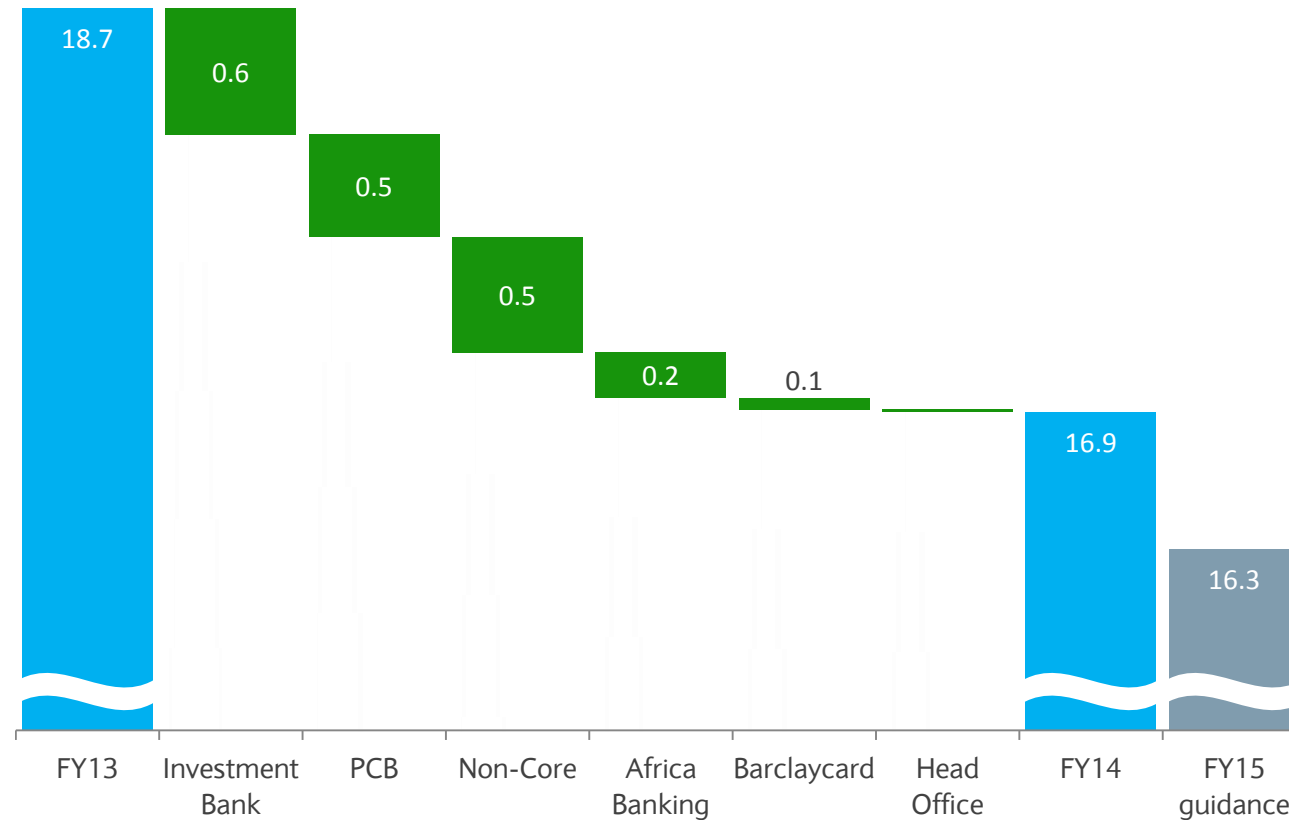
■ Core cost target



¹ Excludes provisions for PPI, IRHP and FX redress, goodwill impairment and CTA | ² 2016 CTA target of c.£0.2bn

Operating expenses significantly reduced

Operating expenses progress – excluding CTA (£bn)

