

# About Barclays



## Barclays Overview

Barclays is a **transatlantic consumer, corporate and investment bank** offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in **our two home markets of the UK and the US**

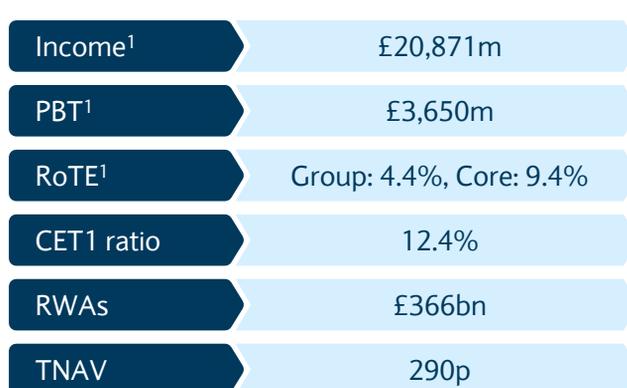
With **over 325 years** of history and expertise in banking, Barclays operates in **over 40 countries** and employs approximately **120,000 people**. Barclays moves, lends, invests and protects money for customers and clients worldwide

For further information about Barclays, please visit [home.barclays](http://home.barclays)

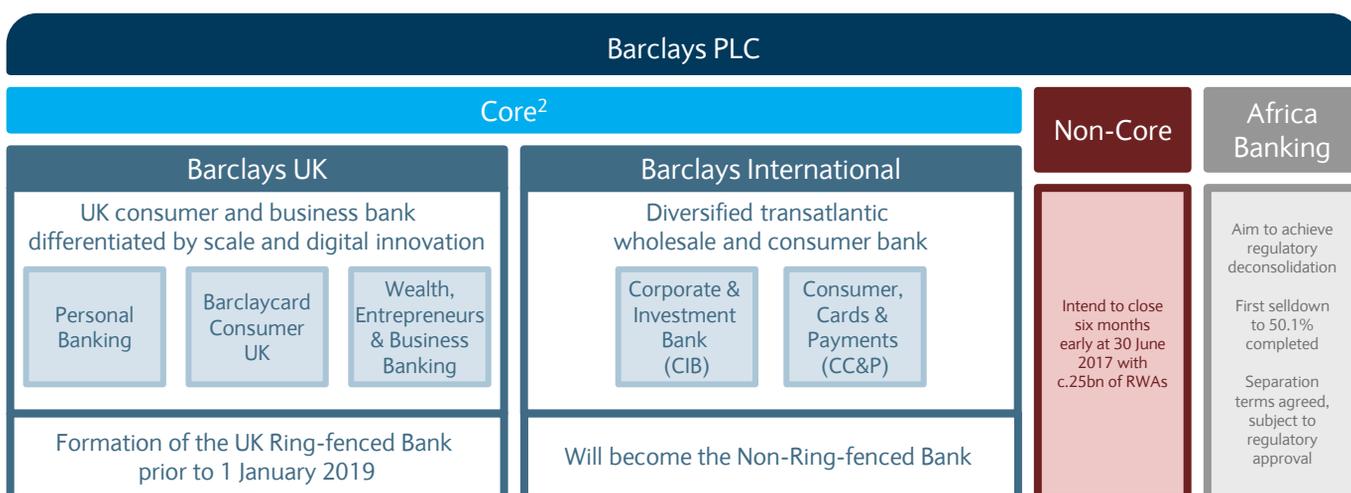
## Strategy

- Barclays has a **strong core business generating stable and attractive returns**, with excellent prospects for growth
- This strong foundation will enable us to deliver our strategy of building a **simpler, stronger and more profitable bank**
- Our two clearly defined divisions: **Barclays UK** and **Barclays International** provide **diversification** across customers and clients, products and geography, delivering **resilience and balance to the Group**
- Our aim is to **converge Group returns with strong Core returns** by **reducing the drag of our Non-Core division**, which we intend to close six months early at 30 June 2017

## Key Group financials – FY 2016



## Group Divisional Structure



## Financial targets



- 2016 demonstrated good progress in the delivery of our strategy, with diversification by customer, product and geography showing through
- Core income increased 7% to £22bn, driven by growth in Barclays International, including the benefit of FX, while Barclays UK income was stable
- Core impairment increased to £2.3bn with a loan loss rate of 58bps, including a £320m charge following a review of impairment coverage in the UK and US credit cards portfolios in Q316, balance growth and the impact of FX
- Core costs increased 6% to £13.5bn, impacted by a £390m charge from changes to 2016 compensation awards, as well as real estate restructuring charges, structural reform implementation costs and the impact of FX
- Core PBT increased 4% to £6.4bn reflecting an improved Cost: Income ratio of 61% and delivering an RoTE of 9.4%
- Barclays UK:** stable income of £7.4bn and NIM of 3.62% reflected continued pricing discipline and prudent growth in balances. Costs reduced 1%, delivering a Cost: Income ratio of 53%, while PBT decreased 5% to £2.6bn, driven by increased impairment following the UK credit cards model review
- Barclays International:** income increased 10% to £14.5bn, driven by growth in CC&P (+21%) and CIB (+6%), where both Markets and Banking performed well. Costs increased by 11% to £9.5bn, including the impact of changes to 2016 compensation awards, real estate restructuring and growth in CC&P
- Non-Core:** strong rundown momentum continued with a further £22bn RWA reduction to £32bn and a pre-tax loss of £2.8bn. Announced intention to close Non-Core six months early at 30 June 2017, with approximately £25bn of RWAs and a pre-tax loss of £1bn in 2017

