Barclays PLC
Fixed Income Investor Presentation
H1 2015 Interim Management Statement

29 July 2015

Continued good progress in H1

- Increased Group adjusted pre-tax profits by 11%, with Core up 10%
- Positive cost to income jaws: Group adjusted costs of £8.3bn, down 7%
- Core business continued to perform well: PBT of £4.2bn and RoE of 11.1%
- Further progress on Non-Core: £2.7bn of capital released and RWAs reduced to £57bn
- Building capital: CET1 ratio increased to 11.1% and leverage ratio increased to 4.1%
- Continued progress on resolving legacy litigation and conduct matters

Accelerating delivery of shareholder value

1 Strategy – focus on what we are good at and where we are good at it

- Focus on 3 major core markets – UK, US and South Africa
  - With appropriate international network
- Take advantage of increased synergies and cross selling between businesses
- Accelerate Non-Core run-down
- Build on strong Investment Bank performance to generate sustainable economic returns
- Continue to progress our UK and US structural reform plans
- Emphasise digital innovation and legacy platform improvements to drive efficiency and customer penetration

2 Value Creation

- Increase revenue growth to at least market growth
- Reallocate capital to the core
- Reallocate costs from unproductive activities
- Resolve remaining conduct issues
- New Non-Core guidance of c.£20bn RWAs in 2017, when we expect to re-integrate
- A high and progressive dividend needs to make up a significant portion of annual shareholder return over time
  - Prudent to hold dividend at 6.5p for 2015
- Committed to other 2016 targets, and over time will:
  - Continue to improve CET1 ratio to end-state
  - Bring down our cost to income ratio into the mid '50s
  - Generate a return on equity above the cost of equity

3 High performance ethic with strong values and customer focus

- Evaluate the balance between customers and clients, staff, community and shareholders
- Build a customer led culture
- More external and less internal focused
- Streamline processes and increase individual accountability
- Decentralise activities back into the businesses
- Accelerate the work on culture and values

Performance Overview

Summary Group financials: H1 adjusted PBT up 11%

	Six months ended – June (£m)	2014	2015	% change
	Income	13,332	12,982	(3%)
	Impairment	(1,086)	(973)	10%
	Total operating expenses	(8,877)	(8,262)	7%
	– *Costs to achieve (CTA)*	*(494)*	*(316)*	*36%*
	– *Litigation and conduct*	*(211)*	*(134)*	*36%*
	Adjusted profit before tax	**3,349**	**3,729**	**11%**
	Tax	(1,109)	(1,077)	3%
	NCI and other equity interests	(480)	(497)	(4%)
	Adjusted attributable profit	**1,760**	**2,155**	**22%**
Adjustments	– *Own credit*	*52*	*410*	
Adjustments	– *Gain on US Lehman acquisition assets*	–	*496*	
Adjustments	– *Gain on valuation of a component of the defined retirement benefit liability*	–	*429*	
Adjustments	– *Provisions for ongoing investigations and litigation primarily relating to Foreign Exchange*	–	*(800)*	
Adjustments	– *Provisions for UK customer redress*	*(900)*	*(1,032)*	
Adjustments	– *Loss on sale of Spanish business*	–	*(118)*	
	Statutory profit before tax	**2,501**	**3,114**	**25%**
	Statutory attributable profit	**1,126**	**1,611**	**43%**
	Basic earnings per share[1]	10.9p	13.1p	
	Return on average shareholders' equity[1]	6.5%	7.7%	
	Dividend per share	2.0p	2.0p	

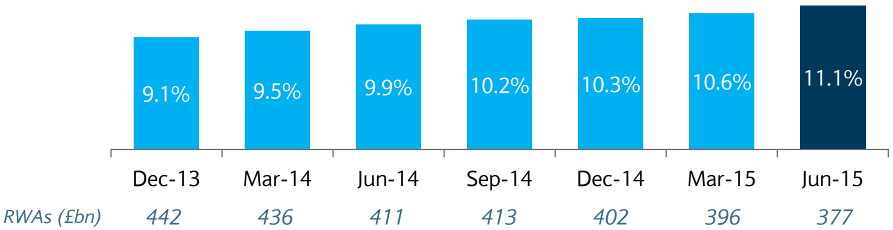
H1 financial performance[2]

- Group PBT increased 11% to £3.7bn reflecting improvements in all Core operating businesses
- Income decreased 3% to £13.0bn due to Non-Core run-down
  - Core income increased 2%, primarily driven by Barclaycard
- Impairment improved 10% to £1.0bn; loan loss rate reduced 5bps to 40bps
- Costs fell by 7% to £8.3bn primarily driven by savings from strategic cost programmes, especially in Non-Core and the Investment Bank
  - CTA and litigation and conduct charges also reduced
  - Excluding CTA, total Group cost base was £7.9bn
- Attributable profit was £2.2bn, resulting in RoE of 7.7% and EPS of 13.1p
  - Core RoE was 11.1%, with dilution on Group RoE from Non-Core of 3.4%
- Further provision of £850m for UK customer redress made in Q215
  - £600m for PPI and £250m for Packaged Bank Accounts
- Gain of £496m recognised in Q215 on the Lehman settlement
- Statutory PBT increased 25% to £3.1bn, after conduct provisions and other adjusting items
- Dividend of 1p declared for Q215
  - 6.5p dividend planned for FY15, flat on FY14

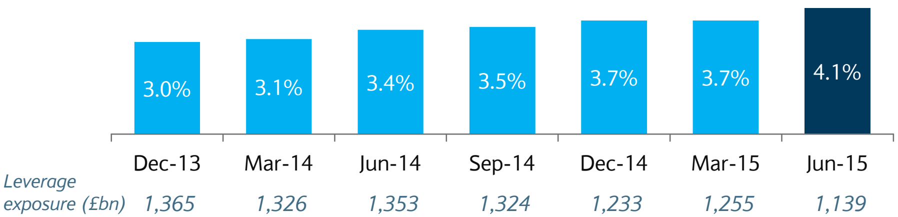
[1] EPS and RoE calculations are based on adjusted attributable profit, also taking into account tax credits on AT1 coupons | [2] Adjusted metrics unless stated otherwise |

Strengthening key financial metrics

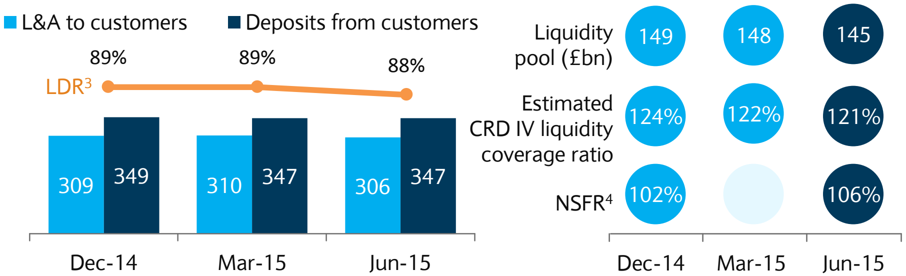
Fully Loaded CET1 ratio[1]



Leverage ratio[2]



Liquidity and funding



Highlights

- Progressive strengthening of key balance sheet metrics
- RWAs reduced to £377bn, improving the CET1 ratio to 11.1%
- Leverage exposure decreased by £116bn to £1,139bn (Mar 2015: £1,255bn), driving an increase in the leverage ratio to 4.1%
- Liquidity position remains robust with liquidity pool of £145bn and LCR of 121%
- Funding profile remains conservative and well diversified
- Overall funding requirements expected to reduce further as Non-Core is run down
- Continued proactive transition in Q2 towards holding company capital and funding model:
  - Raised $1bn of senior unsecured debt at Barclays PLC which was used to subscribe for senior unsecured debt at Barclays Bank PLC
- In H1 15, we issued £6bn of term debt, of which £5bn was public. This includes $4bn of senior unsecured debt issued by Barclays PLC, a £1bn covered bond from Barclays Bank PLC, and $1bn from the Dryrock programme in Delaware

[1] Based on Barclays interpretation of the final CRD IV text and latest EBA technical standards | [2] Jun-15 and Mar-15 based on end-point CRR definition of Tier 1 capital for the numerator and the CRR definition of leverage exposure as adopted by the European Union delegated act. This is broadly consistent with the BCBS 270 definition, which was the basis of Jun-14, Sep-14 and Dec-14 comparatives. Dec-13 and Mar-14 not comparable to the estimates as of Jun-14 onwards due to different basis of preparation: estimated ratio and T1 capital based on PRA leverage ratio calculated as fully loaded CRD IV T1 capital adjusted for certain PRA defined deductions, and a PRA adjusted leverage exposure measure. | [3] Loan: deposit ratio for PCB, Barclaycard, Africa Banking and Non-Core retail | [4] NSFR based on the final guidelines published by the BCBS in October 2014. NSFR disclosed semi-annually

Q2 Core performance: Positive jaws and PBT up 6%

Three months ended (£m)	Jun-14	Jun-15	% change
Income	6,397	6,520	2%
Impairment	(456)	(488)	(7%)
Total operating expenses	(3,975)	(3,888)	2%
– *Costs to achieve*	*(237)*	*(184)*	*22%*
– *Litigation and conduct*	*(136)*	*(41)*	*70%*
Profit before tax	1,993	2,105	6%
Attributable profit	1,171	1,273	9%
Financial performance measures			
Average allocated equity	£41.6bn	£46.7bn	
Return on average tangible equity	13.8%	13.3%	
Return on average equity	11.3%	11.0%	
Cost:income ratio	62%	60%	
Basic EPS contribution	7.2p	7.7p	
	Jun-14	Jun-15	
CRD IV RWAs	£324bn	£320bn	
Leverage exposure	£971bn	£973bn	

Financial performance

- PBT increased 6% to £2.1bn driven by particularly strong performance in the Investment Bank
  - Investment Bank PBT increased 35%
  - PCB PBT increased 10%[1]
  - Barclaycard PBT increased 8%
  - Africa Banking PBT remained broadly in line
- Income rose 2% to £6.5bn driven by strong growth in Barclaycard and steady income across the other businesses
- Impairment increased 7% driven by volume growth
  - Remains low relative to historical levels, reflecting the improved UK economic environment
- Total costs reduced 2% to £3.9bn reflecting reduced litigation and conduct charges, lower CTA and savings from strategic cost programmes
  - Remain focused on delivery of 2016 target
- Attributable profit was £1.3bn with EPS contribution of 7.7p
- RoE was 11.0% on a significantly increased capital base
  - Average allocated equity grew £5bn year-on-year to £47bn

[1] Excluding the impact of the loss on sale of the US Wealth business and US Wealth customer redress |

Non-Core: Continued shrinkage and capital recycling

Three months ended (£m)	Jun-14	Mar-15	Jun-15
– *Businesses*	*245*	*122*	*153*
– *Securities and Loans*	*66*	*(73)*	*(42)*
– *Derivatives*	*(26)*	*(39)*	*(79)*
Income	285	10	32
Impairment	(82)	(29)	*(8)*
Total operating expenses	(468)	(239)	*(282)*
– *Costs to achieve*	*(17)*	*(11)*	*(12)*
– *Litigation and conduct*	*(10)*	*(9)*	*(36)*
Loss before tax	(337)	(256)	(256)
Attributable loss	(294)	(199)	(203)
Financial performance measures			
Average allocated equity	£13.7bn	£10.3bn	£9.3bn
Period end allocated equity	£12.7bn	£9.7bn	£8.3bn
Return on average equity drag[1]	(4.9%)	(3.4%)	(3.2%)
Basic EPS contribution	(1.8p)	(1.2p)	(1.2p)
	Jun-14	Mar-15	Jun-15
CRD IV RWAs	£87.5bn	£64.8bn	£56.6bn
Leverage exposure	£382bn	£236bn	£166bn

Highlights

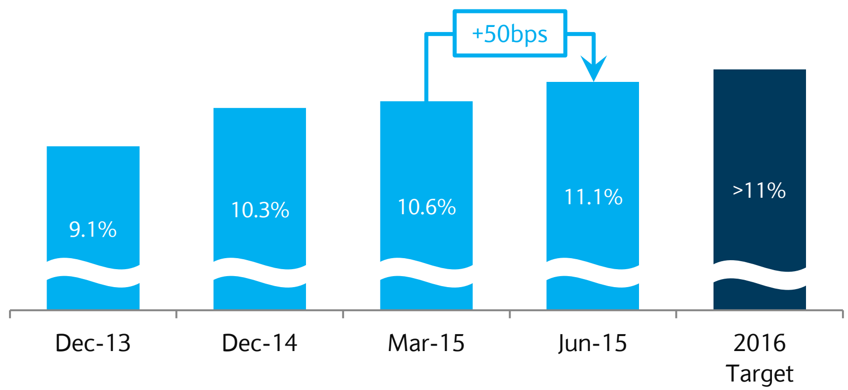
- Period end allocated equity reduced by £4.4bn year-on-year to £8.3bn, including a £1.4bn reduction in Q215
- RWAs reduced a further £8bn in the quarter, with derivative RWAs reducing £5bn and securities and loans RWAs reducing £3bn
- Income was £32m, reflecting sales of income generating assets
- Credit impairment improved to £8m, driven by the impact of the sale of the Spanish business and improved performance in Europe retail
- Costs reduced 40% year-on-year to £282m reflecting the exit of the Spanish, UAE, commodities and several principal investment businesses
- Attributable loss was £203m, but with the continued reduction in allocated equity, the Non-Core drag on Group RoE reduced to 3.2%

[1] Return on average equity and average tangible equity for Barclays Non-Core represents its impact on the Group, being the difference between Barclays Group returns and Barclays Core returns. This does not represent the return on average equity and average tangible equity of the Non-Core business |

Capital & Leverage

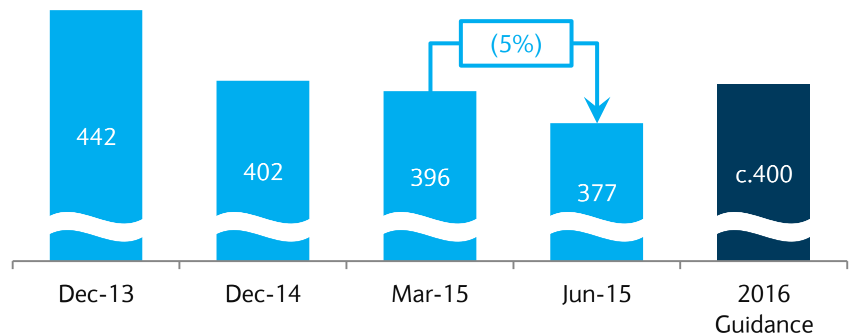
Continued strengthening of CET1 ratio

Fully loaded (FL) CRD IV CET1 ratio progression[1]