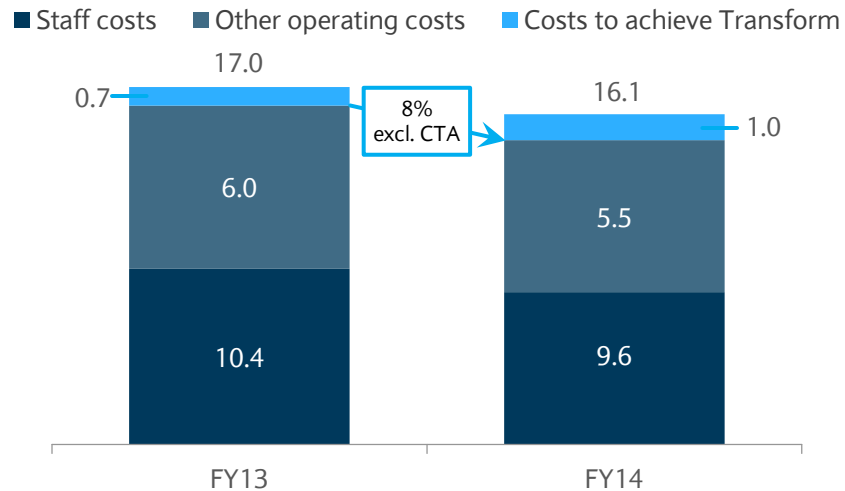


Highlights

- Transform saves:
 - FTE reductions from Investment Bank front office restructuring, branch network transformation in UK and Africa and restructuring of the European business
 - Optimisation of IT platforms, consolidation of middle office functions in the Investment Bank and process improvements
- Reduction of performance costs mainly in the Investment Bank and PCB
- Favourable currency moves from a cost perspective in Africa Banking, the Investment Bank and Barclaycard

Core operating costs

Core operating expenses (£bn)



Highlights

- Core costs (excluding CTA) decreased by 8% year-on-year driven by Transform saves as well as currency movements
- Transform initiatives delivered significant and sustainable cost reductions across all businesses driven by restructuring, industrialisation and automation
- Savings were partially offset by increased costs of litigation and conduct charges and associated legal fees
- Net headcount reduced by 6,200 (5%) driven by voluntary redundancies through branch rationalisation and front office restructuring in the Investment Bank which was partially offset by in-sourcing in Barclaycard
- CTA increased by £300m year-on-year primarily reflecting further restructuring in the Investment Bank

