



Barclays PLC Fixed Income Investor Presentation

FY 2017 Results Announcement

22 February 2018

Strategy, Targets and Guidance

Diversified Transatlantic Consumer and Wholesale Bank

Move from restructuring to shareholder returns

Restructuring completed in 2017

Focus on improved returns to shareholders

Africa sell down completed



Non-Core closed



Group ServCo launched



Structural reform on track



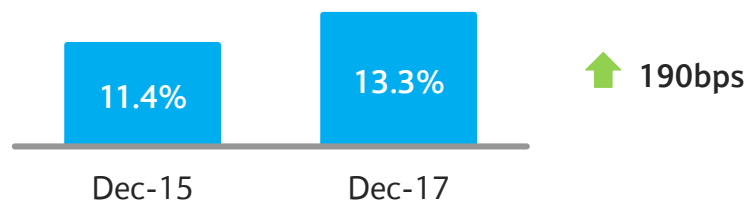
RoTE targets¹

- ❖ >9% in 2019
- ❖ >10% in 2020

Return of capital

- ❖ 2017: 3.0p dividend
- ❖ 2018: 6.5p dividend²

CET1 ratio



¹ Excluding litigation and conduct and based on a CET1 ratio of c.13% | ² Barclays anticipates paying a total cash dividend of 6.5p per share for 2018, subject to regulatory approvals |

Now focused on profitability and returning capital to shareholders

Group targets

RoTE¹

>9% in 2019
>10% in 2020

CET1 ratio

c.13%
150-200 bps above
regulatory minimum level

Costs

£13.6-13.9bn in 2019²
Cost: income ratio <60%

Revised dividend policy

Dividend

2017: 3.0p dividend
2018: 6.5p dividend³

Barclays understands the importance of the ordinary dividend for our shareholders.

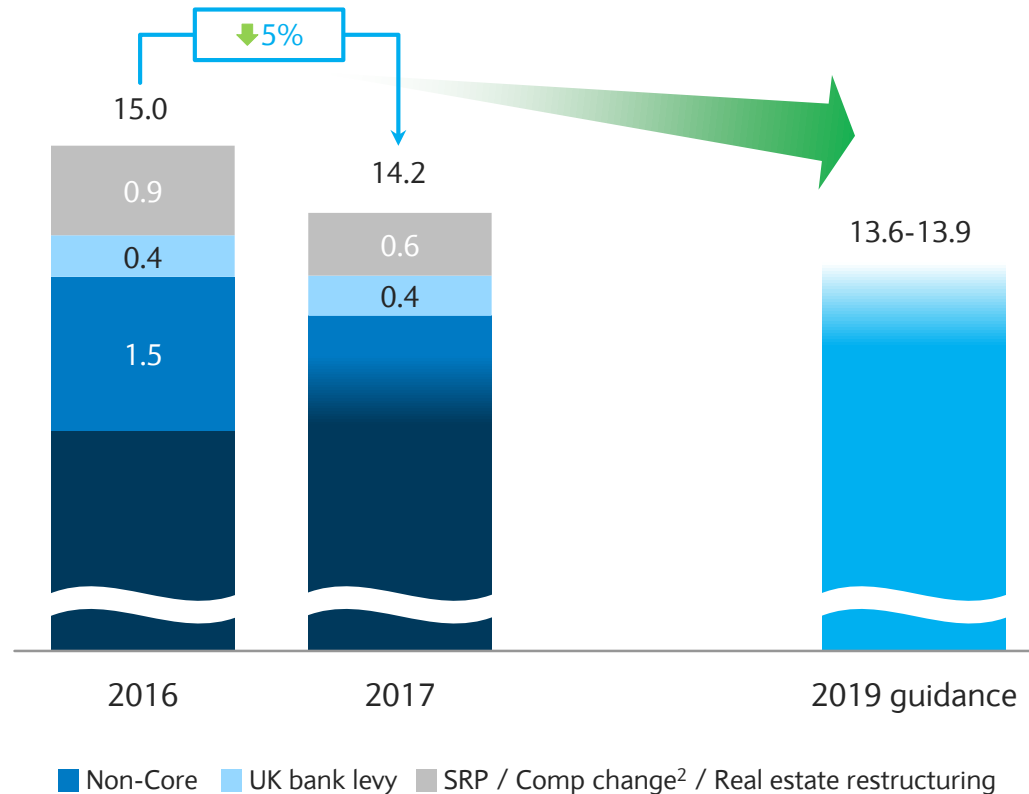
Barclays is therefore committed to maintaining an appropriate balance between total cash returns to shareholders, investment in the business and maintaining a strong capital position.

Going forward, Barclays intends to pay an annual ordinary dividend that takes into account these objectives and the medium-term earnings outlook of the Group⁴. It is also the Board's intention to supplement the ordinary dividends with additional returns to shareholders as and when appropriate.

¹ Excluding litigation and conduct and based on a CET1 ratio of c.13% | ² Excluding litigation and conduct | ³ Barclays anticipates paying a total cash dividend of 6.5p per share for 2018, subject to regulatory approvals | ⁴ In determining any proposed distributions to shareholders, the Board will take into account Barclays' commitments to all its stakeholders, such as those made in respect of pensions, and will also consider the expectation of servicing more senior securities |

Operating costs: reconfiguring the cost base...

Group costs (£bn)¹



2017 costs

- ❖ Reduced Group costs by 5% YoY in 2017¹
- ❖ 2017 cost base in line with guidance
- ❖ Q417 costs of £3.6bn, excluding UK bank levy and L&C
- ❖ Included digital spend, SRP costs, branch optimisation and investment in technology

2018 costs

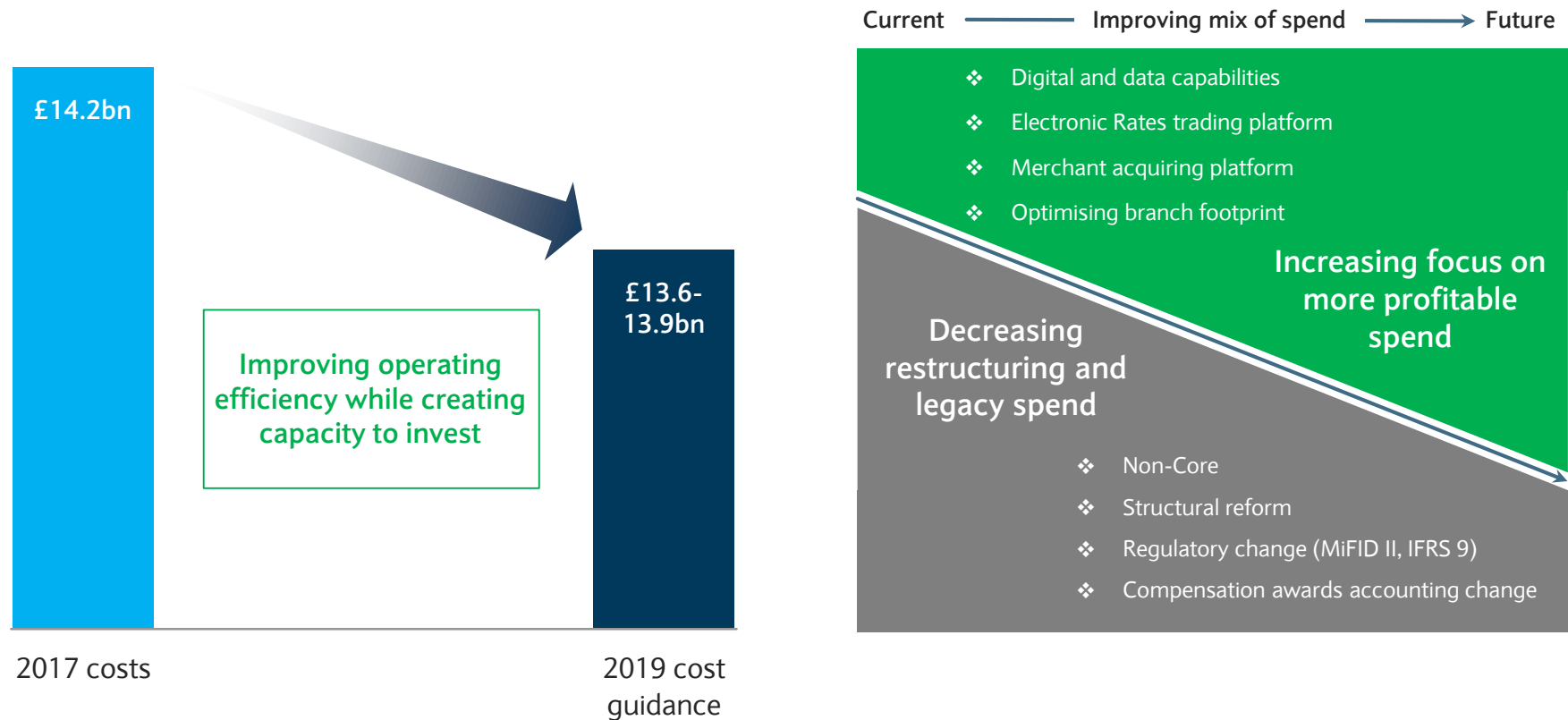
- ❖ Continuing investment spend on digital, cyber security and resilience, and technology infrastructure
- ❖ Savings from lower SRP, Non-Core and restructuring costs

2019 guidance

- ❖ 2019 guidance of £13.6-13.9bn¹
- ❖ A £1.1-1.4bn reduction from 2016
- ❖ Delivering cost: income ratio below 60%

¹ Excluding litigation and conduct | ² Charge associated with the change in compensation awards introduced in Q416 |

...to improve efficiency and profitability



Costs exclude litigation and conduct |

Impacts of US tax reform and IFRS 9

Tax rate

Guidance

- ❖ US federal corporate income tax rate reduced from 35% to 21%
- ❖ Group effective tax rate in future periods expected to be in the mid-20s
- ❖ Some uncertainty around BEAT¹ provisions, but current expectation is that any impact should not cause effective tax rate to exceed the mid-20s

IFRS 9

Estimated impacts²

- ❖ Increase in impairment stock of £2.8bn
- ❖ Decrease in TNAV per share of 13p
- ❖ Estimated fully loaded CET1 ratio impact of c.34bps
- ❖ Manageable capital impact and already factored into plans

¹ Base Erosion and Anti-Abuse Tax | ² Based on 31 December 2017 numbers. Refer to slide 63 in the appendix for further detail |



Performance

Operational highlights: improved profitability in 2017

FY17 Group highlights

Income ↓2%
£21.1bn

Costs¹ ↓5%
£14.2bn

PBT ↑10%
£3.5bn

CET1 ratio ↑90bps
13.3%

RoTE²
5.6%



Barclays UK

- ❖ Continued support for the UK with gross lending of £30bn³
- ❖ Mortgage growth of £4bn, while maintaining pricing and underwriting discipline
- ❖ Continued stable asset quality reflecting ongoing prudent positioning
- ❖ Further growth in digitally active customers, up 7% to 10.1 million
- ❖ Barclays' digital banking ranked #2 globally for user experience⁴



Barclays International

- ❖ Record Banking revenues of £5.3bn and highest global Banking fee share in three years of 4.3%
- ❖ Markets income in Q4 down only 10% YoY in USD
- ❖ 12% underlying growth in US Cards net receivables⁵ and successful Uber partnership launch
- ❖ Over 100k clients migrated to new merchant acquiring platform
- ❖ 60bps reduction in annual Group term wholesale funding cost⁶ expected due to redemption of expensive legacy securities

¹ Excluding litigation and conduct | ² Excluding litigation and conduct, losses related to the sell down of BAGL and US deferred tax assets re-measurement | ³ Includes gross lending in Mortgages, Consumer Lending and Business Banking | ⁴ Wavestone November 2017 report covering 17 international banks, based on more than 60 criteria | ⁵ Excluding the impact of FX and the Q117 asset sale, including held for sale balances | ⁶ Margin over the reference rate applicable to the wholesale funding |

FY17 Group highlights

A year of strong strategic progress and improved profitability

Financial performance

Income ↓2%
£21.1bn (FY16: £21.5bn)

PBT ↑10%
£3.5bn (FY16: £3.2bn)

Cost: income ratio
73% (FY16: 76%)

LLR ↑4bps
57bps (FY16: 53bps)

RoTE
-3.6% (FY16: 3.6%)

CET1 ratio ↑90bps
13.3% (Dec-16: 12.4%)

TNAV ↓14p
276p (Dec-16: 290p)

- ❖ Strategic milestones achieved ahead of schedule
 - Sell down of BAGL on 1 June 2017
 - Non-Core closed on 1 July 2017
- ❖ Improved profitability with PBT up 10% to £3.5bn
 - Costs reduced 5% to £14.2bn¹ delivering positive jaws
 - RoTE of 5.6% and EPS of 16.2p excluding litigation and conduct, losses related to the BAGL sell down and US DTA re-measurement
- ❖ Capital strength, allowing focus on returns and updated dividend policy
 - CET1 ratio at 13.3%, up 90bps YoY and within the end-state target range
 - RWAs decreased £53bn to £313bn
 - 2017 dividend confirmed at 3.0p, intention to pay 2018 dividend of 6.5p²

¹ Excluding litigation and conduct | ² Subject to regulatory approvals | Refer to slide 50 for more detail |

Q417 Group highlights

Improved operational efficiency and capital strength

Financial performance

Income ↑ **1%**
£5.0bn (Q416: £5.0bn)

PBT ↓ **72%**
£93m (Q416: £330m)

Cost: income ratio
87% (Q416: 87%)

LLR ↓ **2bps**
56bps (Q416: 58bps)

RoTE
-10.3% (Q416: 1.1%)

CET1 ratio ↑ **20bps**
13.3% (Sep-17: 13.1%)

- ❖ Continued capital accretion
 - CET1 ratio up 20bps on Sep-17 at 13.3%
 - Including US DTA write-down impact of c.20bps
- ❖ US tax reform impact
 - Reduction in US DTAs of net £0.9bn¹
 - Guiding to Group effective tax rate in mid-20s for 2018
- ❖ Positive cost: income jaws²
 - Income grew 1% while costs reduced 6%
- ❖ Continuing prudent risk management
 - 12% reduction in impairment on Q416, resulting in LLR of 56bps

¹ £1.2bn decrease to US DTAs due to the US Tax Cuts and Jobs Act, partially offset by an unrelated £0.3bn increase due to re-measurement of BBPLC's US branch DTAs | ² Excluding litigation and conduct | Refer to slide 54 for more detail |

Q417 Barclays UK results

Growth in customer balances, with disciplined pricing and prudent risk management

Financial performance

Income ↑ 2%
£1.9bn (Q416: £1.8bn)

PBT ↓ 22%
£452m (Q416: £583m)

Cost: income ratio
66% (Q416: 58%)

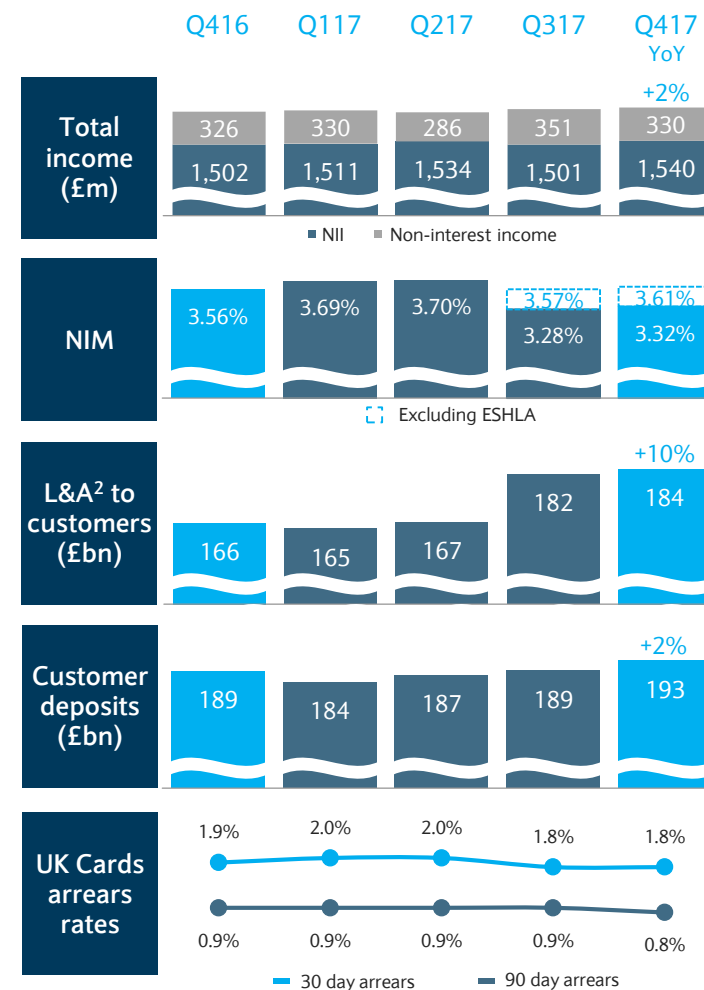
RoTE
10.7% (Q416: 18.2%)

