

BARCLAYS PLC
Form FWP
March 09, 2015

Barclays PLC
Fixed Income Investor Presentation
2014 Full Year Results
3 March 2015
Free Writing Prospectus
Filed Pursuant to Rule 433
Reg. Statement No. 333-195645

Financial highlights

1

Including Spain disposal |

Barclays Full Year 2014 Fixed Income Investor Presentation

2

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

Performance Overview
ASSET QUALITY
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CAPITAL &
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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%

Summary Group financials: Adjusted profits up 12%

1

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

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ASSET QUALITY

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LIQUIDITY &

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Year ended

December (£m)

2013

2014

Income

27,896

25,728

Impairment

(3,071)

(2,168)

Total operating expenses

(19,893)

(18,069)

Costs to achieve Transform (CTA)

(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

Provisions for PPI and IRH redress

(2,000)

(1,110)

Gain on US Lehman acquisition

assets

259

461

Provision for ongoing investigations

and litigation relating to Foreign

Exchange

(1,250)

Loss on announced sale of the

Spanish business

(446)

ESHLA valuation revision

(935)

Own credit and goodwill impairment

(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%

|
(£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%

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

Strengthening key financial metrics

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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
|

|
Highlights
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

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)

Costs to achieve Transform (CTA)

(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

1

BCBS

270

leverage

exposure.

All

references

to

leverage

exposure

in

this

document

is

on

this

basis

|

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|
ASSET QUALITY
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Year
ended

December

(£m)

2013

2014

Businesses

1,498

1,101

Securities and Loans

642

117

Derivatives

153

(168)

Income

2,293

1,050

Impairment

(900)

(168)

Total operating expenses

(2,845)

(2,011)

Costs to achieve Transform (CTA)

(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

Continued shrinkage and capital return in Non-Core

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|
Fully
loaded
(FL)
CRD
IV
CET1
ratio
progression
1
RWA reduction (£bn)

Good progress on CET1 ratio towards 2016 Transform target

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

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

Spain

c.16bps

2

40

42

41

CET1

Capital

(9%)

o/w

Spain

(£5bn)

2

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
|

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FUNDING

9.1%
10.2%
10.3%
>11%
Dec-13
Sep-14
Dec-14
2016
442
413
402
c.400
Dec-13
Sep-13
Dec-14
2016
Target
Guidance
+120bps

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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
RWAs: Well managed to support business growth and returns

1
Excludes
model
and
methodology
driven
movements

1
2
Includes
foreign
exchange
movements
of
£(1.5)bn.
This
does
not
include
movements
for
modelled
counterparty
risk
or
modelled
market
risk

1
1
402
1

Spain

1

1

442

2

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10

2013

Core

business

growth

(ex. IB)

BNC

run-down

IB

reduction

Net model

and

methodology

updates

Other

2014

9

5

34

11

1

3

Barclays Non-Core: Outperforming on RWA
Spain
2
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

|
Target = 80
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11
Dec-13
Disposals
Efficiencies
Maturities
and other

Dec-14
110

75
19

11
5

Dec-13
Sep-14

Dec-14
2016

Targets ³	
Operational risk and DTA	
Securities and loans	
Derivatives	
1	
Businesses	
110	
45	
9	
9	
22	
16	
31	
31	
19	
13	
5	
Revised	
Target	
75	
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RWA reduction bridge (£bn)	
RWA by type (£bn)	
81	

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 target

Robust buffers to contingent capital triggers

AT1 contingent capital: c.330bps or £13.3bn

T2
contingent
capital:
c.530bps
or
£21.5bn

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
requirements

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

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

1.8% (£7.4bn)

Legacy T1

3.5%

(£14.3bn)

T2

17%

Total capital ratio

CCCB/

Sectoral

buffers

16.5%

Total capital ratio

1.6% P2A

Pillar

2A

requirement

6

4.5%

CET1

1.7% (£6.9bn)

Legacy T1

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
|
2.5%
Capital
Conservation buffer
Max 1.5%
Internal buffer
2.0%
AT1 (incl. P2A)
2.9%
T2 (incl. P2A)
2.0%
G-SII

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10.2%

1

(£40.9bn)

CET1

1.1% (£4.3bn) AT1

Barclays FY 14

capital structure

(PRA Transitional)

Barclays'

'target' end-state

capital structure

2

3

5

4

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

Mandatory restrictions to discretionary distributions

2

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 in

1

Barclays expects to have full discretion in the allocation of permitted distributions within the MDA

To AT1

7% trigger

c.£13bn

c.£15bn

>16bn

c.£17bn

c.£18bn

To MDA

restriction

n/a

n/a

>15bn

c.£12bn

c.£9bn

c.£4-6bn

CET1 requirements

1

(as at 1 January except FY14)

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

state

3

Distributions subject to mandatory distribution restrictions

Minimum CET1 ratio

Estimated

buffers

1

(fully

loaded

CET1

ratio

vs.

