Barclays PLC
Fixed Income Investor Presentation

Q3 2016 Results Announcement

October 2016

Performance Overview

Our strategy is on track with encouraging progress in Q316

Double digit Core returns: Underlying Core RoTE of 10.4%, with Barclays UK 21.1% and Barclays International 10.0%[1]

Robust capital ratios: CET1 ratio of 11.6% despite c.20bps pension deficit headwind – on track for end-state capital requirements

Non-Core rundown momentum: Strong progress on business disposals with good pipeline for Q4. RWAs reduced to £44bn despite adverse FX movements – on track to close Non-Core in 2017

Continued focus on reducing cost: Core cost: income ratio of 56%[2]. On track for £12.8bn 2016 Core cost guidance – £13.0bn when adjusted for FX[3]

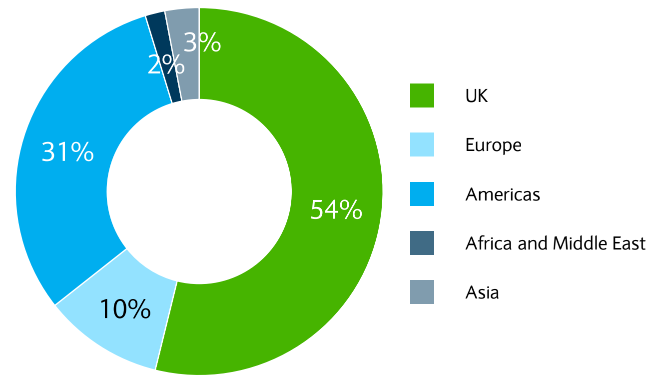
Progress on HoldCo transition: Q3 HoldCo issuance of £4.9bn equivalent and continuation of liability management exercises, including redemption of $750m Series 2 preference shares

Statutory Group financials – Q316

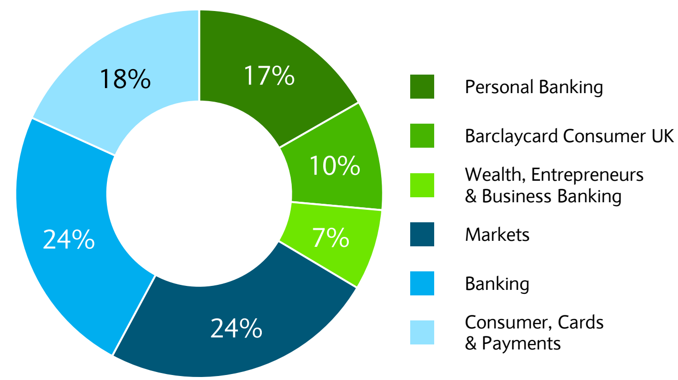
Three months ended (£m)	Sep-16	Sep-15	% change
Income	5,446	5,481	(1%)
Impairment	(789)	(429)	(84%)
– *Operating expenses*	*(3,581)*	*(3,552)*	*(1%)*
– *Litigation and conduct*	*(741)*	*(699)*	*(6%)*
Total operating expenses	(4,322)	(4,251)	(2%)
Other net income/(expenses)	502	(182)	
Profit before tax (PBT)	837	619	35%
Tax charge	(328)	(133)	
Profit after tax – continuing operations	509	486	5%
Attributable profit	414	417	(1%)
Performance measures			
Return on average tangible equity (RoTE)	3.6%	3.6%	
Cost: income ratio	79%	78%	
Loan loss rate (LLR)	66bps	37bps	
Basic earnings per share	2.6p	2.6p	
	Sep-16	Jun-16	
Risk weighted assets (RWA)	£373.4bn	£366.3bn	
Notable items (£m)	Sep-16	Sep-15	
– *Own credit*	*(264)*	*195*	Income
– *Provisions for UK customer redress*	*(600)*	*(290)*	Litigation and conduct
– *Provisions for ongoing investigations and litigation including Foreign Exchange*	-	*(270)*	Litigation and conduct
– *Loss on sale relating to sale of Portuguese retail business*	-	*(201)*	Other net expenses
Total	(864)	(566)	
Performance excluding notable items			
Three months ended (£m)	Sep-16	Sep-15	% change
Profit before tax (PBT)	1,701	1,185	44%
Attributable profit	1,221	787	55%
Return on average tangible equity (RoTE)	10.1%	6.7%	

Diversified by geography and consumer/wholesale mix

Diversified income by geography[4]

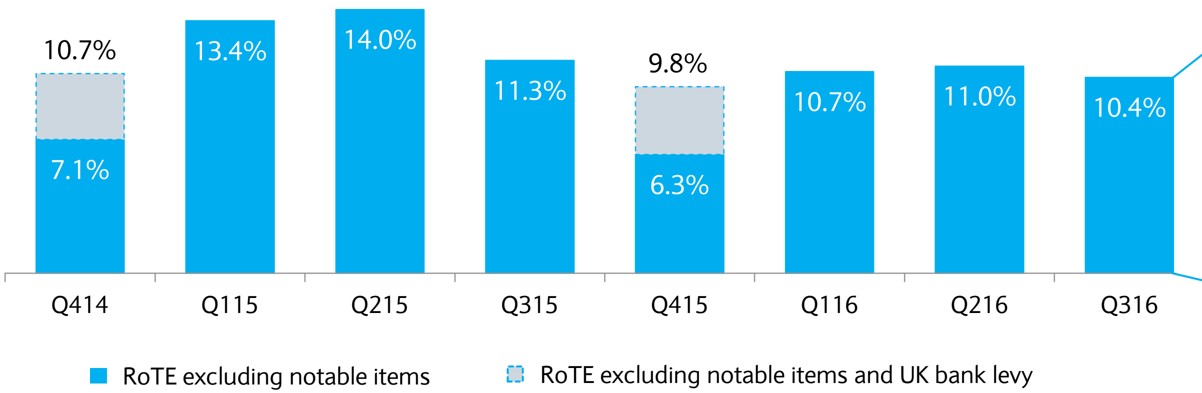


Diversified income by product[5]



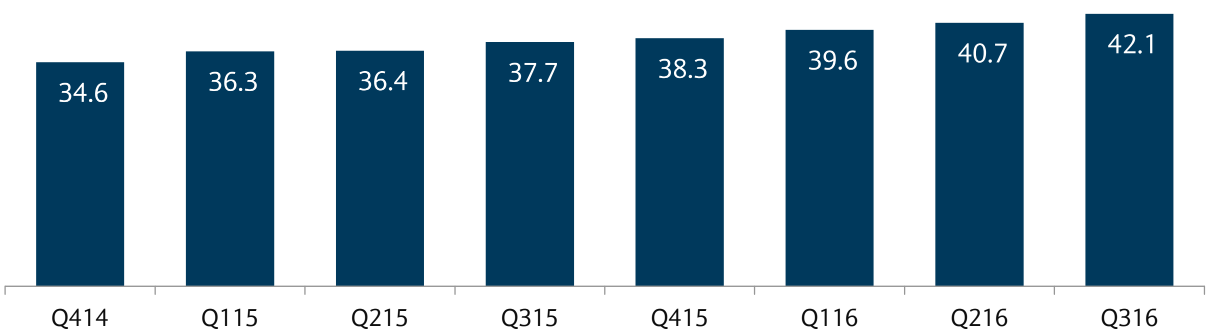
Generating a consistently strong Core RoTE on an increasing tangible equity base

Core return on average tangible equity (excluding notable items)



Barclays UK	**21.1%**
Barclays International	**10.0%**
– *Corporate & Investment Bank*	*9.2%*
– *Consumer, Cards & Payments*	*14.8%*

Core average tangible equity (excluding notable items) (£bn)



22% increase in average tangible equity since Q414

Core: Underlying Return on Tangible Equity of 10.4%

Business performance excluding notable items

Three months ended (£m)	Sep-16	Sep-15	% change
Income	5,869	5,070	16%
Impairment	(769)	(388)	(98%)
– *Operating expenses*	*(3,270)*	*(3,094)*	(6%)
– *Litigation and conduct*	*(39)*	*(60)*	35%
Total operating expenses	(3,309)	(3,154)	(5%)
Profit before tax (PBT)	1,795	1,541	16%
Attributable profit	1,064	1,048	2%

Performance measures excluding notable items

	Sep-16	Sep-15
Return on average tangible equity (RoTE)	10.4%	11.3%
Average allocated tangible equity[6]	£42.1bn	£37.7bn
Cost: income ratio	56%	62%
Loan loss rate (LLR)	74bps	39bps
Basic earnings per share	6.5p	6.4p
	Sep-16	Jun-16
Risk weighted assets (RWA)[6]	£329.5bn	£319.6bn

Notable items (£m)	Sep-16	Sep-15
– *Own credit*	*(264)*	*195*
– *Provisions for UK customer redress*	*(600)*	*(290)*
– *Provisions for ongoing investigations and litigation including Foreign Exchange*	-	*(69)*
Total	(864)	(164)

Profit/(loss) before tax (£m)	Sep-16	Sep-15	% change
– *Barclays UK*	*675*	*793*	*(15%)*
– *Barclays International*	*1,085*	*893*	*22%*
– *Head Office*	*35*	*(146)*	
Core	1,795	1,541	16%

Q316 performance metrics

- PBT increased 16% to £1.8bn reflecting significantly positive cost: income jaws and the benefit of USD and EUR appreciation against GBP
- Income grew 16% to £5.9bn, with strong growth in Barclays International
- Impairment increased to £769m mostly due to a one-off charge of £320m to reflect a more conservative approach to impairment coverage in UK and US credit card portfolios
  - Delinquency rates remained broadly stable
- Total operating expenses increased 5% to £3.3bn, while the cost: income ratio improved to 56%
- Generated Core RoTE of 10.4%, on a higher tangible equity base
  - Average allocated tangible equity increased by £4.4bn since Q315

Barclays UK – RoTE of 21.1%

- Income growth of 4%, with higher NIM and increased customer deposits
- Cost reduction of 1% generated positive jaws and a cost: income ratio of 47%

Barclays International – RoTE of 10.0%

- Income growth of 19% outstripped increased costs of 12%, generating positive cost: income jaws and 22% increase in PBT
- Performance demonstrated benefit of diversification across consumer lending and wholesale banking, and geographic markets, benefitting from weaker GBP

Non-Core: Continued good rundown momentum

Business performance excluding notable items

Three months ended (£m)	Sep-16	Jun-16	Mar-16
– *Businesses*	*181*	*181*	*196*
– *Securities and loans*	*(34)*	*(363)*	*(402)*
– *Of which: ESHLA*	*(12)*	*(50)*	*(374)*
– *Derivatives*	*(306)*	*(162)*	*(36)*
Income	(159)	(344)	(242)
Impairment	(20)	(26)	(29)
– *Operating expenses*	*(311)*	*(368)*	*(489)*
– *Litigation and conduct*	*(102)*	*(27)*	*(66)*
Total operating expenses	(413)	(395)	(555)
Other net income/(expenses)	498	(324)	11
Loss before tax	(94)	(1,089)	(815)
Attributable profit/(loss)	72	(887)	(603)
Performance measures excluding notable items			
Average allocated tangible equity	£7.6bn	£7.9bn	£9.0bn
Period end allocated tangible equity	£7.2bn	£7.8bn	£8.5bn
Basic earnings/(loss) per share	0.5p	(5.2)p	(3.6)p
Risk weighted assets (RWA)	£43.9bn	£46.7bn	£50.9bn
Material one-off items (£m)	**Sep-16**	**Jun-16**	**Mar-16**
– *Impairment of French retail business assets held for sale*	*(35)*	*(372)*	-
– *Restructure of ESHLA loans with LOBO features*	-	*(182)*	-
– *Gain on Index business sale*	*535*	-	-

Q316 performance metrics

- Loss before tax decreased to £94m in the quarter mainly due to Other net income of £498m
  - £535m gain on sale of Barclays Risk Analytics and Index Solutions
  - Materially lower impairment of £35m associated with the valuation of the French retail banking operations[7] (Q216: £372m)
- Income improved to an expense of £159m largely driven by the non-recurrence of a £182m one-off loss in Q216 due to the ESHLA portfolio restructuring
- Total operating expenses increased to £413m due to higher litigation and conduct
  - Including restructuring costs of £39m in Q316. On track to meet £400m guidance for FY16, with total of £302m in the year to date
- Management actions reduced RWAs by c.£4bn mainly reflecting reductions in the derivatives portfolio
  - Offset by FX headwinds of c.£1bn

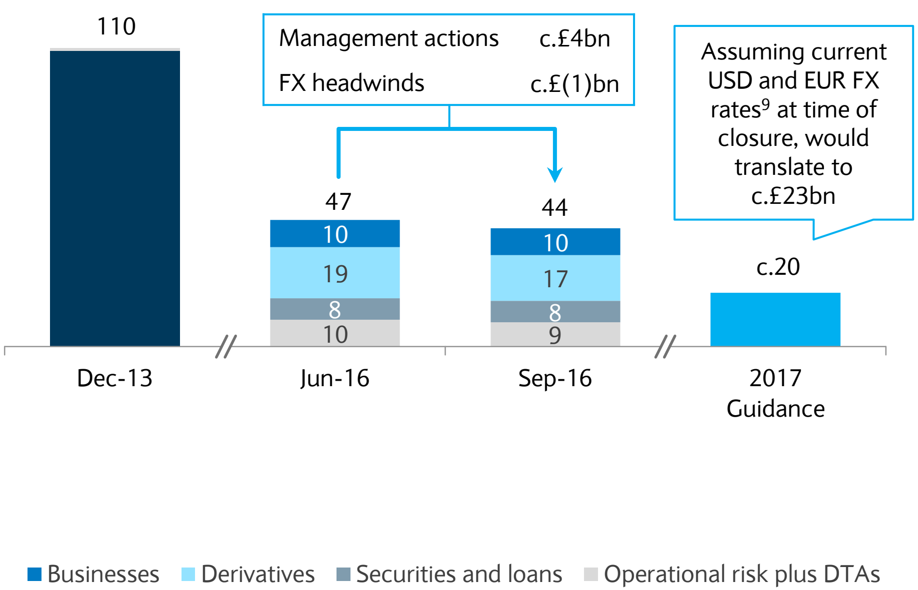
Key drivers/highlights

- Non-Core rundown on track to close by year-end 2017
- Continued good momentum with sale of businesses in particular
  - Completed sale of Barclays Risk Analytics and Index Solutions business
  - Completed sale of the Italian branch network, resulting in an RWA reduction of £0.6bn
  - Announced sale of Barclays Egypt in early October, with an expected RWA reduction of c.£2bn upon completion
  - Strong pipeline for completion of business sales in Q416

Priority is to close Non-Core in 2017

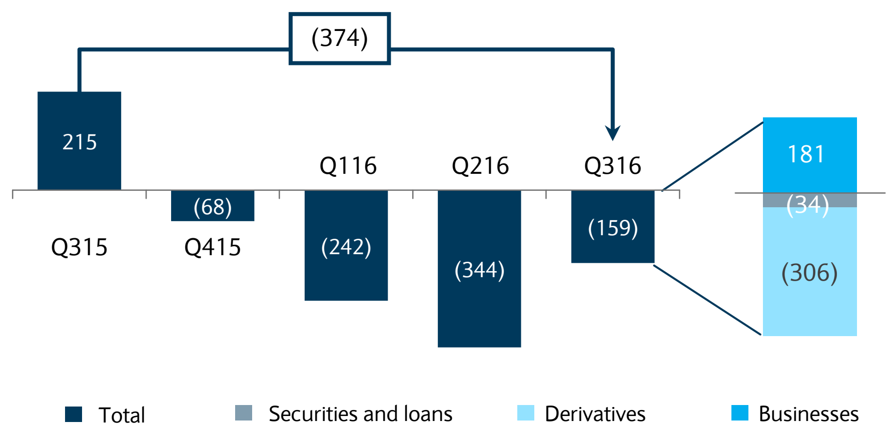
RWAs (£bn)[8]

- Continued good execution of the Non-Core rundown while preserving capital
  - Net RWA reduction of c.£3bn in Q316
- Strong pipeline of business disposals, delivering c.£4bn of RWA reductions on completion
  - Announced sales of Wealth Asia, Southern European Cards and Barclays Egypt businesses
  - Exclusive negotiations for the potential sale of France Retail[7]
- Confidence in derivatives rundown, with strong pipeline for Q416



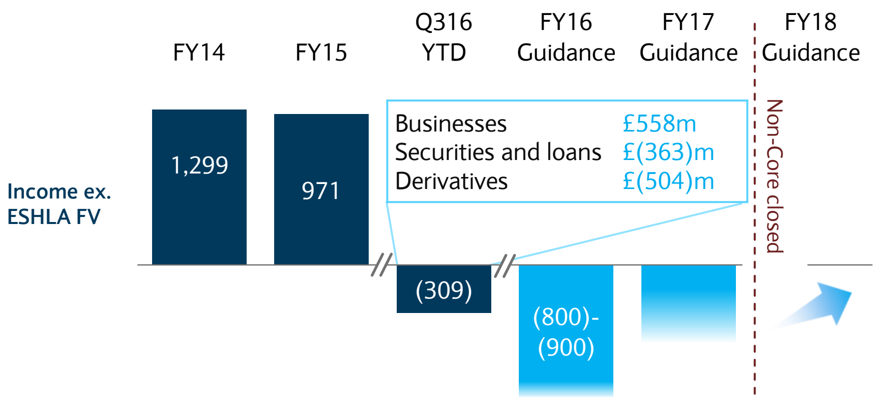
Quarterly income (£m)