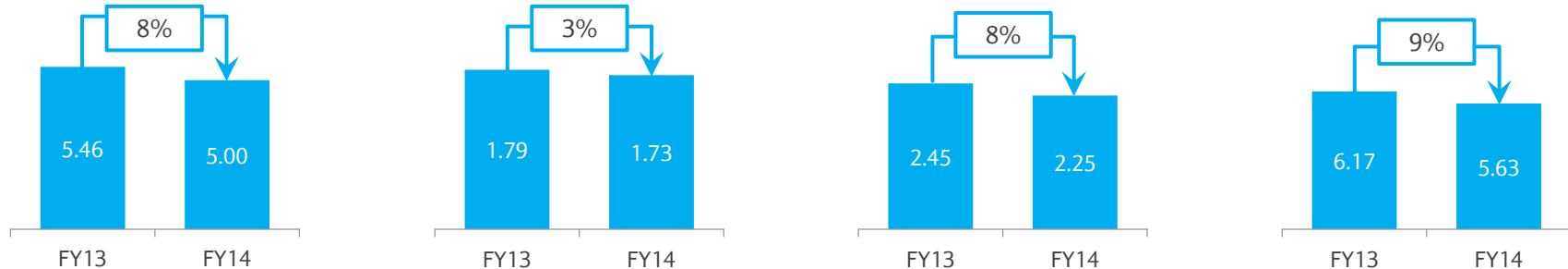
Personal and Corporate Banking

Barclaycard

Africa Banking¹

Investment Bank

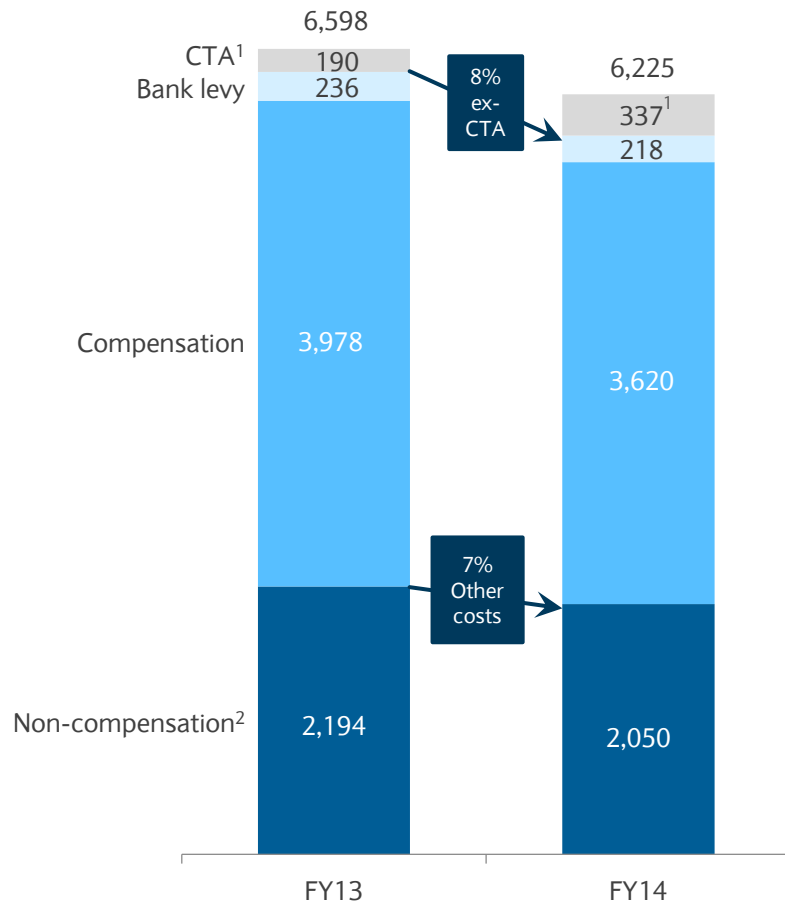
Operating costs (excluding CTA and bank levy) (£bn)



¹ Africa Banking operating expenses were up 7% on a constant currency basis, due to local inflationary pressures and investment |

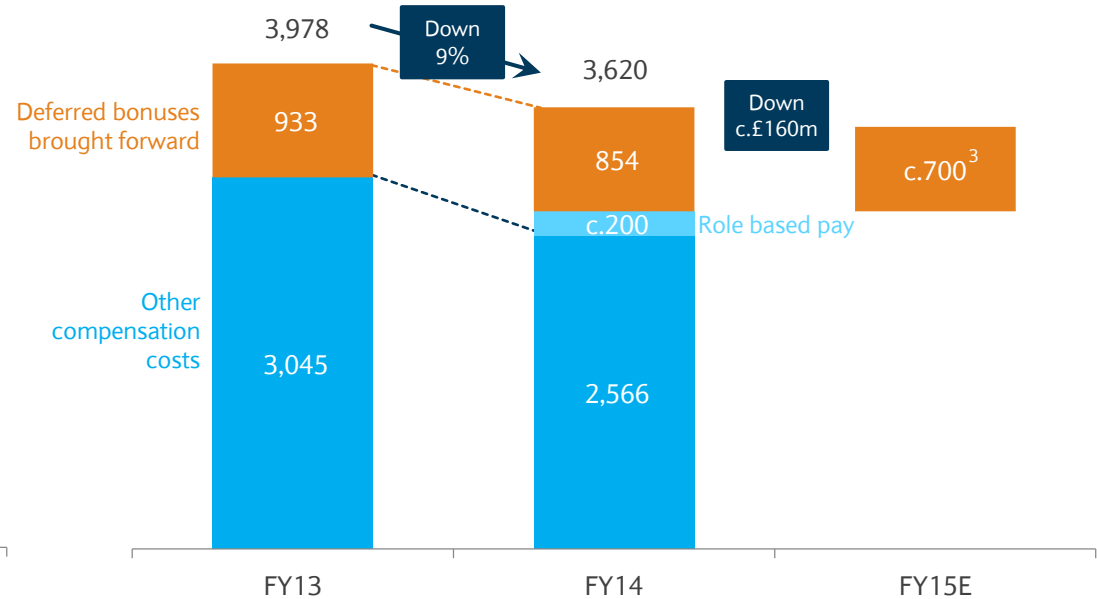
Investment Bank: Downward trend in compensation charge

Investment Bank operating expenses (£m)



Investment Bank – Compensation actions

- Headcount down by 2,100 net
- Incentive awards down 24%
- Role based pay introduced and charged in 2014
- Deferred bonus brought forward of £854m, but on downward trend