NIM¹
3.32% (Q416: 3.56%)

LLR ↓ 3bps
39bps (Q416: 42bps)

RWAs ↑ £3.4bn
£70.9bn (Dec-16: £67.5bn)





- ❖ Stable income from growth in L&A and deposits while maintaining pricing and underwriting discipline
- ❖ Stable NIM of 332bps, including a c.30bps impact from the inclusion of the ESHLA portfolio as guided
- ❖ L&A growth of £2bn in Q417, largely driven by controlled growth in mortgages
- ❖ Further deposit growth in Q417, with continued franchise strength in Personal Banking
- ❖ Improved arrears rates in UK Cards and 2% growth in interest earning lending
- ❖ Costs increased to £1.2bn due to investment in digital banking and cyber resilience, and branch optimisation



¹ Includes ESHLA portfolio. Excluding ESHLA, NIM was 3.61% in Q417 | ² At amortised cost. Q317 and Q417 include ESHLA portfolio | Refer to slide 55 for more detail |

Barclays UK: Significant opportunity with our 24 million customers by leveraging digital and data

Significant growth in digital banking – YoY

| | | | |
|-----------------------------------|--|---|------|
| Mobile Banking ¹ |  | 6.4m Active users | +18% |
| Digital |  | 10.1m Digitally active customers | +7% |
| Digital logins |  | 163m Monthly average last 12 months | +16% |
| Payments & transfers ² |  | £25bn Monthly average last 12 months | +7% |
| Digital Eagles | | 2.9m People Barclays has helped since April 2013 | |

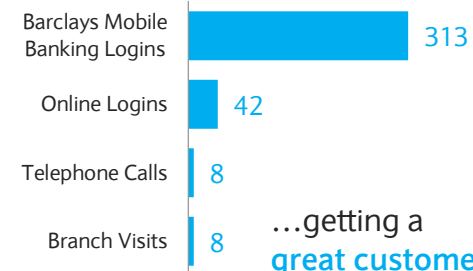
Developments

On average, customers are logging onto **Mobile Banking over 300 times per annum...**



Instant home insurance price quote for >1m customers

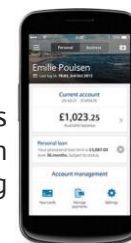
Average customer interactions per annum



...getting a **great customer experience...**

...with **33% of our customer interactions** fulfilled through web and mobile

>55% loans fulfilled through mobile banking



¹ Includes UK card mobile active users | ² Digital payments and transfers volumes include Pingit |

Q417 Barclays International results

CIB impacted by low levels of volatility, while CC&P benefitted from the repositioning of US Cards

Financial performance

Income ↓8%

£3.3bn (Q416: £3.6bn)

PBT ↓98%

£6m (Q416: £373m)

Cost: income ratio

89% (Q416: 78%)

RoTE

-15.9% (Q416: 1.0%)

NIM

4.31% (Q416: 3.91%)

LLR ↓2bps

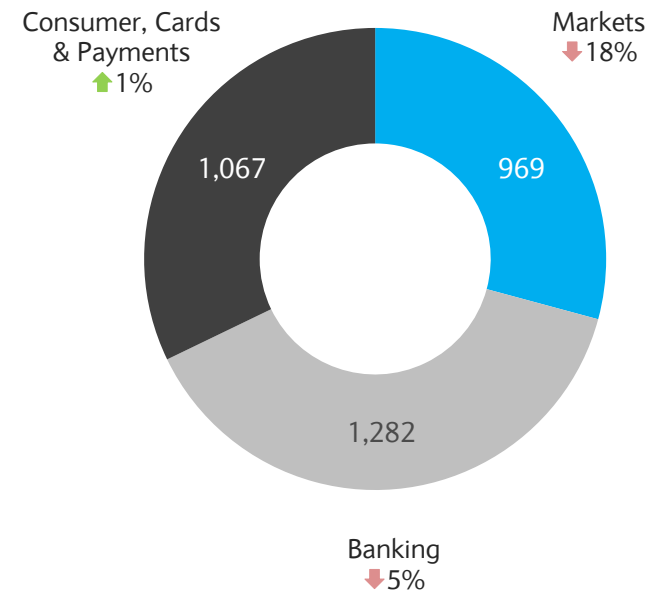
76bps (Q416: 78bps)

RWAs ↓£2.4bn

£210.3bn (Dec-16: £212.7bn)

- ❖ CIB impacted by low volatility and client activity compared to a strong Q416
- ❖ Average Q417 USD depreciated by 7% against GBP YoY
 - Headwind to income and tailwind to impairment and costs
- ❖ Impairment decreased 9%, driven by repositioning of US Cards, partially offset by a large single name charge in CIB
- ❖ RoTE impacted by US DTA re-measurement and a provision in respect of Foreign Exchange matters

Balance across businesses Q417 income (£m)



Refer to slide 56 for more detail |

Q417 Barclays International: Corporate & Investment Bank results

Resilient income performance despite low market volatility and strong prior year comparator

Financial performance¹

Income ↓11%
£2.3bn (Q416: £2.5bn)

Impairment ↑41%
£127m (Q416: £90m)

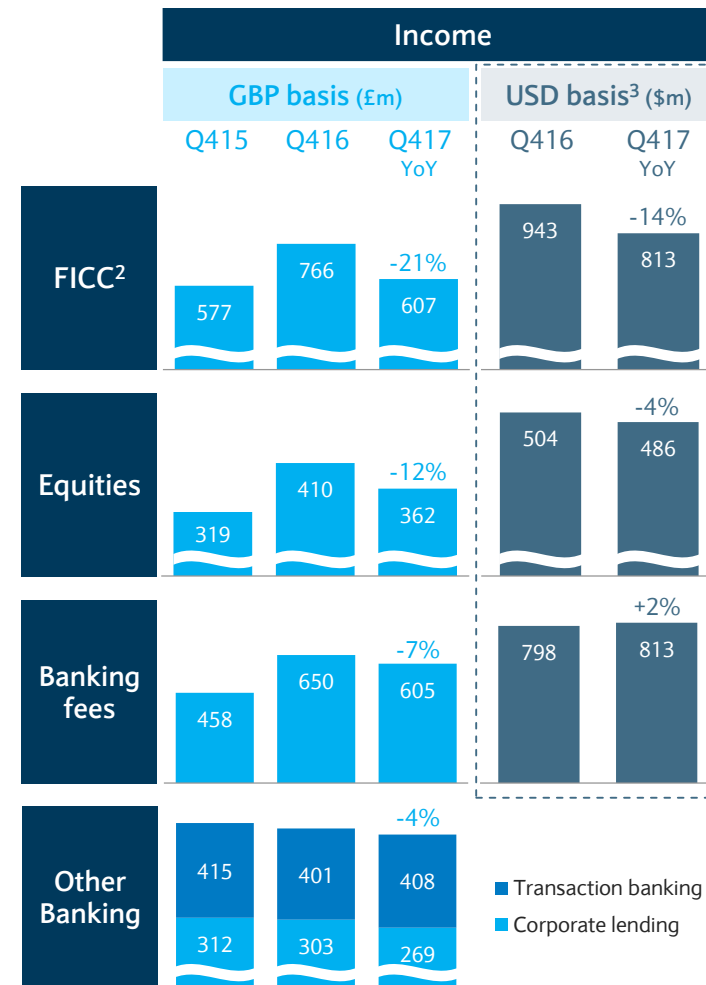
Costs ↑4%
£2.4bn (Q416: £2.3bn)

PBT
-£252m (Q416: £155m)

RoTE
-20.2% (Q416: -1.2%)

RWAs ↓£2.4bn
£176.2bn (Dec-16: £178.6bn)

- ❖ Total CIB income reduced against a strong prior year comparator
- ❖ Low market volatility and client activity impacted Markets performance, which decreased 10% in USD
 - Equity financing income improved on higher client balances
- ❖ Banking fee income reduced in GBP (+2% in USD) due to lower equity underwriting performance
 - Fee share growth in advisory and debt underwriting
- ❖ Impairment largely reflected a single name corporate charge
- ❖ Costs excluding L&C decreased due to the effects of the Q416 changes to compensation awards, partially offset by continued investment in technology
 - L&C increased due to a provision in respect of Foreign Exchange matters



¹ 7% depreciation of average USD against GBP was a headwind to income and tailwind to impairment and costs | ² FICC = Macro + Credit | ³ USD basis is calculated by translating GBP revenues by month for Q417 and Q416 using the corresponding GBP / USD FX rates | Refer to slide 57 for more detail |

Q417 Barclays International: Consumer, Cards & Payments results

Investing for growth across CC&P, while repositioning to a lower risk mix in US Cards

Financial performance¹

Income ↑ 1%
£1.1bn (Q416: £1.1bn)

Impairment ↓ 23%
£259m (Q416: £336m)

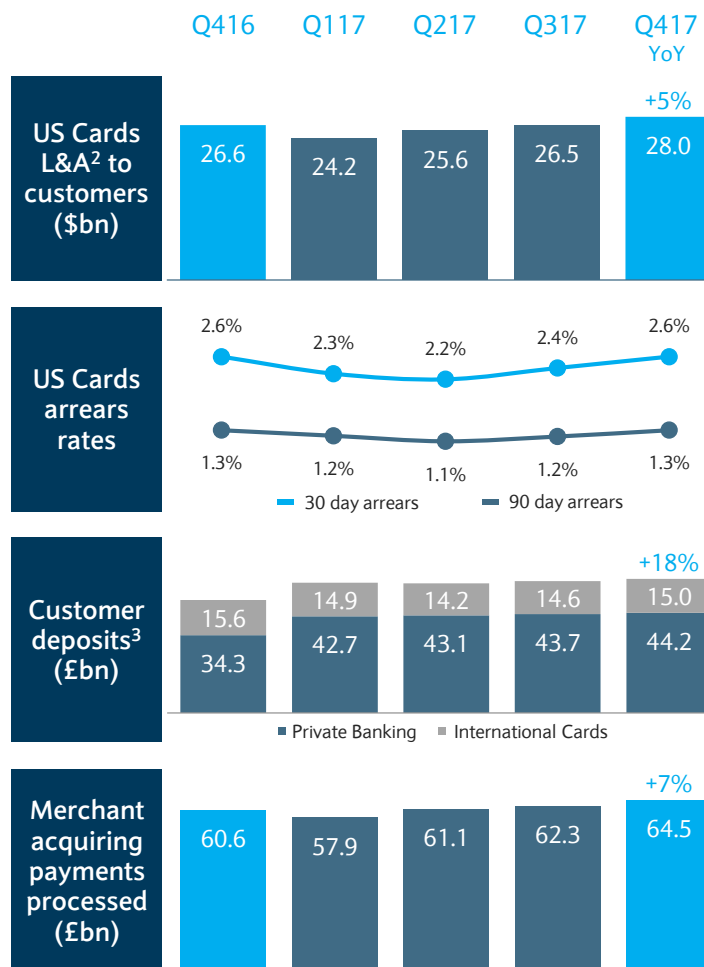
Costs ↑ 10%
£564m (Q416: £511m)

PBT ↑ 18%
£258m (Q416: £218m)

RoTE
8.9% (Q416: 13.2%)

RWAs ↔ £0bn
£34.1bn (Dec-16: £34.1bn)

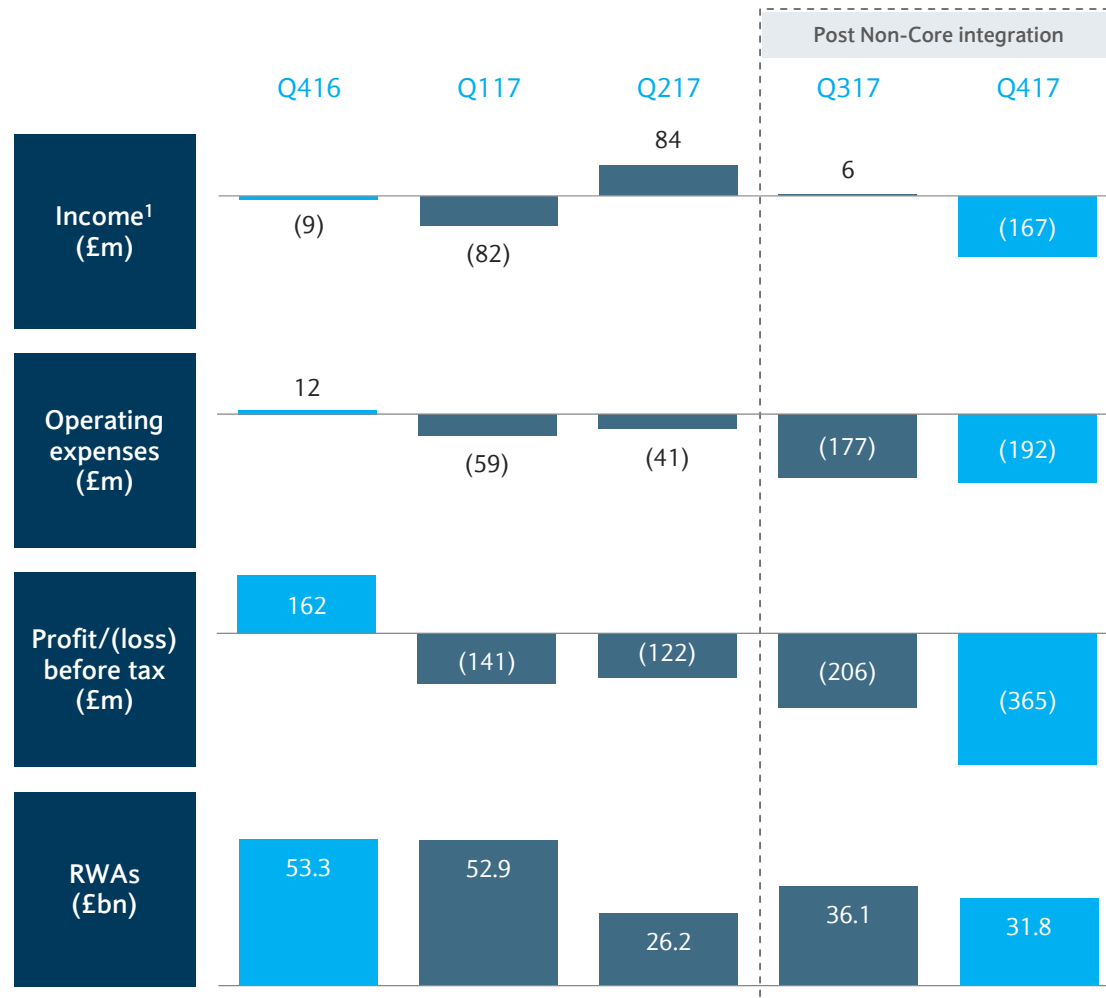
- ❖ Underlying growth in US Cards
 - Net L&A grew 12% in USD, excluding the \$1.6bn of higher risk assets sold in Q117
 - Strong growth in American Airlines and JetBlue balances
- ❖ Encouraging Uber partnership launch
- ❖ Stable arrears rates YoY reflected repositioning of the portfolio towards a lower risk mix
- ❖ Business growth and investment, primarily within US Cards and merchant acquiring, increased costs
- ❖ Record volumes of payments processed in merchant acquiring
- ❖ Successfully completed migration of customers to a new merchant acquiring platform, driving deeper customer relationships