- Businesses income of £181m – will reduce as announced disposals complete
- Securities and loans income improved to an expense of £34m mainly due to the non-recurrence of the Q2 LOBO restructuring impact and the non-recurrence of losses on the disposal of securities
  - ESHLA portfolio fair value losses were £12m (Q216: £50m), reflecting reduced volatility
- Derivatives income reduced to an expense of £306m principally reflecting the active rundown of the portfolios and some fair value movements



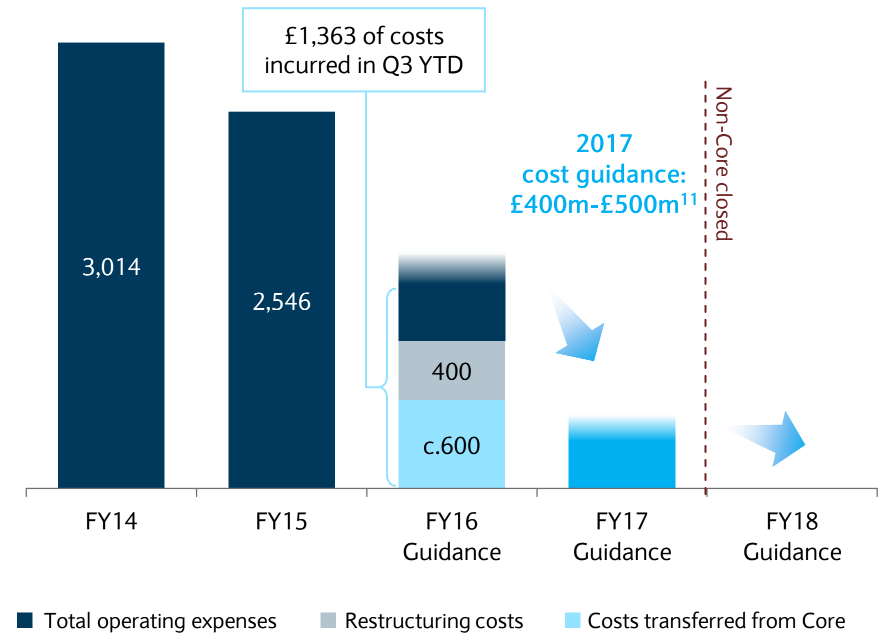
Non-Core rundown guidance

Income (£m)



	FY14	FY15	Q316 YTD	FY16–FY18
ESHLA FV	(156)	(359)	(436)	ESHLA FV volatility reduced following LOBO loan restructuring
Other net income/(expense) (£m)				
Business disposals[10]	(761)	(468)	128	Gain on sale of Wealth Asia, Southern European Cards and Barclays Egypt businesses expected in Q416

Costs (£m)



Income guidance

- Likely to reach lower end of £800m-£900m FY16 income guidance, subject to completion of certain transactions
- Expect significantly lower negative income in 2017 and lower still in 2018

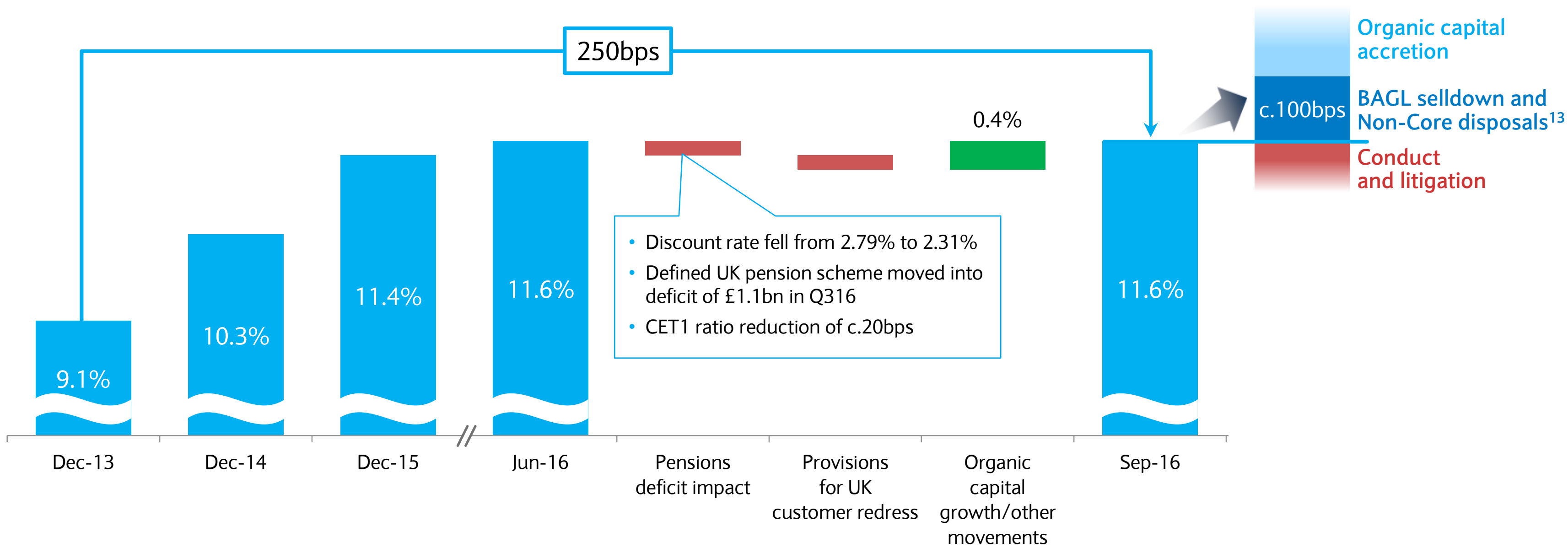
Costs guidance

- Cost guidance of £400m-£500m[11] in 2017, excluding notable items
- Expect costs to be significantly lower in 2018, reducing drag on Group returns after Non-Core is closed in 2017

Capital & Leverage

CET1 ratio progression impacted by one-off items

Fully Loaded CET1 ratio[12]

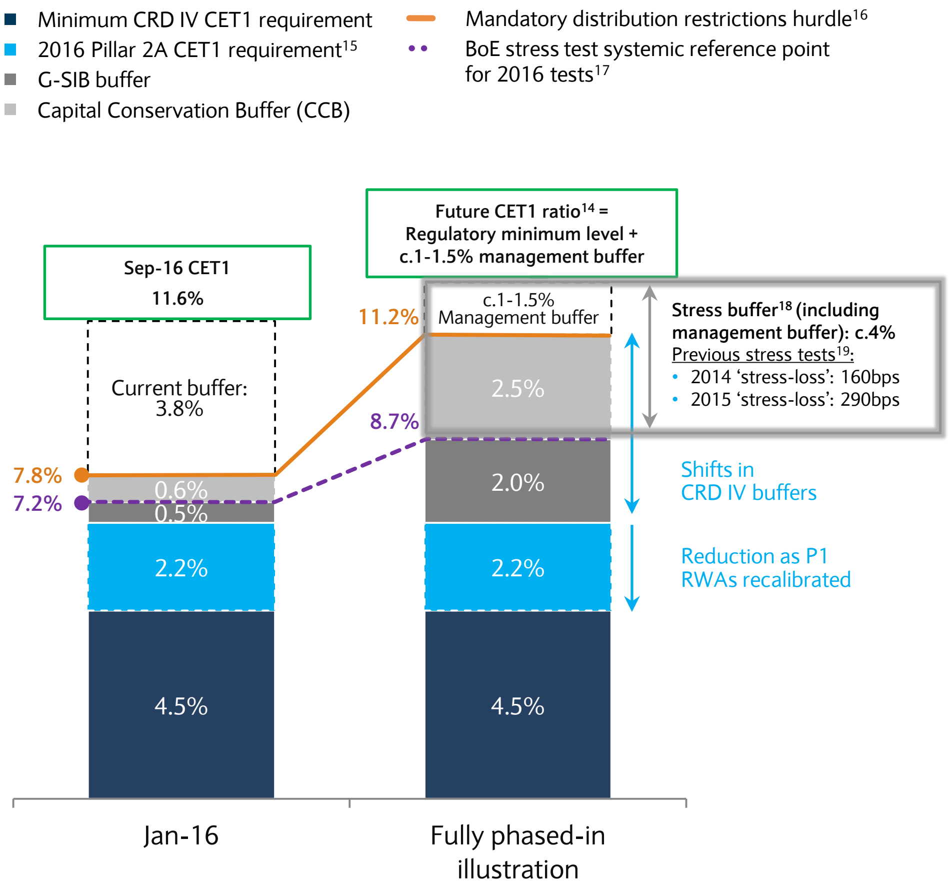


RWAs		396	358	366	373

- CET1 ratio stable at 11.6% as at September 2016, an improvement of 250bps since December 2013
  - Significant capital accretion in Q316 offset by c.20bps impact from the pension deficit and the £600m of provisions for UK customer redress
- Expect c.100bps[13] increase in CET1 ratio from the regulatory deconsolidation of BAGL and Non-Core disposals

Managing evolving future minimum CET1 levels

Illustrative evolution of minimum CET1 requirements and buffers[14]



CET1 minimum levels and internal management buffer

- As capital buffers and RWAs will evolve over time, we manage our CET1 position to maintain a prudent internal management buffer over future minimum levels to guard against mandatory distribution restrictions[16]
- The management buffer is prudently calibrated, intended to absorb fluctuations in the CET1 ratio, cover against event risk and stress, and to ensure management actions can be taken in sufficient time to avoid breaching mandatory distribution restrictions in stress event

Key regulatory variables potentially impacting future minimum CET1 levels

CRD IV buffers

↓ De-risking and management actions with aim to reduce the G-SIB buffer

↑ Potential future introductions of or variations in country-specific countercyclical buffers (CCyBs)

Pillar 2A requirements[15]

- Barclays' 2016 P2A requirement as per the PRA's Individual Capital Guidance (ICG) is 3.9%, of which 2.2% is required to be held in CET1 form

↓ Despite 2016 increase, expect partial shift into Pillar 1 over time

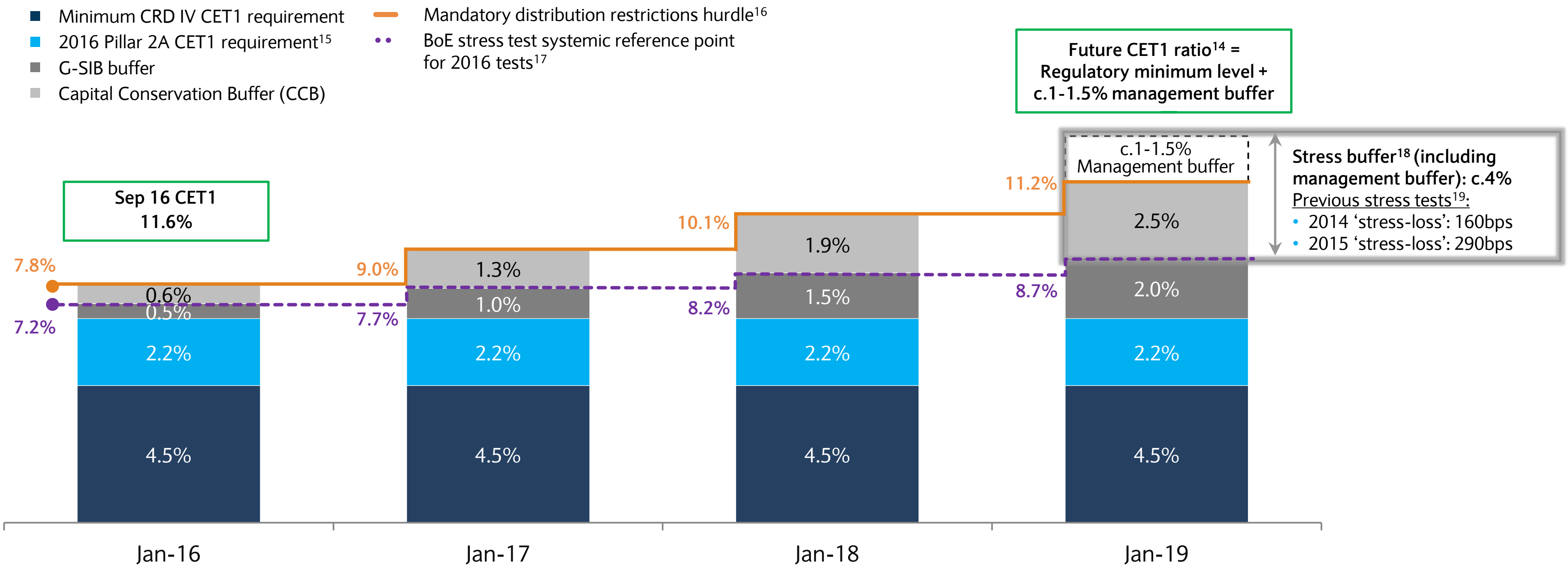
RWA developments

↓ Expect further RWA reduction pre any Basel recalibration. Full deconsolidation of BAGL on a regulatory and accounting basis and further BNC reductions towards 2017 target implies RWAs in "low £300bns"[13]

- While RWAs might increase due to Basel driven rule changes, this should be at least partially offset by reductions in Pillar 2A requirements

Managing capital position for regulatory minimum levels and stress testing

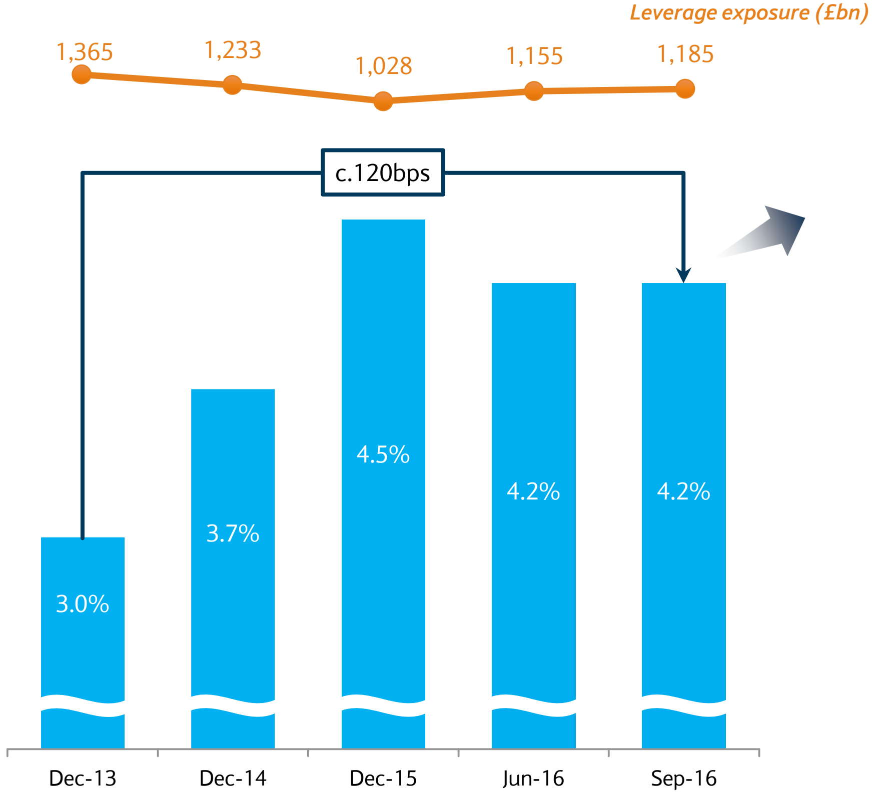
Barclays' expected systemic reference points for 2016 BoE stress test[14,17]



- For the 2016 BoE stress tests, the stress test systemic reference point will include the minimum CRD IV CET 1 requirement, P2A, and a phased-in G-SIB buffer
- The stressed capital ratio for each year over the stress test horizon will be measured against the respective applicable stress test systemic reference point
- Barclays' fully phased-in stress buffer is expected to be c.4% when including the management buffer, providing ample headroom should future stress losses be higher than experienced to date

Continued strong leverage position

Leverage ratio[20]



Highlights

Q316

- Leverage ratio of 4.2% as at 30 September 2016, an improvement of c.120bps since December 2013
- The ratio remained flat over the quarter as the underlying profit generation of our core business and the $1.5bn AT1 issuance offset the adverse move in the pensions re-measurement reserve, provision for UK customer redress and increase in leverage exposure
- The £30bn increase in leverage exposure mainly reflects balance sheet movements including the impact of weakening GBP against major currencies, and an increase in SFTs
- Core drove £44bn of the increase which was partially offset by a decrease of £14bn in BNC although this would have been larger excluding currency impacts
- We expect to grow the leverage ratio further over time, maintaining the ratio comfortably above future minimum requirements

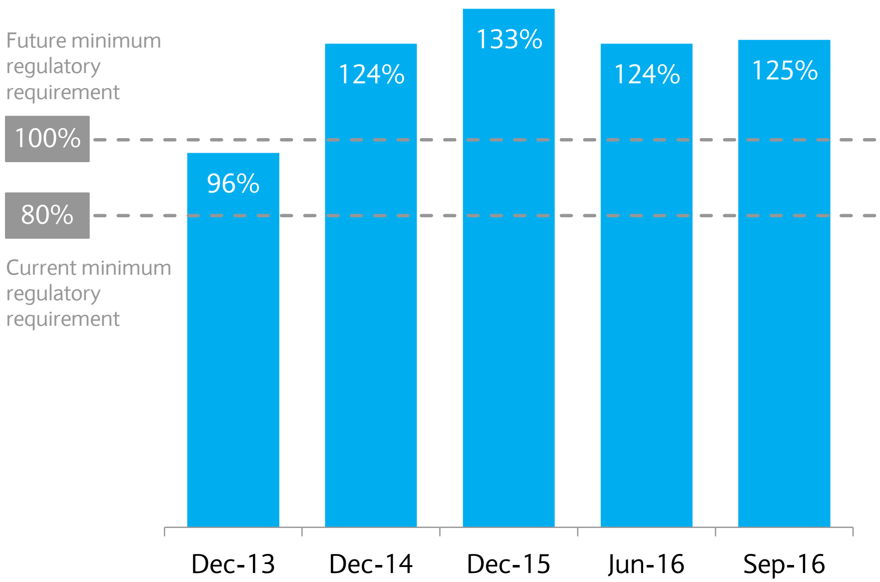
Regulatory developments

- From 1 January 2016, Barclays is required to also calculate an average leverage ratio based on the average capital measure divided by the average exposure measure for the quarter. As at 30 September 2016, the average leverage ratio was 4.2%[21]
- The average leverage ratio remains well in excess of the expected minimum end-state requirement for Barclays, expected to be below 4%
- In August 2016, the PRA implemented the Financial Policy Committee's recommendation to allow firms to exclude claims on the central bank from the calculation of the leverage exposure measure, as long as these are matched by deposits denominated in the same currency
- The impact of the FPC's recommendations would have been an improvement to the headroom of c.20bps for the reported leverage ratio and c.10bps for the average leverage ratio