AT1

7%

trigger

and

vs.

MDA

restrictions)

Sliding scale of restrictions

Pillar 2A

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

CAPITAL &
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10.6%
8.4%
7.2%
9.5%
4.0%
4.5%
4.5%
4.5%
4.5%
4.5%
1.4%
1.6%
1.6%
1.6%

1.6%
1.6%
0.6%
1.3%
1.9%
2.5%
0.5%
1.0%
1.5%
2.0%
10.3%
>11.0%
11.5-12%
0%
2%
4%
6%
8%
10%
12%
FY 14
2015
2016
2017
2018
2019
c.£18-20bn

|
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Leverage

ratio
progression
1
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

+30bps
41
45
46
T1

Capital

1
(9%)
BCBS 270
impact

1
Dec-13 not comparable to the estimates as of Jun-14 onwards due to different basis of preparation. Dec-13 estimated ratio and PRA defined deductions, and a PRA adjusted leverage exposure measure. From Jun-14 onwards, estimated ratios based on current Commission delegated act.

1
2
As
announced
on
2
January
2015

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14
Leverage ratio progression ahead of plan
Dec-13
Jun-14
Dec-14
2016
Target
3.0%

3.4%

3.7%

>4%

Dec-13

Jun-14

Sep-14

Dec-14

1.36

1.35

1.32

1.23

**CAPITAL &
LEVERAGE**

Leverage ratio up significantly to 3.7%, or 3.8% if reflecting the sale of the Spanish businesses

2

,

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

|
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FUNDING
BCBS
leverage
exposure

1
(£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

Steady progression on leverage ratio

1,353

1,324

L&A and other assets

SFTs

Undrawn commitments

Derivatives

BCBS leverage

ratio

1

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

|
1,233
CAPITAL &
LEVERAGE

Barclays Full Year 2014 Fixed Income Investor Presentation

15
3.4%
3.5%
3.7%
732
743
690
288
279
271
228
192
157
105
110
115
Jun-14
Sep-14
Dec-14

ASSET QUALITY
CREDIT RATING
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CAPITAL &
LEVERAGE
Liquidity & Funding
LIQUIDITY &
FUNDING

|
17

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

Expected
creditor
hierarchy
during
transition

1

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 rank

1

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

Transition towards a holding company capital and
funding model

Barclays Bank
PLC (OpCo)

External capital
External equity
External senior

Subscription of internal OpCo
issued equity, capital and
debt

2

1

st
OpCo Equity
2
nd
OpCo external
& intercompany
AT1
3
rd
OpCo external
& intercompany
T2
4
th
OpCo external
& intercompany
senior
unsecured debt
External OpCo
senior
External OpCo
capital
1
Based
on
Barclays
expectations
of
the
creditor
hierarchy
in
a
resolution
scenario;
assumes
internal
subordination
not
imposed
during
transition
1
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

I

Barclays Full Year 2014 Fixed Income Investor Presentation

LIQUIDITY &

FUNDING

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LEVERAGE

Barclays PLC

(HoldCo)

When required to qualify as TLAC

3

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

|
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Balance sheet

2014	
2013	
As at 31 December	
Notes	
£m	
£m	
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	
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

33,692

30,742

37,096

31,142

Barclays PLC Parent Company Balance Sheet

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.

Barclays PLC Parent company accounts

LIQUIDITY &

FUNDING

Barclays Full Year 2014 Fixed Income Investor Presentation

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Total liabilities and shareholders' equity

Total shareholders' equity

Shareholders' equity

|
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19

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

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
Barclays PLC (HoldCo)

4
Barclays Bank PLC (OpCo)
7
PRA transitional Tier 2 regulatory capital
14
Barclays PLC (HoldCo)
1
Barclays Bank PLC (OpCo)
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%
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
I
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.

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Balance sheet is conservatively funded

20

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.