¹ 7% depreciation of average USD against GBP was a headwind to income and tailwind to impairment and costs | ² At amortised cost. Q417 includes held for sale balances |

³ Balances affected by the realignment of certain clients between Barclays UK and Barclays International in Q117 in preparation for structural reform | Refer to slide 58 for more detail |

Head Office



- ❖ Negative income in Q417 reflected the net impact of treasury operations
- ❖ Q417 operating expenses included costs associated with integrated Non-Core assets and businesses, and higher L&C
- ❖ Loss before tax was £365m in Q417
 - Q416 included a currency translation reserve gain on the sale of Southern European Cards
- ❖ RWAs declined to £31.8bn, primarily reflecting the proportional consolidation of BAGL
- ❖ Intention to include certain legacy BBPLC capital instruments in Head Office from Q118

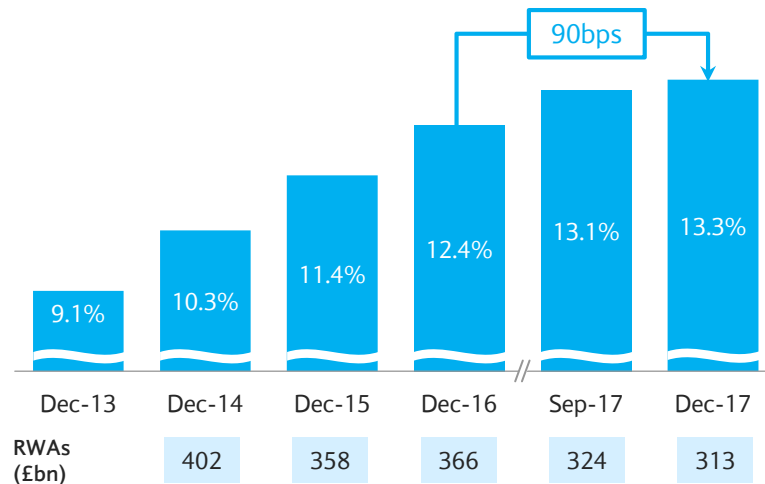
¹ Following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017, own credit, which was previously reported in the income statement for 2016, is now recognised in other comprehensive income | Refer to slide 59 for more detail |



Capital & Leverage

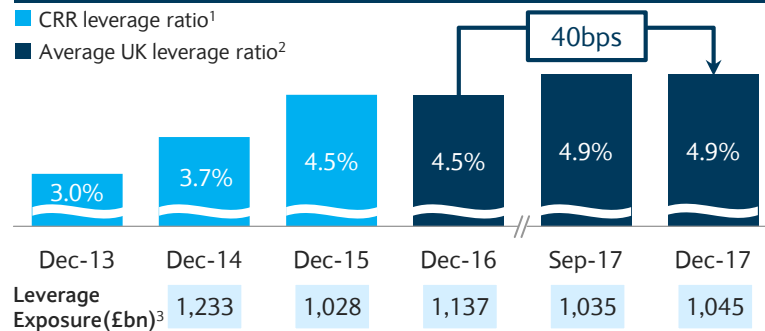
Further improved CET1 and leverage ratios

Fully loaded CET1 ratio



- CET1 ratio increased by 90bps in the year to 13.3% driven largely by:
 - c.90bps of organic profit generation from continuing operations
 - c.60bps reflecting the proportional consolidation of BAGL to 14.9% and the associated reduction in RWAs
 - c.40bps from other RWA reductions (excluding FX) including from the rundown of Non-Core
- Offset by:
 - c.30bps from dividends paid in the year
 - c.20bps from US DTA re-measurement arising from the net impact of US tax reform and the US branch exemption election
 - c.20bps from litigation and conduct charges related to PPI
 - c.20bps from pension deficit reduction contributions
 - c.10bps of other movements including preference share redemptions
- CET1 ratio increased by 20bps in Q417, primarily reflecting the benefit of proportional consolidation of BAGL to 14.9% and further RWA reductions, partially offset by the re-measurement of US DTAs and litigation and conduct charges
- Expect another c.10bps benefit from the full regulatory deconsolidation of BAGL in 2018, i.e. a pro forma CET1 ratio of c.13.4%

Leverage ratio



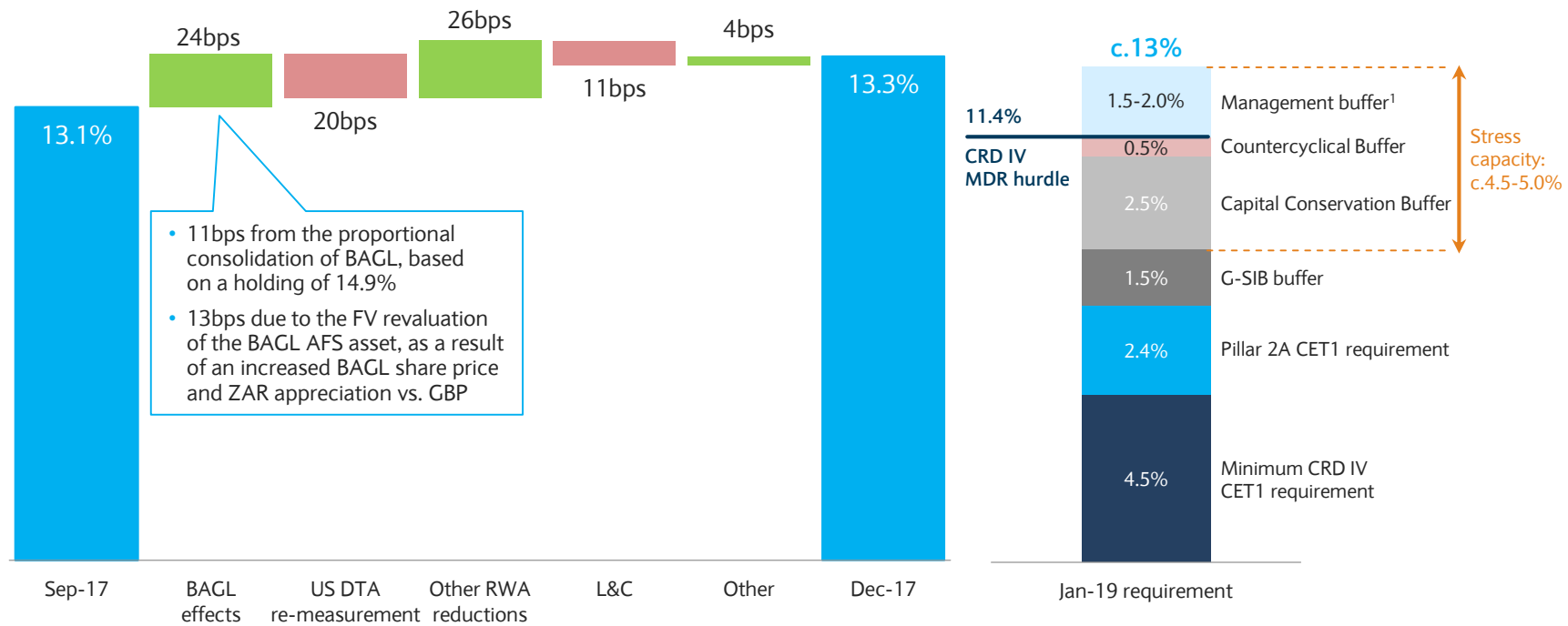
- The average UK leverage ratio² increased 40bps in the year driven by the reduction in exposures from both BAGL's regulatory proportional consolidation and Non-Core run down, as well as the issuance of Additional Tier 1 capital (AT1) securities
- UK leverage ratios on both average and spot bases were stable over the quarter, remaining at 4.9% and 5.1% respectively
- We remain comfortably above the expected 4% UK leverage minimum requirement applicable from 2019

¹ Dec-13 not comparable to the estimates as of Dec-14 onwards due to different basis of preparation | ² The average UK leverage ratio uses capital and exposure measures based on the last day of each month in the quarter; additionally the average exposure measure excludes qualifying central bank claims | ³ Dec-14 and Dec-15 on CRR basis. Dec-16, Sep-17 and Dec-17 on average UK monthly basis |

Capital strength

Within our end-state CET1 ratio target range

CET1 ratio progression in Q417

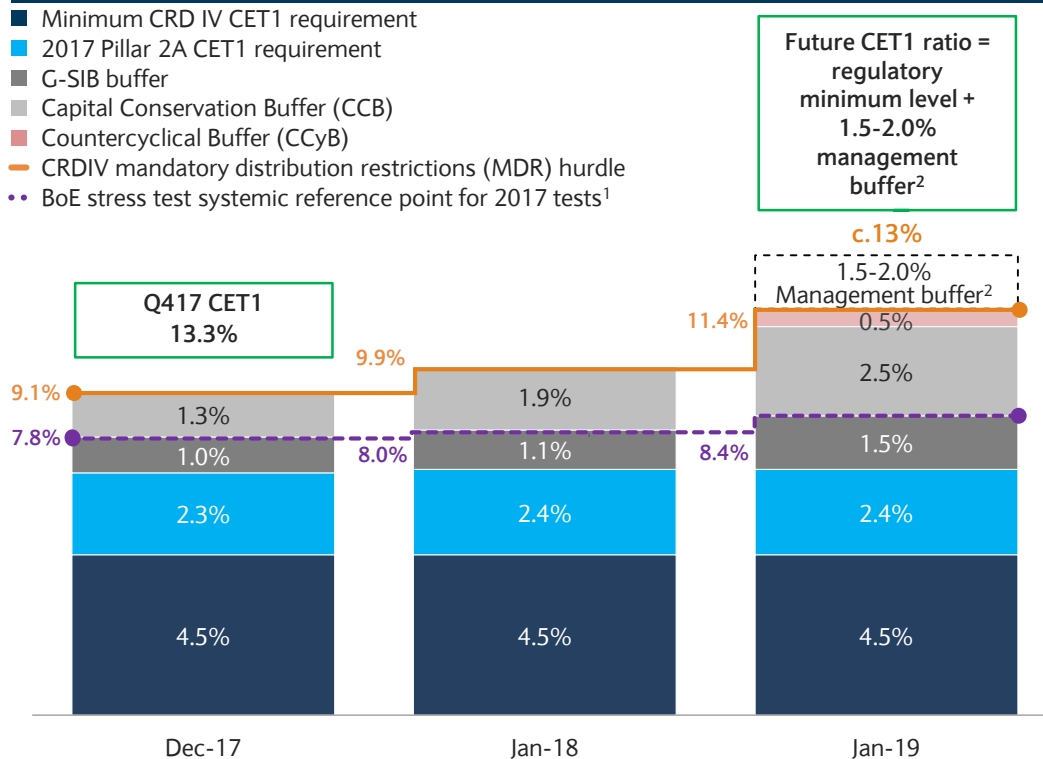


| RWAs (£bn) | Sep-17 | BAGL effects | US DTA re-measurement | Other RWA reductions | Dec-17 |
|------------|--------|--------------|-----------------------|----------------------|--------|
| | 324.3 | (2.6) | (2.3) | (6.4) | 313.0 |

¹ Incorporates any PRA buffer | Future events, including regulatory fines and/or the need to settle outstanding litigation and conduct matters, could impact the CET1 ratio |

Managing capital position above mandatory distribution restrictions and stress test hurdles

Barclays' expected MDA thresholds and systemic reference points for 2017 BoE stress test



Distribution restrictions and management buffer

- Maintaining our CET1 ratio comfortably above the mandatory distribution threshold remains a critical management objective
- Distribution restrictions³ apply if an institution fails to meet the CRD IV Combined Buffer Requirement (CBR), at which point the maximum distributable amount is calculated on a reducing scale
- Currently, Barclays targets a management buffer of 1.5-2.0%² above regulatory CET1 levels providing a prudent buffer above MDA restriction levels
- Barclays' recovery plan actions are calibrated to take effect ahead of breaching the CBR
- The Board notes that in determining any proposed distributions to shareholders, the Board will consider the expectation of servicing more senior securities

Stress tests

- Barclays' end state stress buffer is expected to be c.4.5-5.0% when including the buffer, providing prudent headroom should future stress losses be higher than the average experienced to date
- The stressed capital ratio for each year over the stress test horizon will be measured against the respective applicable stress test systemic reference point

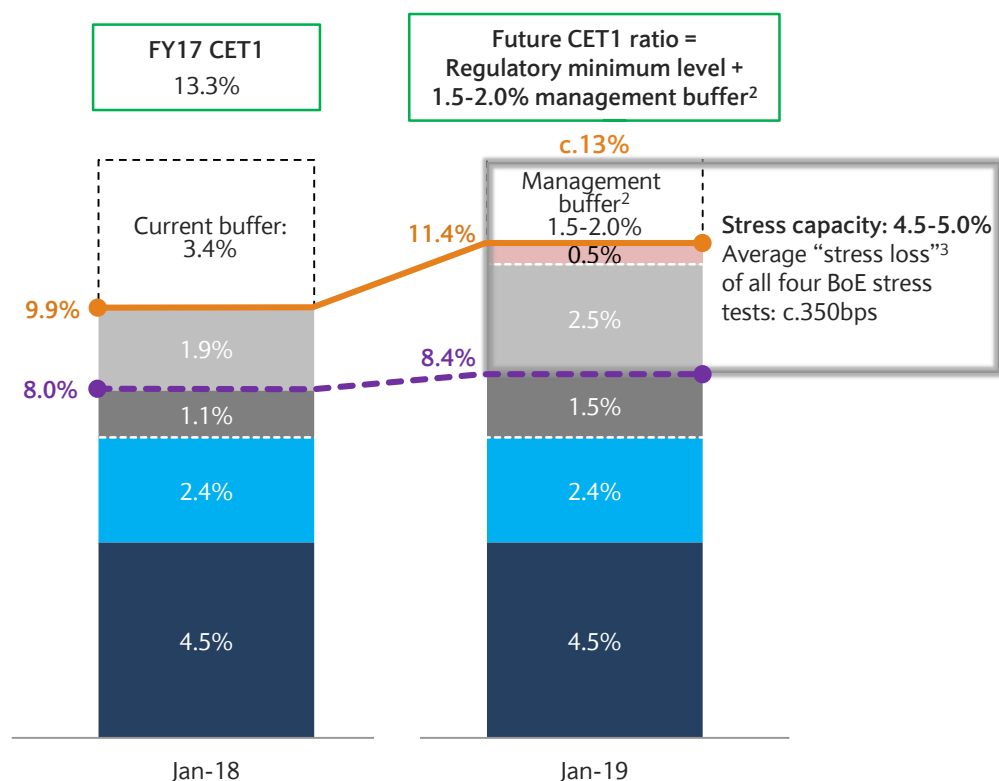
- Maintained robust capital buffers based on 31 December 2017 capital position:
 - Buffer to 7% AT1 trigger event: c.6.3% or c.£20bn
 - Buffer to 31 December 2017 MDR hurdle: c.4.2% or c.£13bn

¹ Based on Barclays' understanding of "The Bank of England's approach to stress testing the UK banking system" published in October 2015 and "Stress testing the UK banking system: key elements of the 2017 stress test", published March 2017 | ² Incorporates any PRA buffer | ³ As per CRD Art. 141, and subject to any changes under the proposed CRR2, restrictions on discretionary distributions would apply in case of a breach of the CBR as defined in CRD Art 128(6)

Managing evolving future minimum CET1 levels

Illustrative evolution of minimum CET1 requirements and buffers

- Minimum CRD IV CET1 requirement
- 2017 Pillar 2A CET1 requirement
- G-SIB buffer
- Capital Conservation Buffer (CCB)
- Countercyclical Buffer (CCyB)
- CRDIV Mandatory distribution restrictions (MDR) hurdle
- BoE stress test systemic reference point for 2017 tests¹