- FL CRD IV CET1 ratio grew 50bps in Q2 2015 to 11.1% (Mar 2015: 10.6%), already meeting the end 2016 target
- FL CRD IV CET1 capital increased by £0.2bn to £42.0bn in Q2, driven by £1.2bn profit for the quarter, less £900m for own credit and dividends and a net £100m reduction for reserves and regulatory adjustments
- While we expect to continue to grow our CET1 ratio over time, we expect to stay around 11% throughout the rest of 2015
- Confident that our planned trajectory positions us well to meet expected future regulatory requirements

RWA reduction (£bn)[1]

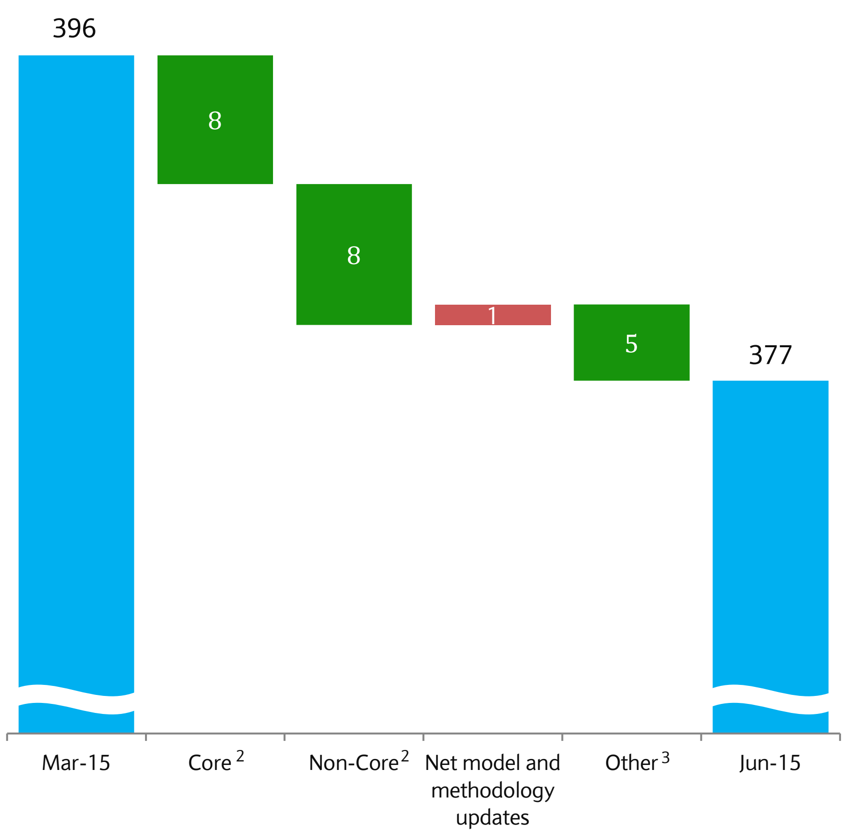


- RWAs reduced by £19bn to £377bn in Q2 (Mar 15: £396bn), mainly driven by an £8bn reduction in Non-Core to £57bn, and foreign exchange impacts (which were broadly hedged for CET1 ratio)
- The reduction in Non-Core was primarily a result of reductions in fixed income financing activities, derivatives compressions, and disposals

[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% |

RWAs: Closely managed to support business growth and capital ratio accretion

RWAs (£bn)[1]



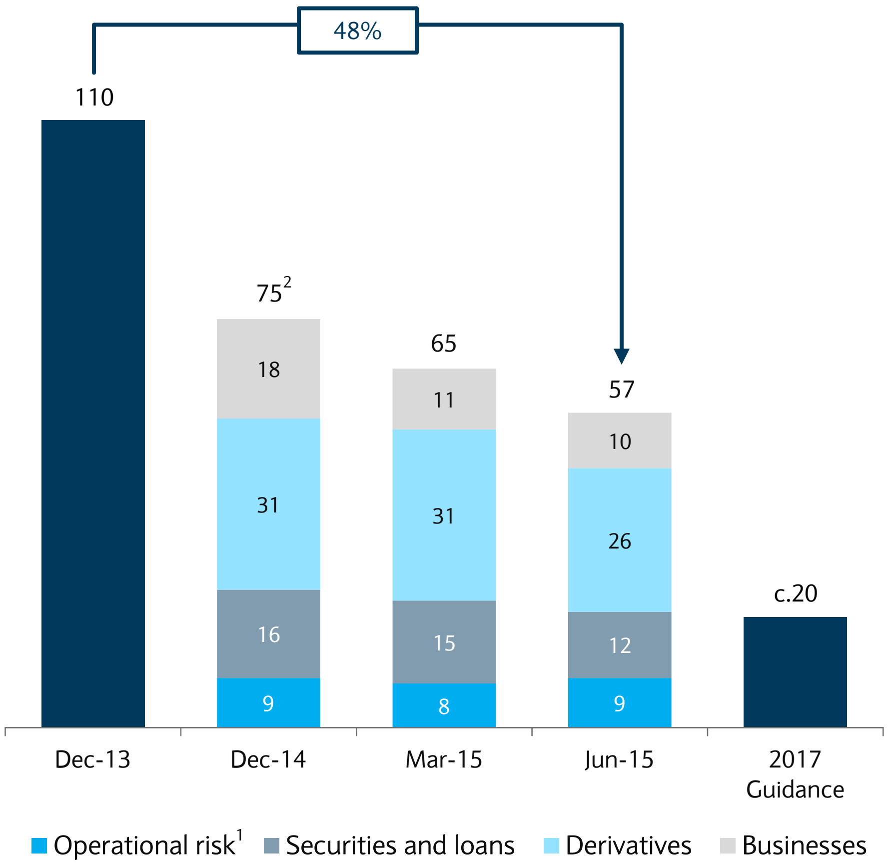
Highlights

- RWAs reduced by £19bn reflecting underlying trading book reductions in the Non-Core and Investment Bank
- In Core, the Investment bank reduction was partially offset by business growth of mortgages in PCB and in the US for Barclaycard
- Net Non-Core run-down of £8bn, reflecting the trading book reductions and also exit from Pakistan
- Model and methodology driven updates resulted in a net £1.2bn increase due to a change in policy in relation to SFTs

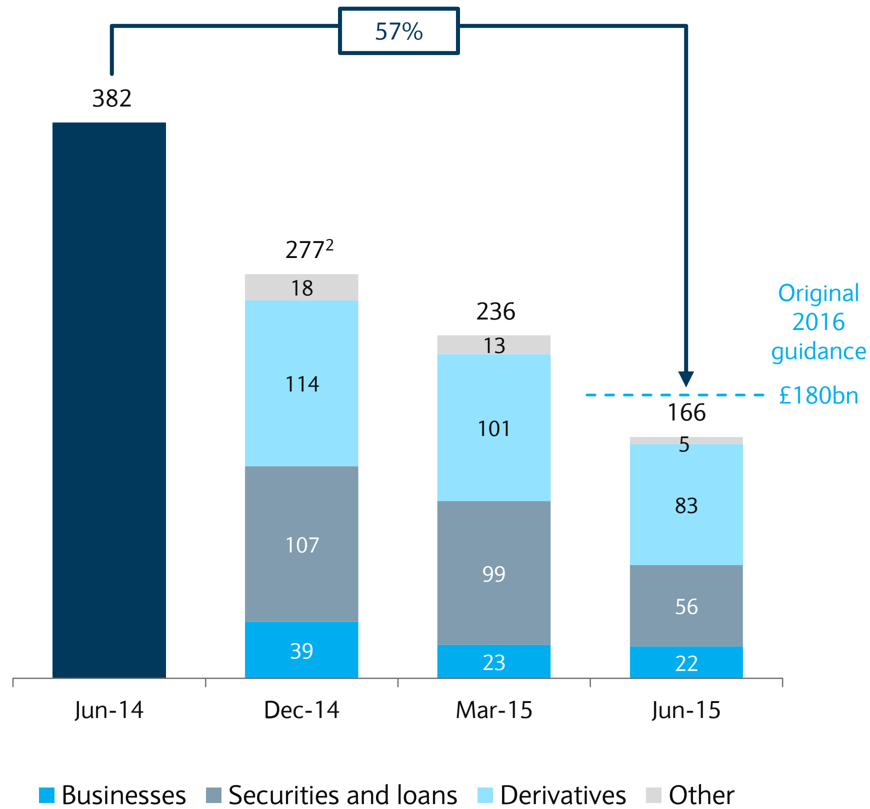
[1] Bridge items do not reconcile to start and end points due to rounding | [2] Excludes model and methodology driven movements | [3] Includes foreign exchange movements of £4.6bn. This does not include movements for modelled counterparty risk or modelled market risk |

Non-Core: Further RWA and leverage reductions

RWAs by type (£bn)



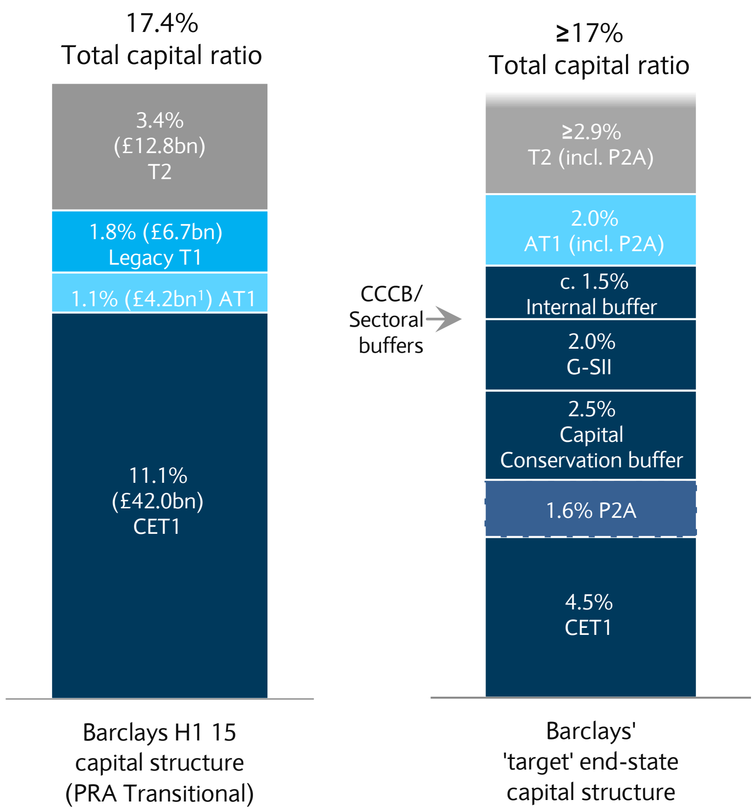
Leverage exposure by type (£bn)



[1] Operational risk plus DTAs | [2] Total reflects rounding |

Continued progress on the transition towards end-state capital structure

Evolution of capital structure



Fully loaded CRD IV capital position

- Transitional and fully loaded total capital ratios increased by 60bps to 17.4% (Mar 15: 16.8%), and 60bps to 16.2% (Mar 15: 15.6%) respectively, primarily reflecting CET1 ratio progress
- We continue to transition towards our end-state capital structure which currently assumes at least 17% of total capital
- We aim to manage our capital structure in an efficient manner:
  - Expect to build an additional 90bps of AT1 to reach 2% in end-state through balanced issuance over time
  - Quantum of Tier 2 capital in end-state to maintain a total capital ratio of at least 17% will be informed by TLAC and MREL rules, as well as relative pricing of Tier 2 and senior unsecured debt

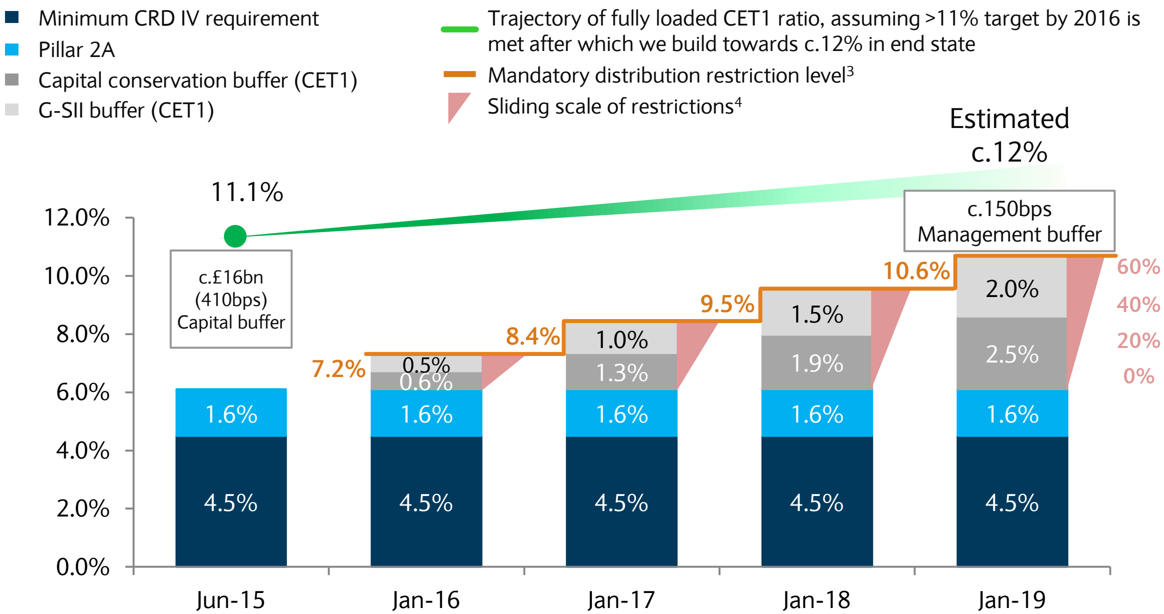
Pillar 2A requirement[2]

- 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% of total P2A requirement)
  - AT1 of 0.5% (assuming 19% of total P2A requirement)
  - T2 of 0.7% (assuming 25% of total P2A requirement)
- 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] Net of other regulatory adjustments and deductions relating to AT1s of £130m | [2] Point in time assessment made at least annually, by the PRA, to reflect idiosyncratic risks not fully captured under Pillar 1 |

Significant management focus on maintaining robust capital buffers above future mandatory distribution restrictions

CET1 requirements[1] (as at 1 January except H1)