Derivative assets and liabilities matched

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

|
**LIQUIDITY &
FUNDING**

Barclays Full Year 2014 Fixed Income Investor Presentation

Derivatives, 438

Reverse repo, 132

Matched
funding

£709bn

Trading portfolio assets, 37

Other
matched
assets¹,

102

Other

assets³,

135

Customer loans & advances, 311

Liquidity pool, 149

100%

Group

LDR

2

Customer deposits, 332

Other
liabilities,

31

4

>1 year wholesale funds, 96

<1 year wholesale funds, 75

Other

matched
liabilities¹,
102
Trading portfolio liabilities, 45
Repo, 124
Derivatives, 438
Total assets
Total Liabilities and Equity
Balance sheet structure -
£1.3tn (excluding BAGL), 31 Dec 14
Equity, 61

|
High quality liquidity pool (£bn)
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

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

Estimated

CRD IV/Basel 3 liquidity ratios

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

127

150

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

|

Barclays Full Year 2014 Fixed Income Investor Presentation

21

85

43

37

46

62

85

19

22

27

2012

2013

2014

Cash & Deposits at Central Banks
Government Bonds

Other Available Liquidity

149

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CAPITAL &

LIQUIDITY &

1

|
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22

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

Key Messages

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%

Wholesale funding by product (as at 31 December 2014)

By

remaining

maturity

1

:

WAM

net

of

liquidity

pool

105

months

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)

|

2

1

2

LIQUIDITY &
FUNDING

Barclays Full Year 2014 Fixed Income Investor Presentation

10%

16%

3%

13%

26%

13%

12%

7%

Deposits from banks

CDs and CPs

ABCPs

Public benchmark MTNs

Privateley place MTNs

Covered bonds / ABS

Suborindated liabilities

Other

10%

14%

8%

8%

4%

8%

21%

27%

1 month
> 1 mth but <
3 mths
> 3 mths but
6 mths
> 6 mths but
9 mths
> 9 mths but
12 mths
> 1 year but
2 years
> 2 years but
> 5 years

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

<
<
<
<
>
<
1
5 years
1

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
<

Asset quality
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|
Continued strong asset quality
|
Africa Banking impairment was down 14% on a constant currency basis |

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

Barclays Full Year 2014 Fixed Income Investor Presentation

24

2,171

2,000

FY13

FY14

8%

Impairment charge (£m)

Highlights

Personal and Corporate Banking

Barclaycard

Africa Banking

1

Impairment (£m)

22%

621

482

FY13

FY14

(8%)

27%

1,096

1,183

FY13

FY14

479

349

FY13

FY14

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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
Retail loan loss rate (bps)
Group impairment improved 29%, with positive trends across businesses

LLR

Annualised impairment charge

Gross loans and advances

Wholesale loan loss rate (bps)

Highlights

25

ASSET QUALITY

Barclays Full Year 2014 Fixed Income Investor Presentation

25

180

332

94

78

91

18

138

308

85

75

84

Personal &

Corporate

Banking

Africa

Banking

Barclaycard

Core

Barclays

Non-Core

Group
Dec-13
Dec-14
(3)
34
56
16
133
37
(1)
28
33
13
12
12
Investment
Bank
Personal &
Corporate
Banking
Africa Banking
Core
Barclays
Non-Core
Group
Dec-13
Dec-14

|
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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

Reduced exposure to Eurozone periphery

Exposures by geography (£bn)¹

Exposures by asset class (£bn)

59.2

53.1

43.2

59.0

52.8

Key Messages

43.2

26

1

Net on balance sheet

Barclays Full Year 2014 Fixed Income Investor Presentation

5.4

2.2

2.0

5.7

6.5

17.7

9.3

7.1

4.3

32.5

31.4

16.6

6.3

5.9

2.6

2012

2013

2014

Sovereign

Financial institutions

Corporate
Residential mortgages
Other retail lending
23.5
19.2
15.6
22.7
20.6
18.0
7.9
6.3
4.8
4.9
6.7
4.8
2012
2013
2014
Spain
Italy
Portugal
Ireland
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Managing country exposures
Passing stress tests

stressed CET1 ratios

Risk

Minimising potential headwinds

Managing sector exposures (£bn)

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

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

Total net exposure of £27m in Greece

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

1

Total on and off balance sheet |

1

1

Barclays Full Year 2014 Fixed Income Investor Presentation

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ASSET QUALITY

All other
exposure

Oil majors

Exploration

and

production

Midstream

(pipelines)

Refining

Oilfield

services

PRA stress test

EBA stress test

Barclays CET1

stressed ratio

UK Peers CET1

stressed ratio

Oil and gas

|
|
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Credit ratings

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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)

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

Key Messages

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CREDIT RATING

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|
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Rating agencies evolving approach to bank ratings

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.