Liquidity, Funding and MREL/TLAC

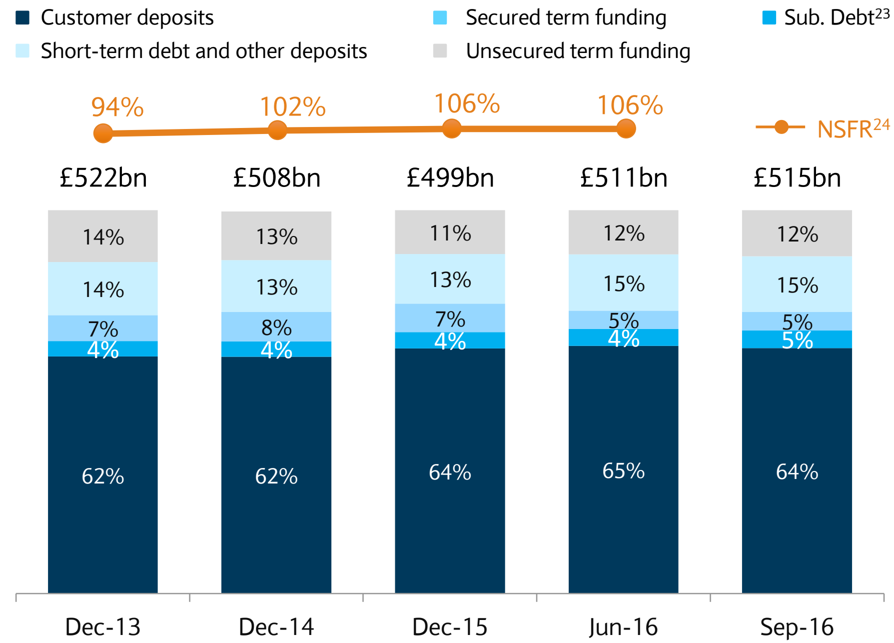
High level of liquidity and conservative funding profile

LCR[22] well above minimum requirements



- Liquidity pool of £157bn (June 2016: £149bn)
- Quality of the pool remains high with the majority held in cash, deposits with central banks and high quality government bonds
- Although not a requirement, the liquidity pool exceeded wholesale funding maturing in less than one year by £87bn

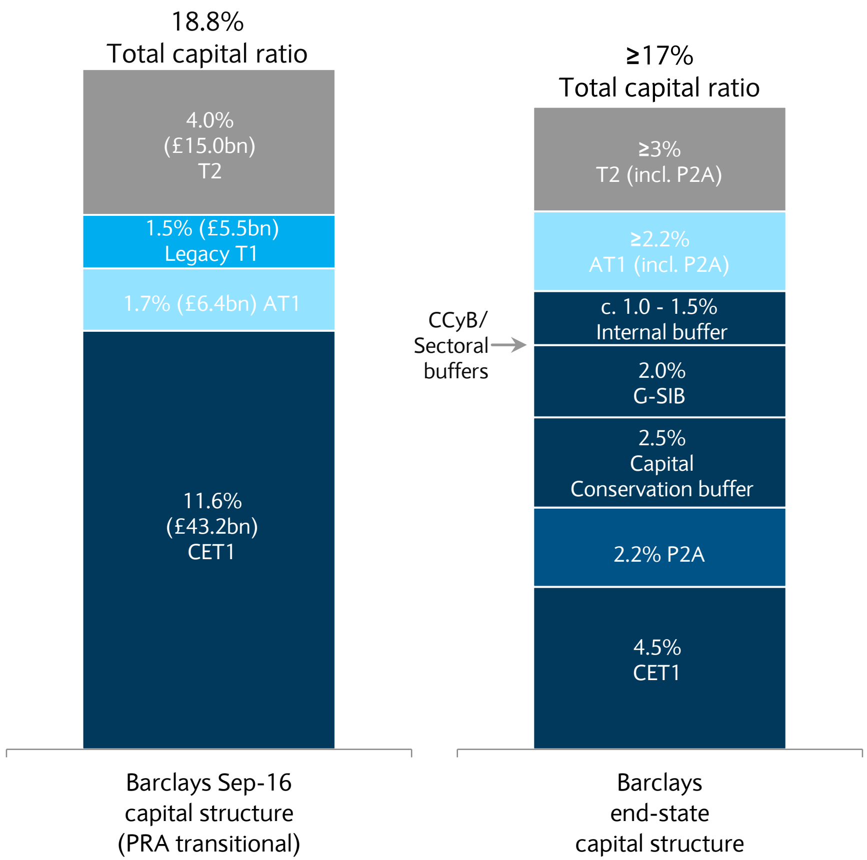
Conservative and stable funding profile (£bn – excludes BAGL)



- Retail loan to deposit ratio at 85% at end of September 2016 and NSFR at 106% at end of June 2016
- Wholesale funding diversified across currencies, notably in USD, EUR and GBP
- As at Q316, remaining maturities for 2016 were £3bn across public and private senior unsecured and secured, and capital instruments

Evolving CRD IV capital structure transitioning to HoldCo over time

Illustrative evolution of CRD IV capital structure[25]



Well managed and balanced total capital structure

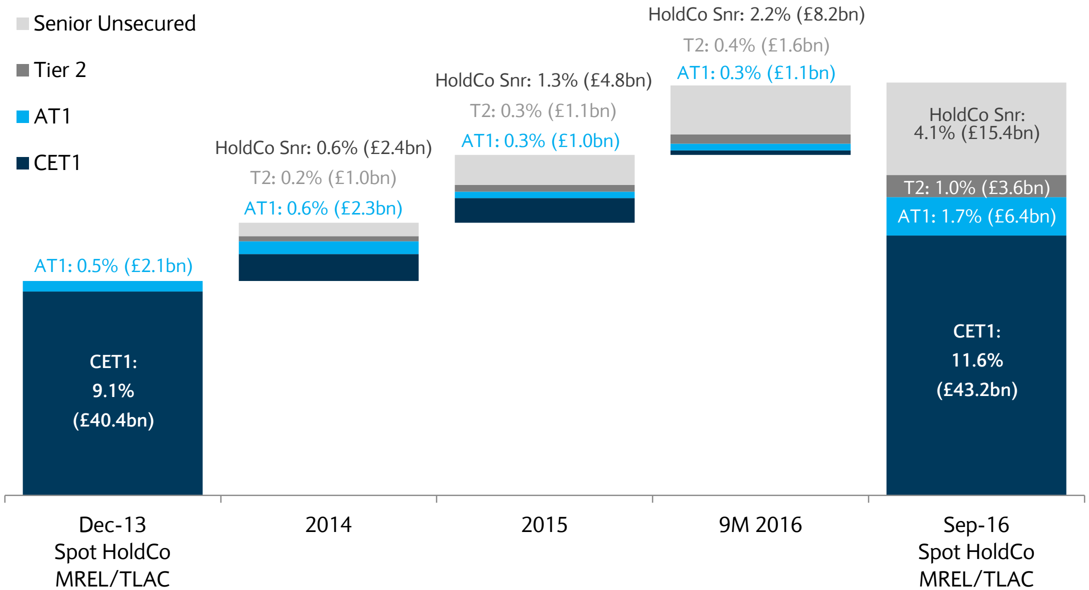
- Transitional and fully-loaded total capital ratios increased by 10bps in the quarter to 18.8% (Jun-16: 18.7%) and 17.7% (Jun-16: 17.6%), reflecting HoldCo capital issuance partially offset by RWA increase
- Capital efficient CRD IV grandfathering transition supported by recent LMEs
  - Most OpCo capital is expected to remain eligible CRD IV capital during and, to the extent outstanding, after grandfathering period, and is currently expected to qualify as MREL/TLAC until 1 Jan 2022[26]
- We aim to manage our capital structure in an efficient manner:
  - Currently assume 2.2% AT1 requirement in end-state for which we expect to hold at least this amount through measured issuance over time
  - Quantum of Tier 2 capital will be informed by MREL rules which are yet to be finalised, as well as relative pricing of Tier 2 and senior unsecured debt and investor appetite

Pillar 2A requirement[15]

- Barclays' 2016 Pillar 2A requirement as per the PRA's Individual Capital Guidance (ICG) is 3.9%. The ICG is subject to at least annual review
  - CET1 of 2.2% (assuming 56% of total P2A requirement)
  - AT1 of 0.7% (assuming 19% of total P2A requirement)
  - T2 of 1.0% (assuming 25% of total P2A requirement)
- Basel Committee consultations and reviews of approaches to Pillar 1 and Pillar 2 risk might further impact the Pillar 2A requirement in the future

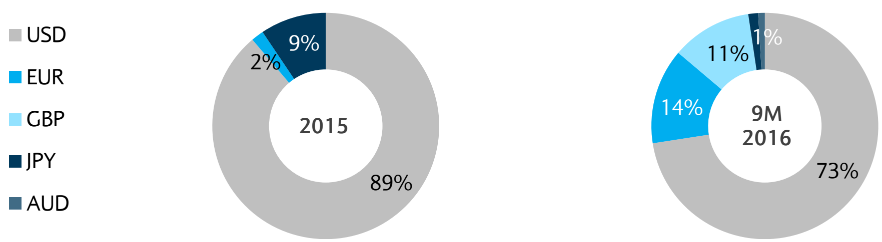
Proactive transition to HoldCo capital and funding model

HoldCo issuance by year[26,27]



- The Group made strong progress on its commitment to transition to a HoldCo capital and term funding model in the first 9 months of this year:
  - Successfully issued £10.9bn from the HoldCo. Further issuance subject to market conditions and investor capacity
  - £7.4bn[28] of public operating company senior debt and capital instruments, including preference shares, have been bought back or called as we continued to optimise funding costs
- Aim to build a diversified funding profile at the HoldCo across currencies, maturities and channels
- We expect to be a measured HoldCo issuer of AT1 and T2 over the next few years

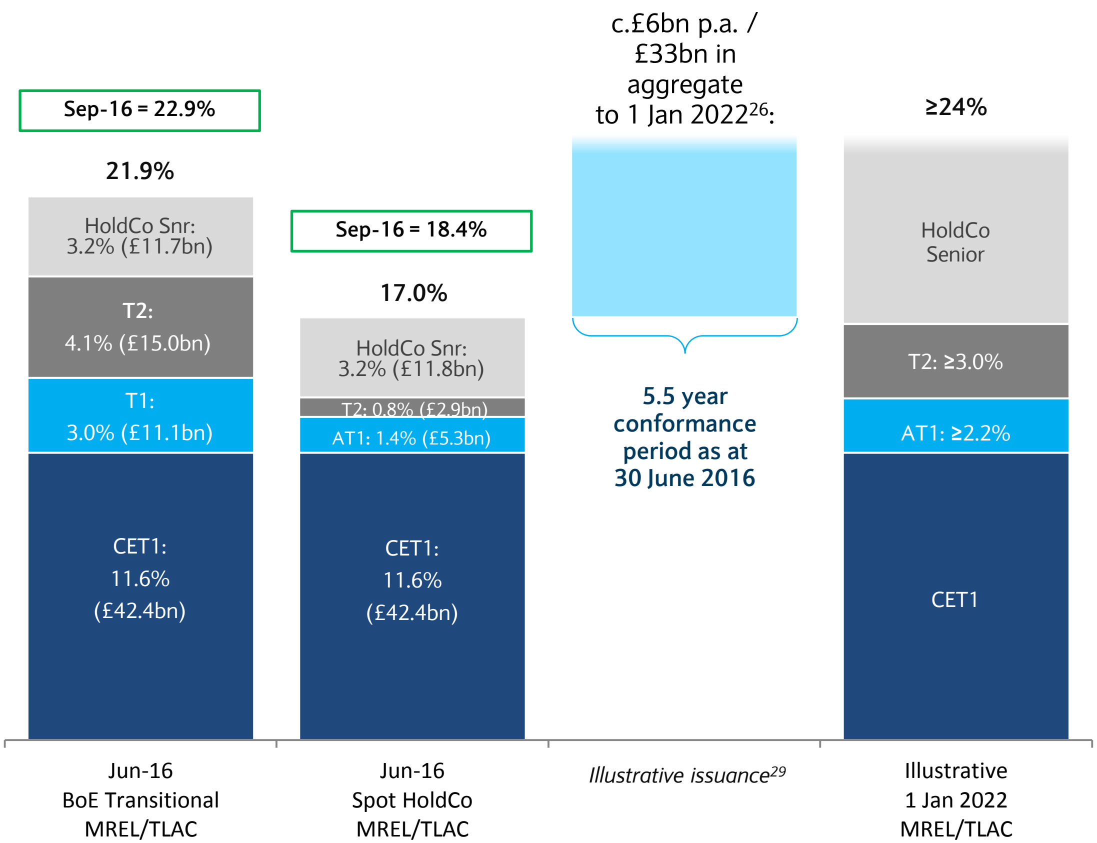
Divesifying our currency mix – Currency split of senior Holdco funding (annual issuance)



- During the period we continued to diversify the HoldCo funding profile across currencies:
  - Completed our inaugural GBP senior HoldCo issuance in August 2016 for GBP 1.25bn
  - Private MTN issuance of £0.7bn across USD, EUR, AUD and JPY transactions

Illustrative MREL/TLAC requirements

Illustrative MREL/TLAC needs to meet future requirements[26]



- Proactive refinancing from HoldCo and liability management exercises executed to date position us well for future requirements
- While our full MREL requirement might apply earlier, we currently expect the 1 January 2022 requirement to be our binding constraint due to the potential disqualification of OpCo legacy T1 and T2 capital from this point onwards
- At a minimum, we expect to need to meet at least the Pillar 1 minimum TLAC requirement of 18%, plus an assumed CBR of c.4.5% by 1 January 2022, on top of which we expect to hold a prudent management buffer
- This would drive manageable illustrative issuance volumes across AT1, T2 and HoldCo senior debt, subject to market conditions and capacity
- Actual issuance will differ from illustration and will depend on future MREL/TLAC requirements, future RWA levels, CET1 accretion, investor appetite and market conditions
- Precise composition of future MREL/TLAC stack remains subject to our final MREL/TLAC requirement, shifts in the various components of our future total capital requirements, and the relative pricing of – and investor appetite for – various HoldCo debt classes

Key assumptions (all subject to change):

- Pillars reflect financial position at Jun-16
  - End requirement based on our current understanding of TLAC pillar 1 requirement plus buffers
  - Spot RWAs of £366bn
  - CET1 resources held constant

Continued progress on transition to HoldCo capital and funding model

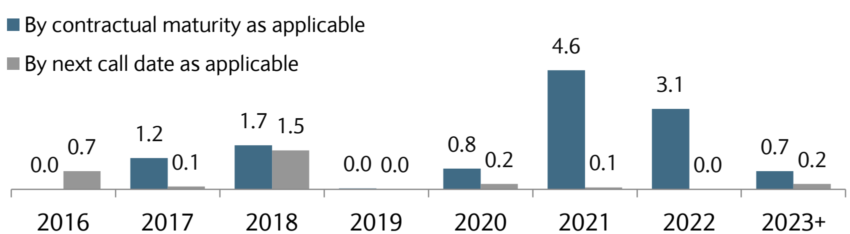
PRA transitional regulatory capital

(£bn)	Jun-16	Sep-16
PRA transitional Common Equity Tier 1 capital	**42.4**	**43.2**
PRA transitional Additional Tier 1 regulatory capital	**11.1**	**12.0**
– *Barclays PLC (HoldCo)*	*5.3*	*6.4*
– *Barclays Bank PLC (OpCo)*	*5.8*	*5.5*
PRA transitional Tier 2 regulatory capital	**15.0**	**15.0**
– *Barclays PLC (HoldCo)*	*2.9*	*3.6*
– *Barclays Bank PLC (OpCo)*	*12.1*	*11.4*
PRA transitional total regulatory capital	**68.4**	**70.2**

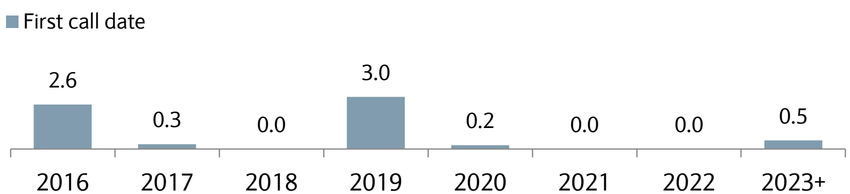
Outstanding term vanilla senior unsecured debt

(£bn)	Jun-16	Sep-16
Barclays PLC (HoldCo)	**11.8**	**15.4**
Barclays Bank PLC (OpCo)[32]	**17.6**	**15.6**
Total term vanilla senior unsecured debt	**29.3**	**31.0**