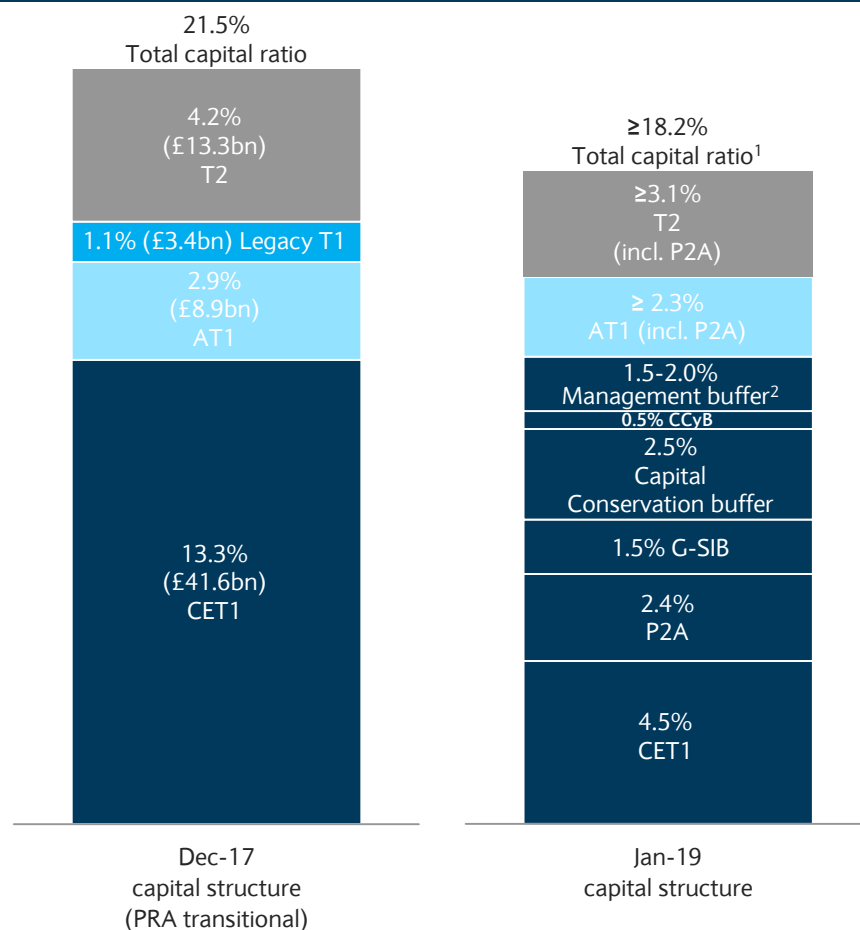
- End-state CET1 ratio expectation of c.13%
 - Assuming the introduction of a UK Countercyclical Buffer of 1% from November 2018, this would translate to c.50bps for the Group, based on our UK exposures
 - This would result in a CRD IV MDR hurdle rate of 11.4%
 - With a management buffer of 150-200bps², this would create stress capacity of 450-500bps
- As capital buffers and RWAs will evolve over time, the CET1 position will be managed to maintain a prudent buffer over future minimum levels, to guard against mandatory distribution restrictions pursuant to CRD IV, and to take stress testing into account
- The management buffer is prudently calibrated, intended to absorb fluctuations in the CET1 ratio, cover event risk and stress and to enable management actions to be taken in sufficient time to avoid mandatory distribution restrictions
- CET1 ratio expectations for the Group's subsidiaries, following implementation of structural reform:
 - Post ring-fencing, expect legal entity CET1 capital requirements of BBUKPLC (ring-fenced bank) and BBPLC (non ring-fenced bank) to be broadly similar to the Group and be met within the current CET1 target of c.13%

¹ Based on Barclays' understanding of "The Bank of England's approach to stress testing the UK banking system" published in October 2015 and "Stress testing the UK banking system: key elements of the 2017 stress test", published March 2017 |

² Incorporates any PRA buffer | ³ Average stress loss of all four past years based on applicable year-end CET1 ratios against low-point stress outcomes |

Transition to CRD IV capital structure well established

Illustrative evolution of CRD IV capital structure



Well managed and balanced total capital structure

- Transitional total capital ratio increased to 21.5% (Dec-16: 19.6%), while the fully loaded total capital ratio increased to 20.7% (Dec-16: 18.5%)
- OpCo capital instruments are expected to qualify as MREL in line with their regulatory capital values until 1 January 2022 based on Barclays' understanding of the current BoE position
 - Those that are outstanding beyond 1 January 2022 will no longer qualify as MREL but, depending on their individual characteristics, may continue to qualify as Tier 2 regulatory capital
- Aim is to manage our capital structure in an efficient manner:
 - Expect to continue to hold a surplus to 2.3% of AT1 through regular issuance over time
 - The appropriate balance of Tier 2 will continue to be informed by relative pricing of Senior and Tier 2, investor appetite, maturity profile of the existing stack and MREL eligibility

Pillar 2A requirement

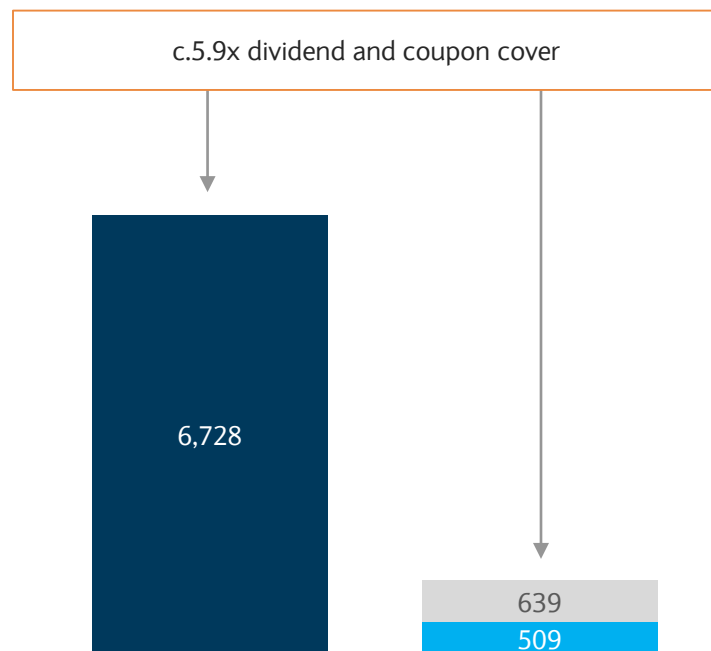
- Barclays' Pillar 2A requirement is set as part of a "Total Capital Requirement" (Pillar 1 + P2A) reviewed and prescribed at least annually by the PRA
- Barclays Group P2A requirement for 2018 is 4.3% and is split:
 - CET1 of 2.4% (assuming 56% of total P2A requirement)
 - AT1 of 0.8% (assuming 19% of total P2A requirement)
 - Tier 2 of 1.1% (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

¹ Includes combined buffer requirement and management buffer | ² Incorporates any PRA buffer |

ADI position supports strong distribution capacity

Distribution capacity as at 31 December 2017 (£m)

■ ADI ■ BPLC dividend payments ■ BPLC AT1 coupons



Barclays PLC 2017
distributable items

Distributable items

- BPLC has significant Available Distributable Items (ADIs)¹ to cover dividends on ordinary shares and AT1 distributions
- Barclays has never missed an external discretionary interest payment on its capital instruments, including during the financial crisis
- Continue to manage ADIs as part of our capital planning, including planning for structural reform

¹ Coupon payments on AT1s have to be paid from an institutions' ADIs (CRR Art 52(1)(l)). Should the level of ADIs be insufficient, coupons cannot be paid. The CRR does not provide for a particular method for the calculation of ADIs. In the absence of further regulatory guidance, Barclays PLC's distributable items are calculated consistently with the requirements of the UK Companies Act, as applicable to ordinary shares, and IFRS |

IFRS 9 guidance

Estimated IFRS 9 impact¹ (based on 31 December 2017 numbers)

| | TNAV ² (£bn) | CET1 (£bn) |
|--|----------------------------|---------------|
| Increase in impairment stock | (2.8) | |
| Tax relief (creating timing difference DTAs) | 0.6 | |
| Impact on shareholders' equity | (2.2) | (2.2) |
| Impact on TNAV per share | (c.13p) | |

| | | |
|--|--|------------------|
| Reduction in EL > Impairment capital deduction | | 1.2 |
| Estimated fully loaded impact on CET1 capital | | (1.0) |
| Increase in RWAs | | 0.6 |
| Estimated fully loaded impact on CET1 ratio | | (c.34bps) |

Estimated impact

- Estimated TNAV reduction of c.13p per share, based on increase in impairment stock, net of tax relief, effective 1 January 2018
- Fully loaded CET1 ratio impact estimated to be c.34bps, with timing difference DTAs expected to remain below the 10% CET1 threshold
 - After applying transitional arrangements, impact on CET1 ratio is negligible as at 1 January 2018, and is expected to remain immaterial during 2018

IFRS 9 capital impact manageable and already factored into plans

¹ The estimated decrease in shareholders' equity includes the impact of both balance sheet classification and measurement changes, and the increase to credit impairment provisions compared to those at 31 December 2017 under IAS 39. This impact assessment has been estimated under an interim control environment with models that continue to undergo validation. The implementation of the comprehensive end state control environment will continue as Barclays introduces business-as-usual controls throughout 2018 | ² Tangible shareholders' equity attributable to ordinary shareholders equity attributable to ordinary shareholders of the parent |

Leverage requirements

| | | Requirements | | | Disclosure obligations | | Basis of preparation | |
|------------|----------------------------|--|----------------|--|--|--|--|--------------------------|
| | | 01 Jan 2018 | 01 Jan 2019 | 01 Jan 2022 | FY17 | Q118 onwards | Today | 01 Jan 2022 ³ |
| UK regime | Pillar 1 | 3.25% | 3.25% | FPC expected to review the UK leverage ratio framework during 2018 | 1. Spot basis <i>and</i> 2. Average of the month ends in the quarter | 1. Spot basis <i>and</i> 2. Average of each day in the quarter | Per CRR ² less central bank exposure for leverage exposure against qualifying customer deposits | |
| | G-SIB | 0.394% | 0.525% | | | | | |
| | CCyB | | 0.2% | | | | | |
| | Total | 3.644% | 3.975% | | | | | |
| | <i>o/w SRP¹</i> | 3.644% | 3.775% | | | | | |
| | Composition requirements | >75% of Pillar 1 to be met by CET1; 100% of G-SIB and CCyB to be met by CET1 | | | | | | |
| CRR regime | Pillar 1 | No requirements | 3% | 3% | Spot basis only for monitoring purposes | Per CRR ² | Per CRR ² less qualifying central bank exemption at discretion of local regulator ³ | |
| | G-SIB | | - | 0.75% | | | | |
| | Cash exemption | | - | TBD | | | | |
| | Total | | 3% | ≥3.75% | | | | |
| | Composition requirements | | None specified | | | | | |

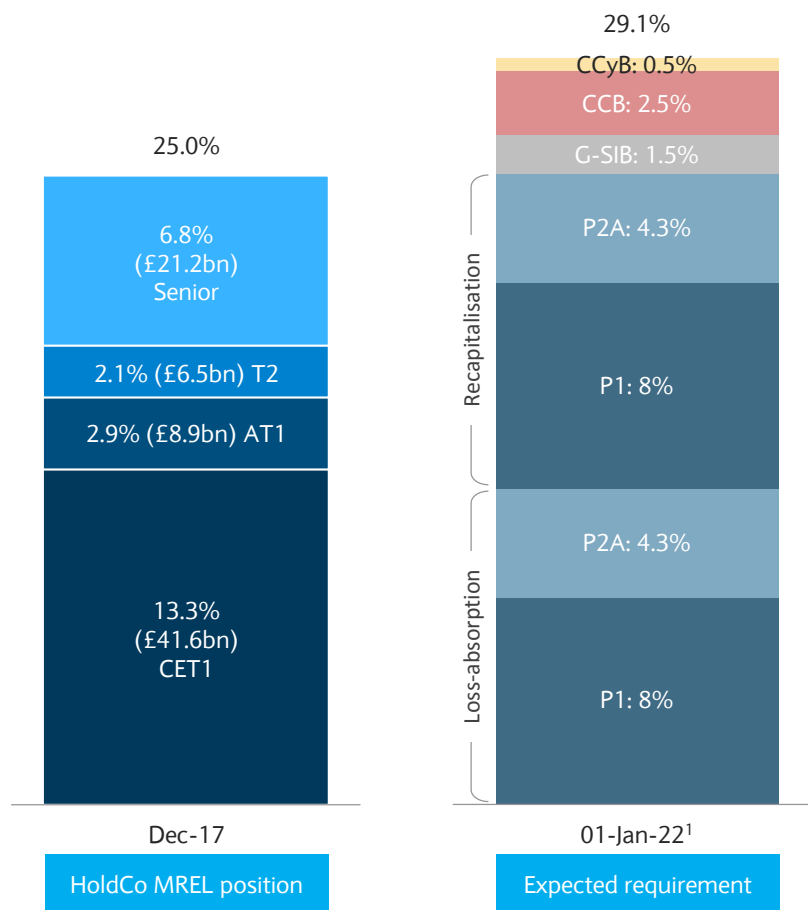
¹ Systemic Reference Point for Bank of England 2018 tests, based on Barclays' understanding of "The Bank of England's approach to stress testing the UK banking system" published in October 2015 and "Stress testing the UK banking system: key elements of the 2017 stress test", published March 2017 | ² See Barclays PLC Pillar 3 Report 2017 for full disclosure | ³ As proposed in the Dec-17 Basel 3 reforms ("Basel 4"), implementation date TBD, expected no sooner than 1 Jan 2022 |



MREL, Funding and Liquidity

MREL issuance remains on track

HoldCo MREL position and requirement including requisite buffers



Well advanced on HoldCo issuance plan

2018 issuance plan – currently expect c.£10bn equivalent issuance in 2018²

- Issued £11.5bn equivalent of MREL in 2017, with maturities / call dates ranging from 5 to 30 years and comprising:
 - £6.1bn of Senior
 - £2.9bn of Tier 2
 - £2.5bn of AT1
- Subject to market conditions, expect to issue c.£10bn equivalent in 2018 to meet MREL requirements and allow for a prudent MREL management buffer
- MREL position of 28.2% as at December 2017 on a transitional basis, including eligible OpCo instruments, compared to 25.0% on a HoldCo-only basis

Requirements

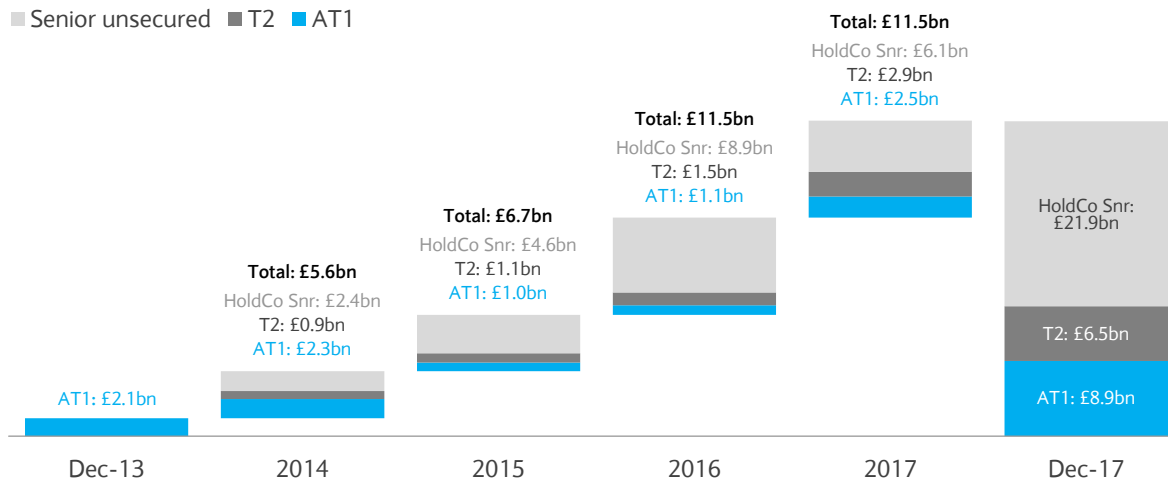
- Barclays' indicative MREL including CRD IV buffers is currently expected to be 29.1% of RWAs from 1 January 2022 comprising:
 - Loss absorption and recapitalisation amounts
 - Regulatory buffers including a 1.5% G-SIB buffer, 2.5% Capital Conservation buffer and c.0.5% from the planned introduction of a 1% Countercyclical Buffer for the UK