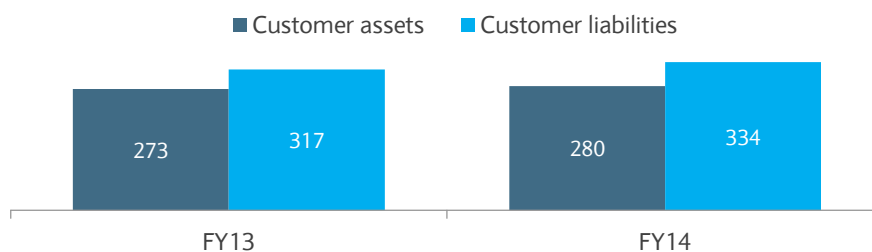
¹ Excludes compensation related CTA of £37m | ² Excludes CTA and bank levy | ³ The actual amount charged depends upon whether conditions have been met and will vary compared with the above expectation |

Core income – growth in NII

Core income year ended – December (£m)	2013	2014
Personal and Corporate Banking	8,723	8,828
Barclaycard	4,103	4,356
Africa Banking	4,039	3,664
Investment Bank	8,596	7,588
Total Core ¹	25,603	24,678

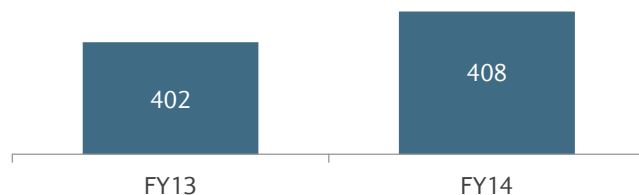
- Improved performance in PCB and Barclaycard income
 - PCB grew NII 7% driven by lending and deposit growth and margin improvement
 - Barclaycard grew NII 8% driven by volume growth
- Africa Banking income was up 7% on a constant currency basis, with NII up 9% on the same basis

Average customer assets and liabilities² (£bn)



- Average customer assets increased 2.7% to £280bn, with growth in PCB and Barclaycard, and in Africa Banking on a constant currency basis

Net interest margin² (bps)



- NIM increased from 402bps to 408bps, measured across PCB, Barclaycard and Africa Banking

NII for these businesses² grew 4%, reflecting an increase in customer assets and NIM

¹ Includes Head Office income | ² For Personal and Corporate Banking, Barclaycard and Africa Banking |

Wholesale funding composition as at December 2014¹

As at 31 December 2014 (£bn)	≤1 month	>1 month but ≤3 months	>3 months but ≤6 months	>6 months but ≤12 months	>9 months but ≤12 months	Total ≤1 year	>1 year but ≤2 years	>2 years but ≤5 years	>5 years	Total
Barclays PLC										
Senior unsecured MTNs (public benchmark)	-	-	-	-	-	-	-	1.3	0.8	2.1
Subordinated liabilities	-	-	-	-	-	-	-	-	0.8	0.8
Barclays Bank PLC										
Deposits from banks	9.2	5.7	0.9	0.5	0.3	16.6	0.2	0.1	0.2	17.1
Certificates of deposit and commercial paper	0.8	5.6	7.8	6.0	4.0	24.2	0.6	2.0	0.6	27.4
Asset backed commercial paper	1.0	4.4	0.2	-	-	5.6	-	-	-	5.6
Senior unsecured MTNs (public benchmark)	-	2.0	0.7	1.1	-	3.8	2.7	7.9	5.1	19.5
Senior unsecured MTNs (private placement) ²	0.6	1.8	3.3	3.8	2.0	11.5	7.2	13.3	12.6	44.6
Covered bonds / ABS	2.7	2.0	0.7	1.6	0.2	7.2	2.2	7.5	6.0	22.9
Subordinated liabilities	-	0.1	-	-	-	0.1	-	2.9	16.7	19.7
Other ³	2.5	1.6	0.8	0.5	1.0	6.4	1.1	1.6	2.6	11.7
Total	16.8	23.2	14.4	13.5	7.5	75.4	14.0	36.6	45.4	171.4
Total as at 31 December 2013	20.3	24.0	15.5	15.9	6.3	82.0	27.1	33.8	42.6	185.5