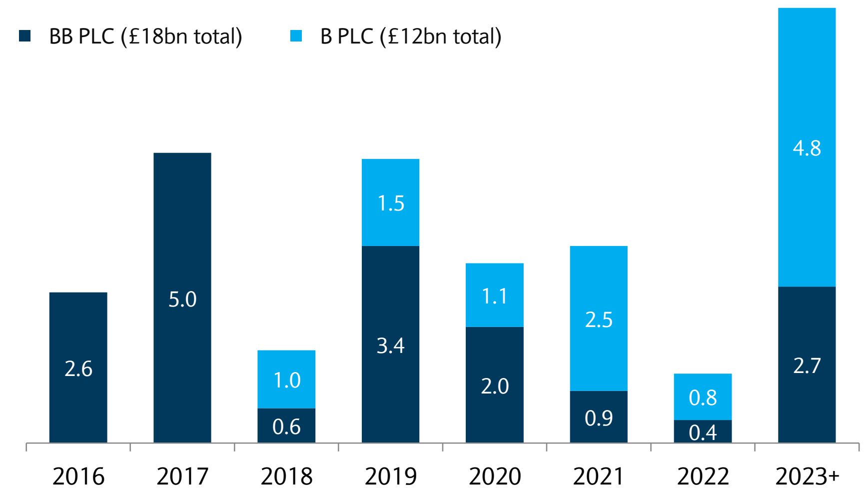
BB PLC Tier 2 capital as at 30 June 2016 (nominal basis)[30,31]



BB PLC Tier 1 capital as at 30 June 2016 (nominal basis)[30]

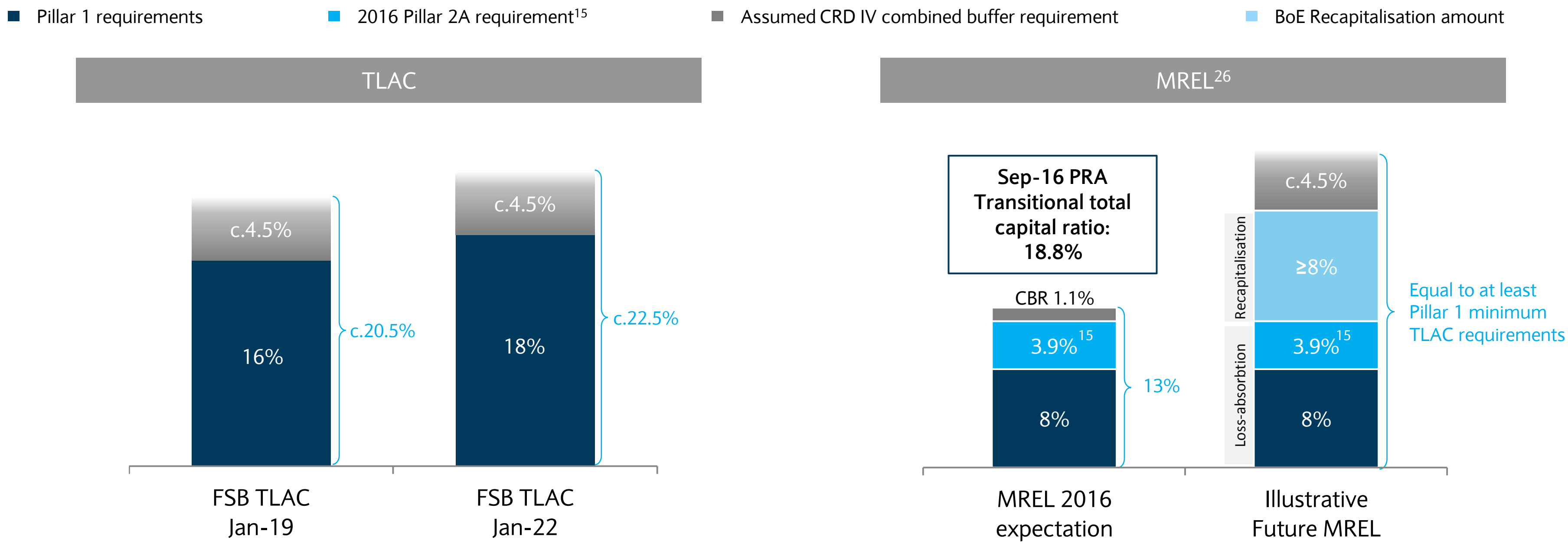


Term vanilla senior unsecured debt maturities as at 30 June 2016



TLAC and MREL requirement expectations

Pillar 1 TLAC minimum requirements and illustrative MREL expectations[26]



- Compliant with 1 January 2016 MREL, as set at applicable regulatory minimum capital levels, including Pillar 2A, as indicated by the Bank of England
- MREL expected to equal applicable minimum capital requirement until 1 January 2020. Ahead of that, G-SIBs are expected to be required to meet at least FSB's Pillar 1 minimum TLAC requirement as of 1 January 2019. This provides UK banks ample time and flexibility to manage the transition period
- However, as rules are not yet finalised, uncertainty remains both as to the requirement and its calibration

UK approach to resolution

Illustrative UK resolution loss allocation waterfall[33]

OpCo waterfall

STEP 1

- Total OpCo losses are allocated to OpCo investors in accordance with the OpCo creditor hierarchy
- Each class of instrument should rank *pari passu* irrespective of holder, therefore LGD of external and internal instruments of the same class are expected to be the same

Intercompany investments

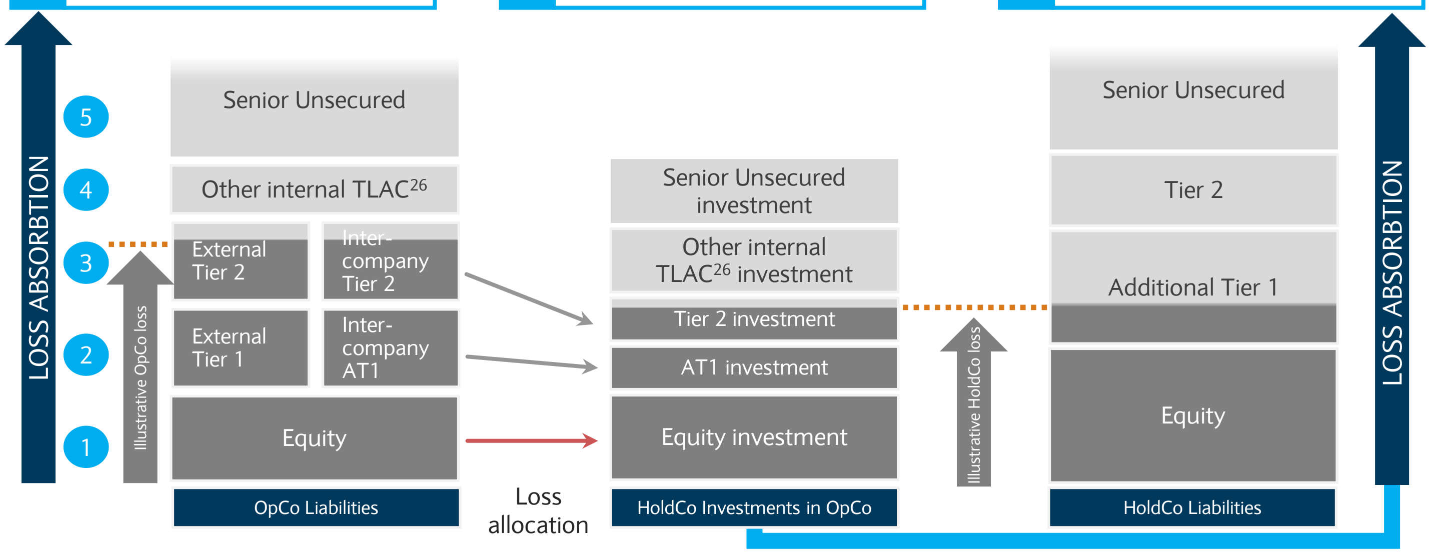
STEP 2

- Losses are transmitted to HoldCo through write-down of its intercompany investments in line with the OpCo's creditor hierarchy
- The HoldCo's investments are impaired by aggregating the losses on each of the intercompany investments

HoldCo waterfall

STEP 3

- The loss on HoldCo's investment from step 2 is allocated to the HoldCo's investors in accordance with the HoldCo creditor hierarchy
- The HoldCo creditor hierarchy remains intact



- BRRD PONV write-down powers ensures OpCo regulatory capital (external and internal) is written down after equity[34]
- The illustrative loss shows that external and internal OpCo investments of the same rank in resolution should have the same LGD. However, step 3 illustrates that the LGD for an OpCo instrument class could be different to that of the same class at the HoldCo where the diversification of a banking group is retained
- External loss absorbing capacity at OpCo provides support to HoldCo and its creditors
- Important for UK HoldCo investors to understand nature of intercompany arrangements

Barclays PLC parent company accounts

Barclays PLC parent company balance sheet

	As at 30 Sep-16 £m	As at 31 Dec-15 £m
Assets		
Investment in subsidiary	36,553	35,303
Loans and advances to subsidiary	19,087	7,990
Derivative financial instrument	267	210
Other assets	61	133
Total assets	**55,968**	**43,636**
Liabilities		
Deposits from banks	516	494
Subordinated liabilities	3,680	1,766
Debt securities in issue	15,407	6,224
Other liabilities	17	-
Total liabilities	**19,620**	**8,484**
Shareholders' equity		
Called up share capital	4,236	4,201
Share premium account	17,576	17,385
Other equity instruments	6,453	5,321
Capital redemption reserve	394	394
Retained earnings	7,689	7,851
Total shareholders' equity	**36,348**	**35,152**
Total liabilities and shareholders' equity	**55,968**	**43,636**

Key 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 direct subsidiary, Barclays Bank PLC, the operating company
- As Barclays continues to be committed to issuing most capital and term vanilla senior unsecured debt out of the HoldCo going forward, the HoldCo balance sheet is expected to increase
- As at 31 December 2015, the distributable reserves of Barclays PLC were £7.1bn

Notes to the parent company balance sheet as at 30 September 2016

Investment in subsidiary

The investment in subsidiary of £36,553m (2015: £35,303m) represents investments made into Barclays Bank PLC, including £6,453m (2015: £5,321m) of Additional Tier 1 (AT1) securities. The increase of £1,250m was mainly driven by $1.5bn of AT1 issuance during the third quarter.

Loans and advances to subsidiary, subordinated liabilities and debt securities in issue

For the nine months ended September 2016, Barclays PLC issued $2.1bn of fixed rate subordinated notes included within the subordinated liabilities balance of £3,680m (2015: £1,766m), $6.7bn of fixed rate senior notes, Yen 20bn of fixed rate senior notes, €1.7bn fixed and floating rate senior notes, £1.3bn of fixed rate senior notes and AUD 0.2bn of fixed rate senior notes included within the debt securities in issue balance of £15,407m (2015: £6,224m). The proceeds raised through the subordinated liabilities and debt securities issuances were used to invest in Barclays Bank PLC in each case with a ranking corresponding to the notes issued by Barclays PLC and included within the loans and advances to subsidiary balance of £19,087m (2015: £7,990m).

Management of internal investments, loans and advances

Barclays PLC retains the discretion to manage the nature of its internal investments in subsidiaries according to their regulatory and business needs. As we implement our structural reform programme, Barclays PLC will invest capital and funding to Barclays Bank PLC and other group subsidiaries such as the group service company, the US IHC and the UK ring-fenced bank.

Structural Reform

Simplifying our business divisions for structural reform

Barclays PLC[35]

Divisional constructs

Barclays UK	Barclays International	Non-Core	Africa Banking
UK consumer and business bank[36] differentiated by scale and digital innovation	Diversified transatlantic wholesale and consumer bank	Expect to close in 2017 with c.£20bn[38] of RWAs	Aim to achieve regulatory deconsolidation First selldown to 50.1% completed
Personal Banking Barclaycard Consumer UK Wealth, Entrepreneurs & Business Banking	Corporate & Investment Bank Consumer, Cards & Payments		

Summary financials – Sep-16 YTD

Barclays UK	Barclays International
PBT[37]: £1,155m	PBT[37]: £3,838m
RoTE[37]: 6.9%	RoTE[37]: 12.9%
RWAs: £67bn	RWAs: £215bn

Future legal entity constructs

Formation of the UK Ring-fenced Bank (RFB) prior to 1 January 2019	Barclays Bank PLC (and subsidiaries)	Residual assets to RFB and BB PLC

- Delivering entities with strong returns and well balanced funding profiles
- Well capitalised entities with strong balance sheets and asset quality
- Our objective is to maintain solid investment grade ratings

Progress on Group legal structure

Barclays PLC[35]

Divisional constructs

Barclays UK

UK consumer and business bank[36] differentiated by scale and digital innovation

Barclays International

Diversified transatlantic wholesale and consumer bank

To be transferred under Barclays PLC

Future legal entity constructs

Formation of the UK Ring-fenced Bank prior to 1 January 2019

Group Service Company

Integrated under current management structures to provide critical service to BUK and BI to deliver operational continuity

Barclays Bank PLC (and subsidiaries)

US IHC

Multiple entities

US IHC

- Successfully launched 1st July 2016
- Holds all existing US subsidiaries
- Compliant with all minimum requirements

Anticipated funding sources of future UK ring-fenced bank and Barclays Bank PLC (and subsidiaries)

Barclays PLC[35]

Divisional constructs

Barclays UK

UK consumer and business bank[36] differentiated by scale and digital innovation

Barclays International

Diversified transatlantic wholesale and consumer bank

Legal entity constructs

Formation of the UK Ring-fenced Bank prior to 1 January 2019

Funding sources: **Sep-16 LDR: 90%**

- **Deposit funding:**
  - Retail deposits
  - Business banking deposits
- **Term funding:**
  - Equity, debt capital and term senior unsecured debt downstreamed from B PLC (Internal MREL/TLAC)
  - Secured funding (e.g. covered bonds and ABS)
- **Other operating funding:**
  - Short-term funding (e.g. CD/CP)

Barclays Bank PLC (and subsidiaries)

Funding sources: **Sep-16 LDR: 92%**

- **Deposit funding:**
  - Mid and large corporate deposits
  - Delaware deposits
  - International wealth customer deposits
- **Term funding:**
  - Equity, debt capital and term senior unsecured debt downstreamed from B PLC (Internal MREL/TLAC)
  - Residual outstanding BB PLC externally issued debt capital and senior unsecured debt (including structured notes)
  - Secured funding (e.g. ABS)
- **Other operating funding (externally issued):**
  - Short-term funding (e.g. CD/CP)

Barclays International: Diversified transatlantic wholesale and consumer bank

Scale and strength with growth opportunities in key geographies

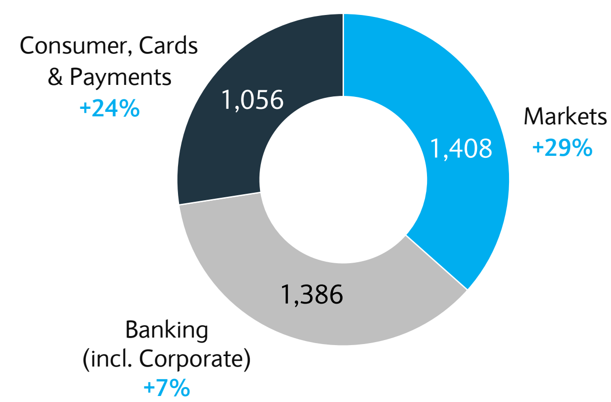
Corporate and Investment Bank

- #1 arranger of UK corporate loans[39]
- #1 in EMEA Investment Grade debt and loans[40]
- #1 US fee share for European banks[40]

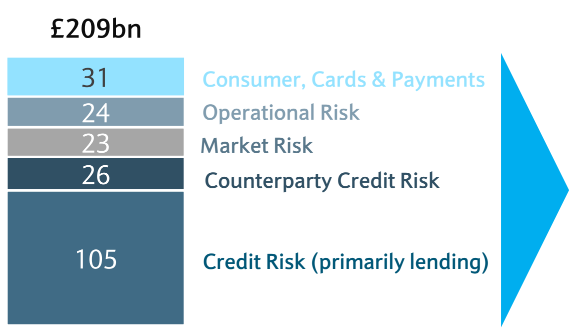
Consumer, Cards & Payments

- #2 merchant acquirer in Europe[41]
- Top 10 US credit card receivables[41]
- c.£300bn payments volume in 2015

Barclays International Income – Q3 16 (£m) [2]



Barclays International RWAs (£bn) – Jun-16



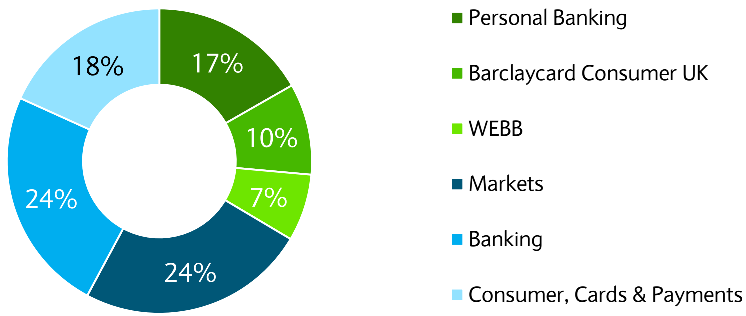
Markets businesses[42] = < 30% of BC&I RWAs