¹ 2022 requirements subject to BoE review by end-2020 | ² Issuance plan subject to, amongst other considerations, market conditions and regulatory requirements which are subject to change and may differ from current expectations |

Proactive transition to HoldCo capital and funding model

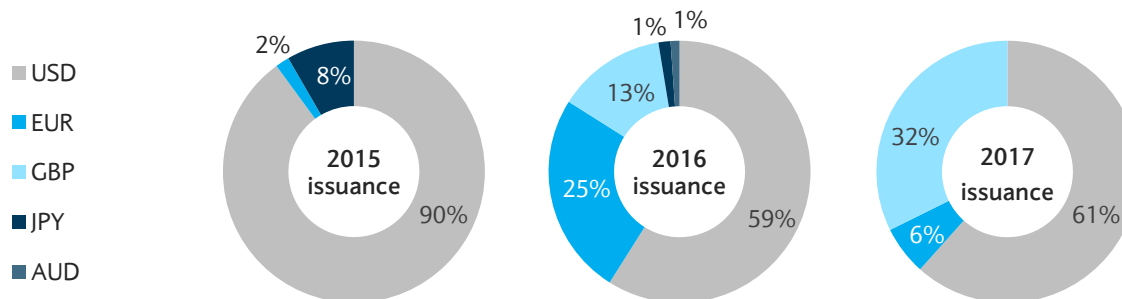
HoldCo issuance by year¹

■ Senior unsecured ■ T2 ■ AT1



- The Group has continued to make strong progress on its commitment to transition to a HoldCo capital and term funding model during 2017
 - Successfully issued £11.5bn equivalent from the HoldCo
 - £6.1bn² of OpCo capital and senior public term instruments were either redeemed or matured, including the \$1.375bn 7.1% Series 3 USD preference shares
- Aim to retain a diversified funding profile at the HoldCo across currencies, maturities and markets

Currency split of senior HoldCo issuance by period



2017 highlights

- £2.5bn AT1 raised across two GBP transactions
- Development of the Green Bond Framework and issuance of Barclays' inaugural Green Bond based on UK assets – a first for the UK
- Launched our first SGD \$200m Singapore Tier 2 issuance to further diversify the investor base and take advantage of attractive pricing

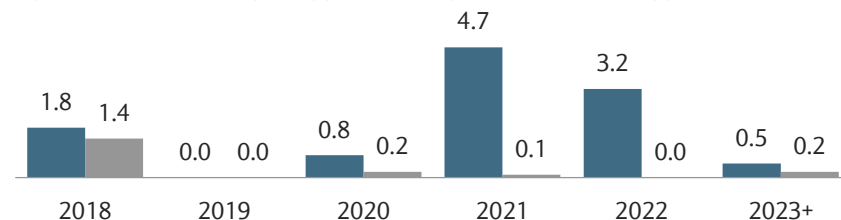
¹ Annual issuance balances based on FX rate on 31 December 2017 for debt accounted instruments and historical transaction rates for equity accounted instruments | ² Buyback and redemption based on FX rates at time of retirement for debt accounted instruments and historical transaction rates for equity accounted instruments |

Continued progress on transition to HoldCo capital and funding model

| PRA transitional regulatory capital | | |
|---|-------------|-------------|
| (£bn) | Dec-17 | Sep-17 |
| PRA transitional Common Equity Tier 1 capital | 41.6 | 42.3 |
| PRA transitional Additional Tier 1 regulatory capital | 12.3 | 12.6 |
| – Barclays PLC (HoldCo) | 8.9 | 8.9 |
| – Barclays Bank PLC (OpCo) | 3.4 | 3.7 |
| PRA transitional Tier 2 regulatory capital | 13.3 | 14.0 |
| – Barclays PLC (HoldCo) | 6.5 | 6.4 |
| – Barclays Bank PLC (OpCo) | 6.8 | 7.6 |
| PRA transitional total regulatory capital | 67.2 | 68.9 |

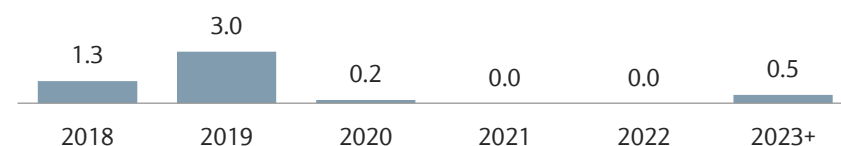
BBPLC Tier 2 capital (nominal basis) as at 31 December 2017¹

■ By contractual maturity as applicable ■ By next call date as applicable



BBPLC Tier 1 capital (nominal basis) as at 31 December 2017¹

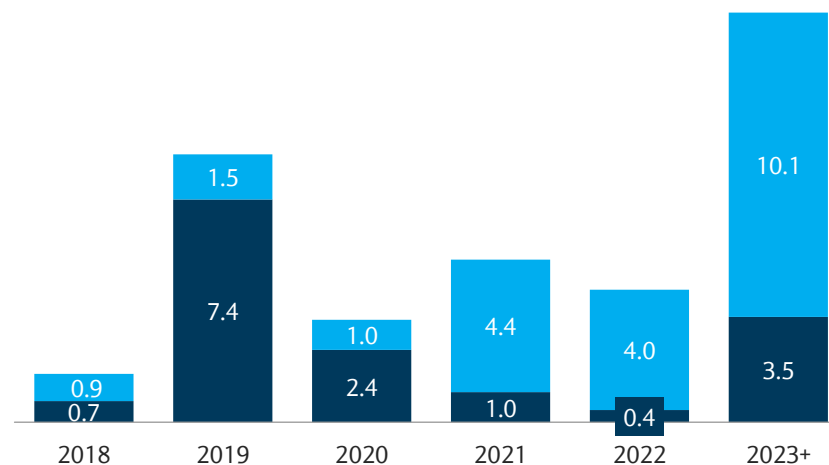
■ First call date



| Outstanding term vanilla senior unsecured debt | | |
|--|-------------|-------------|
| (£bn) | Dec-17 | Sep-17 |
| Barclays PLC (HoldCo) term vanilla senior unsecured debt | 21.9 | 20.6 |
| Barclays Bank PLC (OpCo) term vanilla senior unsecured debt ² | 15.4 | 15.9 |
| Total term vanilla senior unsecured debt | 37.3 | 36.5 |

Term vanilla senior unsecured debt maturities as at 31 December 2017¹

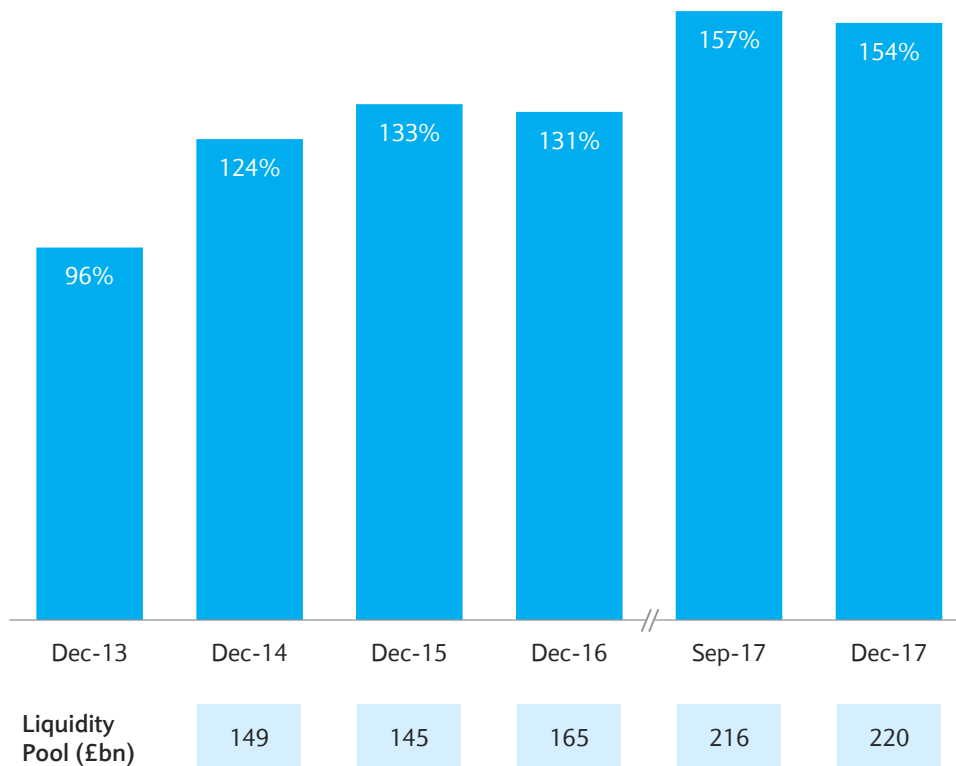
■ BBPLC ■ BPLC



¹ Prepared on nominal basis which will not reconcile with regulatory or accounting bases due to adjustments | ² Comprises all outstanding Barclays Bank PLC issued public and private term vanilla senior unsecured debt, regardless of residual maturity. This excludes £33.4bn of notes issued under the structured notes programmes

High level of liquidity with a conservatively positioned liquidity pool

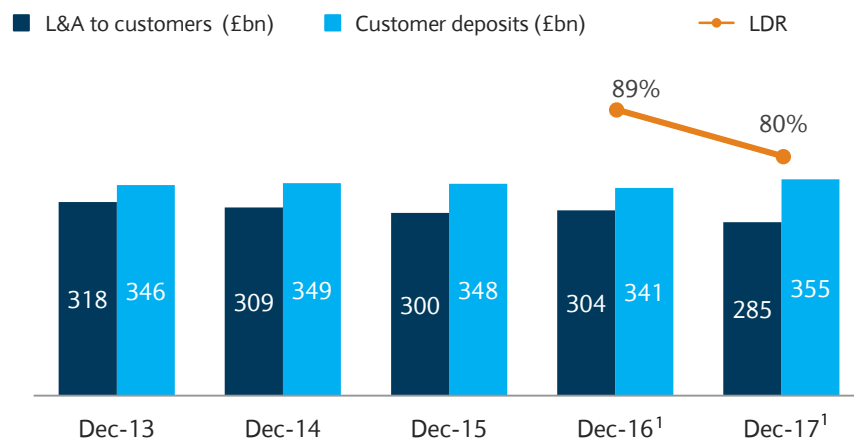
LCR continues to remain in prudential surplus



- Liquidity pool increased £55bn in the year to £220bn, whilst LCR increased to 154% from 131%, equivalent to a surplus of £75bn to the end state 100% requirement
- Increase was driven by net deposit growth, the unwind of legacy Non-Core portfolios, money market borrowing, and drawdown from the Bank of England Term Funding Scheme
- Liquidity pool increased £4bn in the quarter, whilst the LCR remained broadly stable at 154%
- Quality of the liquidity pool remains high, with the majority held in cash and deposits with central banks, and highly rated government bonds
- Liquidity pool continued to increase and be conservatively positioned to meet the changing geopolitical and market environment, using cost efficient sources of funding without consuming UK leverage due to the cash exemption
- NSFR continues to exceed future minimum requirement of 100%

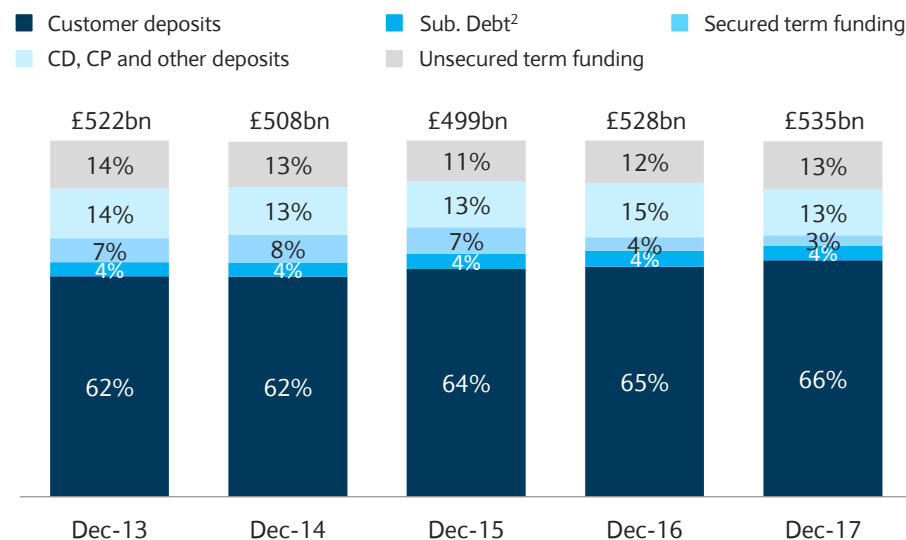
Robust group funding profile

Improved loan: deposit ratio (based on total retail and corporate funding)

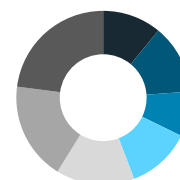


- Loan: deposit ratio of 80% at end of December 2017¹, down 9% from December 2016
- Increased proportion of customer deposits from 62% in December 2013 to 66% in December 2017 within an overall stable funding profile
- Wholesale funding outstanding excluding repurchase agreements was £157bn, diversified across currencies, notably in USD, EUR and GBP
- Decreased reliance on <1yr wholesale funding with the ratio improving to 36% of total wholesale funding from 44% in December 2013
- If credit spreads remain at current levels, the weighted average cost of new wholesale funding will be lower than the cost of maturing securities, many of which were issued at wide spreads post the crisis

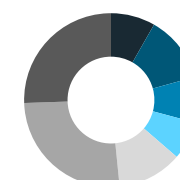
Conservative and stable funding profile (£bn)



Decrease in reliance on <1yr wholesale funding



As at Dec-13
<1yr wholesale
funding 44%



As at Dec-17
<1yr wholesale
funding 36%

¹ Dec-17 excludes Head Office and investment banking balances other than interest earning lending. Dec-16 comparative restated to include interest earning lending balances in the Head Office and investment banking business | ² Excludes AT1 capital and preference shares