Estimated buffers[1,2] (vs. AT1 7% trigger and 1 January MDA restrictions)

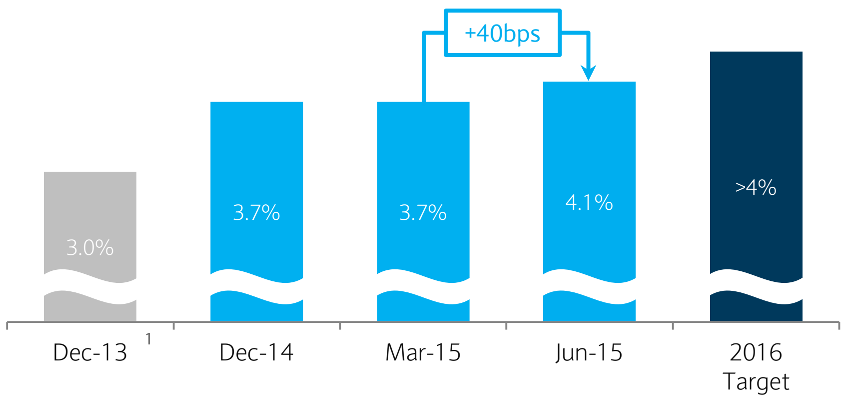
	Jun-15	Jan-16	Jan-17	Jan-18	Jan-19
To AT1 7% trigger	c.£16bn	c.£17bn	c.£18bn	c.£19bn	c.£20bn
To MDA restriction	n/a	c.£16bn	c.£13bn	c.£9bn	c.£6bn

- Maintained robust capital buffers above minimum CET1 requirements and Contingent Capital triggers:
  - AT1 securities and PRA 7% expectation: c.410bps or £16bn
  - T2 contingent capital: c.570bps or £21bn[5]
- Expect to build towards c.12% in end-state, including an internal management buffer of c.150bps above the current regulatory expectation of 10.6% in 2019[6]
- The internal management buffer is critical to guard against mandatory distribution restrictions[3], which are applicable from 1 Jan 2016 on a phased-in basis under CRD IV
- The internal management buffer, which is intended to absorb fluctuations in the CET1 ratio, is recalibrated frequently
- The 'target' end-state CET1 ratio could be revised in case of changes to minimum CET1 requirement or internal reassessment
- In addition to the internal management buffer, Barclays recovery plan actions are calibrated to take effect ahead of breaching the CBR (Combined Buffer Requirement)

[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, which cannot be assured and are subject to change, including: straight line progress towards meeting our CET1 ratio targets; constant RWAs of £400bn as per 2016 guidance from 1 Jan 2016 onwards; holding constant the P2A at 2015 level (which may not be the case as the requirement is subject to at least annual review); and CET1 resources not required to meet any shortfall to the AT1 or T2 components of the minimum capital requirement. Proposals in the FSB Consultative Document on the "Adequacy of loss-absorbing capacity of global systemically important banks in resolution", published 10 Nov 2014 not considered. While not impacting mandatory distribution restrictions, this does not take into account any potential PRA buffer expectations | [2] Buffers (except Jun-15) calculated assuming straightline CET1 growth to 1 Jan 2019 expectation | [3] CRD IV rules on mandatory distribution restrictions apply from 1 January 2016 onwards based on transitional CET1 requirements. As per CRD Art. 141, restrictions on distributions (dividends and other payments in respect of ordinary shares, payments on AT1 securities and variable compensation) would apply in case of a breach of the Combined Buffer Requirement as defined in CRD Art 128(6) | [4] Calculated as profits multiplied by an MDA factor, both as defined in CRD Art. 141. and the PRA rule book implementing CRD IV | [5] Based on the CRD IV CET1 transitional (FSA October 2012 statement) the ratio was 12.7% as at 30 June 2015 based on £47.9bn of transitional CRD IV CET1 capital and £377bn of RWAs | [6] Barclays current regulatory target is to meet a FL CRD IV CET1 ratio of 9% by 2019, plus a Pillar 2A add-on (currently 1.6%). 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

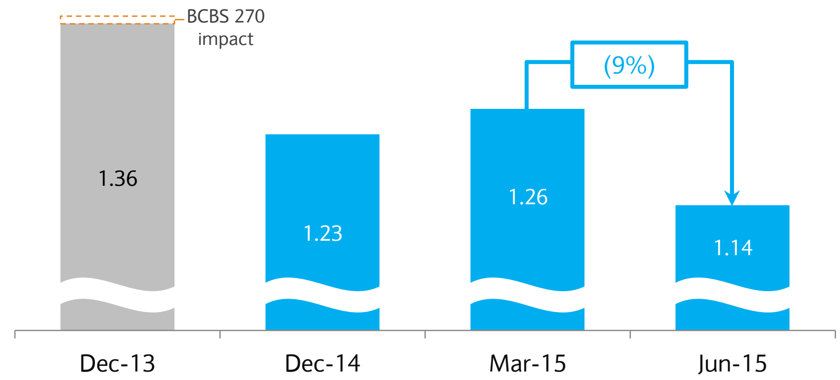
Leverage ratio strengthened further towards target

Leverage ratio progression[1]



- Leverage ratio grew by 40bps to 4.1% (Mar 2015: 3.7%), already meeting our 2016 target
- The 40bps quarterly improvement was primarily driven by a £116bn reduction in leverage exposure and fully loaded tier 1 capital growth of £0.2bn
- Leverage ratio already in excess of expected 2019 regulatory minimum requirement of 3.7%

Leverage exposure (£trn)[1]

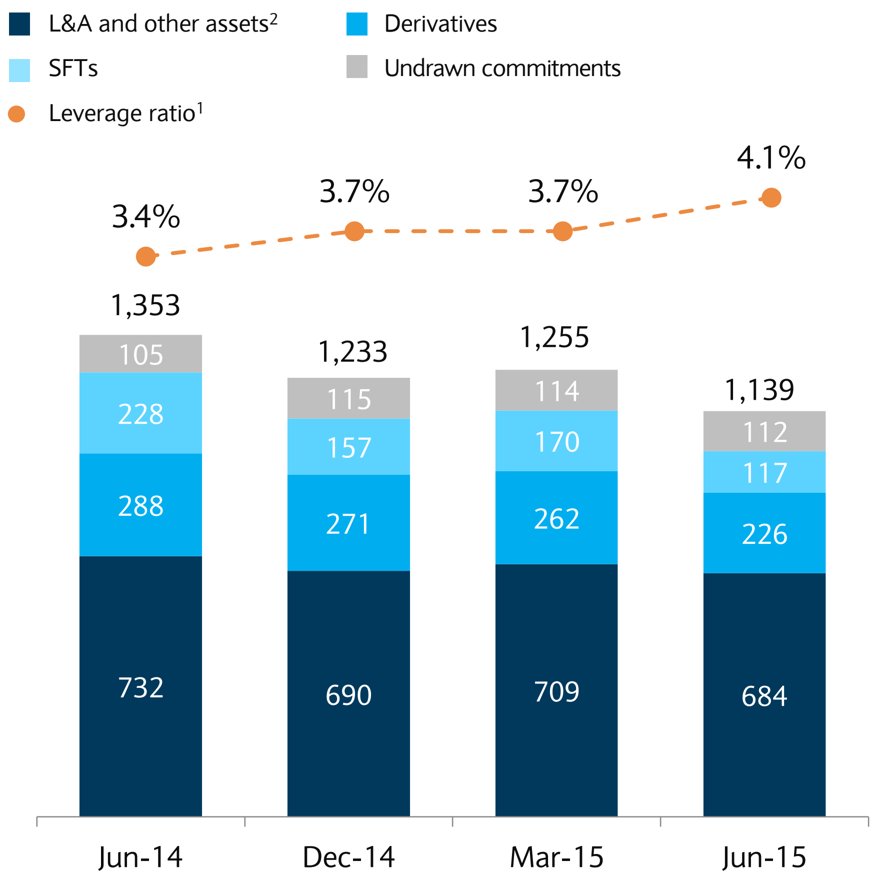


- Leverage exposure decreased by £116bn in Q2 2015, primarily driven by reductions in Barclays Non-Core
- The £70bn reduction in Barclays Non-Core was mainly a result of an accelerated reduction in fixed income financing activities and reductions in derivatives exposures
- Leverage exposure in our Core businesses decreased by £46bn to £973bn, primarily driven by reductions in derivatives exposure and trading portfolio assets due to a reduction in trading activity, portfolio optimisations and FX movements

[1] Jun-15 and Mar-15 based on fully loaded CRR definition of Tier 1 capital for the numerator and the CRR definition of leverage exposure as adopted by the relevant European Union delegated act. This is broadly consistent with the BCBS 270 definition, which was the basis of the Dec-14 comparative. Dec-13 is not comparable to the estimates as of Jun-14 onwards due to different basis of preparation: estimated ratio and T1 capital based on PRA leverage ratio calculated as fully loaded CRD IV T1 capital adjusted for certain PRA defined deductions, and a PRA adjusted leverage exposure measure. |

Leverage ratio increased to 4.1%

Leverage exposure[1] (£bn)



Highlights

- Improvement in leverage ratio driven by decrease in leverage exposure and growth in capital
- Leverage exposures during Q2 15 decreased by £116bn to £1,139bn mainly driven by decrease in leverage exposure in Non-Core, reduction in the IB and foreign exchange movements
- Leverage exposure in our Core businesses decreased by £46bn to £973bn, primarily driven by reductions in derivatives exposure and trading portfolio assets due to a reduction in trading activity, portfolio optimisation and FX movements
- Loans and advances and other assets decreased by £25bn to £684bn due to a reduction in trading portfolio assets

[1] Jun-15 and Mar-15 based on end-point CRR definition of Tier 1 capital for the numerator and the CRR definition of leverage exposure as adopted by the European Union delegated act. This is broadly consistent with the BCBS 270 definition, which was the basis of Jun-14 and Dec-14 comparatives | [2] Loans and advances and other assets net of regulatory deductions and other adjustments |

Holding company transition and structural reform

Barclays PLC parent company accounts

Barclays PLC parent company balance sheet

Balance sheet	Notes	FY 14 £m	H1 15 £m
Assets			
Investment in subsidiary		33,743	**34,303**
Loans and advances to subsidiary		2,866	**5,318**
Derivative financial instrument		313	194
Other assets		174	184
Total assets		37,096	39,999
Liabilities			
Deposits from banks		528	519
Subordinated liabilities		810	800
Debt securities in issue		2,056	4,518
Other liabilities		10	-
Total liabilities		3,404	5,837
Shareholders' equity			
Called up share capital		4,125	4,193
Share premium account		16,684	17,330
Other equity instruments		4,326	4,326
Capital redemption reserve		394	394
Retained earnings		8,163	7,919
Total shareholders' equity		33,692	34,162
Total liabilities and shareholders' equity		37,096	39,999

Notes

- Barclays PLC is the holding company of the Barclays Group
- The HoldCo's primary assets currently are its investments in, and loans and advances made to, its sole subsidiary, Barclays Bank PLC, the operating company
- As Barclays is committed to issuing most capital and term senior unsecured debt out of the HoldCo going forward, the HoldCo balance sheet is expected to increase

Notes to the parent company balance sheet

Investment in subsidiary
The investment in subsidiary of £34,303m (2014: £33,743m) represents investments made into Barclays Bank PLC, including £4,326m (2014: £4,326m) of AT1 securities

Loans and advances to subsidiary and debt securities in issue

During H1 2015, Barclays PLC issued $4bn of Fixed Rate Senior Notes, accounted for as debt securities in issue. The proceeds raised through these transactions were used to make $4bn of Fixed Rate Senior Loans to Barclays Bank PLC, with a ranking corresponding to the notes issued by Barclays PLC

Refinancing out of Holding Company supports achieving future Total Loss Absorbing Capacity (TLAC)[1] requirements

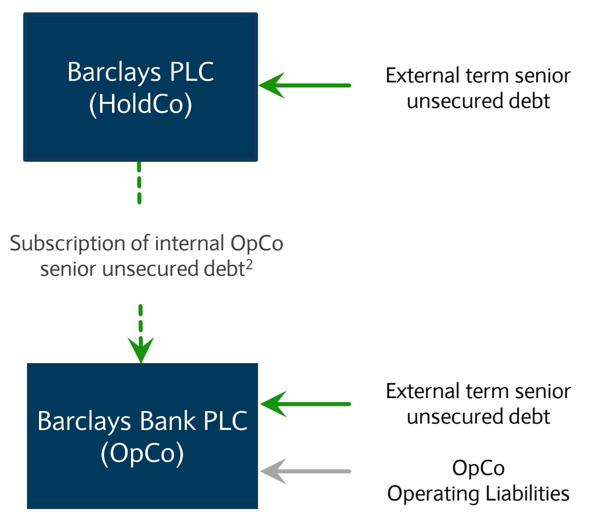
(£bn)	Jun-15
PRA transitional Common Equity Tier 1 capital	**42**
PRA transitional Additional Tier 1 regulatory capital	**11**
Barclays PLC (HoldCo)	*4*
Barclays Bank PLC (OpCo)	*7*
PRA transitional Tier 2 regulatory capital	**13**
Barclays PLC (HoldCo)	*1*
Barclays Bank PLC (OpCo)	*12*
PRA transitional total regulatory capital	**66**
Barclays PLC (HoldCo) vanilla term senior unsecured debt[2]	**5**
Barclays Bank PLC (OpCo) vanilla term senior unsecured debt[3]	**22**
Total term vanilla senior unsecured debt	**93**
RWAs	377
Leverage exposure	1,139
Proxy risk-weighted TLAC ratio	**~ 25%**
Proxy leverage based TLAC ratio	**~ 8%**

- Proactive transition towards a HoldCo funding and capital model positions us well to meet potential future TLAC requirements
- While requirements remain to be set, Barclays' current expectation is a multi-year conformance period
- Expect TLAC conformance to be achieved primarily through refinancing OpCo term senior unsecured debt out of the HoldCo
- Based on Barclays current interpretation of TLAC requirements, our proxy TLAC ratio is 25%[4] assuming that all Barclays Bank PLC vanilla term senior unsecured debt is refinanced from HoldCo and in the future, subordinated to OpCo operating liabilities
  - Around half of our OpCo vanilla term senior unsecured debt matures before 2019[5] and could therefore be refinanced at HoldCo
  - Further flexibility to meet future requirements through partially refinancing our £33bn of OpCo structured notes into vanilla HoldCo senior unsecured term debt
- We 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 by end state TLAC requirements
- The future TLAC-ratio should further benefit from CET1 capital growth and further debt 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
- Further clarity on MREL requirements expected from the Bank of England in Q315 and final rules on TLAC from the FSB in Q415