Core performance excluding notable items			
Year ended (£m)	2016	2015	% change
Income	22,035	20,502	7%
Impairment	(2,251)	(1,628)	(38%)
Total operating expenses	(13,507)	(12,734)	(6%)
<b>Profit before tax</b>	<b>6,436</b>	<b>6,191</b>	<b>4%</b>

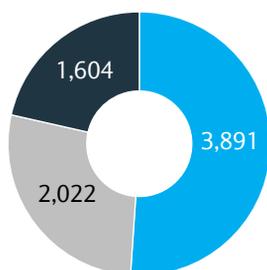
Core performance measures excluding notable items		
RoTE	9.4%	11.2%
Average allocated tangible equity	£41.3bn	£37.2bn
Cost: income ratio	61%	62%
Loan loss rate (LLR)	58bps	45bps
Basic earnings per share	23.1p	24.9p

## Divisional financials – FY 2016

### Barclays UK<sup>1</sup>

#### Income split (£m)

- Personal Banking
- Barclaycard Consumer UK
- Wealth, Entrepreneurs & Business Banking



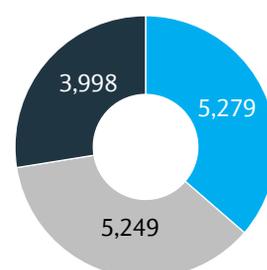
PBT: £2,587m

RoTE: 19.3%

### Barclays International<sup>1</sup>

#### Income split (£m)

- Markets
- Banking
- Consumer, Cards & Payments



PBT: £3,747m

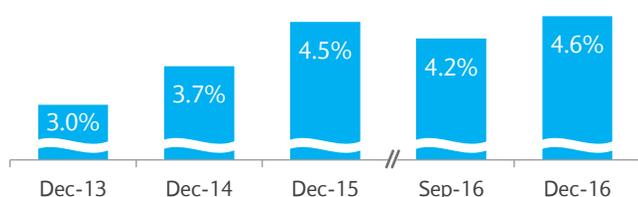
RoTE: 8.0%

## Financial strength

### CET1 ratio<sup>3</sup> progression



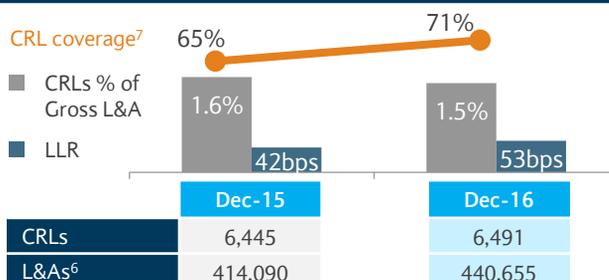
### Leverage ratio<sup>5</sup> improvement



### Robust liquidity and solid funding base

	2015	2016
Liquidity pool	£145bn	£165bn
LCR <sup>4</sup>	133%	131%
LDR (retail)	86%	83%
Wholesale funding	£142bn	£158bn

### Strong asset quality



## Credit ratings

As at 23 February 2017

	Barclays Bank PLC	Barclays PLC
S&P	A- (Negative) / A-2	BBB (Negative) / A-2
Moody's	A1 (Negative) / P-1	Baa2 (Negative) / P-3
Fitch	A (Stable) / F1	A (Stable) / F1

**Footnotes**

- <sup>1</sup> Excluding notable items
- <sup>2</sup> Core also includes Head Office
- <sup>3</sup> Based on Barclays interpretation of the final CRD IV text and latest EBA technical standards
- <sup>4</sup> LCR based on the CRD IV rules as implemented by the European Commission delegated act
- <sup>5</sup> The leverage ratio has been calculated in accordance with the requirements of CRR which was amended effective from Jan 2015. The leverage calculation uses the end-point CRR definition of Tier 1 capital for the numerator and the CRR definition of leverage exposure. This is broadly consistent with the BCBS 270 definition, which was the basis of Dec-14 comparatives. Dec-13 not comparable to the estimates as of Dec-14 onwards due to different basis of preparation
- <sup>6</sup> Loans and advances at amortised cost
- <sup>7</sup> Excluding BAGL

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This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Examples of forward-looking statements include, among others, statements or guidance regarding the Group's future financial position, income growth, assets, impairment charges, provisions, notable items, business strategy, structural reform, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the strategic cost programme and the Group Strategy Update, rundown of assets and businesses within Barclays Non-Core, sell down of the Group's interest in Barclays Africa Group Limited, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers 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, 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, future levels of notable items, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; UK, US, Africa, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; the implications of the results of the 23 June 2016 referendum in the United Kingdom and the disruption that may result in the UK and globally from the withdrawal of the United Kingdom from the European Union; the implementation of the strategic cost 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, expectations and guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in our filings with the SEC (including, without limitation, our annual report on form 20-F for the fiscal year ended 31 December 2016), which are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

Subject to our obligations under the applicable laws and regulations of the United Kingdom and the United States in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward looking statements, whether as a result of new information, future events or otherwise.