Wholesale funding composition as at 31 December 2017¹

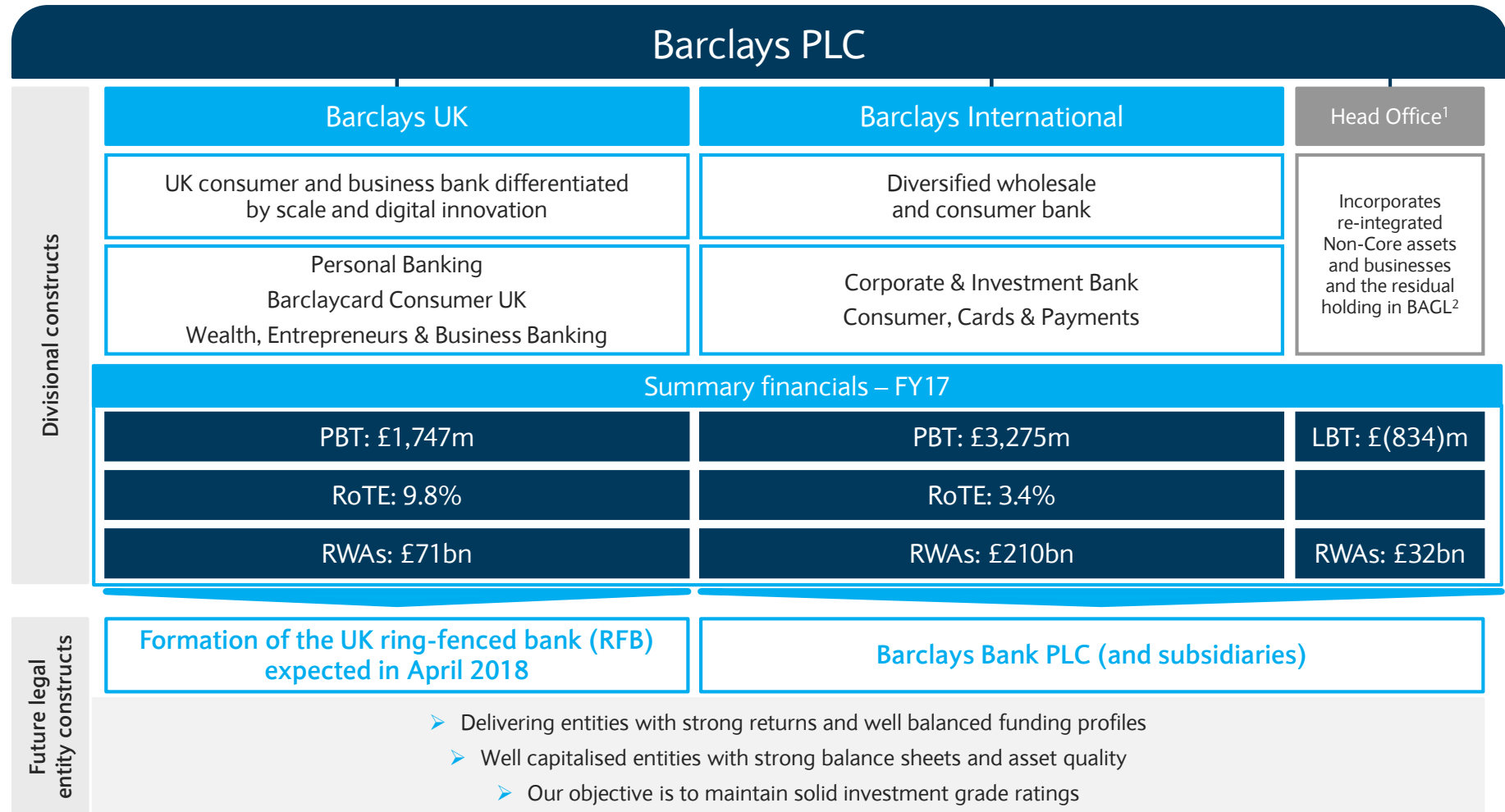
| As at 31 December 2017 (£bn) | <1 month | 1-3 months | 3-6 months | 6-12 months | Total <1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | >5 years | Total |
|---|-------------|-------------|-------------|-------------|---------------|-------------|-------------|-------------|-------------|-------------|--------------|
| Barclays PLC (the Parent company) | | | | | | | | | | | |
| Senior unsecured (public benchmark) | - | 0.7 | - | 0.1 | 0.8 | 1.5 | 1.0 | 4.2 | 4.0 | 9.6 | 21.1 |
| Senior unsecured (privately placed) | - | - | - | 0.1 | 0.1 | - | - | 0.2 | - | 0.5 | 0.8 |
| Subordinated liabilities | - | - | - | - | - | - | 1.1 | - | - | 5.4 | 6.5 |
| Barclays Bank PLC (including subsidiaries) | | | | | | | | | | | |
| Deposits from banks | 5.4 | 4.7 | 0.7 | 0.6 | 11.4 | 0.1 | 0.1 | 0.3 | - | - | 11.9 |
| Certificates of deposit and commercial paper | 2.4 | 8.1 | 7.1 | 7.0 | 24.6 | 1.2 | 0.8 | 0.6 | 0.4 | 0.1 | 27.7 |
| Asset backed commercial paper | 1.9 | 4.1 | 0.4 | - | 6.4 | - | - | - | - | - | 6.4 |
| Senior unsecured (public benchmark) | - | - | - | - | - | 2.5 | 0.6 | 0.6 | - | 1.1 | 4.8 |
| Senior unsecured (privately placed) ² | 0.5 | 0.9 | 3.6 | 2.9 | 7.9 | 9.9 | 6.7 | 1.8 | 3.1 | 14.6 | 44.0 |
| Covered bonds | - | 1.0 | - | - | 1.0 | 1.8 | 1.0 | 1.0 | 2.4 | 1.3 | 8.5 |
| Asset backed securities | - | - | 0.6 | 0.2 | 0.8 | 1.7 | 1.0 | - | 0.1 | 1.8 | 5.4 |
| Subordinated liabilities | 2.3 | 0.1 | 0.8 | - | 3.2 | 0.1 | 0.8 | 5.2 | 3.5 | 4.5 | 17.3 |
| Other ³ | 0.5 | - | 0.1 | 0.4 | 1.0 | 0.2 | 0.2 | 0.3 | - | 1.3 | 3.0 |
| Total | 13.0 | 19.6 | 13.3 | 11.3 | 57.2 | 19.0 | 13.3 | 14.2 | 13.5 | 40.2 | 157.4 |
| Total as at 31 December 2016 | 16.6 | 17.3 | 16.4 | 20.0 | 70.3 | 14.3 | 14.4 | 8.6 | 14.1 | 36.1 | 157.8 |

¹ The composition of wholesale funds comprises the balance sheet reported deposits from banks, financial liabilities at fair value, debt securities in issue and subordinated liabilities, excluding cash collateral and settlement balances. It does not include participation in central bank facilities reported within repurchase agreements and other similar secured borrowing. Term funding maturities comprise public benchmark and privately placed senior unsecured notes, covered bonds, asset-backed securities (ABS) and subordinated debt where the original maturity of the instrument was more than 1 year | ² Includes structured notes of £33.4bn, £7.2bn of which mature within 1 year | ³ Primarily comprised of fair value deposits £1.7bn |



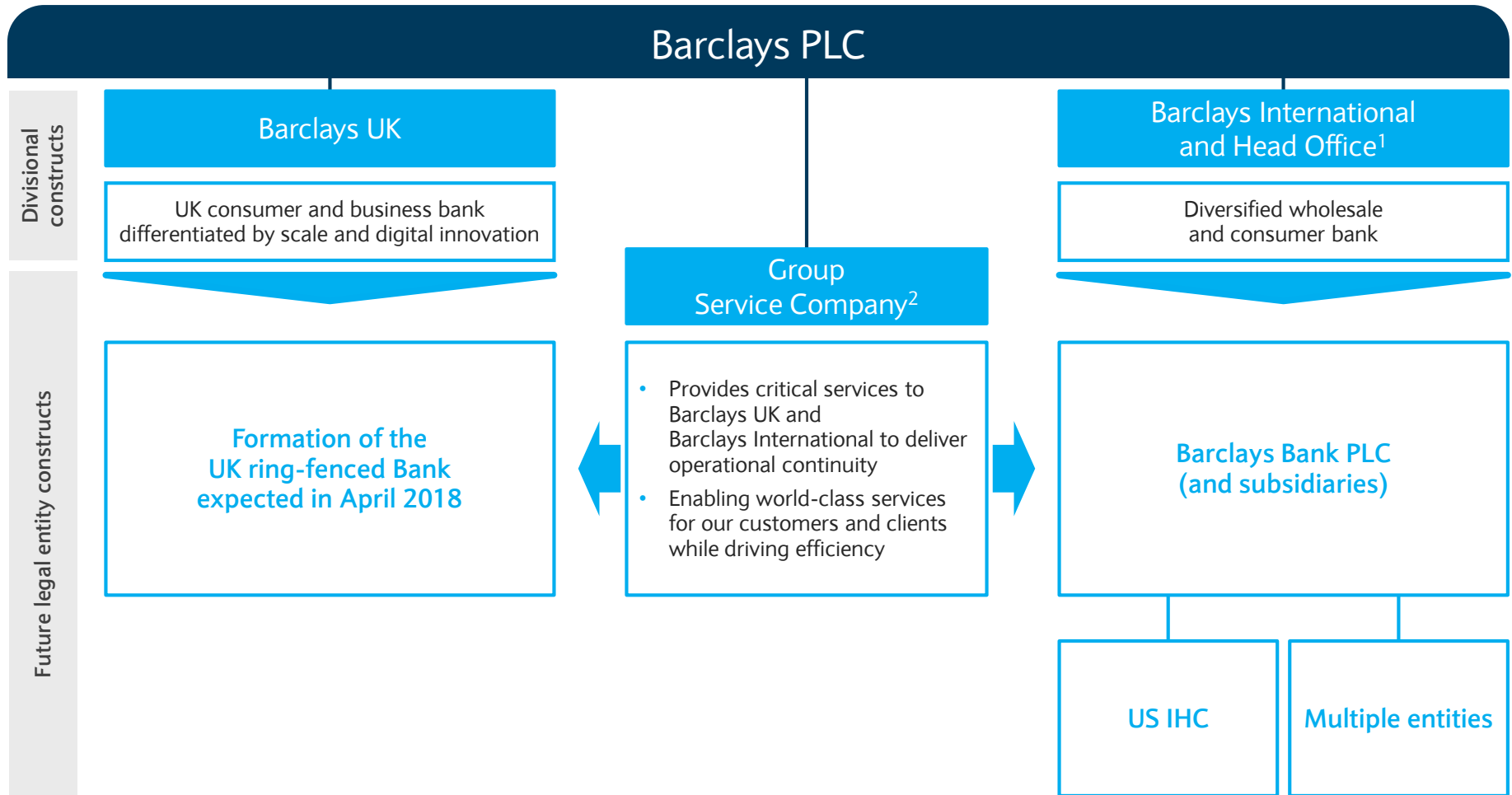
Structural Reform

Simplifying our business divisions for structural reform



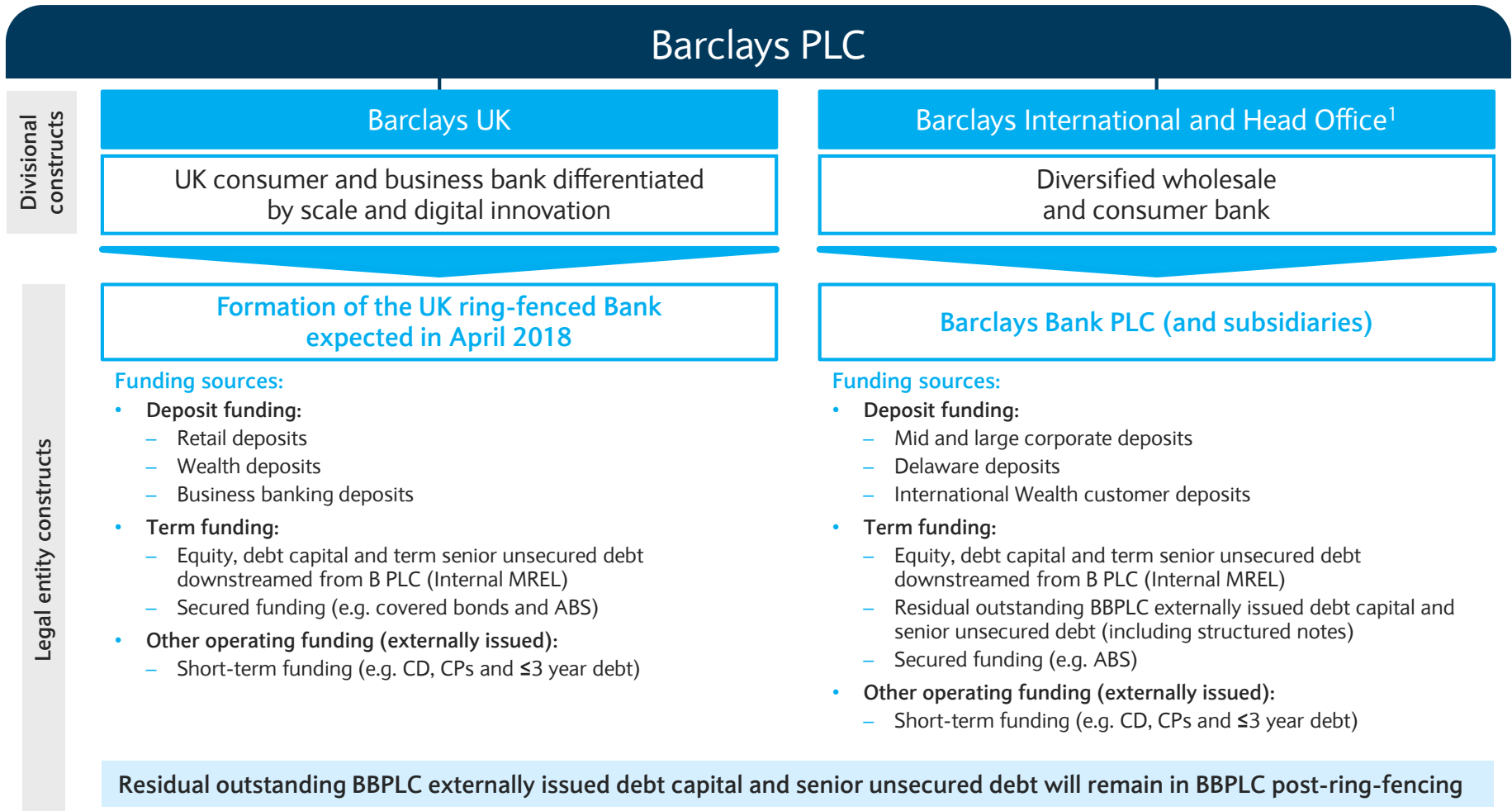
¹ We expect the Head Office division (excluding the Group Service Company) will materially remain in Barclays Bank PLC | ² Sell down to 14.9% in 2017, resulting in proportional regulatory consolidation. Full regulatory deconsolidation expected by the end of 2018 |

Continued progress on Group legal structure



¹ We expect the Head Office division (excluding the Group Service Company) will materially remain in Barclays Bank PLC | ² Rated "A" (stable outlook) by S&P, in line with the Group Credit Profile |

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



¹ We expect the Head Office division (excluding the Group Service Company) will materially remain in Barclays Bank PLC |

Structural Reform Programme

Final phase of ring-fencing execution and plans in place to serve EU clients post Brexit

Ring-fencing requirements: Delivery on track for April 2018 migration

Milestones completed

- ✓ ServCo stand-up in September 2017
- ✓ Sort code migrations
- ✓ Ring-Fencing Transfer Scheme (RFTS) Directions hearing, including approval of communications plan

Milestones to complete

- RFTS Sanction hearing on 26 and 27 February 2018
- Transfer of BUK business to BBUKPLC planned for April 2018

Brexit preparation:

Plans in place to expand Barclays Bank Ireland (BBI) in advance of March 2019 to support activity with European clients

- Continue to provide existing services to our clients through an expanded BBI
- Is expected to be subject to full prudential regulatory regime of the Central Bank of Ireland and the ECB, and able to conduct passported activity with clients throughout Europe
- Plan to achieve operational readiness by March 2019
- Will remain a wholly owned subsidiary of BBPLC
- Well capitalised entity with a balanced funding profile, and asset and liability mix across European businesses of Barclays International
- Rated A / A-1 with stable outlook by S&P and designated “core” to BBPLC

Supports delivery of fundamentally strong banking propositions for all of our stakeholders, consistent with the Group's strategy of being a transatlantic consumer and wholesale bank

P&L bridge from Barclays PLC (BPLC) consolidated to pro forma Barclays Bank PLC (BBPLC) post ring-fencing

| FY17 (£m) | BPLC consolidated | BPLC to BBPLC differences | BBPLC consolidated | Less pro forma BBUKPLC | Pro forma BBPLC |
|--|-------------------|---------------------------|--------------------|------------------------|-----------------|
| Total income | 21,076 | (139) | 20,937 | (7,087) | 13,850 |
| Credit impairment charges and other provision | (2,336) | - | (2,336) | 783 | (1,553) |
| Net operating income | 18,740 | (139) | 18,601 | (6,304) | 12,297 |
| Operating expenses | (15,456) | (233) | (15,689) | 5,011 | (10,678) |
| Other net income | 257 | (3) | 254 | 5 | 259 |
| Profit before tax | 3,541 | (375) | 3,166 | (1,288) | 1,878 |
| Tax charge | (2,240) | 115 | (2,125) | 566 | (1,559) |
| Profit after tax in respect of continuing operations | 1,301 | (260) | 1,041 | (722) | 319 |
| Loss after tax in respect of discontinued operations | (2,195) | - | (2,195) | - | (2,195) |
| Loss after tax | (894) | (260) | (1,154) | (722) | (1,876) |