[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", published 10 November 2014, 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 term senior unsecured debt assumed to qualify for consolidated TLAC purposes | [3] Comprise all outstanding Barclays Bank PLC issued public and private vanilla term senior unsecured debt, regardless of residual maturity. This excludes £33bn 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 on a fully phased in basis. | [5] Please see maturity profile of outstanding OpCo term senior unsecured debt on slide 48

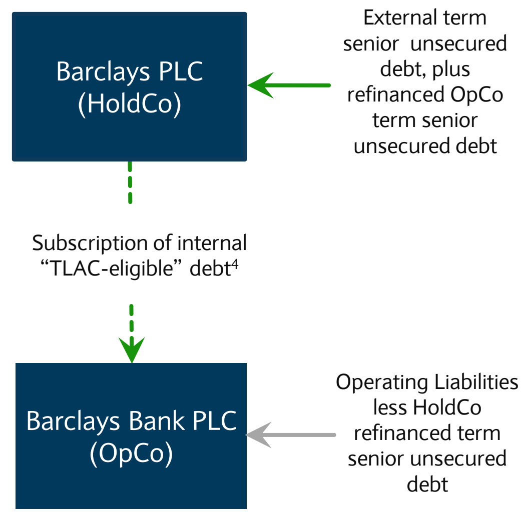
Managing the risk profile of Holding Company term senior unsecured debt today and in end-state

Managing HoldCo term senior debt credit profile in transition[1]

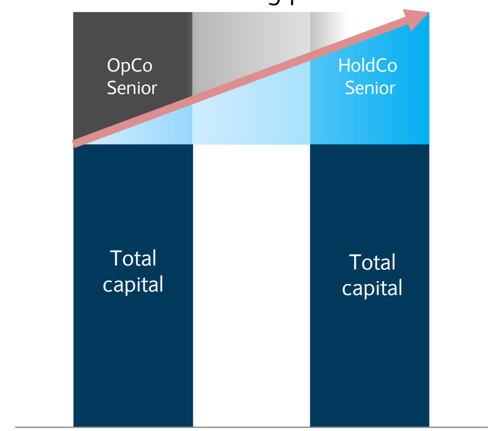


- We are currently using senior proceeds raised by Barclays PLC to subscribe for senior unsecured debt in Barclays Bank PLC
- In a resolution scenario today, this should result in *pari passu* treatment between internally and externally issued OpCo senior unsecured debt[1]
- Senior HoldCo investors should also be supported by OpCo capital and subordinated debt in current state

Delivering robust credit profile for HoldCo term senior unsecured investors in end-state[3]



Refinancing profile



Barclays Proxy TLAC ratio evolution[4]

- As we transition towards a HoldCo capital and term funding model, quantum of HoldCo term senior unsecured debt increases materially over time while outstanding OpCo term senior unsecured debt materially reduces
- If HoldCo term senior unsecured debt proceeds are used to subscribe for TLAC-eligible debt in an OpCo in end-state, the structural subordination that would arise for HoldCo creditors should be mitigated by the increasing balance of term senior unsecured debt at the HoldCo and commensurate reducing balance of term senior unsecured debt at the OpCo

[1] Barclays' expectations of the creditor hierarchy in a resolution scenario; assumes internal subordination not imposed during transition | [2] HoldCo investments can be viewed in Barclays PLC parent company balance sheet, on slide 18 | [3] Assumes that most or all of the term non-structured senior unsecured funding currently outstanding at Barclays Bank PLC has been refinanced out of Barclays PLC | [4] Barclays' Proxy TLAC ratio as illustrated on slide 19 reflecting Barclays' interpretation of the FSB Consultative Document on "Adequacy of loss-absorbing capacity of global systemically important banks in resolution", published 10 November 2014, 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

Progressing with plans for structural reform

Evolving group structure

Barclays PLC

UK ring-fenced bank

- Newly established material UK bank
- Barclays' provider of retail and corporate products to UK customers
- Substantial presence in the UK market with over 16 million customers

Barclays Bank PLC & international entities

- Existing banking entities
- International diversified business model, including international retail products, investment banking and corporate products
- Will include Barclays Bank PLC, Barclays Africa and US IHC

- Key strategic priority throughout Barclays Group
- Continuous dialogue with key regulators to evolve plans
- Maintaining financial robustness of all parts of the group critical in our planning
- Does not signify a change to capital allocation strategy
- We expect to be able to share more detail on our plans towards year end subject to our ongoing discussions with regulators

Implications for bondholders

Barclays PLC (HoldCo)

- Progressive issuer of AT1 and Tier 2 capital
- Expect material increase in term senior unsecured funding over time as Barclays Bank PLC term senior unsecured debt is refinanced out of the HoldCo
- Diversification post structural reform retained at Barclays PLC

Barclays Bank PLC and other current and future operating subsidiaries

- Capital and term senior unsecured funding needs expected to be met largely through internal TLAC
- Secured funding to be issued out of the operating subsidiary holding the relevant assets
- Barclays Bank PLC will continue to issue short-term wholesale funding (e.g. CDs, CPs and ABCPs)

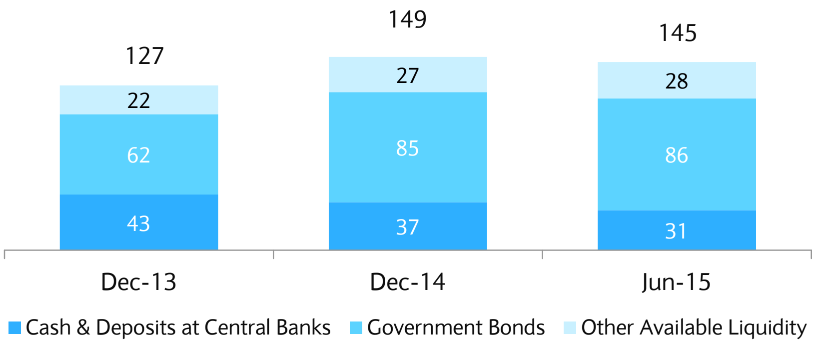
Areas of uncertainty

- Location of issuance of structured notes dependant on final rules around TLAC-eligibility
- Potential for some external issuance of capital and term senior unsecured debt in local markets to meet local funding and regulatory requirements

Liquidity & Funding

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

High quality liquidity pool (£bn)



Estimated CRD IV/Basel 3 liquidity ratios

Metric	Dec-14	Jun-15	Expected 100% requirement date
LCR[1]	124%	121%	1 January 2018
Surplus	*£30bn*	*£26bn*	
NSFR[2]	102%	106%	1 January 2018

Surplus to 30-day Barclays-specific LRA

	Dec-14	Jun-15
LRA	124%	119%
Surplus	*£29bn*	*£23bn*

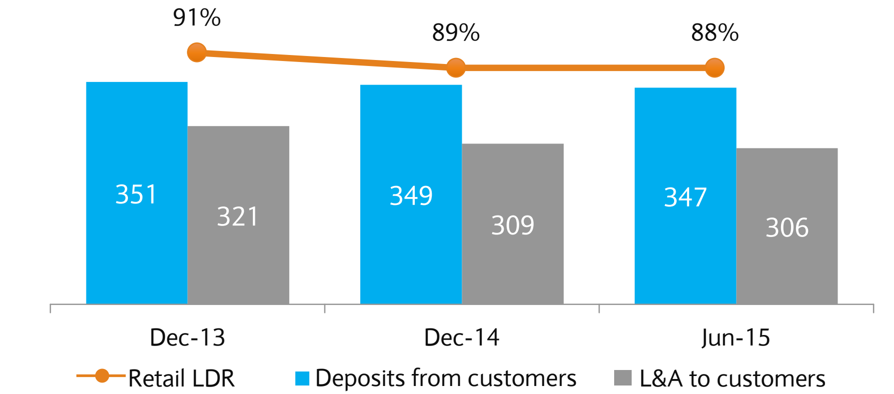
Key messages

- Stable liquidity position with the Group liquidity pool at £145bn, providing a surplus to internal and external minimum requirements
- Quality of the pool remains high:
  - 80% held in cash, deposits with central banks and high quality government bonds
  - 93% 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 2.1x that of wholesale debt maturing in less than a year

[1] LCR estimated based on the EU delegated act | [2] Estimated based on the final BCBS rules published in October 2014 |

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

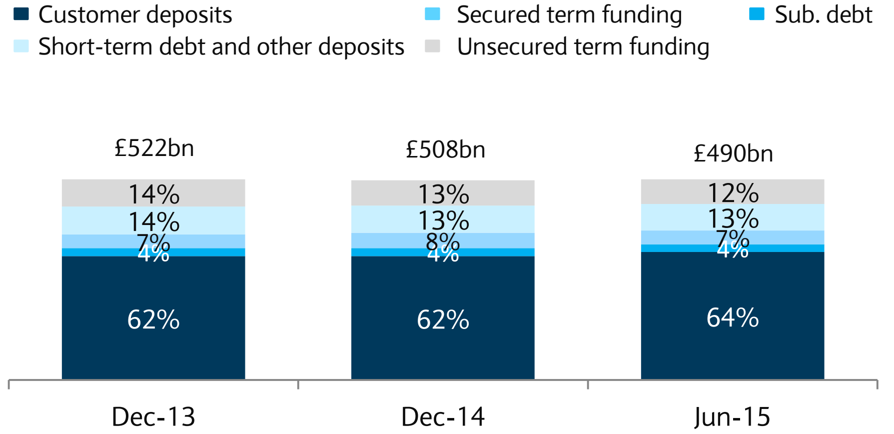
Broadly self-funded retail businesses[1] (£bn)



Key messages

- Group Loan to Deposit Ratio (LDR) and the LDR for PCB, Barclaycard and Africa Banking at 98% and 88% respectively[1]
- Excess customer deposits in PCB, Barclaycard and Africa Banking predominantly used to fund the liquidity buffer requirements for these businesses, making them broadly self funded
- Overall funding requirements for the Group reducing as Non-Core assets are run down

Total funding



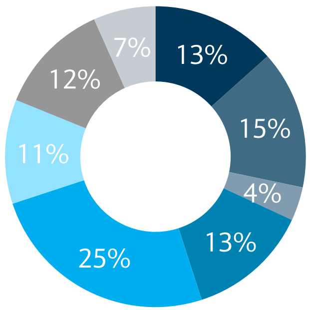
2015 Funding Plan

- We guided to issuance of a gross amount of £10-15bn in 2015 across public and private senior unsecured, secured and subordinated debt. This is materially below term maturities of £23bn in 2015, of which £9bn remaining this year
- In H1 15, we issued £6bn publicly against this plan, including $4bn of senior unsecured debt from the HoldCo in three transactions, a £1bn covered bond from Barclays Bank PLC, and two tranches of $500m US cards securitisation from Barclays Bank Delaware
- We intend to maintain access to diverse sources of wholesale funding, through different products, currencies, maturities and channels
- We expect to be a measured issuer of AT1 securities over the next few years

[1] LDR for PCB, Barclaycard, Africa Banking and Non-Core retail |

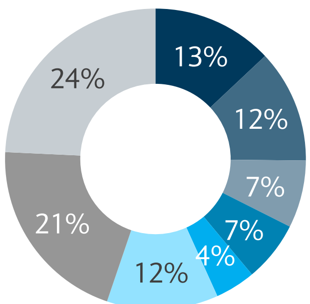
Continue to access diverse wholesale funding sources across multiple products, currencies and maturities

Wholesale funding by product



- Depostis from banks
- CDs and CPs
- ABCPs
- Public benchmark MTNs
- Privately placed MTNs
- Covered bonds / ABS
- Suborindated liabilities[1]
- Other[2]

By remaining maturity[1]: WAM net of liquidity pool ≥120 months



- ≤ 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[1]
- > 5 years[2]

By currency[1]	USD	EUR	GBP	Others
As at 30 June 2015	39%	31%	17%	13%
As at 31 December 2014	35%	32%	25%	8%

Key messages

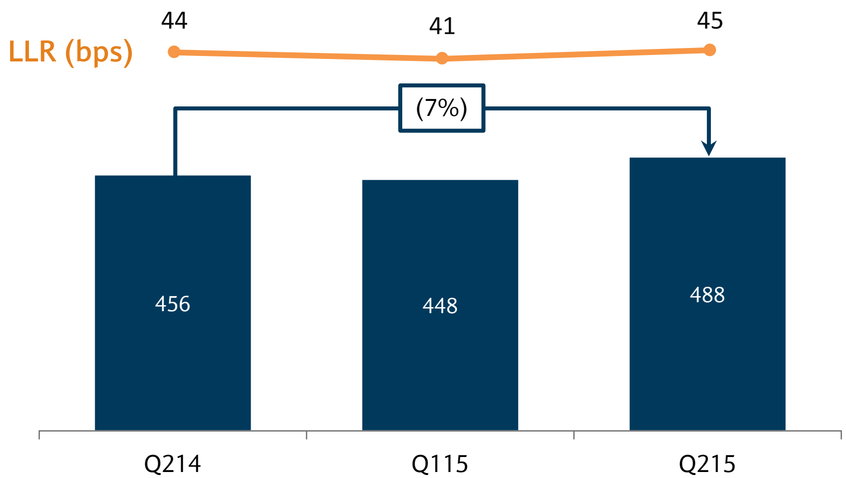
- Overall funding requirements for the Group reducing as we de-lever the balance sheet. Total wholesale funding (excluding repurchase agreements) decreased in H1 15 to £157bn, by £14bn from 31 December 2014
  - £68bn matures in less than one year, while £20bn matures within one month (31 December 2014: £75bn and £17bn respectively)
- £6bn of term funding (net of early redemptions) issued in 2015. Activity includes:
  - $4bn public benchmark senior unsecured debt issued by Barclays PLC
  - £1bn of Covered bonds issued by Barclays Bank PLC
- We have £23bn of term funding maturing in 2015 (£9bn remaining for July to December) and £13bn maturing in 2016
- We expect to issue a gross amount of £10-15bn in 2015 across public and private senior unsecured, secured and subordinated debt and to maintain a stable and diverse funding base by type, currency and distribution channel

[1] Given different accounting treatments, AT1 capital is not included in outstanding subordinated liabilities, while T2 contingent capital notes are included | [2] Primarily comprised of fair valued deposits (£5bn) and secured financing of physical gold (£4bn) |