¹ The composition of wholesale funds comprises the balance sheet reported deposits from banks, financial liabilities at fair value, debt securities in issue and subordinated liabilities, excluding cash collateral and settlement balances. It does not include collateral swaps, including participation in the Bank of England's Funding for Lending Scheme. Included within deposits from banks are £1bn of liabilities drawn in the European Central Bank's 3 year LTRO. ² Includes structured notes of £35bn, £9bn of which matures within one year ³ Primarily comprised of fair value deposits £5bn and secured financing of physical gold £5bn |

Reduced exposure to the Eurozone

As at 31 December 2014 (£m)	Spain	Italy	Portugal	Ireland	Total
Sovereign	108	1,716	105	37	1,966
Financial institutions	14,043	485	7	3,175	17,710
Corporate	1,149	1,128	531	1,453	4,261
Residential mortgages	12	13,530	2,995	43	16,580
Other retail lending	248	1,114	1,207	50	2,619
Total¹	15,559	17,973	4,845	4,758	43,135
Total as at 31 December 2013	19,245	20,628	6,262	6,656	52,791

¹ Total net on-balance sheet exposure as at 31 December 2014 for Cyprus and Greece was £123m (2013: £175m) and £27m respectively (2013: £82m)

In line with the European Bank Recovery & Resolution Directive the UK Banking Act now includes a statutory bail-in power

Overview

- Statutory bail-in of debt is a key part of the regulatory response to the financial crisis, aimed at avoiding the bail-out of failing financial institutions with tax-payer funds
- **European Bank Recovery and Resolution Directive (“BRRD”)**: a European-wide framework for the recovery and resolution of credit institutions and investment firms:
 - Statutory “bail-in” power in respect of eligible liabilities, to be implemented in home state legislation by no later than 1 January 2016 (Article 130)
 - Requirement for eligible liabilities governed by non-EEA laws to include a contractual recognition by creditors that they are bound by any exercise of the statutory bail-in power (Article 55)
- **UK Banking Act**: in line with the BRRD, the UK Banking Act was amended in January 2015 to include a “bail-in option” available to the UK resolution authority, enabling it recapitalise a failed institution by allocating losses to its shareholders and unsecured creditors by writing down and/or converting their claims to equity:
 - Certain liabilities excluded from scope, such as insured deposits, secured liabilities (Section 48B(8))
 - Powers to be exercised broadly in a manner that respects the hierarchy of claims in liquidation
 - Principle that at least senior creditors should receive no less favourable treatment than they would have received in an insolvency

Considerations for Bondholders

- Under Depositor Preference, the BRRD introduces seniority of deposits from natural persons and SMEs over wholesale liabilities
- The scope of the UK bail-in power extends to include all outstanding unsecured wholesale liabilities of original tenor greater than 7 days
- Liabilities issued prior to the introduction of the statutory bail-in power, including those issued under non-EEA governing laws, may be subject to bail-in upon its introduction irrespective of issuance date, unless they are ‘excluded liabilities’ (i.e. all outstanding unsecured liabilities with an original tenor greater than 7 days may be subject to bail-in. Guiding principle is that the ordinary creditor hierarchy should be respected and that creditors holding eligible liabilities of equal rank should be treated equally
- In light of Article 55 of the BRRD, and as requested by the PRA, Barclays has begun the process of including in the terms of its wholesale term debt securities, governed by non-EEA laws, a provision acknowledging the scope of the UK bail-in power
- Note, the inclusion of such an acknowledgement is not intended to change the ranking or treatment of such non-EEA law governed instruments relative to EEA law governed instruments in respect of a UK bail-in, rather it clarifies that all such instruments should be treated equally in the event of a UK bail-in

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Disclaimer

Important Notice

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or 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 certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results 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 regarding the Group's future financial position, income growth, assets, impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projected levels of growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the Transform Programme and Group Strategy Update, run-down of assets and businesses within Barclays Non-Core, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers 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 (IFRS), 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 the Group; the potential for one or more countries exiting the Eurozone; the impact of EU and US sanctions on Russia; the implementation of the Transform Programme; 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, and expectations set forth in the Group's forward-looking statements. Additional risks and factors are identified in our filings with the SEC, including our Annual Report on Form 20-F for the fiscal year ended 31 December 2014 ("2014 20-F"), which are available on the SEC's website at <http://www.sec.gov>.