Q3 16	CIB	CC&P
Income	£2,795m	£1,056m
PBT	£885m	£200m
RoTE	**9.2%**	**14.8%**

Asset Quality

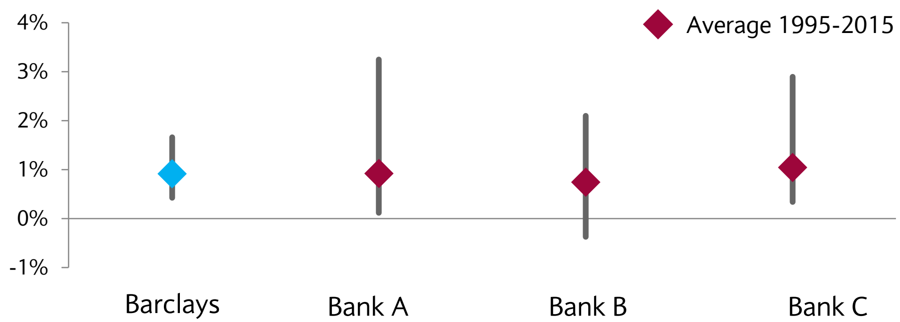
Resilience from prudent risk management and diversification

Diversified income by business[5]



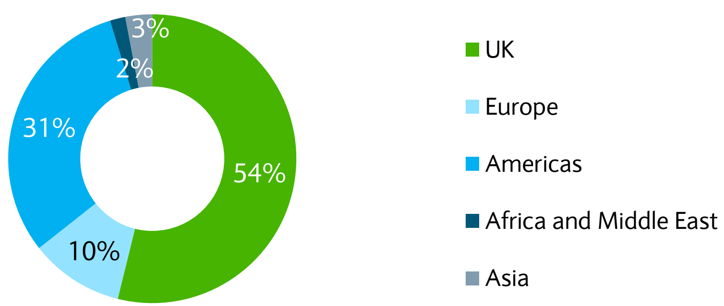
Well balanced business mix with income diversification across consumer and wholesale banking

Lower volatility of LLR vs. other major UK banks[43]



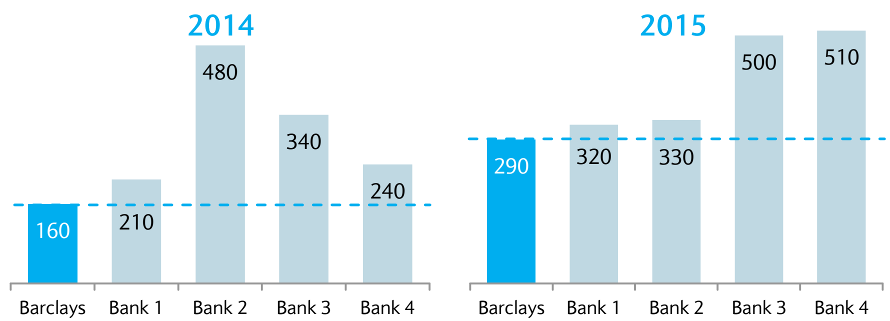
Consistently conservative risk management with lower LLR volatility through the cycle

Diversified income by geography[4]



Geographic diversification with almost one third of our income from the Americas

Bank of England stress tests - CET1 ratio drawdown (bps)[44]



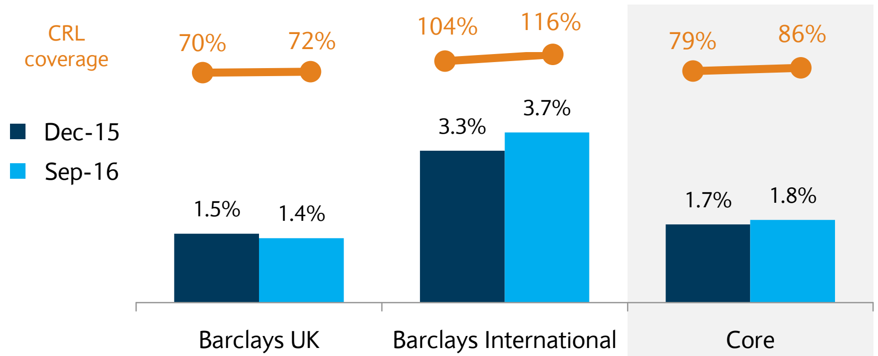
Lowest stress loss in both 2014 and 2015 BoE stress tests post strategic management actions

Underlying stable trends reflect prudent approach to credit risk management

Prudent risk management

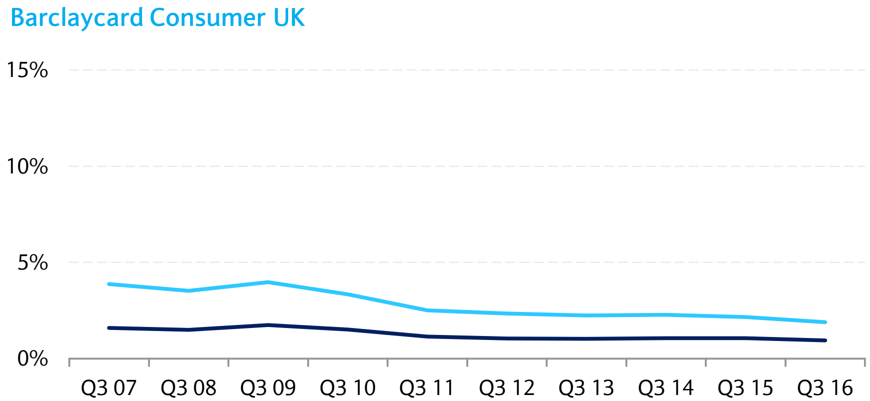
- Remain well-positioned, having maintained a consistently prudent risk appetite since the financial crisis
- Comprehensive review of impairment models across Barclaycard led to further refinements to impairment assumptions in Q316
  - One-off charge of £320m in Q316 across UK and US cards portfolios to reflect a more conservative approach to impairment coverage
- Underlying UK and US credit card delinquency rates remain well controlled
  - Barclaycard Consumer UK 30+ and 90+ day delinquency rates improved to 2.0% and 1.0% respectively
  - Barclaycard US 30+ and 90+ day delinquency rates increased modestly to 2.4% and 1.1% respectively
- Strong retail CRL coverage ratios provide significant protection

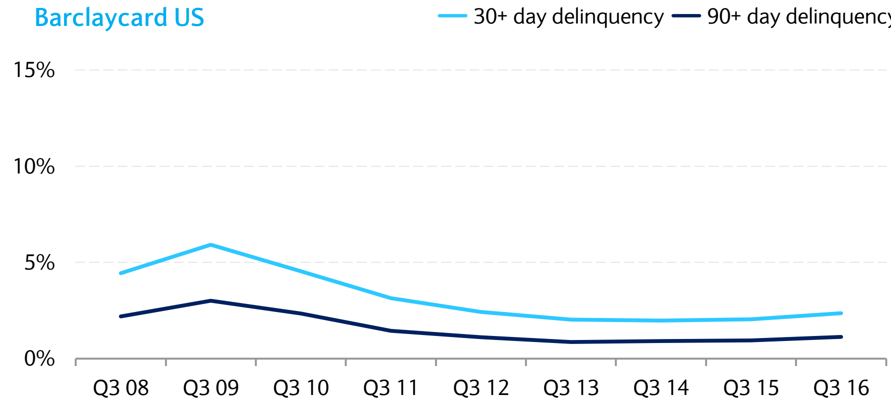
Retail CRL % of Gross L&A



	Barclays UK	Barclays International	Core
CRLs	2,218	1,115	3,333
L&As	155,559	30,328	185,887

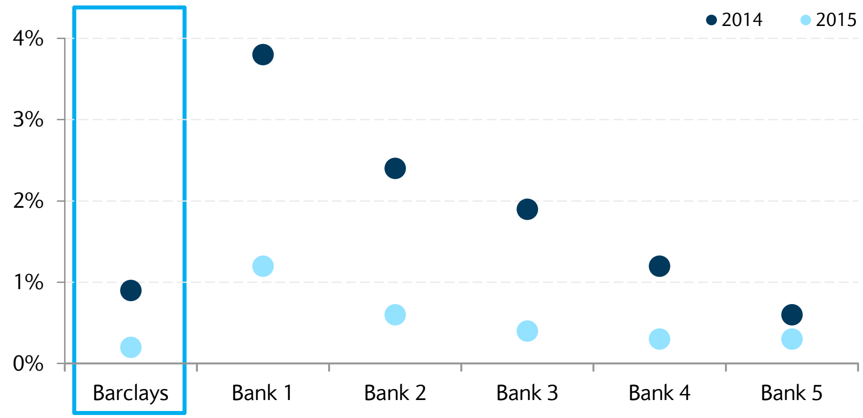
Breakdown by delinquency bucket – UK and US Cards





UK Mortgages – High quality, conservative portfolio

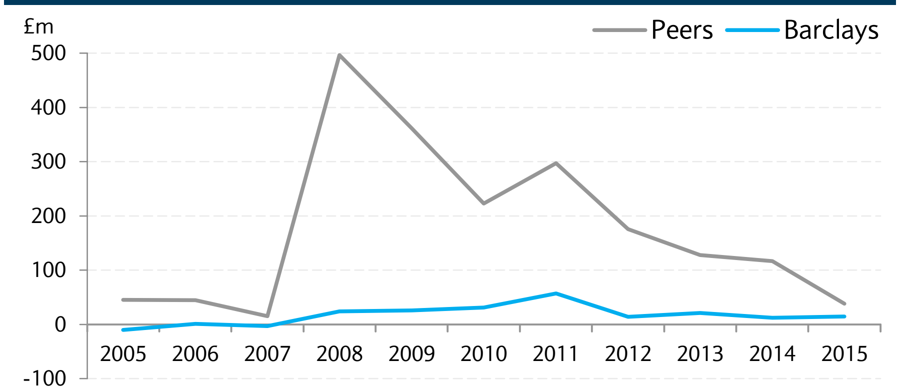
BoE Stress Tests UK Mortgage Cumulative Impairment Charge Rates[45]



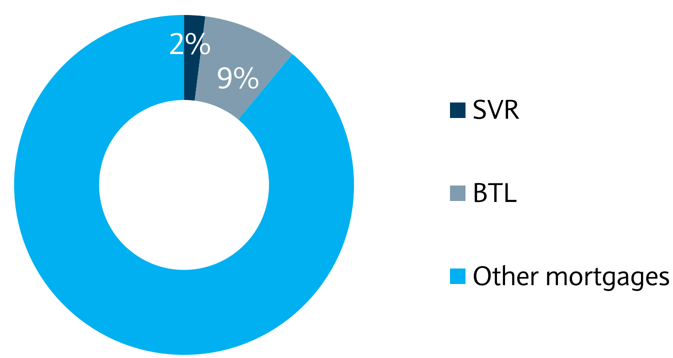
Key Messages

- High quality, conservative £127bn mortgage portfolio
  - Average LTV[46] of 47%
  - >90 day arrears of 0.2%
  - UK mortgage LLR remains negligible
- Consistently strong underwriting criteria – limited high LTV[47] and buy-to-let (2% and 9% of the portfolio, respectively)
  - Average LTV[46] of 52% for buy-to-let
  - Average LTV[46] for London of 36% and South East of 45%

Mortgages Impairment vs. Peer Average[48]



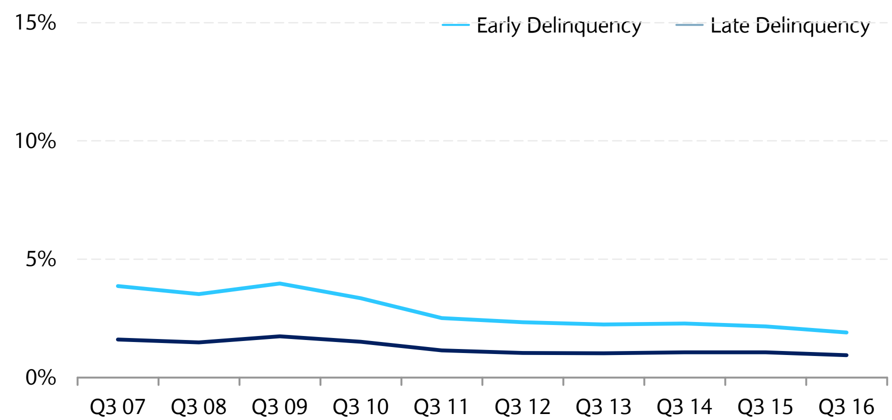
Low proportion of BTL and SVR mortgages



Slide as presented at the H1 2016 results announcement on 29 July 2016

UK and US Cards – Seasoned, diversified and resilient portfolios

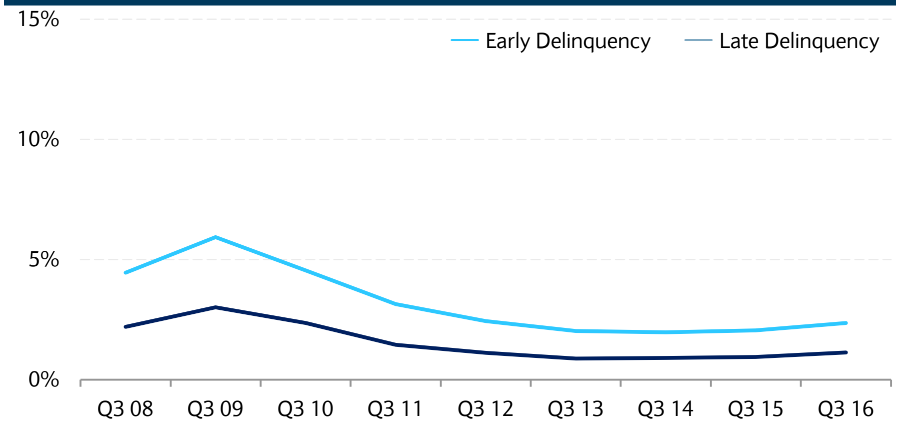
Breakdown by Delinquency Bucket – Barclaycard Consumer UK



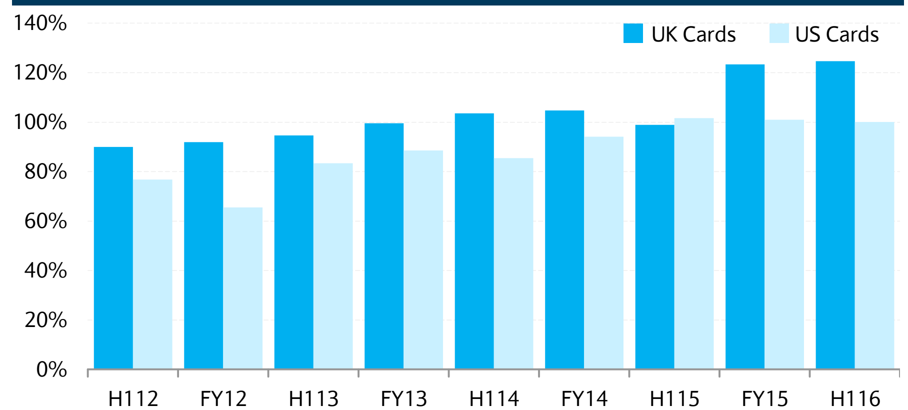
Key Messages

- History of strong and improving delinquency trends across both portfolios
- Portfolios have been built to be resilient; credit criteria is regularly updated as the macroeconomic environment changes and credit trends improve or deteriorate
- Strong CRL Coverage Ratios provide significant protection and have increased in recent years
  - UK cards CRL Coverage Ratio increased from 90% to 125% between 2012 and H116
- Barclaycard remained profitable throughout the stress period for both the Bank of England stress tests in 2014 and 2015[49]

Breakdown by Delinquency Bucket – Barclaycard US

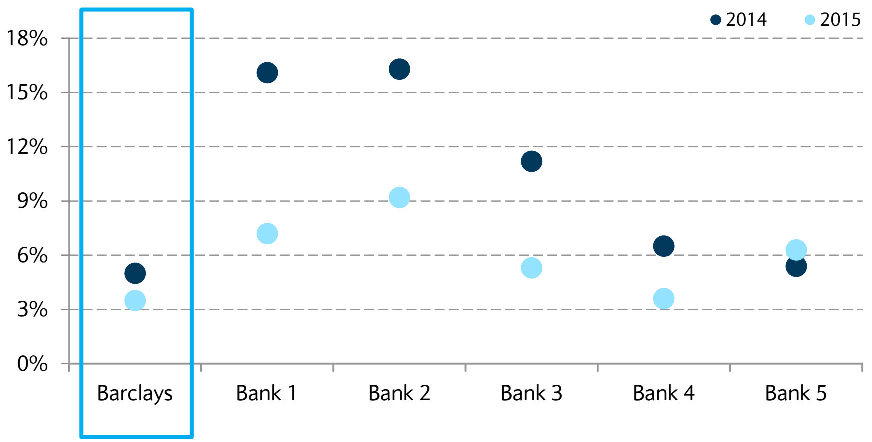


CRL Coverage Ratio

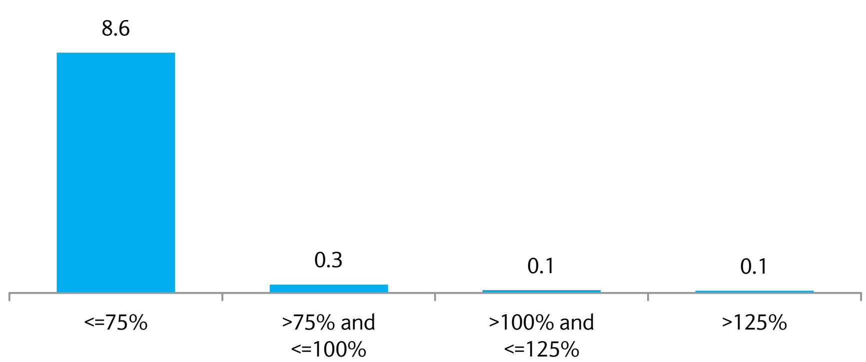


UK Commercial Real Estate – Stable and limited exposure

BoE Stress Tests UK CRE Cumulative Impairment Charge Rates[45]