Asset quality

Continued strong Core asset quality

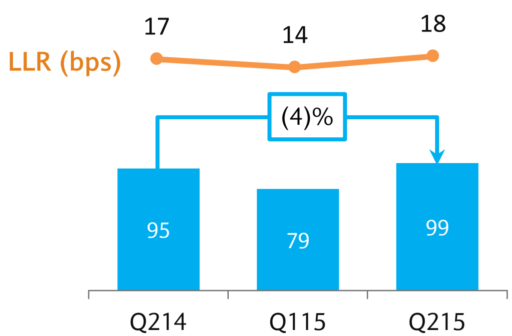
Impairment charge (£m)



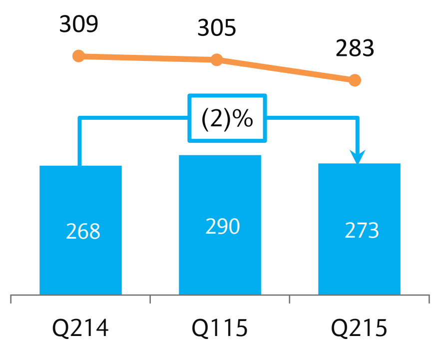
Highlights

- Impairment increased 7% year-on-year to £488m
  - LLR remained broadly flat at 45bps reflecting stable retail performance and a lack of any notable single name charges in wholesale
- PCB impairment increased 4%, though remains at relatively low levels due to the improving UK economic environment, with LLR of 18bps
- Barclaycard impairment increased 2%, accompanied by loans and advances growth of 11%. LLR reduced 26bps to 283bps
- Africa Banking impairment increased 3% reflecting wholesale impairments in CIB, partially offset by lower impairment in RBB

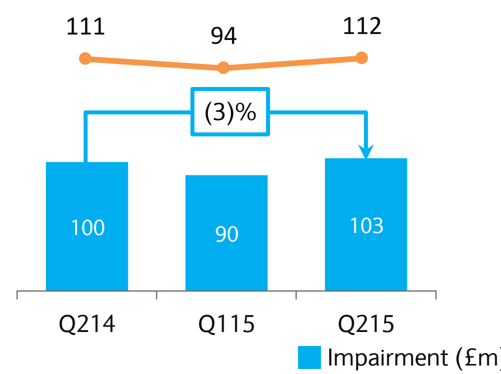
PCB



Barclaycard

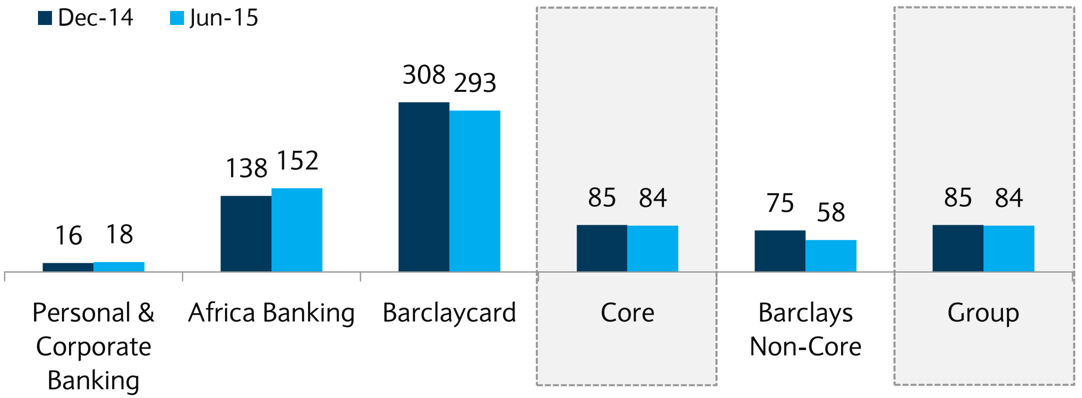


Africa Banking

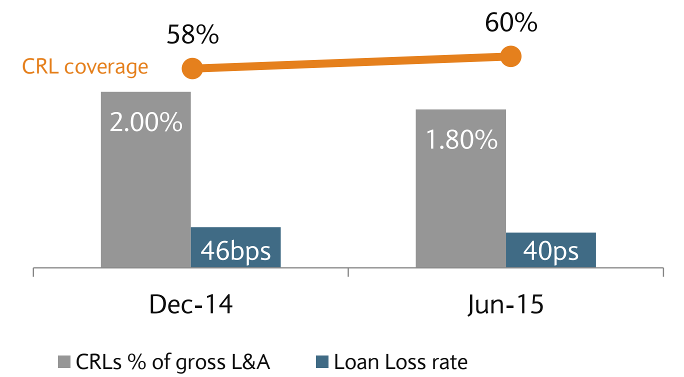


Group impairment below long-term trends

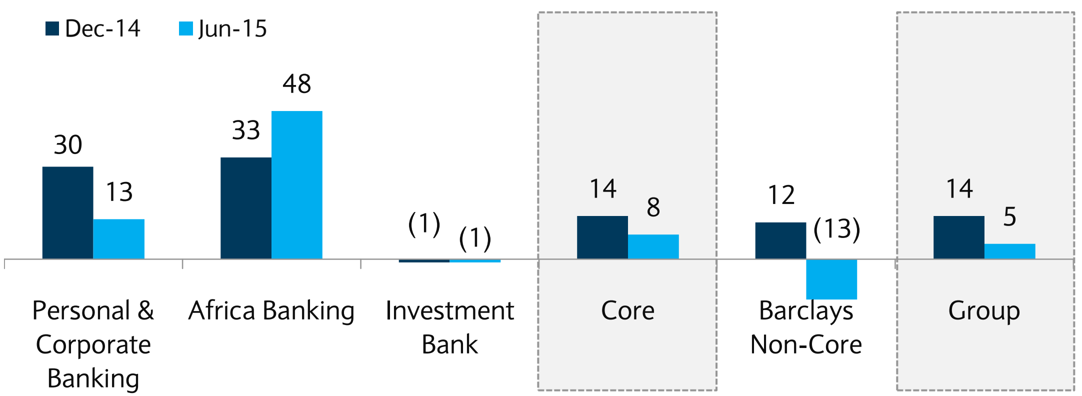
Retail loan loss rate (LLR) (bps)



Increasing Group Credit Risk Loans (CRLs) coverage and stable LLR



Wholesale loan loss rate (LLR) (bps)

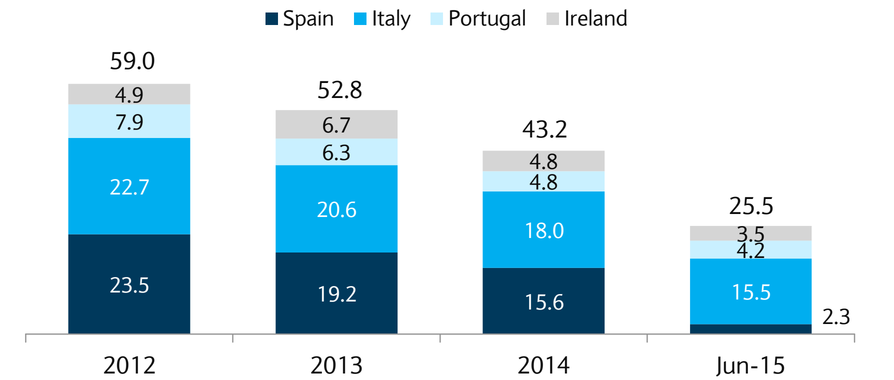


Definitions

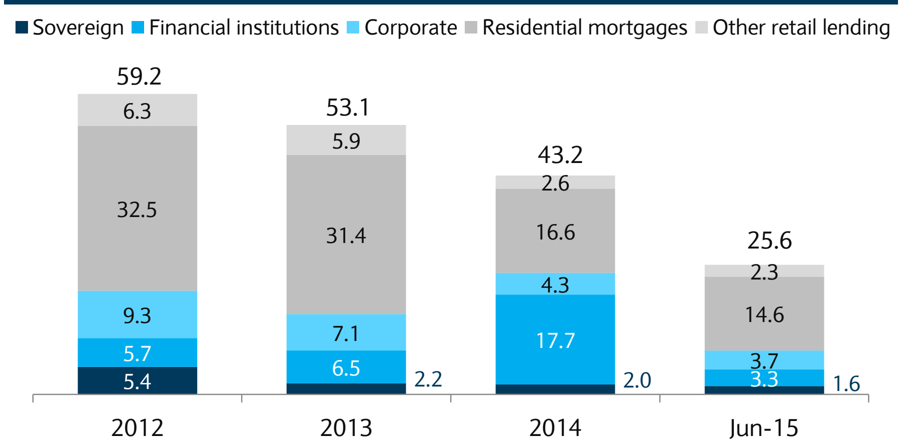
- A loan becomes a CRL when evidence of deterioration has been observed. A loan may be reported in one of three categories: impaired loans, accruing past due 90 days or more, impaired or restructured loans. These may include loans which, while impaired, are still performing but have associated individual impairment allowances raised against them
- LLR is the impairment charge (annualised) as a proportion of gross loans and advances

Reduced exposure to Eurozone periphery

Exposures by geography (£bn)[1]



Exposures by asset class (£bn)



[1] Net on balance sheet |

Key Messages

- The vast majority of the exposures to Spain have been disposed of as of 2 January 2015
- Exposure to Spain, Italy, Portugal and Ireland reduced further, down 41% to £25.6bn in June 2015 in line with Non-Core strategy
- Total net exposure to Greece is £35m (2014: £27m)
- Local net funding mismatches decreased
  - Portugal: €1.7bn funding gap (2014: €1.9bn)
  - Italy: €4.8bn funding gap (2014: €9.9bn)
- We continue to explore options to exit our other European retail and corporate exposures or materially reduce the capital they consume

Credit ratings

Recent industry-wide credit rating agency (CRA) actions reflect evolving bank resolution frameworks

Ratings[1]	S&P	Moody's	Fitch
Standalone rating	bbb+	Baa2	a
Barclays PLC (B PLC - HoldCo)			
Senior long-term	BBB / Stable	Baa3 / Stable	A / Stable
Senior short-term	A-2	P-3	F1
Tier 2	BB+	Baa3	A-
AT1	B+	n/a	BB+
Barclays Bank PLC (BB PLC - OpCo)			
Senior long-term	A- / Stable	A2 / Stable	A / Stable
Senior short-term	A-2	P-1	F1
T2 CoCos	BB+	-	BBB-
UT2	BB+	Ba1	BBB
LT2	BBB-	Baa3/Ba1	A-
Tier 1	BB	Ba1/Ba2	BBB-/BB+
Rating action YTD 2015 – Industry wide	• Actions taken on certain UK, German, Austrian and Swiss non-operating holding companies and operating companies following reassessment of government support and review of "Additional Loss Absorbing Capacity" (ALAC)	• Bank rating actions globally following implementation of new bank rating methodology and reassessment of the likelihood of sovereign support	• Actions taken on banks in the EU, global systemically important banks in the US and Switzerland, and on banks in Hong Kong on 19 May 2015
Rating action YTD 2015 – Barclays specific	**B PLC:** • **3 Feb 2015:** long-term senior rating downgraded by two notches to BBB due to removal of government support • **9 June 2015:** AT1 securities upgraded by one notch to B+ **BB PLC:** • **9 June 2015:** senior long- and short-term ratings downgraded by one notch to A-/A-2 due to removal of government support, partially offset by ALAC	**B PLC:** • **28 May 2015:** long-term senior rating downgraded by three notches to Baa3 and short-term by one notch to P-3 due to removal of sovereign support • **28 May 2015:** subordinate ratings upgraded by one notch to Baa3 due to application of "loss given failure" analysis **BB PLC:** • **17 Mar 2015:** senior ratings affirmed and outlook changed to Stable	**B PLC and BB PLC:** • **19 May 2015:** long- and short-term senior ratings affirmed as Barclays standalone credit rating was rated at the previous Sovereign Support Floor and therefore did not benefit from sovereign support uplift

- Barclays carries a stable outlook with S&P, Moody's and Fitch
- Recent industry-wide CRA announcements were driven by evolving resolution frameworks which involved:
  - The reassessment of the likelihood of sovereign support for senior creditors resulting in downward pressure on senior credit ratings
  - Rating methodology updates and changes to reflect cushion of junior debt that would absorb losses ahead of senior bank creditors that partially or fully offset sovereign support notch removal
- There was no impact on Barclays' standalone credit ratings
- Action on bank HoldCos more punitive:
  - No uplift for loss absorbing capacity provided to senior creditors to offset sovereign support notch removal, and/or
  - Expected increase in thickness of the senior layer which will benefit LGD over time not taken into account
- As implementation of bank resolution frameworks are progressing at different paces across jurisdictions, timelines for CRA action differ

[1] Definitions of securities classes for comparison purposes and not necessarily in line with the respective CRA's own definitions |

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

Contractual credit rating downgrade exposure		
Total cumulative cash outflow (£bn)	One-notch	Two-notch
Securitisation derivatives	2	3
Contingent liabilities	2	2
Derivatives margining	0	0
Liquidity facilities	1	2
Total	5	7

Key Messages

- Barclays now has a stable outlook with all credit rating agencies
- Total contractual credit rating downgrade exposure reduced by £9bn from £16bn at December 2014, prior to the S&P rating downgrade
- 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 of Barclays Bank PLC across all credit rating agencies[1]

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

Summary[1]

Strategy driving simpler, focused and balanced Group structure	• Diversified international bank focused on delivering more sustainable and improved returns • Focused on high growth businesses where we have competitive advantage, eliminating marginal or declining businesses
Core businesses performing well	• Core businesses delivered adjusted Return on Equity (RoE) of 11.1% • On track to deliver a reduction in costs to <£14.5bn in 2016
Capital and leverage ratios continue to improve	• Solid CET1 ratio of 11.1% and good track record of managing RWAs as we run-down Barclays Non-Core (BNC) and reinvest in core businesses • Leverage ratio of 4.1%. Additional planned reductions in leverage exposure mainly through reductions in BNC
Robust liquidity position and well diversified funding profile	• Robust liquidity position with 121% Liquidity Coverage Ratio (LCR) • Diversified funding base, combining customer deposits and wholesale funding, in multiple currencies, formats and tenors
Regulation	• Progressing plans on structural reform • Proactive and practical approach to managing regulatory changes • Established track record of adapting to regulatory developments

[1] Figures as at Jun-15 unless otherwise stated

Appendix

PCB: PBT up 10% excluding impact of US Wealth[1]