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
S&P

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 clear manner during H1 15

While difficult to predict precisely, methodology changes could partially or fully offset any contemplated removal of sovereign support from some liabilities
Moody's

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

benefit from sovereign support uplift at its current level, no rating implications are expected from any action as a consequence
Fitch

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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

1

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

Key messages

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CREDIT RATING

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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 agencies

1

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

Behavioural outflows

Contractual outflows

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Summary

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

Business model

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
Capital

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

Liquidity & funding

Proactive and practical approach to managing regulatory changes

Established track record of adapting to regulatory developments.
Regulation

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

Leverage

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Delivering a structurally lower cost base

Allocating capital to growth businesses

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

Rightsizing and focusing the Investment Bank

Generating higher and more sustainable returns

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Repositioning and simplifying Barclays

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2016 Transform targets

Returns

Cost

Barclays Core

Adjusted RoE >12%

Adjusted operating expenses

<£14.5bn

Leverage

Dividend

Capital

Group

Leverage ratio >4.0%

Payout ratio 40-50%

CRD IV FL CET1 ratio >11.0%

Returns

Barclays Non-

Core

Drag on adjusted RoE <(3%)

10.9%

£15.1bn

3.8%

38%

10.5%

(4.1%)

2014

1

Including Spain disposal |

Excluding CTA. RoE 9.2% including CTA |

2016 Target

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35

2

2

1

1

2

|
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Simpler, focused and balanced structure

Barclaycard
 Personal and
 Corporate Banking
 Africa
 Banking
 Investment
 Bank
 Barclays Group
 RoE drag
 (4.1%)

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

All figures for year ended December 2014
 Barclays Full Year 2014 Fixed Income Investor Presentation
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1
 LBT £1,180m
 RWAs £75.3bn
 PBT £1,377m
 RWAs £122.4bn
 PBT £984m
 RWAs £38.5bn
 PBT £1,339m
 RWAs £39.9bn
 PBT £2,885m
 RWAs £120.2bn

Barclays Non-Core
 (BNC)

Income
 Impairment
 Operating expenses
 Profit before tax
 £24.7bn
 (£2.0bn)
 (£16.1bn)
 £6.7bn

Risk weighted assets (RWA)
 Average allocated equity
 Return on average equity (RoE)
 Return on tangible equity (RoTE)
 Adjusted results
 £327bn
 £42bn
 9.2%
 11.3%

|
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Reducing and reallocating RWAs to drive growth and returns

Investment

Bank

222

2013 post-resegmentation estimate

(£bn)

2016 guidance (£bn)

2013 pre-resegmentation (£bn)

49%

51%

Retail and

Commercial

214

RWAs

£436bn

BNC

c.115

Core IB

c.120

Core

(excl. IB)

c.200

£436bn

c.£400bn

+15%

c.55%

26%

28%

46%

Maintained

Core

(excl. IB)

c.230

Core IB

c.120

BNC

c.50

<15%

c.55%

30%

Leverage exposure

£1.4tn

£1.4tn

c.£1.1tn

1

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 regulat

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Preliminary
numbers
as
presented
at
the
Group
Strategy
Update
on
8
May
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Global credit

Right-sized macro

Foreign exchange

Rates

Cash equities

Equity derivatives

Equity prime

Credit products

Securitised products

Municipals

Fixed income secondary trading to be standard, cleared and collateralised, short term and executed on the electronic flow platform where relevant

Global equities

RWAs: c.£120bn

Leverage exposure: c.£490bn

Build

on

leading

positions

in

our

home

markets

of

the

UK

and

the

US,

where

we

are already well positioned

Exit those products with low returns under new regulatory rules

Structurally lower the cost base through infrastructure efficiencies and refining the client proposition

Improve capital efficiency of Markets businesses

DCM
Advisory
ECM
Origination led
1
CRD IV basis |
Core Investment Bank
Core Investment Bank:
Building on competitive advantages
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Markets

Exit Quadrant Assets

Most physical commodities

Certain Emerging Markets
products

Capital intensive Macro
transactions
Principal Businesses

Investments

Credit
Banking

Front-to-back efficiency driven
headcount reductions
RWAs: c.£90bn
Leverage exposure: c.£340bn
Non-Core Investment Bank
th
Preliminary
numbers
as
presented
at
the
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Update
on
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May