UK Commercial Real Estate LTV Distribution[48]



Key messages

- Stable and limited exposure to UK Commercial Real Estate with strict adherence to conservative underwriting criteria over time
  - Total UK CRE exposure of £12.3bn representing just 2.6% of total Loans & Advances
  - Total collateral balances of £26bn
- Impairment release for H116 of £1m
- Past due balances stood at £174m, representing 1.4% of the portfolio, of which 50% is covered by impairment allowances
- Over 70% of exposure has a contractual maturity of less than five years
- Commercial development lending is less than 2% of the CRE book

Slide as presented at the H1 2016 results announcement on 29 July 2016

Limited oil and gas exposures and robust risk management

Key stats

Total credit risk exposures of

£18.2bn

£4.4bn on-balance sheet

£106m

Impairment in 2015

If oil prices remained at

c.$30 per barrel

throughout 2016, estimate additional impairment of

c.£250m

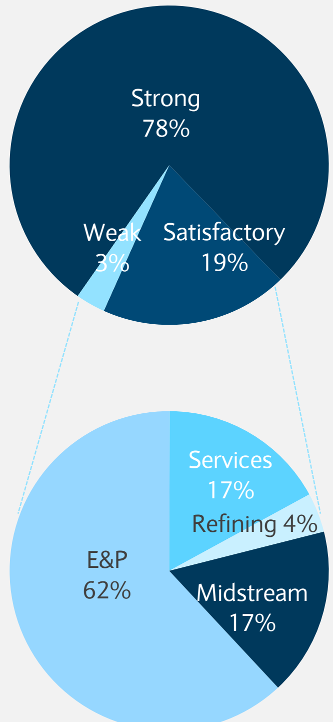
Or if prices reduced to

c.$25 per barrel,

c.£450m

Good quality and well diversified

Of our total wholesale credit exposures[50]:



Effective risk management

- Our exposure to Oil & Gas is well balanced, with no large concentration of exposure, either by activity or geography
- Majority of exposure is to oil majors and other investment grade clients
- For remaining exposures, our lending is conservative
  - Lending to Exploration & Production (E&P), for example, is primarily through collateralised reserve based lending structures whereby loans are secured by the value of proven and producing reserves
- Exposure to the metals and mining sector is to experienced counterparties with established track records and strong balance sheets
  - Majority of exposure is to diversified majors and other investment grade clients

Slide as presented at the FY 2015 results announcement on 1 March 2016

Credit Ratings

Ratings a key strategic priority

Senior Long Term/ Short Term ratings	Standard & Poor's	Moody's	Fitch
Barclays PLC (B PLC - HoldCo)	BBB A-2	Baa3 P-3	A F1
Barclays Bank PLC (BB PLC - OpCo)	A- A-2	A2 CRA: A1[51] P-1	A F1
Outlook			
Pre-referendum	STABLE	STABLE	STABLE
Post-referendum	NEGATIVE ↓	NEGATIVE ↓	STABLE =

- Barclays is committed to maintaining strong investment grade ratings
- Pre-referendum, all 3 rating agencies affirmed Barclays ratings during H116 with stable outlooks

Rating actions post-referendum

- All rating agencies took action on UK sovereign ratings
  - S&P and Moody's placed several UK banks on negative outlooks, including Barclays, whilst affirming the ratings
  - Ratings and outlooks for Barclays have remained unchanged with Fitch after the UK referendum

HoldCo and OpCo ratings

- Punitive HoldCo vs. OpCo differentials remain under S&P and Moody's due to:
  - No HoldCo uplift for junior debt cushion (S&P)
  - Expected increase in thickness of the senior HoldCo layer which will benefit LGF over time not taken into account (Moody's)

Barclays rating composition for senior debt

Standard & Poor's

	Stand-Alone Credit Profile	bbb+
Stand-alone rating	Anchor	bbb+
	Business position	0
	Capital and earnings	0
	Risk position	0
	Funding and liquidity	0
Additional factors	**Additional factors**	
	Notching (HoldCo)	-1
	ALAC[52] support (OpCo)	+1
	Government support	0
	Group support	0
Liability ratings	HoldCo senior long-term	BBB
	OpCo senior long-term	A-
	OpCo senior short-term	A-2
	Post-referendum outlook	Negative

Moody's

	Baseline Credit Assessment	baa2
Stand-alone rating	Macro profile	Strong+
	Financial profile	baa2
	Qualitative adjustments	0
Additional factors	**Additional factors**	
	Loss given failure (HoldCo)	-1
	Government support (OpCo)	1
	Loss given failure (OpCo)	2
Liability ratings	HoldCo senior long-term	Baa3
	OpCo senior long-term	A2
	OpCo senior short-term	P-1
	Post-referendum outlook	Negative

Fitch

	Viability Ratings	a		
Stand-alone rating	Operating environment	aa	to	a+
	Company profile	a	to	bbb+
	Management & Strategy	a+	to	a-
	Risk appetite	a+	to	a-
	Financial profile	a+	to	bbb
Additional factors	**Additional factors**			
	Government support	0		
	Qualifying junior debt	0		
Liability ratings	HoldCo senior long-term	A		
	OpCo senior long-term	A		
	OpCo senior short-term	F1		
	Post-referendum outlook	Stable		

Barclays rating composition for subordinated debt

Standard & Poor's

		HoldCo		OpCo			
		T2	AT1	T2 Coco	UT2	LT2	T1
Stand-alone rating	Stand-Alone Credit Profile	bbb+					
Notching	Contractual subordination	-1	-1	-1	-1	-1	-1
	Bail-in feature	-1	-1	-1	-1	-1	-1
	Buffer to trigger		-1	-1			
	Coupon skip risk		-2		-1		-2
	Structural subordination	-1	-1				
	Total notching	-3	-6	-3	-3	-2	-4
Liability ratings	Rating	BB+	B+	BB+	BB+	BBB-	BB
	Post-referendum outlook	Negative					

Moody's

		HoldCo		OpCo				
		T2	AT1	T2 Coco	UT2	LT2	T1 (cum)	T1 (non-cum)
Stand-alone rating	Baseline Credit Assessment	baa2						
Notching	LGF	-1			-1	-1	-1	-1
	Coupon skip risk (cum)				-1		-1	
	Coupon skip risk (non cum)							-2
	Model-based outcome with legacy T1 rating cap		-3					
	Total notching	-1	-3		-2	-1	-2	-3
Liability ratings	Rating	Baa3	Ba2	N/A	Ba1	Baa3	Ba1	Ba2
	Post-referendum outlook	Negative						

Fitch

		HoldCo		OpCo			
		T2	AT1	T2 Coco	UT2	LT2	T1
Stand-alone rating	Viability Rating	a					
Notching	Loss severity	-1	-2	-2	-1	-1	-2
	Non-performance risk		-3	-2	-2		-2/ -3
	Total notching	-1	-5	-4	-3	-1	-4/-5
Liability ratings	Rating	A-	BB+	BBB-	BBB	A-	BBB- /BB+
	Post-referendum outlook	Stable					

Appendix

Our strategy remains unchanged and is on track

Transatlantic Consumer, Corporate and Investment Bank

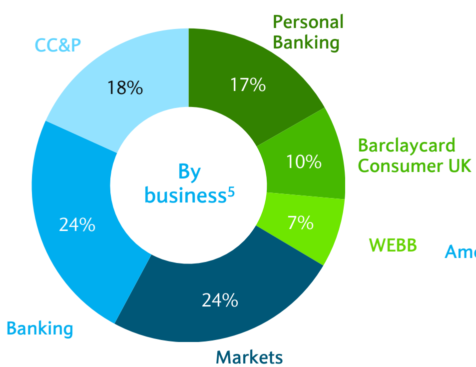
Barclays UK	Barclays International
UK consumer and business bank differentiated by scale and digital innovation	Diversified transatlantic wholesale and consumer bank
RWAs: £67bn	RWAs: £215bn
RoTE[53]: 6.9%	RoTE[53]: 12.9%

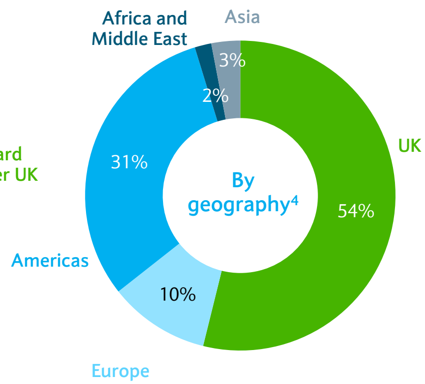
Well capitalised, supporting solid investment grade credit ratings

Measures to deliver strategy and manage legacy headwinds

- Accelerate Non-Core rundown. Flexibility to fund the accelerated rundown provided by plan to pay a dividend of 3.0p for 2016 and 2017 (FY15 dividend of 6.5p)
- Intention to deconsolidate Barclays Africa Group Limited (BAGL), leading to further simplification of the Group, further cost reductions, and CET1 ratio uplift in two to three years[11]
- Continued focus on cost reductions with 2016 cost guidance on track for £12.8bn for Core (excluding BAGL) - £13.0 bn when adjusted for FX[3]
- Settle remaining conduct and litigation

Diversified income streams





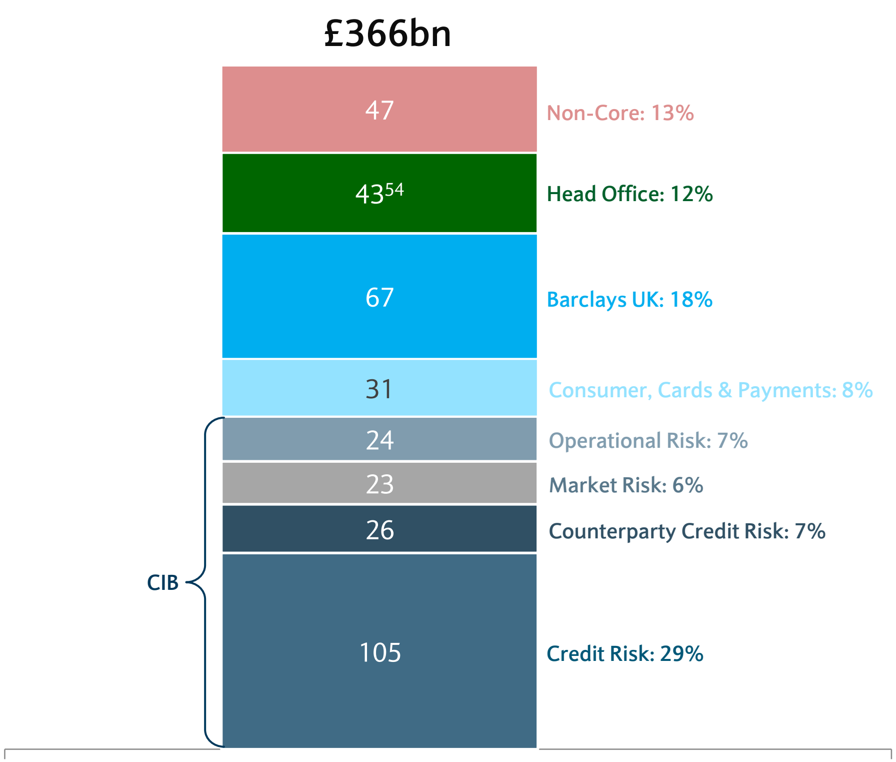
Financial targets

Returns	Group Return on Tangible Equity (RoTE)	Group will converge towards the Core RoTE
Capital	Group CET1 Ratio	100-150 bps above regulatory minimum level
Costs	Group Cost: Income Ratio	Below 60%

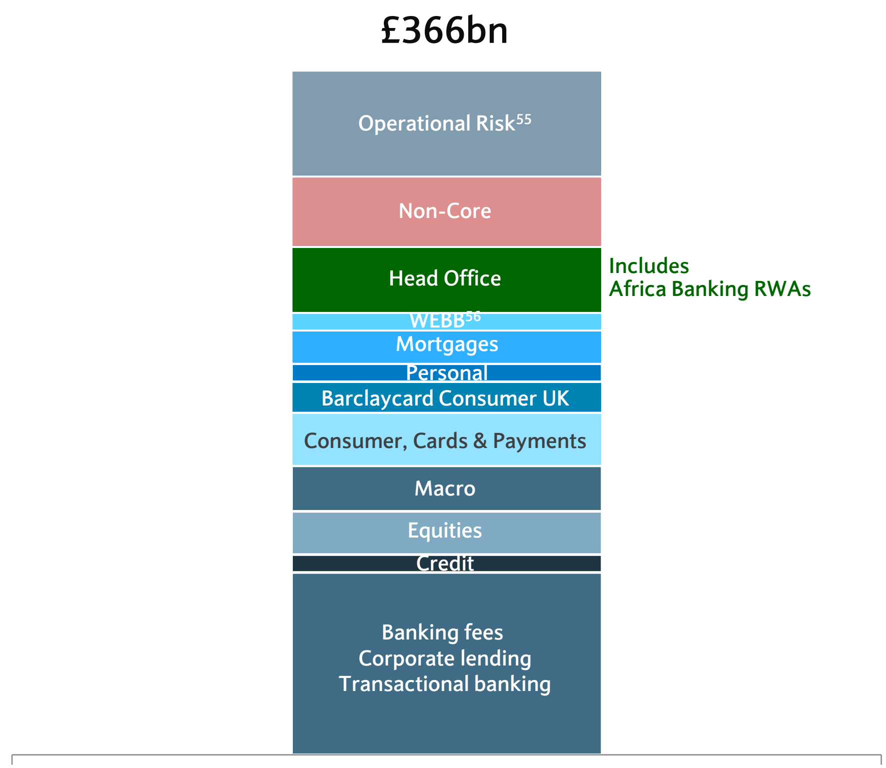
Intend to achieve these targets within a reasonable timeframe

Capital allocation balanced and diversified across the Group

Group RWAs (£bn) by division – Jun-16



Group RWAs (£bn) by product – Jun-16



Markets businesses (Credit, Equities and Macro) represent c.15% of Group RWAs[57]

Slide as presented at the H1 2016 results announcement on 29 July 2016

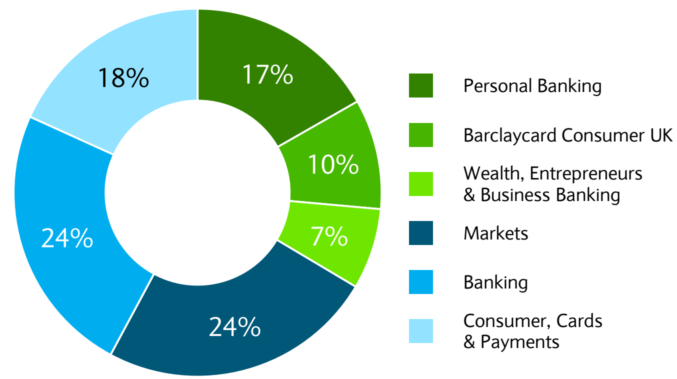
Group financials excluding notable items – Q316

Performance excluding notable items

Three months ended (£m)	Sep-16	Sep-15	% change
Income	5,710	5,286	8%
Impairment	(789)	(429)	(84%)
– *Operating expenses*	*(3,581)*	*(3,552)*	*(1%)*
– *Litigation and conduct*	*(141)*	*(139)*	*(1%)*
Total operating expenses	(3,722)	(3,691)	(1%)
Other net income	502	19	
Profit before tax	1,701	1,185	44%
Tax	(385)	(329)	(17%)
Profit after tax – continuing operations	1,316	856	54%
NCI – continuing operations	(70)	(75)	7%
Other equity holders	(110)	(79)	(39%)
Profit after tax – discontinued operation	209	168	25%
NCI – discontinued operation	(124)	(83)	(49%)
Attributable profit	1,221	787	55%
Performance measures			
Return on average tangible equity	10.1%	6.7%	
Cost: income ratio	65%	70%	
Loan loss rate (LLR)	66bps	37bps	
Basic earnings per share	7.4p	4.8p	
	Sep-16	Jun-16	
Risk weighted assets	£373.4bn	£366.3bn	
Notable items (£m)	Sep-16	Sep-15	
– *Own credit*	*(264)*	*195*	Income
– *Provisions for UK customer redress*	*(600)*	*(290)*	Litigation and conduct
– *Provisions for ongoing investigations and litigation including Foreign Exchange*	-	*(270)*	Litigation and conduct
– *Losses on sale relating to the Portuguese retail business*	-	*(201)*	Other net expenses
Total	(864)	(566)	

Diversified Consumer, Corporate & Investment Bank

Q316 Core income by product[58]