Effecting UK ring-fencing within Barclays

- The differences between BPLC consolidated and BBPLC consolidated primarily relates to cash flow hedging at BPLC not included in BBPLC and Group Service Company (ServCo) margin in BBPLC, eliminated on consolidation in BPLC
 - The ServCo margin primarily represents four months of margin on costs recharged to BBPLC since the ServCo was established on 1 September 2017
- In order to effect ring-fencing, we intend to transfer businesses from BBPLC to BBUKPLC, which are materially those businesses that currently comprise the Barclays UK division together with certain related Treasury operations
- We expect that those businesses which currently comprise the Barclays International and Head Office (excluding ServCo) divisions will materially remain in BBPLC
- The illustrative unaudited pro forma P&Ls of BBUKPLC and BBPLC for 2017 are presented to show the possible effect of the business transfers to BBUKPLC as if they had occurred on 1 January 2017

The pro formas represent a hypothetical situation and is not necessarily indicative of the financial position of these entities following the transfer |

Breakdown of pro forma BBUKPLC and BBPLC P&Ls post ring-fencing

| FY17 (£m) | Pro forma BBUKPLC | o/w Barclays UK division | o/w Head Office division and other consolidation adjustments | Pro forma BBPLC | o/w Barclays Int'l division | o/w H117 Non-Core division ¹ | o/w Head Office division and other consolidation adjustments |
|--|-------------------|--------------------------|--|-----------------|-----------------------------|---|--|
| Total income | 7,087 | 7,383 | (296) | 13,850 | 14,382 | (530) | (2) |
| Credit impairment charges and other provision | (783) | (783) | - | (1,553) | (1,506) | (30) | (17) |
| Net operating income | 6,304 | 6,600 | (296) | 12,297 | 12,876 | (560) | (19) |
| Operating expenses | (5,011) | (4,848) | (163) | (10,678) | (9,855) | (284) | (539) |
| Other net income | (5) | (5) | - | 259 | 254 | 197 | (192) |
| Profit/(loss) before tax | 1,288 | 1,747 | (459) | 1,878 | 3,275 | (647) | (750) |
| Tax charge | (566) | | | (1,559) | | | |
| Profit after tax in respect of continuing operations | 722 | | | 319 | | | |
| Loss after tax in respect of discontinued operations | - | | | (2,195) | | | |
| Profit/(loss) after tax | 722 | | | (1,876) | | | |

Differences between divisional and legal entity financials

- There is no financial impact at the consolidated Barclays Group level as a result of UK ring-fencing
- There are certain differences in the financial results of the BBUKPLC and BBPLC legal entities when compared to the operating divisions, which primarily relate to the Head Office division
 - Pro forma BBUKPLC includes the Barclays UK division, the related ServCo margin primarily for four months from September to December 2017 and the impact of BBUKPLC establishing new hedges with BBPLC on inception. The latter variance represents the P&L difference between market rates as at 1 January 2017 and the prevailing rates at the time the hedges were originally established
 - Pro forma BBPLC reflects the Barclays International division and the Non-Core division for the first six months of 2017. In addition, it includes the related ServCo margin for four months from September to December 2017, the net income from Treasury operations, the impact of BBUKPLC establishing new hedges with BBPLC upon inception, the costs associated with Non-Core assets and businesses which were integrated into Head Office from 1 July 2017, litigation and conduct costs, and the recycling of the currency translation reserve to the income statement on the sale of Barclays Bank Egypt

¹ The P&L impact of the Non-Core division for the first six months of 2017 have remained fully in BBPLC on the basis that the component related to BBUKPLC is expected to be immaterial |

Balance Sheet bridge to pro forma BBUKPLC and BBPLC post ring-fencing

| FY17 (£m) | BPLC consolidated | BPLC to BBPLC differences | BBPLC consolidated | o/w pro forma BBUKPLC ¹ | o/w pro forma BBPLC ¹ |
|---|-------------------|---------------------------|--------------------|------------------------------------|----------------------------------|
| Assets | | | | | |
| Cash, balances at central banks and financial investments | 229,998 | 1 | 229,999 | 40,426 | 189,573 |
| Reverse repurchase agreements, similar secured lending and trading portfolio assets | 126,306 | (5) | 126,301 | - | 128,238 |
| Financial assets designated at fair value | 116,281 | 1 | 116,282 | 7,193 | 109,089 |
| Derivative financial instruments | 237,669 | 318 | 237,987 | 2,136 | 245,781 |
| Loans and advances | 401,215 | 547 | 401,762 | 194,759 | 213,800 |
| Goodwill and intangible assets | 7,849 | (2,964) | 4,885 | 3,538 | 1,347 |
| Other assets | 13,930 | (1,803) | 12,127 | 2,187 | 10,041 |
| Total assets | 1,133,248 | (3,905) | 1,129,343 | 250,239 | 897,869 |
| Liabilities | | | | | |
| Deposits from banks and customer accounts | 466,844 | 488 | 467,332 | 193,401 | 280,728 |
| Repurchase agreements and other similar secured borrowing | 40,338 | - | 40,338 | 10,537 | 31,738 |
| Trading portfolio liabilities | 37,351 | 1 | 37,352 | 2,425 | 34,927 |
| Financial liabilities designated at fair value | 173,718 | - | 173,718 | - | 173,718 |
| Derivative financial instruments | 238,345 | - | 238,345 | 8,364 | 239,911 |
| Debt securities in issue and subordinated liabilities | 97,140 | (3,561) | 93,579 | 15,507 | 78,072 |
| Other liabilities | 13,496 | (551) | 12,945 | 4,118 | 8,928 |
| Total liabilities | 1,067,232 | (3,623) | 1,063,609 | 234,352 | 848,022 |
| Total equity | 66,016 | (282) | 65,734 | 15,887 | 49,847 |

Balance sheets of BBUKPLC and BBPLC

- The differences between BPLC consolidated and BBPLC consolidated primarily relate to intangible assets, property, plant and equipment and debt securities in issue downstreamed to the ServCo
- The proforma balance sheet of BBUKPLC and BBPLC as at 31 December 2017 are presented to show the possible effect of the business transfers as if they had occurred on 31 December 2017

¹ Pro forma asset and liability balances of BBUKPLC and BBPLC do not equal BBPLC consolidated primarily due to expected short-term intercompany transactions between the two legal entities |

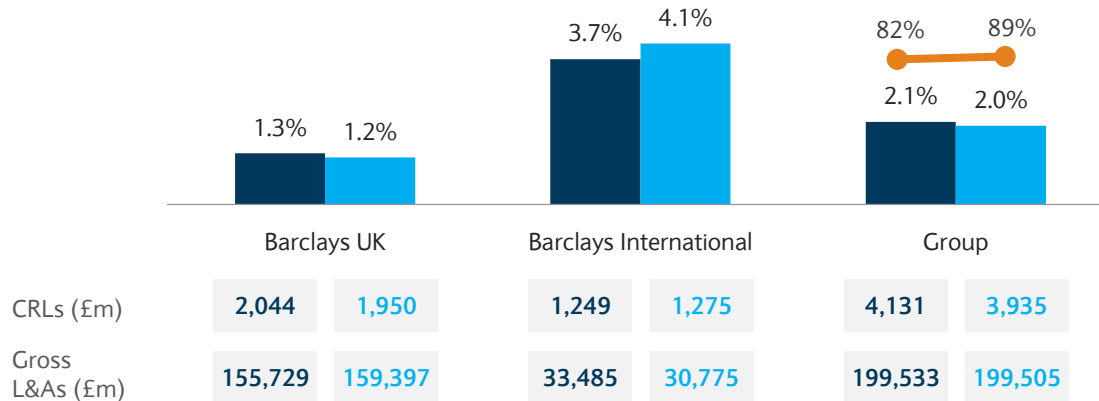


Asset Quality

Stable underlying trends reflect prudent approach to credit risk management

Retail CRL % of Gross L&A

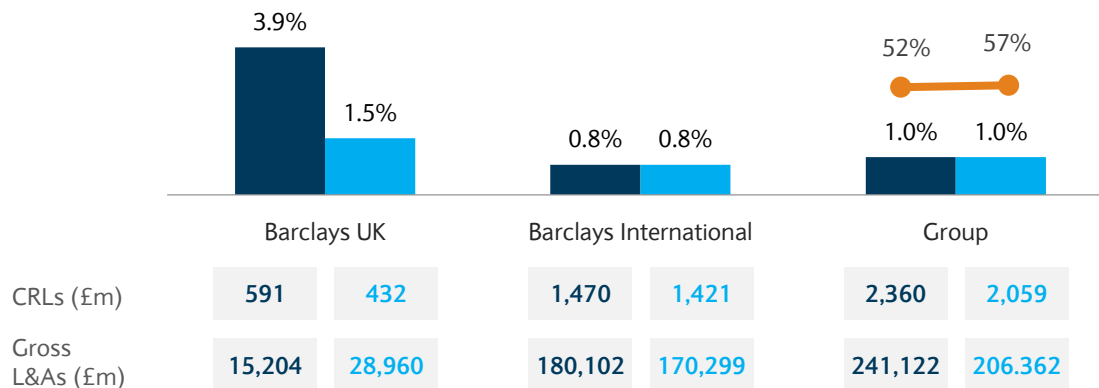
■ Dec-16 ■ Dec-17 ● CRL coverage



Prudent risk management

- Remain well-positioned, having maintained a consistently prudent risk appetite since the financial crisis
- In US Cards, the increasing arrears observed in the US consumer credit market from historical lows have been partially offset by ongoing rebalancing of the portfolio's overall risk profile
- Strong Credit Risk Loan (CRL) coverage ratios continue to provide significant protection
 - Group Retail CRL coverage ratio of 89% (Dec-16: 82%)
 - Group Wholesale CRL coverage ratio of 57% (Dec-16: 52%)
- Wholesale CRL as a proportion of Gross L&A movement is principally driven by the transfer of unimpaired balances previously in Barclays International & Non Core to Barclays UK, following group restructuring. Further to this, two new facilities arose in Barclays UK retail banking with wholesale exposure

Wholesale CRL % Gross L&A





Credit Ratings

Ratings remain a key strategic priority

| Current Senior Long and Short Term ratings | Fitch | Moody's | Standard and Poor's |
|---|----------------------------|--------------------|----------------------------------|
| Barclays PLC (BPLC – HoldCo) | A F1 | Baa2 Neg P-3 | BBB A-2 |
| Barclays Bank PLC (BBUKPLC – OpCo, future NRFB) | A RWP F1 | A1 Neg P-1 | A A-1 |
| Barclays Bank UK PLC (BBUKPLC – OpCo, future RFB) | A+ (EXP) F1 (EXP) | (P) A1 (P) P-1 | A (prelim) A-1 (prelim) |

Future ratings expectations of BBUKPLC and BBPLC

- Rating agencies have made various statements on their expectation of ratings post ring-fencing
 - Fitch has assigned expected ratings of A+ / F1 to BBUKPLC, and placed BBPLC on Rating Watch Positive (RWP) in Sep-17 anticipating that it will also be rated A+ once internal MREL is downstreamed on a subordinated basis
 - Moody's assigned provisional ratings of A1 / P-1 to BBUKPLC in Oct-17. Moody's expects the Baseline Credit Assessment of BBPLC to be weaker following the implementation of ring-fencing, and ring-fencing is included in the rationale for maintenance of its negative outlook
 - S&P assigned preliminary ratings of A / A-1 for BBUKPLC in Oct-17 and in the same action, upgraded the rating of BBPLC to A / A-1 due to their assessment that it remains "core" to the group. BBPLC and BPLC were restored to stable outlooks in Nov-17

Rating priorities

- Barclays' objective is to maintain solid investment grade ratings
- Intend to create as much stability in the ratings of Barclays PLC and Barclays Bank PLC as we can, both before and after structural reform
- Focus on execution of strategy to support credit fundamentals

Barclays rating composition for senior debt

| | Fitch | | | Moody's | | | Standard & Poor's | | | | | |
|--------------------|-------------------------------|-----------|-----------------------|----------|----------------------------|----------|-------------------|----------------------------|---|--------|------|------------|
| | BPLC | BBPLC | BBUKPLC | BPLC | BBPLC | BBUKPLC | BPLC | BBPLC | BBUKPLC | | | |
| Stand-alone rating | Viability Rating ¹ | a | a | a | Baseline Credit Assessment | baa2 | a3 | Stand-Alone Credit Profile | bbb+ | | | |
| | Operating environment | aa to a+ | | | Macro profile | Strong+ | | Anchor | bbb+ | | | |
| | Company profile | a to bbb+ | | | Financial profile | baa2 | | Business position | 0 | | | |
| | Management & Strategy | a+ to a- | | | Qualitative | 0 | | Capital and earnings | 0 | | | |
| | Risk appetite | a+ to a- | | | – Opacity and complexity | -1 | | Risk position | 0 | | | |
| | Financial profile | a+ to bbb | | | – Diversification | +1 | | Funding and liquidity | 0 | | | |
| Notching | Qualifying Junior Debt | | | +1 | Loss Given Failure (LGF) | 0 | +3 | +1 | Additional Loss Absorbing Capacity (ALAC) | | +2 | +2 |
| | Government Support | | | | Government Support | | +1 | +1 | Group status | | Core | Core |
| | | | | | | | | | Structural subordination | -1 | | |
| | | | | | | | | | Government support | | | |
| | Total notching | 0 | 0 | +1 | Total notching | 0 | +4 | +2 | Total notching | -1 | +2 | +2 |
| Liability ratings | Rating | A | A | A+ (EXP) | Rating | Baa2 | A1 | (P)A1 | Rating | BBB | A | A (prelim) |
| | Outlook | STABLE | RATING WATCH POSITIVE | STABLE | Outlook | NEGATIVE | | | Outlook | STABLE | | |

¹ The component parts relate to Barclays PLC consolidated |

Barclays rating composition for subordinated debt

| | Fitch | | | | | | Moody's | | | | | | Standard & Poor's | | | | | | | | | | |
|--------------------|------------------|----------------------|-----|------------|-----|-----|---------|----------------------------|---|-----|------------|------|-------------------|-------------|----------------------------|-------------------|---------------------------|-------|------------|------|-----|----|----|
| Stand-alone rating | Viability Rating | a | | a | | | | Baseline Credit Assessment | baa2 | | | | | | Stand-Alone Credit Profile | bbb+ | | | | | | | |
| Notching | | BPLC | | BB PLC | | | | | BPLC | | BBPLC | | | | | BPLC | | BBPLC | | | | | |
| | | T2 | AT1 | T2 Coco | LT2 | UT2 | T1 | | T2 | AT1 | T2 Coco | LT2 | UT2 | T1 (cum) | T1 (non-cum) | | T2 | AT1 | T2 Coco | LT2 | UT2 | T1 | |
| | | LGF | | | | | | | -1 | | | | -1 | -1 | -1 | -1 | Contractual subordination | -1 | -1 | -1 | -1 | -1 | -1 |
| | | Loss severity | -1 | -2 | -2 | -1 | -1 | -2 | Coupon skip risk (cum) | | | | | -1 | -1 | | Bail-in feature | -1 | -1 | -1 | -1 | -1 | -1 |
| | | | | | | | | | Coupon skip risk (non-cum) | | | | | | -2 | Buffer to trigger | | -1 | -1 | | | | |
| | | Non-performance risk | | -3 | -2 | | -2 | -2/-3 | Model based outcome with legacy T1 rating cap | | -3 | | | | | | Coupon skip risk | | -2 | | | -1 | -2 |
| | | Total notching | -1 | -5 | -4 | -1 | -3 | -4/-5 | Total notching | -1 | -3 | | -1 | -2 | -2 | -3 | Total notching | -3 | -6 | -3 | -2 | -3 | -4 |
| Liability ratings | Rating | A- | BB+ | BBB- | A- | BBB | BBB/BB+ | Rating | Baa3 | Ba2 | n/a | Baa3 | Ba1 | Ba1 | Ba2 | Rating | BB+ | B+ | BB+ | BBB- | BB+ | BB | |
| | Outlook | STABLE | | | | | | Outlook | NEGATIVE | | | | | | Outlook | STABLE | | | | | | | |