Three months ended (£m)	Jun-14	Jun-15	% change
– *Personal*	*1,027*	*1,005*	*(2%)*
– *Corporate*	*889*	*970*	*9%*
– *Wealth*	*272*	*235*	*(14%)*
Income	2,188	2,210	1%
Impairment	(95)	(99)	(4%)
Total operating expenses	(1,314)	(1,352)	(3%)
– *Costs to achieve*	*(58)*	*(97)*	*(67%)*
– *Litigation and conduct*	*(9)*	*(23)*	*(156%)*
Profit before tax[2]	780	709	(9%)
Attributable profit	559	500	(11%)

Financial performance measures		
Average allocated equity	£17.2bn	£18.1bn
Return on average tangible equity	17.5%	14.9%
Return on average equity	13.1%	11.2%
Cost:income ratio	60%	61%
Loan loss rate	17bps	18bps
Net interest margin	2.93%	2.99%

	Jun-14	Jun-15
Loans and advances to customers	£216.7bn	£217.5bn
Customer deposits	£298.3bn	£298.5bn
CRD IV RWAs	£117.9bn	£120.6bn

Impact of the US Wealth business[1] – Three months ended (£m)	Jun-15	Illustrative Jun-15	Illustrative % change
Income	(12)	2,222	2%
Total operating expenses	(83)	(1,269)	3%
– *Costs to achieve*	*(56)*	*(41)*	*29%*
– *Litigation and conduct*	*(20)*	*(3)*	*67%*
Other net (expenses)/income	(55)	5	n/a
Profit before tax	(150)	859	10%
Cost:income ratio		57%	

Financial performance

- PCB results were impacted by £150m of charges relating to the announced disposal of the US Wealth business and customer redress in the US
  - Excluding £12m of charges to income, £83m to operating expenses and £55m loss on sale, PBT would have increased 10%
- Excluding the impact of US Wealth[1], total income increased 2%
  - Personal income reduced 2% driven by mortgage margin pressure from existing customer rate switching and a reduction in fee income, partially offset by balance growth and improved savings margins
  - Corporate income increased 9% due to balance growth in both lending and deposits and improved deposit margins, partially offset by reduced margins in the lending business
- Impairment increased 4% due to loan growth
- Costs fell 3% excluding the impact of US Wealth[1], reflecting savings from restructuring of the branch network and technology improvements to increase automation

[1] Relates to the loss on sale of the US Wealth business and US Wealth customer redress | [2] Q215 includes (£50m) of other net expenses |

Barclaycard: Continued growth with PBT up 8%

Three months ended (£m)	Jun-14	Jun-15	% change
Income	1,082	1,222	13%
Impairment	(268)	(273)	(2%)
Total operating expenses	(443)	(527)	(19%)
– *Costs to achieve*	*(23)*	*(31)*	*(35%)*
Profit before tax	396	429	8%
Attributable profit	285	307	8%

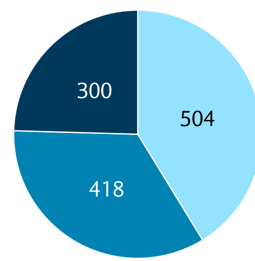
Financial performance measures		
Average allocated equity	£5.8bn	£6.3bn
Return on average tangible equity	24.7%	24.9%
Return on average equity	19.7%	19.7%
Cost:income ratio	41%	43%
Loan loss rate	309bps	283bps
Net interest margin	8.92%	9.31%

	Jun-14	Jun-15
Loans and advances to customers	£33.2bn	£36.9bn
Customer deposits	£5.9bn	£7.7bn
CRD IV RWAs	£37.7bn	£40.3bn

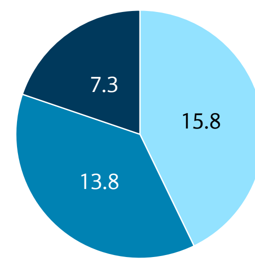
Financial performance

- PBT increased 8% resulting in an RoE of 19.7%
- Income grew 13% to £1.2bn driven by business growth and favourable FX movements in US Cards, partially offset by the impact of rate capping from European Interchange Fee Regulation
- Impairment increased 2%, while loans and advances grew 11%
  - Delinquency rates remained stable and LLR improved 26bps to 283bps
- Costs increased 19% to £527m reflecting continued investment in business growth, adverse FX movements and the impact of one-offs, including certain marketing costs and non-recurrence of VAT refund in Q214
  - Excluding these one-offs, operating expenses increased 8%

Total income (£m) – Q215



Loans and advances to customers at amortised cost (£bn) – Jun-15



UK Cards | US Cards | Other[1]

[1] Includes Barclaycard Business Solutions, Germany and Southern Europe Cards business |

Africa Banking: RoE increased to 9.7% and RoTE of 13.2%

Three months ended (£m)	Jun-14	Jun-15	% change
Income	895	910	2%
Impairment	(100)	(103)	(3%)
Total operating expenses	(553)	(564)	(2%)
– *Costs to achieve*	*(8)*	*(7)*	*13%*
Profit before tax	244	245	-
Attributable profit	78	96	23%

Financial performance measures		
Average allocated equity[2]	£3.8bn	£3.9bn
Return on average tangible equity[2]	11.3%	13.2%
Return on average equity[2]	8.1%	9.7%
Cost:income ratio	62%	62%
Loan loss rate	111bps	112bps
Net interest margin	5.83%	5.87%

	Jun-14	Jun-15
Loans and advances to customers	£33.8bn	£33.8bn
Customer deposits	£33.2bn	£34.4bn
CRD IV RWAs	£36.5bn	£36.4bn

Financial performance[1]

Based on average rates, ZAR depreciated against GBP by 4% in Q215 against Q214. Comments on business performance are based on reported results in GBP:

- PBT was broadly flat at £245m, though RoE increased to 9.7% and RoTE to 13.2% driven by a 23% increase in attributable profit
- Income increased 2%
  - Growth in Retail and Business Banking (RBB) in South Africa and in the Wealth, Investment Management and Insurance (WIMI) business
  - Corporate and Investment Banking (CIB) was impacted by lower trading performance
- Impairment increased 3% reflecting wholesale impairments in CIB and additional coverage on performing loans, partially offset by lower impairment in RBB
- Costs increased 2% reflecting inflationary pressures, resulting in higher staff costs, partially offset by the benefits of strategic cost programmes

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

Investment Bank: PBT up 35% with double digit RoE

Three months ended (£m)	Jun-14	Jun-15	% change
Banking	727	708	(3%)
Markets	1,403	1,442	3%
– *Credit*	*270*	*272*	*1%*
– *Equities*	*629*	*616*	*(2%)*
– *Macro*	*504*	*554*	*10%*
Income[1]	2,154	2,150	-
Impairment release/(charge)	7	(12)	>(100)%
Total operating expenses	(1,594)	(1,373)	14%
– *Costs to achieve*	*(152)*	*(32)*	*79%*
– *Litigation and conduct*	*(85)*	*(13)*	*85%*
Profit before tax	567	765	35%
Attributable profit	204	417	>100%

Financial performance measures		
Average allocated equity	£15.5bn	£14.8bn
Return on average tangible equity	5.6%	12.2%
Return on average equity	5.3%	11.5%
Cost:income ratio	74%	64%

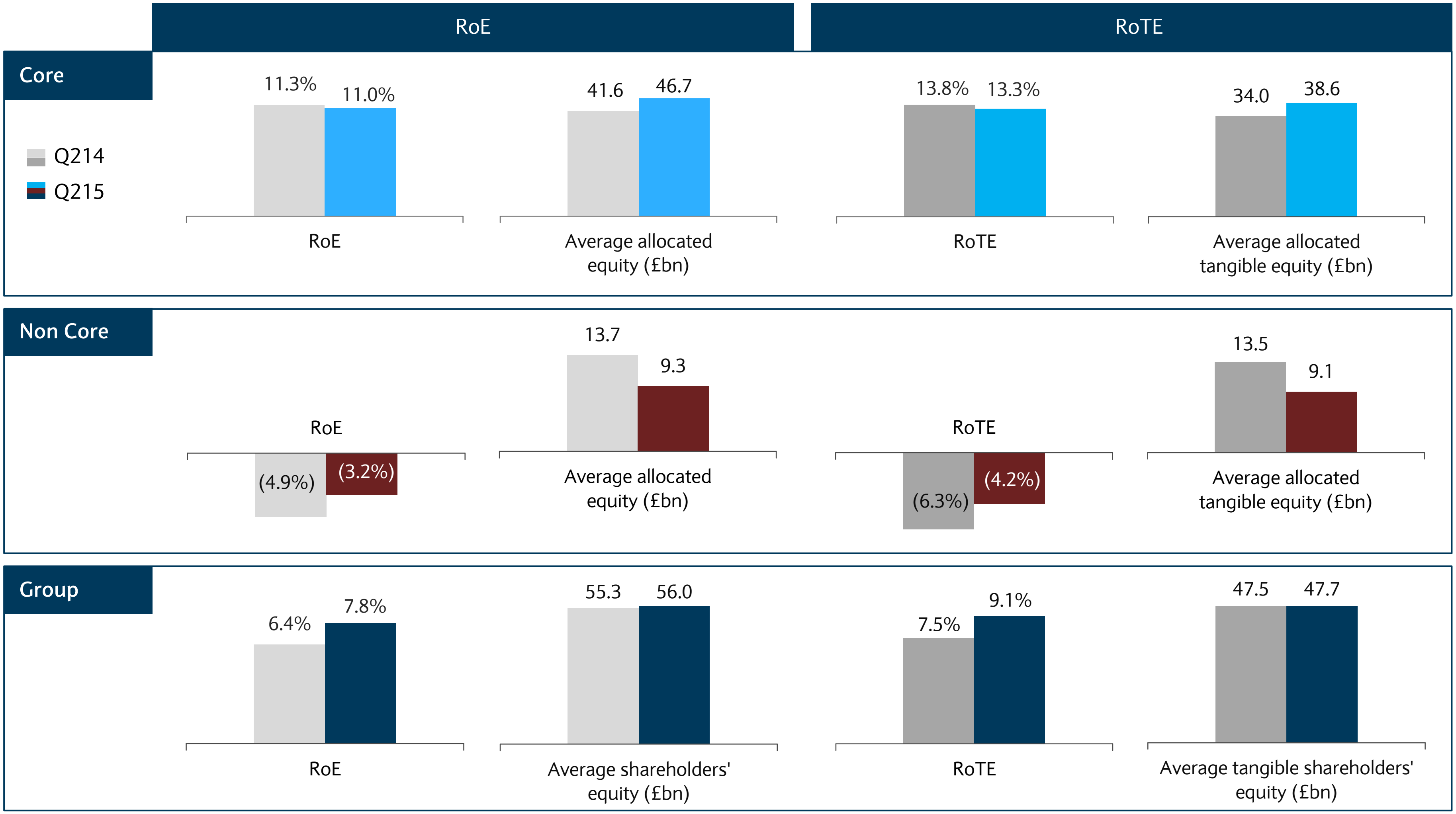
	Jun-14	Jun-15
CRD IV RWAs	£123.9bn	£115.3bn

Financial performance

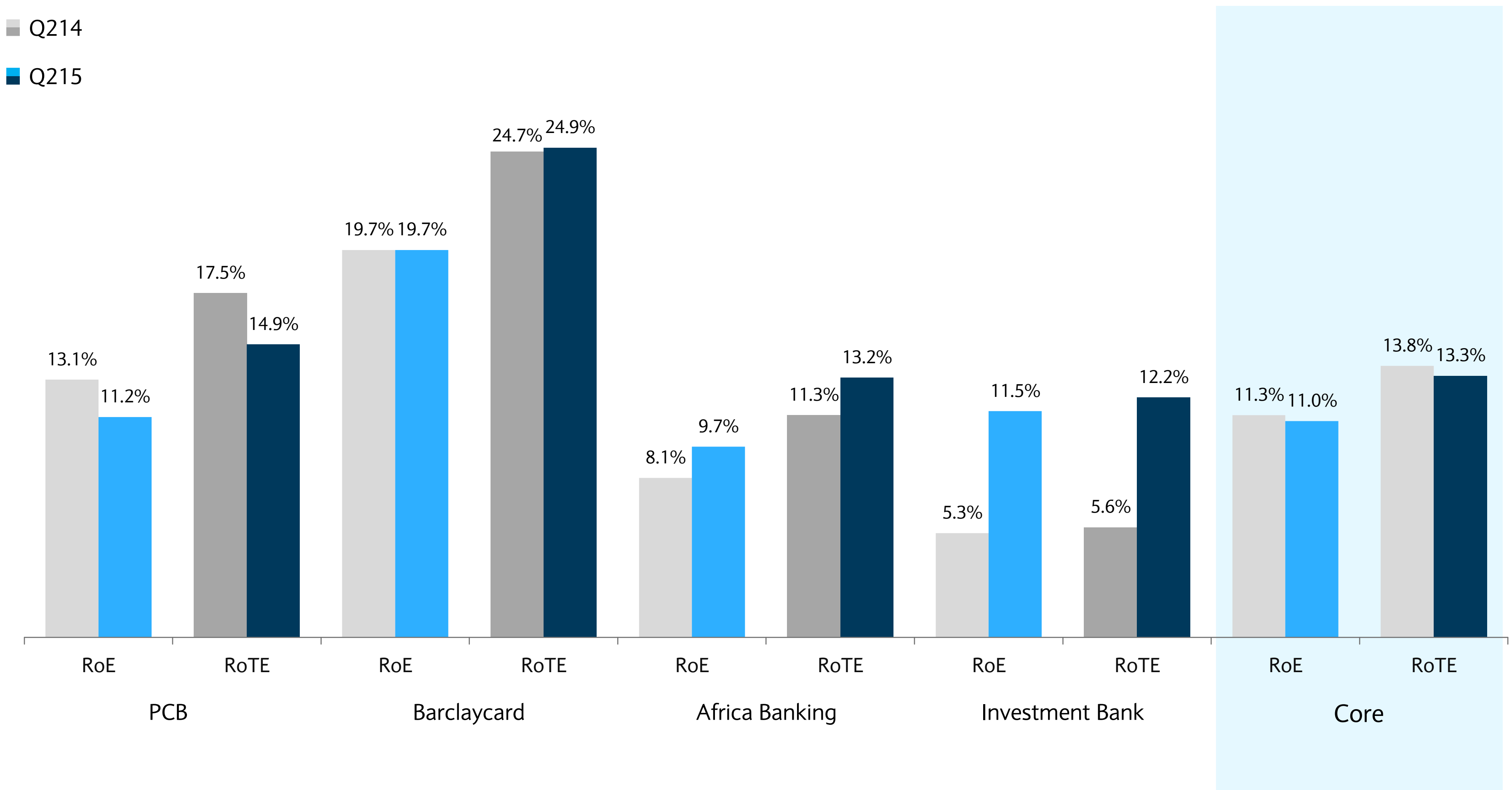
- The returns focused strategy generated strong performance, as income remained consistent, while efficient use of capital and a 14% reduction in costs led to a significant increase in RoE to 11.5%
- Income was in line at £2.2bn
  - Banking decreased 3% driven by lower debt and equity underwriting income, partly offset by higher financial advisory fees
  - Credit increased 1% driven by higher income in credit flow trading, partially offset by lower income in securitised products
  - Equities decreased 2% due to reductions in equity derivatives and cash equities, partially offset by increased income in equity financing
  - Macro increased 10% due to higher income in rates and currency products, reflecting increased market volatility
- Costs decreased 14% due to lower CTA, compensation costs, and savings from strategic cost programmes through business restructuring and operational streamlining
  - Cost to income ratio was 64% for the quarter