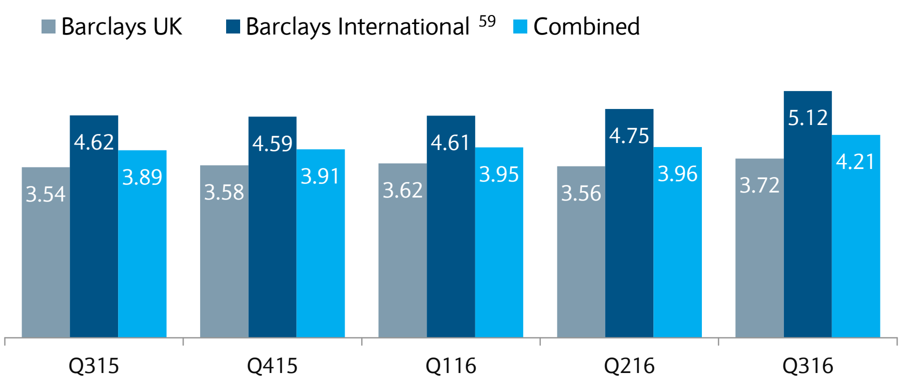


Core income and margins – Q316

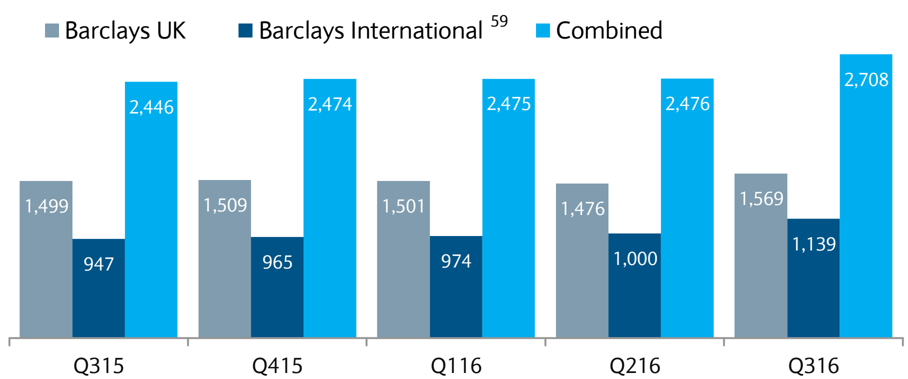
Income[2] (£m) – Three months ended	Sep-16	Sep-15	% change
– *Barclays UK*	*1,569*	*1,499*	*5%*
– *Barclays International[59]*	*1,139*	*947*	*20%*
– *Other[60]*	*10*	*111*	*(91%)*
Net interest income (NII)	2,718	2,557	6%
– *Of which: structural hedge contribution*	*364*	*332*	*10%*
Non-interest income	3,151	2,513	25%
Total Core income	5,869	5,070	16%

- Barclays UK NII increased 5% to £1.6bn due to deposit repricing initiatives and Treasury contributions
  - NIM increased to 3.72%
- Barclays International[59] NII increased 20% due to balance growth in CC&P and Treasury contributions
  - NIM increased to 5.12%
- Combined NIM increased to 4.21%
- Net structural hedge contribution remained broadly stable year on year
- Non-interest income increased 25% to £3.2bn driven by growth in CIB Markets and Banking income

Net Interest Margin (%)



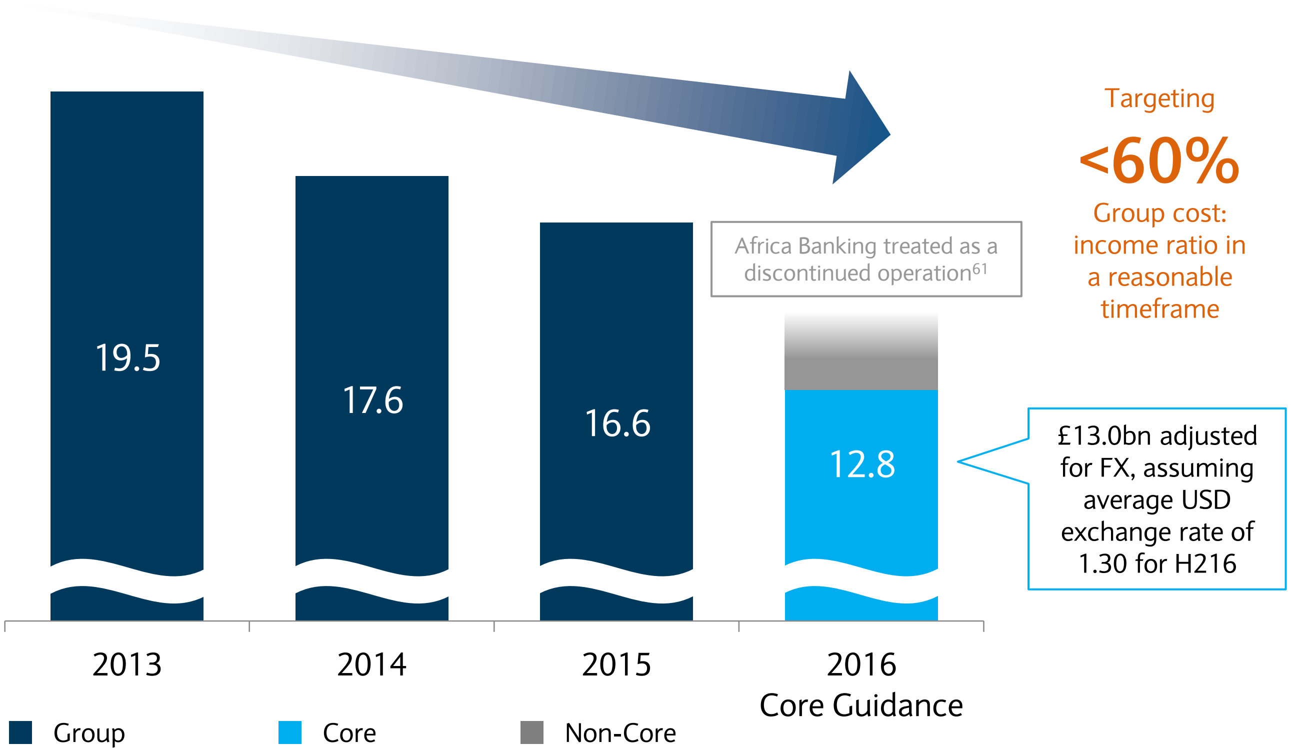
Net Interest Income (£m)



Continued focus on cost discipline and efficiency

Group cost progression and Core guidance (£bn)

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



Targeting

<60%

Group cost: income ratio in a reasonable timeframe

Cost initiatives

Real estate

- Reduction in real estate footprint, resulting in structurally lower annual costs

Headcount

- Headcount management in place since Q415, leading to net reduction of c.14,000

Operations & Technology

- Continued focus on digitisation and automation
- Decommissioned over 500 applications in 2016, representing c.9% of total Group applications

On track for Core cost guidance in 2016, with further cost efficiencies expected over time

Barclays UK: Return on Tangible Equity of 21.1%

Business performance excluding notable items

Three months ended (£m)	Sep-16	Sep-15	% change
Income	1,943	1,874	4%
Impairment	(350)	(154)	
– *Operating expenses*	*(904)*	*(925)*	*2%*
– *Litigation and conduct*	*(14)*	*(3)*	
Total operating expenses	(918)	(928)	1%
Profit before tax (PBT)	675	793	(15%)
Attributable profit	454	599	(24%)
Performance measures excluding notable items			
Return on average tangible equity (RoTE)	21.1%	25.8%	
Average allocated tangible equity	£8.7bn	£9.3bn	
Cost: income ratio	47%	50%	
Loan loss rate (LLR)	82bps	36bps	
Net interest margin (NIM)	3.72%	3.54%	
	Sep-16	Jun-16	
Loans and advances to customers	£166.6bn	£166.0bn	
Customer deposits	£185.5bn	£181.7bn	
Risk weighted assets (RWA)	£67.4bn	£67.1bn	
Notable items (£m)	Sep-16	Sep-15	
– *Provisions for UK customer redress*	*(600)*	*(73)*	

Q316 performance metrics

- RoTE was 21.1%, with income growth and a reduction in costs generating positive cost: income jaws
- Income increased by 4% to £1.9bn, driven by 5% growth in net interest income
  - NIM increased to 3.72%, including Treasury contributions
- Impairment increased to £350m primarily due to a £200m one-off charge to reflect a more conservative approach to impairment coverage in Barclaycard Consumer UK
  - Underlying impairment and delinquencies remained stable
- Costs decreased by 1% to £0.9bn, reducing the cost: income ratio to 47%
  - Savings from strategic cost programmes were partially offset by structural reform implementation costs

Key drivers/highlights

Personal Banking

- Strong deposit growth of £8.8bn year on year to £137.2bn and improved re-pricing strategies drove increased net interest income
- Maintained strict pricing discipline and consistently prudent underwriting criteria, while driving growth through deeper customer engagement

Barclaycard Consumer UK

- Steady growth in loans and advances, up 2% year on year to £16.2bn
- Stable underlying impairment trends, reflected in broadly flat 30 day and 90 day arrears rates at 2.0% and 1.0% respectively

Wealth, Entrepreneurs & Business Banking

- Income increased 7% as strong deposit growth of 7% to £48.3bn in Wealth was partially offset by declining fee income due to reduced transactional appetite from investors

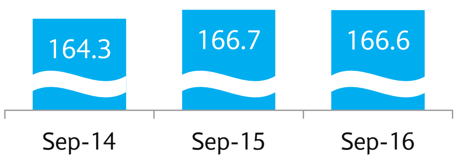
Barclays UK: Resilient NIM and prudent growth in balances

Income (£m) – Three months ended	Sep-16	Sep-15	% change
Net interest income (NII)	1,569	1,499	5%
– *Net interest margin (NIM)*	3.72%	3.54%	
Non-interest income	374	375	-
Total income	1,943	1,874	4%

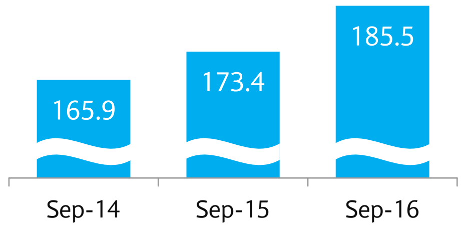
Stable income

- NII increased by 5% to £1.6bn while NIM increased to 3.72%, including Treasury contributions, despite the base rate cut to 25bps in August
  - Improvement in deposit margins and growth in customer deposits
- Non-interest income remained flat at £374m
  - Impact of EU interchange fee regulation was offset by gains from a debt sale in Barclaycard Consumer UK

Loans and advances to customers (£bn)



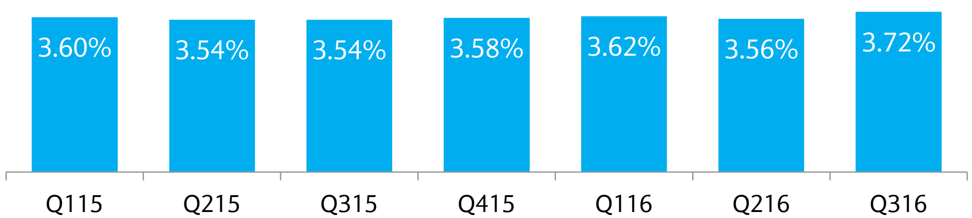
Customer deposits (£bn)



Growth in balances

- Consistently strong deposit growth, despite repricing initiatives
- Prudent growth in loans and advances, focused on remortgage and lower LTV segments, and unsecured loans to existing customers
- LDR of 90%, reflecting strong funding position and prudent risk appetite

Net Interest Margin (NIM)



Estimated NIM sensitivity

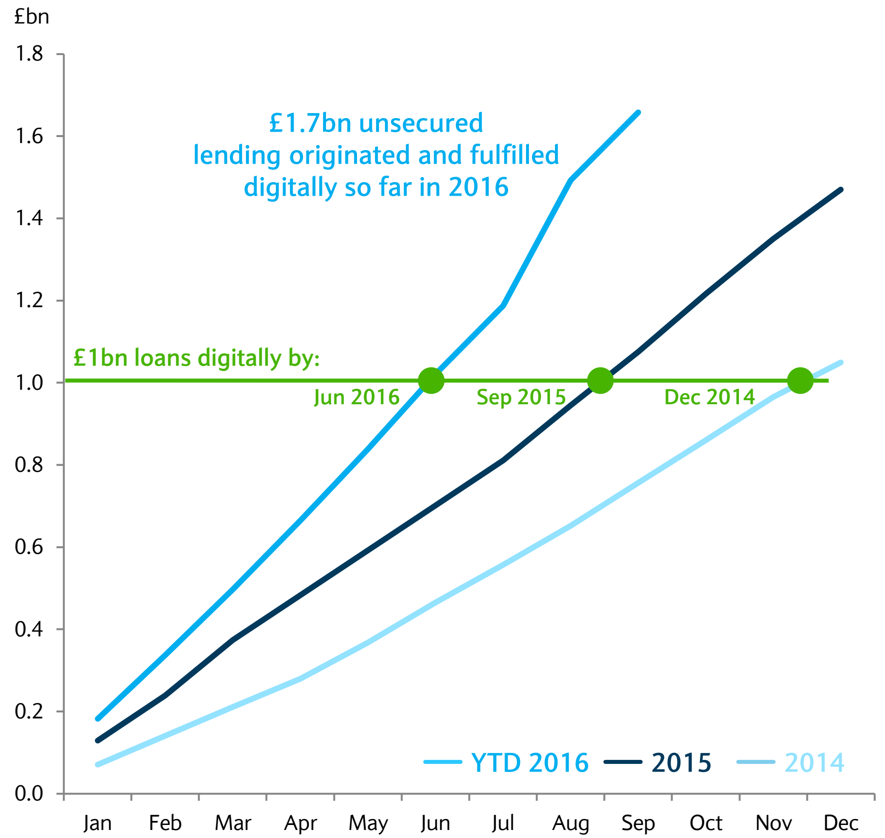
BoE base rate	FY16	FY17 range
0.25%	High 350bps	350 – 360bps
0.10%		340 – 350bps

Barclays UK: Growth through leadership in digital banking

Significant growth in digital banking – year-on-year

Barclays Mobile Banking	**5.5m** Mobile Banking users	+22%
Digital	**9.2m** Digitally active customers	+7%
Digital log-ins	**137m** Monthly average in 2016 YTD	+25%
Payments & transfers	**£23.5bn** Monthly average in 2016 YTD	+28%
Pingit	**£0.9bn** Payments in 2016 YTD	+14%
Digital Eagles	**1.1m** People Barclays has helped since April 2013	

Annual cumulative unsecured lending – originated and fulfilled digitally



Digitally originated and fulfilled unsecured lending has a cost: income ratio in the low 20s

Barclays International: RoTE of 10.0%

Business performance excluding notable items

Three months ended (£m)	Sep-16	Sep-15	% change
– *Corporate & Investment Bank (CIB)*	2,795	2,374	*18%*
– *Consumer, Cards & Payments (CC&P)*	*1,056*	*849*	*24%*
Income	3,851	3,223	19%
Impairment	(420)	(235)	(79%)
– *Operating expenses*	*(2,337)*	*(2,059)*	*(14%)*
– *Litigation and conduct*	*(17)*	*(45)*	*62%*
Total operating expenses	(2,354)	(2,104)	(12%)
Profit before tax (PBT)	1,085	893	22%
Attributable profit	623	584	7%

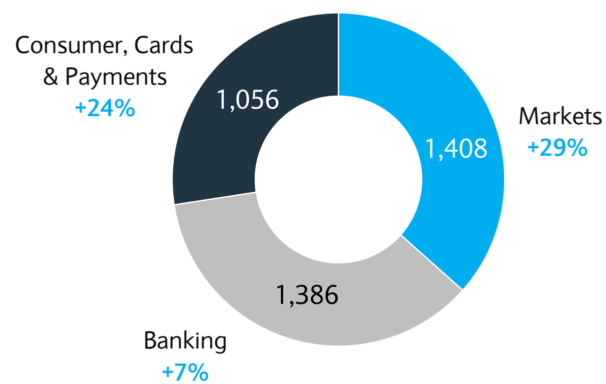
Performance measures excluding notable items		
Return on average tangible equity (RoTE)	10.0%	9.6%
Average allocated tangible equity	£25.7bn	£24.7bn
Cost: income ratio	61%	65%
Loan loss rate (LLR)	71bps	42bps
Net interest margin (NIM)[59]	5.12%	4.62%
	Sep-16	Jun-16
Risk weighted assets (RWA)	£214.6bn	£209.3bn

Notable items (£m)	Sep-16	Sep-15
– *Provisions for UK customer redress*	-	*(218)*
– *Provisions for ongoing investigations and litigation including Foreign Exchange*	-	*(39)*

Q316 performance metrics

- RoTE of 10.0% demonstrated the benefit of diversification across consumer lending and wholesale banking, and geographic markets
  - High proportion of USD and EUR earnings benefitted from a weaker GBP
- Income grew by 19% to £3.9bn and NIM improved to 5.12%, including Treasury contributions
- Impairment increased £185m primarily due to a one-off charge to reflect a more conservative approach to impairment coverage in the US cards portfolio
- Generated positive cost: income jaws, despite cost increase of 12% to £2.4bn
  - Restructuring costs of £150m in CIB from reduction in real estate, and structural reform implementation costs, more than offset efficiency savings
- PBT increased by 22% driven by encouraging CIB performance and growth in CC&P

Q316 Income by product (£m)



Barclays International: Corporate & Investment Bank: RoTE of 9.2%

Business performance excluding notable items			
Three months ended (£m)	Sep-16	Sep-15	% change
Markets	1,408	1,094	29%
– *Credit*	*333*	*191*	74%
– *Equities*	*461*	*416*	11%
– *Macro*	*614*	*487*	26%
Banking	1,386	1,297	7%
– *Banking fees*	*644*	*501*	29%
– *Corporate lending*	*284*	*377*	(25%)
– *Transactional banking*	*458*	*419*	9%
Income[62]	2,795	2,374	18%
Impairment	(38)	(75)	49%
Total operating expenses	(1,872)	(1,685)	(11%)
Profit before tax (PBT)	885	613	44%
Performance measures excluding notable items			
Return on average tangible equity (RoTE)	9.2%	7.5%	
	Sep-16	Jun-16	
Risk weighted assets (RWA)	£182.5bn	£178.4bn	