Any forward-looking statements made herein speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information or future events. Except as required by the Prudential Regulation Authority, the Financial Conduct Authority, the London Stock Exchange plc (the LSE) or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Barclays' expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has made or may make in documents it has published or may publish via the Regulatory News Service of the LSE and/or has filed or may file with the SEC, including the 2014 20-F.

Disclaimer (continued)

Barclays has filed a registration statement (including a prospectus) and has filed, or will file, a prospectus supplement with the U.S. Securities and Exchange Commission (“SEC”) for the offering of securities to which this document relates. Before you invest, you should read the prospectus in that registration statement, the prospectus supplement relating to the offering of the Securities (when filed) and other documents that Barclays will file with the SEC. You may get these documents for free by searching the SEC online database (EDGAR®) at www.sec.gov. Alternatively, you may obtain a copy of the prospectus from Barclays Capital Inc. by calling 1-888-603-5847.

Certain non-IFRS Measures

Barclays management believes that the non-International Financial Reporting Standards (non-IFRS) measures included in this document provide valuable information to readers of its financial statements because they enable the reader to identify a more consistent basis for comparing the business’ performance between financial periods, and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays management. However, any non-IFRS measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. As management reviews the adjusting items described below at a Group level, segmental results are presented excluding these items in accordance with IFRS 8; “Operating Segments”. Statutory and adjusted performance is reconciled at a Group level only. Key non-IFRS measures included in this document and the most directly comparable IFRS measures are described below. Quantitative reconciliations of these measures to the relevant IFRS measures are included in Barclays’ 2014 20-F filed with the SEC on March 3, 2015 (available at <http://www.sec.gov/Archives/edgar/data/312069/000119312515075307/d793693d20f.htm>), and such quantitative reconciliations are incorporated by reference into this document.

- Adjusted profit before tax is the non-IFRS equivalent of profit before tax as it excludes the impact of own credit; provisions for Payment Protection Insurance (PPI) and claims management costs and interest rate hedging redress; gain on US Lehman acquisition assets; provision for ongoing investigations and litigation relating to Foreign Exchange; loss on announced sale of the Spanish business; Education, Social Housing, and Local Authority (ESHLA) valuation revision and goodwill impairment. A reconciliation to IFRS is presented on page 198 of the 2014 20-F;
- Adjusted profit after tax represents profit after tax excluding the post-tax impact of own credit; provisions for PPI and interest rate hedging redress; the gain on US Lehman acquisition assets; provision for ongoing investigations and litigation relating to Foreign Exchange; loss on announced sale of the Spanish business; ESHLA valuation revision and goodwill impairment. A reconciliation to IFRS is presented on page 198 of the 2014 20-F;
- Adjusted attributable profit represents adjusted profit after tax less profit attributable to non-controlling interests. The comparable IFRS measure is attributable profit;
- Adjusted income and adjusted total income net of insurance claims represents total income net of insurance claims excluding the impact of own credit; the gain on US Lehman acquisition assets and ESHLA valuation revision. A reconciliation to IFRS is presented on page 198 of the 2014 20-F;