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Profit
before

tax
of
Core
business:
FY14
1
Retail and Corporate
Investment
Bank
Barclaycard
Personal
and
Corporate
Banking
Africa
Banking
Investment
Bank
Barclaycard
Personal
and
Corporate
Banking
Africa
Banking
1
Excluding
Head
Office
|
2
Includes
Head
Office
|
3
Costs
exclude
CTA
and
bank
levy
|
Year
ended

December
(£m)
2
2013

2014

Income

17,007

17,090

Adjusted profit before tax

4,450

5,305

Cost:

Income

ratio

58%

53%

+19%

PBT

CIR = 53%

69%

79%

Retail and Corporate

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Profit

before

tax

of

Core

business:

FY13

1

3

|
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Year

ended

December

(£m)

2013

2014

Income

8,723

8,828

Impairment

(621)

(482)

Total operating expenses

(5,910)

(5,475)

Costs to achieve Transform

(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

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%

PCB: Profits up 29%

1

2014 CIR excluding CTA was 57% |

Bank of England lending statistics (December 2014) |

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40

2

1

2

|
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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

Barclaycard: Profits up 13%

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2013

2014

Income

4,103

4,356

Impairment

(1,096)

(1,183)

Total operating expenses

(1,857)

(1,874)

Costs to achieve Transform

(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

Year ended

December (£m)

|
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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%
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)

Costs to achieve Transform

(26)

(23)

(51)

Profit before tax

1,049

873

984

Financial performance measures

Average

allocated

equity

£4.4bn

£3.9bn

Return

on

average

tangible

equity

11.3%

12.9%

Return

on

average

equity

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

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

|
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2

2

2

|
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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%)

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

Bonds

Banking strength in dual home markets with #2 position in

total

UK

fees

and

#6

in

the

US

Investment Bank: New strategy underpinning Q4

performance

Financial performance

1

Source: Dealogic |

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1

1

Group cost targets
Group cost guidance (£bn)
Core cost targets
(£bn)

1
Excludes provisions for PPI, IRHP and FX redress, goodwill impairment and CTA | ²
2016
CTA
target

of
c.£0.2bn
|
Costs to
achieve
Transform
(CTA)
£1.2bn
c.£0.7bn
£1.22bn
Revised Guidance =
£17bn
Original Guidance = £17.5bn
10%
Core cost target
2
8%

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18.7

16.9

c.16.3

FY13

FY14

FY15 Target

16.4

15.1

<14.5

FY13

FY14

FY16

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1

1

|
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Operating expenses significantly reduced
Operating

expenses
progress

excluding
CTA
(£bn)

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

Highlights

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45

18.7

16.9

16.3

0.6

0.5

0.5

0.2

0.1

Core operating expenses (£bn)

Core operating costs

Highlights

Personal and Corporate

Banking

Barclaycard

Africa Banking

1

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
8%

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

3%

8%

9%

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FY13

FY14

Staff costs

Other operating costs

Costs to achieve Transform

17.0

16.1

5.46

5.00

FY13

FY14

1.79

1.73

FY13

FY14

2.45

2.25

FY13

FY14

6.17

5.63

FY13

FY14

10.4

9.6

6.0

5.5

0.7

1.0

8%

excl. CTA

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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

Investment

Bank

Compensation

actions

Investment Bank: Downward trend in compensation

charge

Investment

Bank

operating

expenses

(£m)

Role based pay

3,978

3,620

Down

c.£160m

Deferred bonuses

brought forward

Other

compensation

costs

6,598

CTA

1

Bank levy

Compensation

Non-

compensation

2

Down

9%

1

Excludes

compensation

related

CTA

of

£37m

1

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
|

1
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47
7%
Other
costs
8%
ex-
CTA
3,045
2,566
c.200
933
854
c.700
FY13
FY14
FY15E
3
2,194
2,050
3,978
3,620
190
337

6,225
236
218
FY13
FY14

|
ASSET QUALITY
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Core income
growth in NII

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
 liabilities
 2
 (£bn)

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

Net interest margin
 2
 (bps)

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

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

NII
for
these
businesses

2
grew
4%,
reflecting
an
increase
in
customer
assets

and

NIM

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48

402

408

FY13

FY14

273

280

317

334

FY13

FY14

Customer assets

Customer liabilities

1

Includes

Head

Office

income

|

2

For

Personal

and

Corporate

Banking,

Barclaycard

and

Africa Banking

|

|
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Wholesale
funding

composition

as

at

December

2014

1

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.