[1] Includes 'Other' income |

Double digit returns in the Core business on a higher equity base, and reduced Non-Core drag

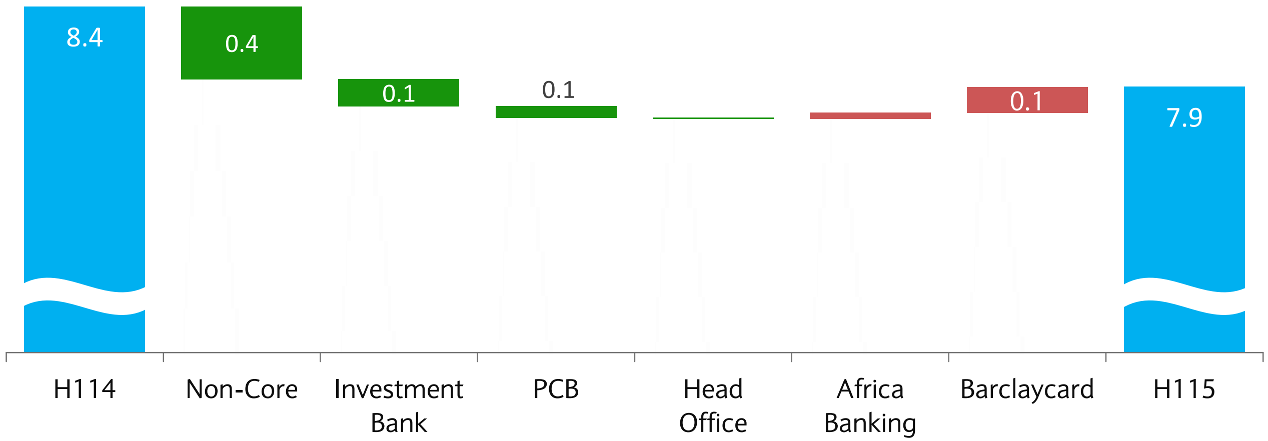


Double digit returns in the Core business and improved IB returns

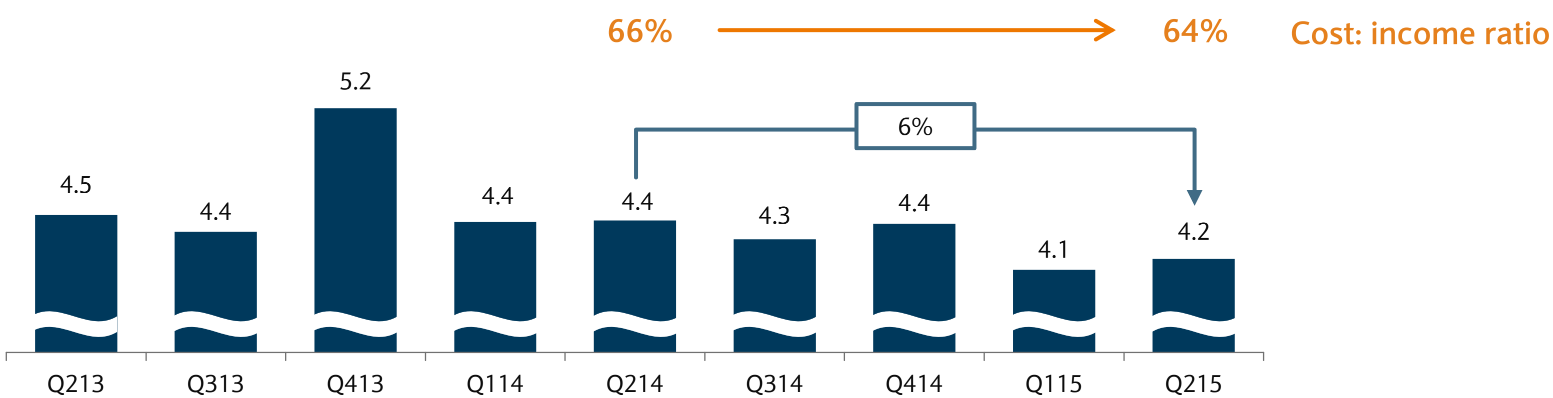


Group adjusted operating expenses - delivery to date

Year-on-year progress – excluding CTA (£bn)

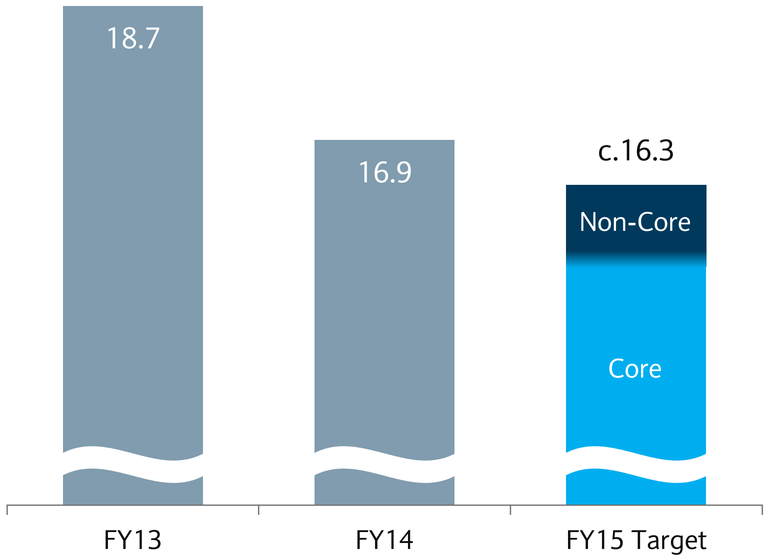


Quarterly progression – excluding UK Bank Levy (£bn)



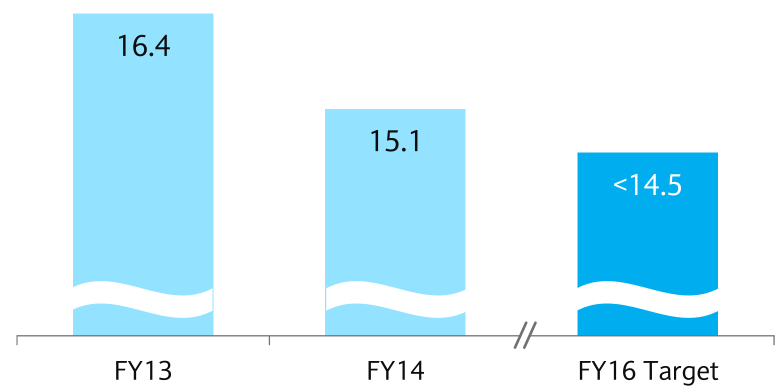
Group and Core cost targets

Group cost guidance[1] (£bn)



Costs to achieve (CTA)	£1.2bn	£1.2bn	c.£0.7bn[2]

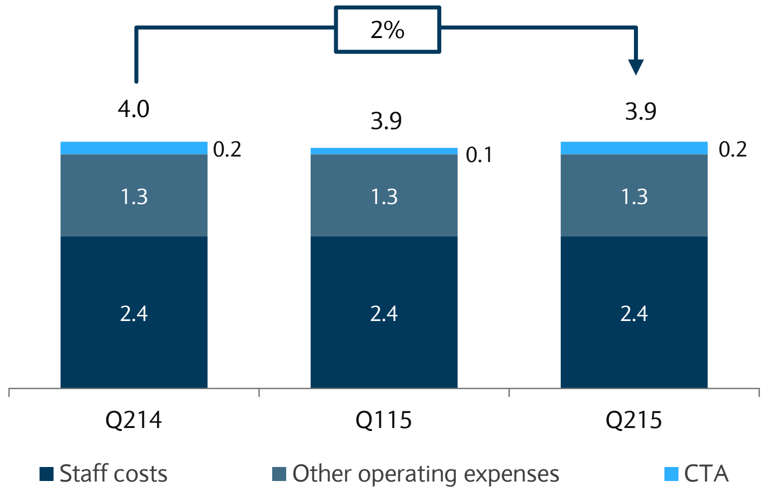
Core cost target[1] (£bn)



[1] Excludes provisions for UK customer and FX redress, goodwill impairment and CTA | [2] 2016 CTA target of c.£0.2bn |

Continued reduction in Core operating expenses

Core operating expenses[1] (£bn)

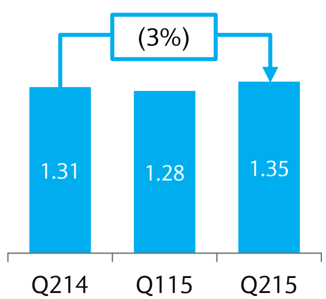


Highlights

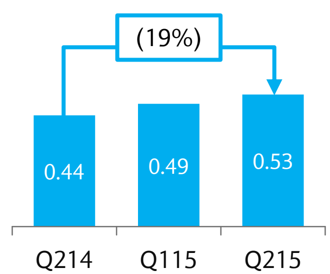
- Core costs reduced 2% year-on-year to £3.9bn driven by savings from strategic cost programmes principally in the Investment Bank and PCB
- PCB costs increased 3%, though excluding the impact of US Wealth[2], costs fell 3% reflecting savings from restructuring of the branch network and technology improvements to increase automation
- Barclaycard costs increased 19% reflecting continued investment in business growth, higher CTA and adverse FX movements. Excluding one-off items, costs increased 8%
- Africa Banking costs increased 2% reflecting inflationary pressures, resulting in higher staff costs, partially offset by the benefits of strategic cost programmes
- Investment Bank costs reduced 14% driven by lower CTA, litigation and conduct charges, and benefits from restructuring, building exits and IT system rationalisation, despite adverse FX movements

PCB

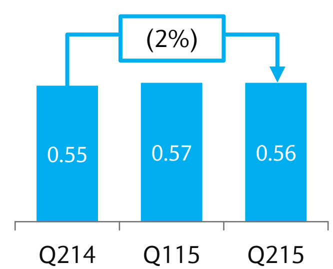
Operating expenses (£bn)



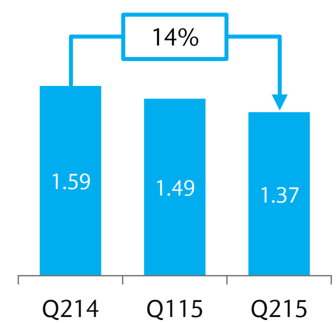
Barclaycard



Africa Banking



Investment Bank



[1] Totals in graph reflect rounding | [2] Relates to the loss on sale of the US Wealth business and US Wealth customer redress |

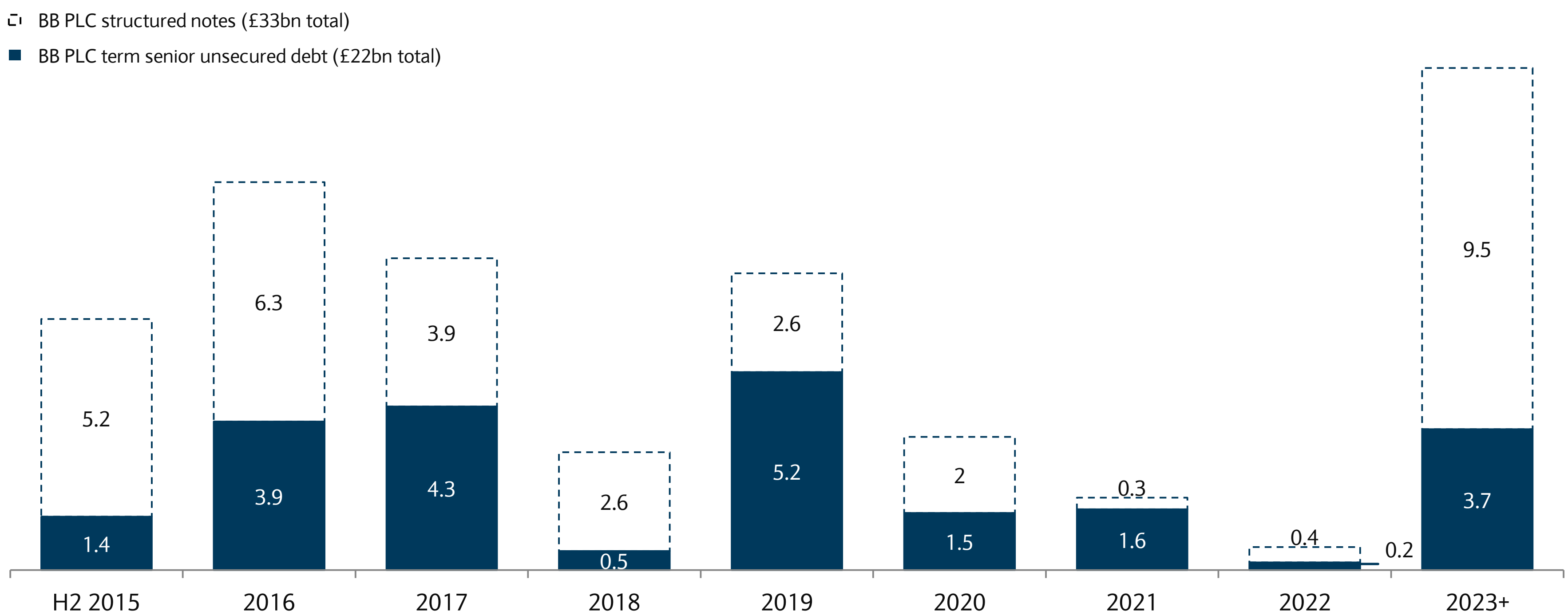
Wholesale funding composition[1]