Q316 performance metrics

- Encouraging performance as 44% PBT increase generated an RoTE of 9.2%. Income, costs and RWAs were impacted by USD and EUR appreciation against GBP
- Strongest quarterly performance in Banking and Credit over the past 2.5 years[63] drove an 18% increase in income to £2.8bn, with a strong performance across most products
- Impairment charges of £38m arose from a number of single name exposures
- Delivered positive cost: income jaws, despite costs increasing 11% primarily due to increased real estate restructuring and structural reform implementation costs

Key drivers/highlights

Markets income +29%

Second highest performance since Q114[63]

- Credit increased 74%, recording its highest quarter since Q114, reflecting increased client activity
- Macro increased 26% driven by strong performances in Rates
- Equities increased 11% driven by gains in the US cash business and increased client balances in Equity Finance

Banking income +7%

Highest performance since Q114[63]

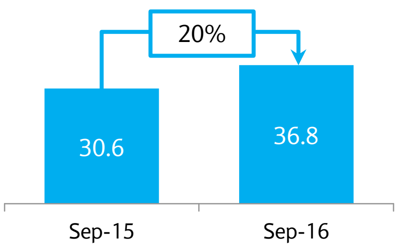
- Banking fees increased 29%, primarily driven by debt underwriting which outperformed, recording its highest quarter since Q114
  - Ranked #1 in completed Healthcare M&A 2016 YTD[64]
  - Bookrunner on the top 5 global Investment Grade bond offerings and 3 of the top 5 High Yield bond offerings
- Transactional banking printed its highest quarter since Q114 as higher deposits partially offset margin and base rate compression

Barclays International: Consumer, Cards & Payments: RoTE of 14.8%

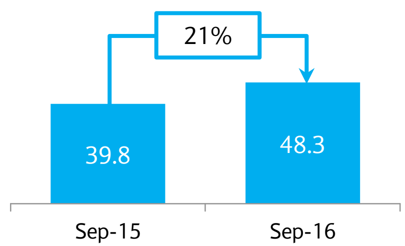
Business performance excluding notable items

Three months ended (£m)	Sep-16	Sep-15	% change
Income	1,056	849	24%
Impairment	(382)	(160)	
Total operating expenses	(482)	(421)	(14%)
Profit before tax (PBT)	200	278	(28%)
Performance measures excluding notable items			
Return on average tangible equity (RoTE)	14.8%	24.7%	

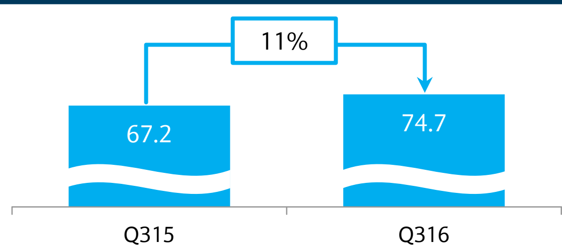
Loans and advances to banks and customers (£bn)



Customer deposits (£bn)



Total card spend and payments processed (£bn)



Q316 performance metrics

- RoTE was 14.8%, benefitting from USD and EUR appreciation against GBP
- Continued growth in Barclaycard US, Barclaycard Germany, Barclaycard Business Solutions and Wealth International drove a 24% improvement in income
- Impairment increased by £222m, primarily driven by a £120m one-off impairment charge to reflect a more conservative approach to impairment coverage
  - Excluding this, impairment increase was driven by 20% L&A growth together with some shift in business mix, while underlying delinquency rates were well controlled
- Delivered positive cost: income jaws and an improved cost: income ratio of 46%, despite 14% increase in costs to £482m
- PBT declined 28% to £200m

Key drivers/highlights

Barclaycard US

- Loans and advances to customers increased 31% to £19.2bn, while the customer base grew 3% to 13.7m
- Card spend value of £14.6bn in Q316, up 28% vs. Q315[65]
- Stronger than expected JetBlue performance from both the acquired portfolio and new customers

Barclaycard Germany

- c.12% growth in customers since Q315, to over 1.1m
- 28% growth in net loans and advances to £2.9bn

Barclaycard Business Solutions

- Payment Solutions business processed payments to the value of £56.5bn in Q316, up 8% on Q315
- Point of Sale Finance loans and advances grew 4% to £3.9bn

Wealth International

- Strong client asset growth of £4.8bn, including 10% increase in deposits

Head Office and Africa Banking summary financials – Q316

Business performance excluding notable items		
Head Office – Three months ended (£m)	**Sep-16**	**Sep-15**
Income	75	(26)
Impairment	1	1
– *Operating expenses*	*(29)*	*(110)*
– *Litigation and conduct*	*(8)*	*(13)*
Total operating expenses	(37)	(123)
Profit/(Loss) before tax (PBT)	**35**	**(146)**
Performance measures excluding notable items		
Average allocated tangible equity[66,67]	£7.7bn	£3.6bn
	Sep-16	**Jun-16**
Risk weighted assets[67]	£47.5bn	£43.2bn
Notable items – Three months ended (£m)	**Sep-16**	**Sep-15**
– *Own credit*	*(264)*	*195*
– *Provisions for ongoing investigations and litigation including Foreign Exchange*	-	*(29)*

Africa Banking – Three months ended (£m)	Sep-16	Sep-15	% change
Income	982	822	19%
Impairment	(96)	(66)	(45%)
Total operating expenses	(598)	(515)	(16%)
Profit before tax	**290**	**242**	**20%**
Profit after tax[68]	209	167	24%
	Sep-16	**Jun-16**	
Risk weighted assets	£39.9bn	£36.1bn	

- Head Office PBT represents the net income from Treasury operations and reduced structural reform implementations costs in Q316 as they are now allocated to the businesses
- Africa Banking profit after tax and non-controlling interests presented in the Group income statement as a discontinued operation
- Tangible equity and risk weighted assets of Africa Banking included within Head Office
- BAGL local reported net asset value (which excludes Barclays goodwill on acquisition) as at 30 June 2016 was £4.7bn

Wholesale funding composition[69]

As at 30 September 2016 (£bn)	≤1 month	>1 month but ≤3 months	>3 months but ≤6 months	>6 months but ≤12 months	Total ≤1 year	>1 year but ≤2 years	>2 year but ≤3 years	>3 year but ≤4 years	>4 year but ≤5 years	>5 years	Total
Barclays PLC											
Senior unsecured MTNs (public benchmark)	-	-	-	-	-	0.9	-	2.7	4.3	6.7	14.6
Senior unsecured MTNs (private placements)	-	-	-	-	-	0.1	-	-	0.1	0.7	0.9
Subordinated liabilities	-	-	-	-	-	-	-	-	1.1	2.6	3.7
Barclays Bank PLC											
Deposits from banks	17.2	2.1	1.6	1.1	22.0	0.1	-	0.2	0.2	0.3	22.8
Certificates of deposit and commercial paper	1.4	3.3	4.7	8.3	17.7	0.9	1.0	0.5	0.8	-	20.9
Asset backed commercial paper	3.0	2.7	0.7	-	6.4	-	-	-	-	-	6.4
Senior unsecured MTNs (public benchmark)	-	-	2.3	1.6	3.9	0.1	2.7	0.7	0.7	1.6	9.7
Senior unsecured MTNs (private placement)[70]	0.8	2.5	2.1	5.1	10.5	6.6	4.8	3.5	1.9	9.5	36.8
Covered bonds	-	-	1.8	3.1	4.9	1.0	-	1.9	1.0	3.7	12.5
ABS	-	-	0.6	0.9	1.5	1.4	1.5	0.4	-	0.4	5.2
Subordinated liabilities	-	-	-	-	-	4.4	-	-	6.5	8.9	19.8
Other[71]	1.4	0.2	0.1	1.1	2.8	0.3	0.5	0.2	0.1	1.8	5.7
Total	23.8	10.8	13.9	21.2	**69.7**	15.8	10.5	10.1	16.7	36.2	**159.0**
Total as at 30 June 2016	27.5	12.7	9.8	20.0	70.0	16.4	8.1	11.7	14.8	32.7	153.7
Total as at 31 December 2015	15.8	15.3	8.6	13.8	53.5	16.5	12.6	13.7	8.3	37.3	141.9

Footnotes (continued)

[1] RoTE excluding notable items. Core RoTE includes Head Office | [2] Excluding notable items | [3] Excluding conduct and litigation, and other notable items. Assuming average USD exchange rate of 1.30 for H216 | [4] H116 income split. Excludes income from Africa Banking treated as a discontinued operation | [5] Q316 Core income split. Excludes Head Office income of £(189)m and Non-Core income of £(159)m | [6] Risk weighted assets and average allocated tangible equity for Africa Banking are included within Core | [7] Barclays has entered into exclusive discussions with AnaCap Financial Partners for the potential sale of our French Retail Banking operations including our network of 74 branches, life insurance business, and wealth and investment management operations. A decision to sell will only be taken after completion of a required works council consultation | [8] Dec-13 RWAs are on a pre-restatement basis. Jun-16, Sep-16 and 2017 Guidance are on a post-restatement basis i.e. inclusive of £8bn of RWAs added to Non–Core in Q116 | [9] Assuming USD exchange rate of 1.22 and EUR exchange rate of 1.12, as at close 26 October 2016 | [10] Included gains/(losses) on business disposals treated as notable items in FY14 and FY15, and an impairment charge relating to the assets of the French Retail and Wealth and Investment Management businesses and sale of Barclays Risk Analytics and Index Solutions in Q316 YTD | [11] Excluding notable items. Based on an average USD exchange rate of 1.34 and EUR exchange rate of 1.21, set as at 30 June 2016 | [12] Based on Barclays interpretation of the final CRD IV text and latest EBA technical standard | [13] Implementation of Barclays' intentions is subject to, amongst other things, regulatory approval. The realisation of these plans and their intended benefits is subject to significant execution risks, including in relation to market factors, separation arrangements and costs, and there can be no assurance the intended benefits will be achieved on any proposed timetable or at all | [14] This illustration is based on Barclays' interpretation of current regulation and regulatory proposals, which are subject to change, and is not a forecast of Barclays' results of operations or capital position or otherwise. This illustration is also based on certain assumptions, which cannot be assured and are subject to change, including: holding constant the P2A at 2016 level despite it being subject to at least annual review; and assumed CRD IV buffers, which are subject to change | [15] Point in time assessment made at least annually by the PRA to reflect idiosyncratic risks not fully captured under Pillar 1. The 2016 total Pillar 2A requirement of 3.9% is split as follows: 2.2% in CET1 form (56% of total requirement), 0.7% in AT1 form (19% of total requirement), and 1.0% in T2 form (25% of total requirement) | [16] 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 discretionary distributions would apply in case of a breach of the Combined Buffer Requirement as defined in CRD Art 128(6) | [17] Based on Barclays' understanding of "The Bank of England's approach to stress testing the UK banking system" published in October 2015 , which is subject to change, and "Stress testing the UK banking system: key elements of the 2016 stress test", published March 2016. Stress test hurdle rates for 2016 tests comprise the minimum CRD IV CET1 requirement and the CET1 component of Pillar 2A. For G-SIBs, the 'systemic reference point' also includes the applicable phased-in G-SIB buffer. Thereafter, the hurdle rates are subject to changes in Pillar 2A which is a point in time assessment updated annually | [18] Indication based on capital buffers that can be used in stress tests. This should not be interpreted as an indication of Barclays' 2016 Pillar 2B and/or future PRA buffer which remains confidential between the BoE and the respective banks it regulates | [19] Market derived stress-losses based on applicable year-end CET1 ratios against low-point stress outcomes | [20] The leverage ratio has been calculated in accordance with the requirements of CRR which was amended effective from Jan 2015. The leverage calculation uses the end-point CRR definition of Tier 1 capital for the numerator and the CRR definition of leverage exposure. This is broadly consistent with the BCBS 270 definition, which was the basis of Dec-14 comparatives. Dec-13 not comparable to the estimates as of Dec-14 onwards due to different basis of preparation | [21] For further detail on calculation, see page 34 in the Barclays PLC Q3 2016 Results Announcement | [22] LCR estimated based on the CRD IV rules as implemented by the European Commission delegated act | [23] Excludes equity accounted instruments | [24] Estimated based on the final BCBS rules published in October 2014; disclosed semi-annually | [25] Based on Barclays' understanding of current regulatory requirements which are subject to change | [26] Instruments assumed to qualify for MREL/TLAC is based on Barclays' understanding of current regulatory proposals which are subject to change including (i)"FSB's Total Loss-absorbing Capacity (TLAC) Term Sheet", published on 9 November 2015, (ii)"The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities – consultation on a proposed Statement of Policy" published on 11 December 2015, and (iii) "The minimum requirement for own funds and eligible liabilities (MREL) – buffers and Threshold Conditions" consultation published by the Bank of England on 11 December 2015. Actual future MREL/TLAC requirements will depend on the Bank of England's implementation of the final rules | [27] Annual issuance balances based on FX rate on 30 September 2016 for debt accounted instruments and historical transaction rates for equity accounted instruments with respective year-end RWAs. The sum of the respective annual balances may therefore not correspond to the aggregate September 2016 position | [28] Buyback and redemption based on FX rates at time of retirement for debt accounted instruments, and historical transaction rates for equity accounted instruments | [29] The illustrative issuance volume represents the difference between 24%, and our Jun-16 FL CET1 capital and HoldCo issued capital and senior debt, reduced for outstanding HoldCo senior maturities over 2016-22, and HoldCo securities with a remaining contractual maturity of <12 months as at 1 January 2022 (£5.2bn in total), all as at H1 2016. Actual issuance plans are subject to, amongst other things, market conditions and regulatory expectations, which are subject to change and may differ from the illustration | [30] Nominal basis will not reconcile with the regulatory basis due to regulatory adjustments. Includes BAGL | [31] The two categories of "by contractual maturity as applicable" and "by next call date as applicable" are not mutually exclusive. The former includes all dated tier 2 instruments whilst the latter includes all non-bullet tier 2 instruments, thereby any dated instrument with an issuer call option will be included in both categories | [32] Comprises all outstanding Barclays Bank PLC issued public and private term vanilla senior unsecured debt, regardless of residual maturity. This excludes £29bn of notes issued under the structured notes programmes |

Footnotes

[33] Illustrative example based on Barclays expectations of the creditor hierarchy in a resolution scenario to demonstrate so-called "single-point-of-entry" in the UK in a situation where a HoldCo has more than one subsidiary and the quantum of the loss suffered by OpCo exceeds its equity capacity. This illustrative allocation of losses assumes that losses occur at the OpCo and that no additional incremental losses arise at the HoldCo including for Group recapitalisation. Each layer absorbs losses to the extent of its capacity, following which any recapitalisation of the entity requires write-down/conversion of more senior layers in accordance with the creditor hierarchy | [34] Point of non-viability power implemented in the UK in accordance with Article 59 of the Bank Recovery and Resolution Directive | [35] Illustration of Barclays business divisions in preparation for regulatory ring-fencing. Plans are subject to internal and regulatory approvals and may change | [36] Including corporates with less than or equal to £6.5m equivalent turnover, subject to some specific exceptions | [37] Statutory basis. Annualised RoTE | [38] Assuming constant USD and EUR FX rates, at time of closure, would translate to c.£23bn. FX rates assume USD exchange rate of 1.22 and EUR exchange rate of 1.12, as at close 26 October 2016 | [39] Dealogic 2015, by number of deals | [40] Dealogic 2015 | [41] Nilson Midyear 2015 | [42] Credit, equities and macro, excluding Markets Operational risk RWAs | [43] Source: Autonomous | [44] Post strategic management actions | [45] Source: Bank of England 2014 and 2015 stress test results (http://www.bankofengland.co.uk/financialstability/Pages/fpc/stresstest.aspx).Cumulative impairment charge rates refers to total impairment charge (over three years for the 2014 stress test and over five years for the 2015 stress test) / average gross on balance sheet exposure over the period | [46] Balance weighted LTV is derived by calculating individual LTVs at account level and weighting it by the balances to arrive at the average position | [47] High LTV is >85% | [48] Peer data is based on the average of three comparative banks results | [49] Based on Barclays assessment | [50] Strong Graded defined as DG (Default Grade) band 1-11 (inclusive of Investment Grade: DG 6 or better); Satisfactory defined as DG band 12-19; Weak defined as DG band 20-21. Definitions of credit quality provided on page 148 of Barclays PLC 2015 Annual Report | [51] A1 rating refers to the Counterparty Risk Assessment | [52] ALAC = Additional Loss Absorbing Capacity | [53] September 2016 YTD, annualised RoTE, statutory basis | [54] Including Africa Banking discontinued operation | [55] Operational risk not allocated at a product level | [56] Wealth, Entrepreneurs & Business Banking | [57] Excluding Markets operational risk RWAs | [58] Excludes Head Office | [59] Excludes investment banking related balances | [60] Other includes Investment Banking related balances and Head Office | [61] Africa Banking meets the requirements for presentation as a discontinued operation, and as such, its results are presented on the face of the Group income statement representing profit after tax in respect of discontinued operation | [62] Includes Other income | [63] Data pre-2014 was not restated following resegmentation in Q116 | [64] Dealogic data | [65] Includes balance transfers | [66] Based on risk weighted assets and capital deductions in Head Office plus the residual balance of average tangible ordinary shareholders' equity | [67] Includes Africa Banking tangible equity and risk weighted assets | [68] Included in Group income statement as profit after tax in respect of discontinued operation and non-controlling interests in respect of discontinued operation | [69] 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 equity accounted instruments), excluding cash collateral and settlement balances. It does not include collateral swaps including participation in the Bank of England's Funding for Lending Scheme | [70] Includes structured notes of £31bn, £9bn of which mature within one year | [71] Primarily comprised of fair valued deposits (£5bn) and secured financing of physical gold (£0.5bn) |

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Appendix

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Disclaimer

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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.