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- Adjusted total operating expenses represents operating expenses excluding the provisions for PPI and interest rate hedging redress; provision for ongoing investigations and litigation relating to Foreign Exchange; and goodwill impairment. A reconciliation to IFRS is presented on page 198 of the 2014 20-F;
- Adjusted cost: income ratio represents cost: income ratio excluding the impact of own credit; the provisions for PPI and interest rate hedging redress; gain on US Lehman acquisition assets; and provision for ongoing investigations and litigation relating to Foreign Exchange and ESHLA valuation revision. The comparable IFRS measure is cost: income ratio, which represents operating expenses to income net of insurance claims. A reconciliation to IFRS is presented on page 198 of the 2014 20-F;
- Adjusted basic earnings per share represents adjusted attributable profit (page 212 of the 2014 20-F) divided by the basic weighted average number of shares in issue. The comparable IFRS measure is basic earnings per share, which represents profit after tax and non-controlling interests, divided by the basic weighted average number of shares in issue;
- Adjusted return on average shareholders' equity represents adjusted attributable profit (page 212 of the 2014 20-F) divided by adjusted average equity, excluding non-controlling interests. The comparable IFRS measure is return on average shareholder's equity, which represents profit attributable to equity holders of the parent divided by average equity, excluding non-controlling interests;
- Adjusted return on average tangible shareholders' equity represents adjusted attributable profit (page 212 of the 2014 20-F) divided by average adjusted tangible equity, excluding non-controlling interests. The comparable IFRS measure is return on average tangible shareholders' equity, which represents profit after tax and non-controlling interests, divided by average tangible equity (page 212 of the 2014 20-F);
- Barclays Core results are non-IFRS measures because they represent the sum of five Operating Segments, each of which is prepared in accordance with IFRS 8; "Operating Segments": Personal and Corporate Banking, Barclaycard, Africa Banking, Investment Bank and Head Office. A reconciliation to the corresponding statutory Group measures are provided on pages 197 and 198 of the 2014 20-F;
- Constant currency results in Africa Banking are calculated by converting ZAR results into GBP using the average exchange rate for the year ended 31 December 2014 for the income statement and the 31 December 2014 closing exchange rate for the balance sheet and applying those rates to the results as of and for the year ended 31 December 2013, in order to eliminate the impact of movement in exchange rates between the two periods. See page 205 of the 2014 20-F for the corresponding statutory Group measures;

Disclaimer (continued)

- Liquidity Coverage Ratio (LCR) is calculated according to the Commission Delegated Regulation of October 2014 that supplements Regulation (EU) 575/2013 (CRDIV) published by the European Commission in June 2013. The metric is a ratio that is not yet fully implemented in local regulations and, as such, represents a non-IFRS measure
- Net Stable Funding Ratio (NSFR) is calculated according to the definition and methodology detailed in the standard provided by the Basel Committee on Banking Supervision. The original guidelines released in December 2010 ('Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring', December 2010) were revised for in January 2014 ('Basel III: The Net Stable Funding Ratio', January 2014). The metric is a regulatory ratio that is not yet finalised in local regulations and, as such, represent a non-IFRS measure. This definition and the methodology used to calculate this metric is subject to further revisions ahead of the implementation date and Barclays' interpretation of this calculation may not be consistent with that of other financial institutions;
- Transitional CET1 ratio according to FSA October 2012. This measure is calculated by taking into account the statement of the Financial Services Authority, the predecessor of the Prudential Regulation Authority, on CRD IV transitional provisions in October 2012, assuming such provisions were applied as at 1 January 2014. This ratio is used as the relevant measure starting 1 January 2014 for purposes of determining whether the automatic write-down trigger (specified as a Transitional CET1 ratio according to FSA October 2012 of less than 7.00%) has occurred under the terms of the Contingent Capital Notes issued by Barclays Bank PLC on November 21, 2012 (CUSIP: 06740L8C2) and April 10, 2013 (CUSIP: 06739FHK0). Please refer to page 155 of the 2014 20-F for a reconciliation of this measure to CRD IV CET1 ratio;
- BCBS 270 leverage exposure makes certain adjustments to Total assets under IFRS in accordance with Barclays' understanding of the latest requirements that are expected to be included in the revised CRD IV text and guidance from regulators. The "Leverage" table on page 158 of the 2014 20-F shows a reconciliation of BCBS 270 leverage exposure to total assets under IFRS;
- BCBS 270 leverage ratio represents CRD IV Tier 1 capital divided by BCBS 270 leverage exposure. See the "Leverage" table on page 158 of the 2014 20-F for a reconciliation of BCBS 270 leverage exposure to Total assets under IFRS; and
- The estimate of "Proxy Total Loss Absorbing Capacity (TLAC) ratio" reflects Barclays' current understanding of how the Financial Stability Board's Consultative Document on "Adequacy of loss-absorbing capacity of global systemically important banks in resolution" may be implemented in the United Kingdom. The estimate reflects certain assumptions on the inclusion or exclusion of certain liabilities where further regulatory guidance is necessary. Evolving regulation, including the implementation of MREL beginning 1 Jan 2016 and any subsequent regulatory policy interpretations, may require a change to the current approach. As such metric is subject to further regulatory guidance and it is not yet implemented in local regulations, the estimate of this metric represents a non-IFRS measure and is presented in this document for illustrative purposes only.