As at 30 June 2015 (£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)	-	-	-	-	-	-	-	2.5	2.0	4.5
Subordinated liabilities	-	-	-	-	-	-	-	0.8		0.8
Barclays Bank PLC										
Deposits from banks	11.4	6.3	1.2	0.7	0.5	20.1	0.5	-	0.4	21.0
Certificates of deposit and commercial paper	1.1	6.2	6.3	4.2	2.3	20.1	0.8	1.8	0.7	23.4
Asset backed commercial paper	3.2	1.9	0.6	-	-	5.7	-	-	-	5.7
Senior unsecured MTNs (public benchmark)	-	1.0	-	1.3	-	2.3	4.8	5.4	3.6	16.1
Senior unsecured MTNs (private placement)[2]	1.8	1.7	2.0	2.1	2.7	10.3	6.9	11.4	10.5	39.1
Covered bonds / ABS	-	1.1	0.2	0.9	1.1	3.3	4.1	6.2	4.0	17.6
Subordinated liabilities	-	-	-	-	-	-	-	3.0	15.3	18.3
Other[3]	2.9	0.9	1.1	1.0	0.2	6.1	1.7	1.1	1.6	10.5
Total	20.4	19.1	11.4	10.2	6.8	67.9	18.8	32.2	38.1	157.0
Total as at 31 March 2015	21.9	23.2	17.8	9.2	9.4	81.5	16.3	38.3	41.9	178.0

[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 also does not include collateral swaps, including participation in the Bank of England's Funding for Lending Scheme| [2] Includes structured notes of £33bn, £9bn of which matures within one year | [3] Primarily comprised of fair value deposits £5bn and secured financing of physical gold £4bn |

OpCo senior unsecured debt maturity profile

- Expect to refinance £22bn of OpCo vanilla term unsecured debt out of the HoldCo over time, around half of which matures by 1 Jan 2019
- Additional flexibility to meet future TLAC-requirement through partial refinancing of OpCo structured notes out of the HoldCo in TLAC-eligible form
- Annual HoldCo senior debt issuance expected to be below combined OpCo term vanilla and structured senior unsecured debt maturities



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

Overview

- Statutory bail-in of debt is a key part of the regulatory response to the financial crisis, aimed at avoiding the bail-out of failing financial institutions with tax-payer funds
- European Bank Recovery and Resolution Directive ("BRRD"): a European-wide framework for the recovery and resolution of credit institutions and investment firms:
  - Statutory "bail-in" power in respect of eligible liabilities, to be implemented in home state legislation by no later than 1 January 2016 (Article 130)
  - Requirement for eligible liabilities governed by non-EEA laws to include ~~a~~ contractual recognition by creditors that they are bound by any exercise of the statutory bail-in power (Article 55)
- UK Banking Act: in line with the BRRD, the UK Banking Act was amended in January 2015 to include a "bail-in option" available to the UK resolution authority, enabling it to 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 CRR capital hierarchy, and otherwise in accordance with the hierarchy of claims in liquidation
  - Principle that at least senior creditors should receive no less favourable treatment than they would have received in an insolvency

Considerations for Bondholders

- Under Depositor Preference, the BRRD introduces seniority of deposits from natural persons and SMEs over wholesale liabilities
- The scope of the UK bail-in power extends to include all outstanding unsecured wholesale liabilities of original tenor greater than 7 days
- Liabilities issued prior to the introduction of the statutory bail-in power, including those issued under non-EEA governing laws, may be subject to bail-in 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 bail-in power should be exercised in accordance with the CRR capital hierarchy, and otherwise in accordance with ordinary creditor hierarchy and that creditors holding eligible liabilities of equal rank should be treated equally
- In accordance with rules made by the PRA (reflecting Article 55 of the BRRD), Barclays has begun including in the terms of its wholesale term debt securities, governed by non-EEA laws, a provision whereby investors acknowledge the scope of, and agree to be bound by, 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

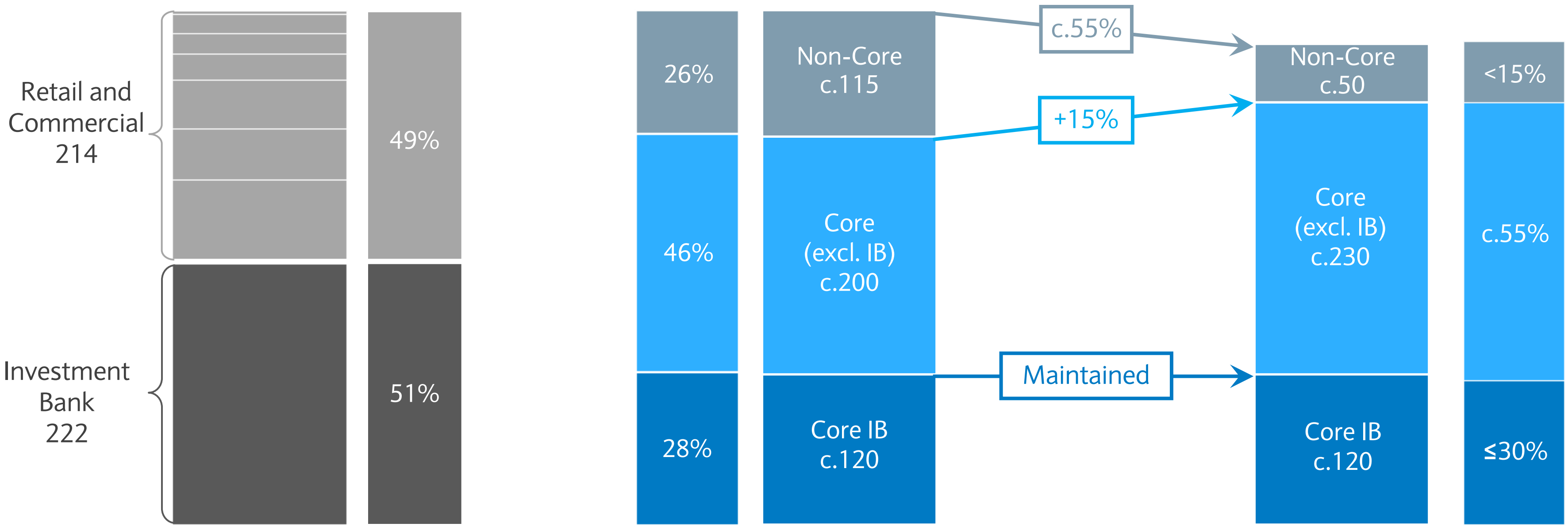
Repositioning and simplifying Barclays

- Rightsizing and focusing the Investment Bank
- Establishing a dedicated Non-Core unit and a new Personal and Corporate Banking business
- Allocating capital to growth businesses
- Delivering a structurally lower cost base
- Generating higher and more sustainable returns

As presented at the Group Strategy Update on 8th May 2014

Reducing and reallocating RWAs to drive growth and returns

	2013 pre-resegmentation (£bn)	2013 post-resegmentation estimate (£bn)	2016 guidance (£bn)
Leverage exposure	£1.4tn	£1.4tn	c.£1.1tn[1]
RWAs	£436bn	£436bn	c.£400bn



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

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

Preliminary numbers as presented at the Group Strategy Update on 8th May 2014

Core Investment Bank: Building on competitive advantages

Core Investment Bank

FY 2013[1]

RWAs: c.£120bn

Leverage exposure: c.£490bn

Markets

Global equities
- Cash equities
- Equity derivatives
- Equity prime

Global credit
- Credit products
- Securitised products
- Municipals

Right-sized macro
- Foreign exchange
- Rates

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

Banking

ECM | DCM

Advisory

Origination led

- 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

Non-Core Investment Bank

RWAs: c.£90bn

Leverage exposure: c.£340bn

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

[1] CRD IV basis |

Preliminary numbers as presented at the Group Strategy Update on 8th May 2014

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Disclaimer

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Forward-looking Statements

This presentation 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 regarding the Group's future financial position, income growth, assets, impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projected levels of growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the strategic cost Programme and the Group Strategy Update, run-down of assets and businesses within Barclays Non-Core, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards, evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; UK, US, Africa, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; the 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, and expectations 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 2014), which are available on the SEC's website at 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.

Disclaimer (continued)

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

Certain non-IFRS Measures

Barclays management believes that the non-International Financial Reporting Standards (non-IFRS) measures included in this document provide valuable information to readers of its financial statements because they enable the reader to identify a more consistent basis for comparing the business' performance between financial periods, and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays management. However, any non-IFRS measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. As management reviews the adjusting items described below at a Group level, segmental results are presented excluding these items in accordance with IFRS 8; "Operating Segments". Statutory and adjusted performance is reconciled at a Group level only. Key non-IFRS measures included in this document and the most directly comparable IFRS measures are described below. Quantitative reconciliations of these measures to the relevant IFRS measures are included in Exhibit 99.1 of the Barclays' Form 6-K filed with the SEC on July 29, 2015 (Film No. 15811411) (the "July 29 Form 6-K") (available at http://www.sec.gov/Archives/edgar/data/312069/000119312515268091/d55989dex991.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, goodwill impairment, provisions for UK customer redress, gain on US Lehman acquisition assets, provisions for ongoing investigations and litigation primarily relating to Foreign Exchange, loss on sale of the Spanish business; Education, Social Housing, and Local Authority (ESHLA) valuation revision, and gain on valuation of a component of the defined retirement benefit liability. A reconciliation to IFRS is presented on page 3 of the July 29 Form 6-K;

- Adjusted profit after tax represents profit after tax, excluding the impact of tax on adjusting items. A reconciliation to IFRS is presented on page 3 of the July 29 Form 6-K;

- Adjusted attributable profit represents adjusted profit after tax less profit attributable to non-controlling interests. The comparable IFRS measure is attributable profit;

- Adjusted income and adjusted total income net of insurance claims represents total income net of insurance claims excluding the impact of own credit. A reconciliation to IFRS is presented on page 3 of the July 29 Form 6-K;

Disclaimer (continued)

- Adjusted total operating expenses represents operating expenses excluding goodwill impairment, provisions for UK customer redress, provisions for ongoing investigations and litigation primarily relating to Foreign Exchange and gain on valuation of a component of the defined retirement benefit liability. A reconciliation to IFRS is presented on page 3 of the July 29 Form 6-K;

- Adjusted litigation and conduct represents litigation and conduct excluding provisions for UK customer redress and provisions for ongoing investigations and litigation primarily relating to Foreign Exchange. A reconciliation to IFRS is presented on page 3 of the July 29 Form 6-K;

- Adjusted cost: income ratio represents cost: income ratio excluding the impact of own credit; the provisions for PPI redress; gain on US Lehman acquisition assets; provision for investigations and litigation primarily relating to Foreign Exchange and gain on valuation of a component of the defined retirement benefit liability. The comparable IFRS measure is cost: income ratio, which represents operating expenses to income net of insurance claims. A reconciliation to IFRS is presented on page 9 of the July 29 Form 6-K;

- Adjusted basic earnings per share represents adjusted attributable profit 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 annualised adjusted profit after tax for the period attributable to ordinary shareholders, including an adjustment for the tax credit in reserves in respect of other equity instruments, as a proportion of average shareholders' equity, excluding non-controlling interests, the impact of own credit on retained earnings, and other equity instruments. The comparable IFRS measure is return on average shareholders' equity which represents annualised profit after tax for the period attributable to ordinary shareholders, including an adjustment for the tax credit in reserves in respect of other equity instruments, as a proportion of average shareholders' equity, excluding non-controlling interests and other equity instruments;

- Adjusted return on average tangible shareholders' equity represents annualised adjusted profit after tax for the period attributable to ordinary shareholders, including an adjustment for the tax credit in reserves in respect of other equity instruments, as a proportion of average shareholders' equity excluding non-controlling interests, the impact of own credit on retained earnings, and other equity instruments adjusted for the deduction of intangible assets and goodwill. The comparable IFRS measure is return on average tangible shareholders' equity which represents annualised profit after tax for the period attributable to ordinary shareholders, including an adjustment for the tax credit in reserves in respect of other equity instruments, as a proportion of average shareholders' equity excluding non-controlling interests and other equity instruments adjusted for the deduction of intangible assets and goodwill;

- Barclays Core results are non-IFRS measures because they represent the sum of five Operating Segments, each of which is prepared in accordance with IFRS 8 Operating Segments: Personal and Corporate Banking, Barclaycard, Africa Banking, Investment Bank and Head Office. A reconciliation to the corresponding statutory Group measures is provided on page 4 of the July 29 Form 6-K;

Disclaimer (continued)

- Liquidity Coverage Ratio (LCR) is calculated according to the Commission Delegated Regulation of October 2014 that supplements Regulation (EU) 575/2013 (CRDIV) published by the European Commission in June 2013. The metric is a ratio that is not yet fully implemented in local regulations and, as such, represents a non-IFRS measure;

- Net Stable Funding Ratio (NSFR) is calculated according to the definition and methodology detailed in the standard provided by the Basel Committee on Banking Supervision. The original guidelines released in December 2010 ('Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring', December 2010) were revised for in October 2014 ('Basel III: The Net Stable Funding Ratio', October 2014). The metric 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 our interpretation of this calculation may not be consistent with that of other financial institutions;

- Transitional CET1 ratio according to FSA October 2012. This measure is calculated by taking into account the statement of the Financial Services Authority, the predecessor of the Prudential Regulation Authority, on CRD IV transitional provisions in October 2012, assuming such provisions were applied as at 1 January 2014. This ratio is used as the relevant measure starting 1 January 2014 for purposes of determining whether the automatic write-down trigger (specified as a Transitional CET1 ratio according to FSA October 2012 of less than 7.00%) has occurred under the terms of the Contingent Capital Notes issued by Barclays Bank PLC on November 21, 2012 (CUSIP: 06740L8C2) and April 10, 2013 (CUSIP: 06739FHK0). Please refer to page 37 of the July 29 Form 6-K for a reconciliation of this measure to CRD IV CET1 ratio; and

- The estimate of "Proxy Total Loss Absorbing Capacity (TLAC) ratio" reflects Barclays' current understanding of how the Financial Stability Board's Consultative Document on "Adequacy of loss-absorbing capacity of global systemically important banks in resolution" may be implemented in the United Kingdom. The estimate reflects certain assumptions on the inclusion or exclusion of certain liabilities where further regulatory guidance is necessary. Evolving regulation, including the implementation of MREL beginning 1 Jan 2016 and any subsequent regulatory policy interpretations, may require a change to the current approach. As such metric is subject to further regulatory guidance and it is not yet implemented in local regulations, the estimate of this metric represents a non-IFRS measure and is presented in this document for illustrative purposes only.