1
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
|

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APPENDIX

Barclays Full Year 2014 Fixed Income Investor Presentation

|
ASSET QUALITY
CREDIT RATING
PERFORMANCE
OVERVIEW
LIQUIDITY &
FUNDING
CAPITAL &
LEVERAGE

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
 Total
 1
 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 resp

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APPENDIX

Barclays Full Year 2014 Fixed Income Investor Presentation

|
ASSET QUALITY
CREDIT RATING
PERFORMANCE
OVERVIEW
LIQUIDITY &
FUNDING
CAPITAL &
LEVERAGE

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

bail-in power

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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

Barclays Full Year 2014 Fixed Income Investor Presentation
APPENDIX

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:

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

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)

Considerations for Bondholders

Overview

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Richard Caven

+44 (0)20 7116 2809

richard.caven@barclays.com

Website:

barclays.com/barclays-investor-relations.html

Contact

Debt Investor Relations Team

Sofia Lonnqvist

+44 (0)20 7116 5716

sofia.lonnqvist@barclays.com

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Important Notice

The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation or the solicitation of any offer to buy any securities or financial instruments or any advice or recommendation with respect to such securities or 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 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 objectives with respect to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of performance and actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements are based on the current expectations of management that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "may", "will", "anticipate", "target", "projected", "expect", "estimate", "intend", "plan", "goal", "believe", "achieve" or other words and phrases. Forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairments, liabilities, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projections for the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the

Group Strategy Update, run-down of assets and businesses within Barclays Non-Core, estimates of capital expenditures and pl operations, projected employee numbers and other statements that are not historical fact. By their nature, forward-looking state uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the develop interpretations under International Financial Reporting Standards (IFRS), evolving practices with regard to the interpretation and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of co and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors in following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the C current and future periods; UK, US, Africa, Eurozone and global macroeconomic and business conditions; the effects of contin market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit marke valuation of issued securities; volatility in capital markets; changes in credit ratings of the Group; the potential for one or more Eurozone; the impact of EU and US sanctions on Russia; the implementation of the Transform Programme; and the success of disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, and expectations set for looking statements. Additional risks and factors are identified in our filings with the SEC, including our Annual Report on Form 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 ha in the light of new information or future events. Except as required by the Prudential Regulation Authority, the Financial Cond Stock Exchange plc (the LSE) or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any forward-looking statements contained herein to reflect any change in Barclays' expectations with regard thereto or any ch circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barcl 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

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Disclaimer (continued)
Barclays Full Year 2014 Fixed Income Investor Presentation

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Barclays has filed a registration statement (including a prospectus) and has filed, or will file, a prospectus supplement with the
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
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
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 performance is monitored by Barclays management. However, any non-IFRS measures in this document are not a substitute for what 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
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

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

Adjusted profit after tax represents profit after tax excluding the post-tax impact of own credit; provisions for PPI and interest

gain on US Lehman acquisition assets; provision for ongoing investigations and litigation relating to Foreign Exchange; loss on

Spanish business; ESHLA valuation revision and goodwill impairment. A reconciliation to IFRS is presented on page 198 of the

Adjusted attributable profit represents adjusted profit after tax less profit attributable to non-controlling interests. The compar

attributable profit;

Adjusted income and adjusted total income net of insurance claims represents total income net of insurance claims excluding the

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 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; ESHLA valuation revision. The comparable IFRS measure is cost: income ratio, which represents operating expenses to income ratio excluding 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 average equity, excluding non-controlling interests. The comparable IFRS measure is return on average shareholders' 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 Global 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 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;

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Liquidity Coverage Ratio (LCR) is calculated according to the Commission Delegated Regulation of October 2014 that supplements Regulation (EU) No 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 European Central Bank on Banking Supervision. The original guidelines released in December 2010 (Basel III: International Framework for Liquidity Standards and Monitoring, December 2010) were revised for in January 2014 (Basel III: The Net Stable Funding Ratio, January 2014). This is a regulatory ratio that is not yet finalised in local regulations and, as such, represents 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.

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 Prudential Regulation Authority, the predecessor of the Prudential Regulation Authority, on CRD IV transitional provisions in October 2012, assuming applied as at 1 January 2014. This ratio is used as the relevant measure starting 1 January 2014 for purposes of determining whether a 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: 06740L8C3). 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 requirements that are expected to be included in the revised CRD IV text and guidance from regulators. The Leverage table in 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 in 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 applied 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 guidance may require a change to the current approach. As such metric is subject to further regulatory guidance and it is not yet implemented in all jurisdictions, the estimate of this metric represents a non-IFRS measure and is presented in this document for illustrative purposes.