Appendix

Material and other items – FY17 and Q417 vs. prior year

| Material items (£m) | FY17 | FY16 | Q417 | Q416 | |
|--|---------|---------|---------|-------|--|
| Income | | | | | |
| Own credit ¹ | - | (35) | - | 46 | Head Office |
| Gain on the disposal of Barclays' share of Visa Europe Limited | - | 615 | - | - | Barclays International 464 / Barclays UK 151 |
| Litigation and conduct | | | | | |
| Charges for PPI | (700) | (1,000) | - | - | Barclays UK |
| Provision in respect of Foreign Exchange matters | (240) | - | (240) | - | Barclays International |
| Tax | | | | | |
| Re-measurement of US DTAs – US Tax Cuts and Jobs Act | (1,177) | - | (1,177) | - | Barclays International |
| Revaluation of US branch DTAs – branch exemption election | 276 | - | 276 | - | |
| Discontinued operation – Africa Banking (pre-tax) | | | | | |
| Impairment of Barclays' holding in BAGL | (1,090) | - | - | - | |
| Loss on sale of 33.7% of BAGL's issued share capital | (1,435) | - | - | - | |
| Other items of interest (£m) | | | | | |
| Income | | | | | |
| US Card asset sale | 192 | - | - | - | Barclays International |
| Valuation gain on Barclays' preference shares in Visa Inc | 98 | - | - | - | Barclays International 74 / Barclays UK 24 |
| Impairment | | | | | |
| Charge relating to deferred consideration from US Cards asset sale | (168) | - | - | - | Barclays International |
| Mgmt review of UK and US cards portfolio impairment modelling | - | (320) | - | - | Barclays International (120) / Barclays UK (200) |
| Operating expenses | | | | | |
| Structural reform costs | (404) | (337) | (92) | (108) | Group |
| Effect of change in compensation awards introduced in Q416 | (205) | (395) | (24) | (395) | |
| Real estate restructuring charge | - | (150) | - | - | Barclays International |
| Other net income | | | | | |
| Gain on sale of Barclays' share in VocaLink | 109 | - | - | - | Barclays International |
| Gain on sale of joint venture in Japan | 76 | - | - | - | |
| Gain on sale of Barclays Risk Analytics and Index Solutions | - | 535 | - | - | Non-Core |
| Loss on sale of French Retail Business | - | (455) | - | - | |
| Gain on sale of Barclays Bank Egypt | 189 | - | - | - | Head Office |
| CTR recycling on sale of Barclays Bank Egypt | (180) | - | - | - | |

¹ Own credit is now recognised in other comprehensive income, following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017 |

FY17 Group results

| Year ended (£m) | 2017 | 2016 | % change |
|--|----------------|--------------|--------------|
| Income | 21,076 | 21,451 | (2%) |
| Impairment | (2,336) | (2,373) | 2% |
| – Operating expenses (excluding UK bank levy and L&C) | (13,884) | (14,565) | 5% |
| – UK bank levy | (365) | (410) | 11% |
| Operating expenses excluding L&C | (14,249) | (14,975) | 5% |
| – Litigation and conduct | (1,207) | (1,363) | 11% |
| Operating expenses | (15,456) | (16,338) | 5% |
| Other net income | 257 | 490 | (48%) |
| PBT | 3,541 | 3,230 | 10% |
| Tax charge | (2,240) | (993) | |
| PAT – continuing operations | 1,301 | 2,237 | (42%) |
| (Loss)/profit after tax – discontinued operation | (2,195) | 591 | |
| NCI – continuing operations | (249) | (346) | 28% |
| NCI – discontinued operation | (140) | (402) | 65% |
| Other equity instrument holders | (639) | (457) | (40%) |
| Attributable (loss)/profit | (1,922) | 1,623 | |
| Performance measures | | | |
| Basic (loss)/earnings per share | (10.3p) | 10.4p | |
| RoTE | (3.6%) | 3.6% | |
| Cost: income ratio | 73% | 76% | |
| LLR | 57bps | 53bps | |
| LDR ¹ | 80% | 89% | |
| Balance sheet (£bn) | | | |
| RWAs | 313 | 366 | |

FY17 performance metrics

- Income declined 2% to £21.1bn reflecting a £613m decrease in Barclays International and a £262m reduction in Head Office, partially offset by lower Non-Core related negative income
- Impairment charges were broadly stable at £2.3bn, while LLR increased 4bps to 57bps. Impairment included:
 - A charge of £168m in 2017 relating to the deferred consideration from an asset sale in US Cards
 - Non-recurrence of a £320m charge in 2016 following the management review of the UK and US Cards portfolio impairment modelling
- Costs excluding L&C reduced 5% to £14.2bn, as guided, driven by lower Non-Core related operating expenses and delivering positive jaws
- Other net income of £257m primarily reflected a gain of £109m on the sale of Barclays' share in VocaLink to MasterCard and a gain of £76m on the sale of a joint venture in Japan
- RoTE was negative 3.6% and basic loss per share was 10.3p
 - Excluding L&C, losses related to Barclays' sell down of BAGL and the one-off net charge due to the re-measurement of US DTAs, RoTE was 5.6% and earnings per share was 16.2p

¹ Excludes Head Office and investment banking balances other than interest earning lending. Comparative has been restated to include interest earning lending balances within the investment banking business |

FY17 Barclays UK and Barclays International results

| Barclays UK | | | |
|--|---------|---------|----------|
| Year ended (£m) | 2017 | 2016 | % change |
| – Personal Banking | 3,823 | 3,891 | (2%) |
| – Barclaycard Consumer UK | 1,977 | 2,022 | (2%) |
| – Wealth, Entrepreneurs & Business Banking | 1,583 | 1,604 | (1%) |
| Income | 7,383 | 7,517 | (2%) |
| – Personal Banking | (222) | (183) | (21%) |
| – Barclaycard Consumer UK | (541) | (683) | 21% |
| – Wealth, Entrepreneurs & Business Banking | (20) | (30) | 33% |
| Impairment | (783) | (896) | 13% |
| – Operating expenses (excluding UK bank levy and L&C) | (4,030) | (3,792) | (6%) |
| – UK bank levy | (59) | (48) | (23%) |
| – Litigation & conduct | (759) | (1,042) | 27% |
| Operating expenses | (4,848) | (4,882) | 1% |
| PBT | 1,747 | 1,738 | 1% |
| Attributable profit | 853 | 828 | 3% |
| Performance measures | | | |
| RoTE | 9.8% | 9.6% | |
| Average allocated tangible equity | £9.1bn | £8.9bn | |
| Cost: income ratio | 66% | 65% | |
| LLR | 42bps | 52bps | |
| NIM | 3.49% | 3.62% | |
| Balance sheet (£bn) | | | |
| L&A to customers | 183.8 | 166.4 | |
| Customer deposits | 193.4 | 189.0 | |
| RWAs | 70.9 | 67.5 | |

| Barclays International | | | |
|--|---------|---------|----------|
| Year ended (£m) | 2017 | 2016 | % change |
| – CIB | 9,878 | 10,533 | (6%) |
| – CC&P | 4,504 | 4,462 | 1% |
| Income | 14,382 | 14,995 | (4%) |
| – CIB | (213) | (260) | 18% |
| – CC&P | (1,293) | (1,095) | (18%) |
| Impairment | (1,506) | (1,355) | (11%) |
| – Operating expenses (excluding UK bank levy and L&C) | (9,321) | (9,129) | (2%) |
| – UK bank levy | (265) | (284) | 7% |
| – Litigation & conduct | (269) | (48) | |
| Operating expenses | (9,855) | (9,461) | (4%) |
| Other net income | 254 | 32 | |
| PBT | 3,275 | 4,211 | (22%) |
| Attributable profit | 847 | 2,412 | (65%) |
| Performance measures | | | |
| RoTE | 3.4% | 9.8% | |
| Average allocated tangible equity | £28.1bn | £25.5bn | |
| Cost: income ratio | 69% | 63% | |
| LLR | 75bps | 63bps | |
| NIM | 4.16% | 3.98% | |
| Balance sheet (£bn) | | | |
| RWAs | 210.3 | 212.7 | |

FY17 Corporate & Investment Bank and Consumer, Cards & Payments results

| Corporate & Investment Bank | | | |
|-----------------------------|--------------|--------------|--------------|
| Year ended (£m) | 2017 | 2016 | % change |
| – Macro | 1,634 | 2,304 | (29%) |
| – Credit | 1,241 | 1,185 | 5% |
| FICC | 2,875 | 3,489 | (18%) |
| – Equities | 1,629 | 1,790 | (9%) |
| Markets | 4,504 | 5,279 | (15%) |
| – Banking fees | 2,612 | 2,397 | 9% |
| – Corporate lending | 1,093 | 1,195 | (9%) |
| – Transaction banking | 1,629 | 1,657 | (2%) |
| Banking | 5,334 | 5,249 | 2% |
| Income ¹ | 9,878 | 10,533 | (6%) |
| Impairment | (213) | (260) | 18% |
| Operating expenses | (7,742) | (7,624) | (2%) |
| Other net income | 133 | 1 | |
| PBT | 2,056 | 2,650 | (22%) |
| Performance measures | | | |
| RoTE | 1.1% | 6.1% | |
| Balance sheet (£bn) | | | |
| RWAs | 176.2 | 178.6 | |

| Consumer, Cards & Payments | | | |
|----------------------------|--------------|--------------|--------------|
| Year ended (£m) | 2017 | 2016 | % change |
| Income | 4,504 | 4,462 | 1% |
| Impairment | (1,293) | (1,095) | (18%) |
| Operating expenses | (2,113) | (1,837) | (15%) |
| Other net income | 121 | 31 | |
| PBT | 1,219 | 1,561 | (22%) |
| Performance measures | | | |
| RoTE | 16.7% | 31.4% | |
| Balance sheet (£bn) | | | |
| RWAs | 34.1 | 34.1 | |

¹ Includes Other income

FY17 Head Office results

| Business performance | | |
|--|-------|-------|
| Year ended (£m) | 2017 | 2016 |
| Income ¹ | (159) | 103 |
| Impairment | (17) | - |
| – Operating expenses (excluding UK bank levy and L&C) | (277) | (135) |
| – UK bank levy | (41) | (2) |
| – Litigation & conduct | (151) | (27) |
| Operating expenses | (469) | (164) |
| Other net (expenses)/income | (189) | 128 |
| (Loss)/profit before tax | (834) | 67 |
| Performance measures | | |
| Average allocated tangible equity | 9.3 | 6.5 |
| Balance sheet (£bn) | | |
| RWAs ² | 31.8 | 53.3 |

¹ Following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017, own credit, which was previously reported in the income statement for 2016, is now recognised in other comprehensive income | ² Includes Africa Banking RWAs of £6.4bn (December 2016: £42.3bn)

Q417 Group results

| Three months ended (£m) | Dec-17 | Dec-16 | % change |
|--|----------------|------------|--------------|
| Income | 5,022 | 4,992 | 1% |
| Impairment | (573) | (653) | 12% |
| – Operating expenses (excluding UK bank levy and L&C) | (3,621) | (3,812) | 5% |
| – UK bank levy | (365) | (410) | 11% |
| – Litigation and conduct | (383) | (97) | |
| Operating expenses | (4,369) | (4,319) | (1%) |
| Other net income | 13 | 310 | (96%) |
| PBT | 93 | 330 | (72%) |
| Tax (charge)/credit | (1,138) | 50 | |
| (Loss)/profit after tax – continuing operations | (1,045) | 380 | |
| Profit after tax – discontinued operation | - | 71 | |
| NCI – continuing operations | (68) | (90) | 24% |
| NCI – discontinued operation | - | (123) | |
| Other equity instrument holders | (181) | (139) | (30%) |
| Attributable (loss)/profit | (1,294) | 99 | |

Performance measures

| | | |
|---------------------------------|---------|-------|
| Basic (loss)/earnings per share | (7.3p) | 0.8p |
| RoTE | (10.3%) | 1.1% |
| Cost: income ratio | 87% | 87% |
| LLR | 56bps | 58bps |

Balance sheet (£bn)

| | | |
|------|-----|-----|
| RWAs | 313 | 366 |
|------|-----|-----|

Q417 performance metrics

- Income increased 1% to £5.0bn, as lower losses related to Non-Core and a 2% increase in Barclays UK offset weak market conditions in Barclays International and negative income in Head Office
- Impairment decreased 12% to £573m, driven by repositioning to a lower risk mix in CC&P
 - LLR reduced 2bps to 56bps
- Costs excluding UK bank levy and L&C decreased 5% to £3.6bn, driven by lower Non-Core related costs and a 3% improvement in Barclays International, partially offset by a 13% increase in Barclays UK
 - L&C increased primarily reflecting a £240m provision in respect of Foreign Exchange matters
- Other net income decreased to £13m primarily due to the non-recurrence of the prior year gain on the sale of Southern European Cards
- RoTE and EPS were adversely impacted by the £0.9bn net charge associated with the re-measurement of US DTAs

Q417 Barclays UK results

| Business performance | | | |
|--|---------|---------|----------|
| Three months ended (£m) | Dec-17 | Dec-16 | % change |
| – Personal Banking | 1,020 | 934 | 9% |
| – Barclaycard Consumer UK | 445 | 507 | (12%) |
| – Wealth, Entrepreneurs & Business Banking | 405 | 387 | 5% |
| Income | 1,870 | 1,828 | 2% |
| – Personal Banking | (56) | (50) | (12%) |
| – Barclaycard Consumer UK | (124) | (118) | (5%) |
| – Wealth, Entrepreneurs & Business Banking | (4) | (12) | 67% |
| Impairment | (184) | (180) | (2%) |
| – Operating expenses (excluding UK bank levy and L&C) | (1,117) | (989) | (13%) |
| – UK bank levy | (59) | (48) | (23%) |
| – Litigation and conduct | (53) | (28) | (89%) |
| Operating expenses | (1,229) | (1,065) | (15%) |
| PBT | 452 | 583 | (22%) |
| Attributable profit | 245 | 383 | (36%) |
| Performance measures | | | |
| RoTE | 10.7% | 18.2% | |
| Average allocated tangible equity | £9.6bn | £8.6bn | |
| Cost: income ratio | 66% | 58% | |
| LLR | 39bps | 42bps | |
| NIM | 3.32% | 3.56% | |
| Balance sheet (£bn) | | | |
| L&A to customers ¹ | 183.8 | 166.4 | |
| Customer deposits | 193.4 | 189.0 | |
| RWAs | 70.9 | 67.5 | |

¹ At amortised cost |

Q417 performance metrics

- Income was broadly stable
 - Personal Banking increased 9% due to an update to EIR modelling, continued deposit growth and repricing actions
 - Barclaycard Consumer UK decreased 12% primarily due to a provision for remediation
- Impairment was broadly in line at £184m, while LLR declined 3bps to 39bps
 - Impairment decreased £17m on Q317
- Costs, excluding UK bank levy and L&C, increased 13% due to increased investment in digital banking and cyber resilience, and branch optimisation

Key drivers

Personal Banking

- Mortgage balances increased £4.1bn on Q416, driven by controlled growth in targeted customer segments
- Continued strong deposit growth of £1.8bn to £141.1bn, driven by current accounts

Barclaycard Consumer UK

- Interest earning lending increased 2%, while total lending was stable at £16.4bn
- 30 and 90 day arrears improved to 1.8% and 0.8% respectively (Q416: 1.9% and 0.9%)

Wealth, Entrepreneurs & Business Banking

- Continued growth in deposits, while L&A at amortised cost grew mainly due to the integration of the c.£14bn ESHLA portfolio

Q417 Barclays International results

| Business performance | | | |
|--|---------|---------|----------|
| Three months ended (£m) | Dec-17 | Dec-16 | % change |
| – CIB | 2,252 | 2,531 | (11%) |
| – CC&P | 1,067 | 1,061 | 1% |
| Income | 3,319 | 3,592 | (8%) |
| – CIB | (127) | (90) | (41%) |
| – CC&P | (259) | (336) | 23% |
| Impairment | (386) | (426) | 9% |
| – Operating expenses (excluding UK bank levy and L&C) | (2,428) | (2,497) | 3% |
| – UK bank levy | (265) | (284) | 7% |
| – Litigation and conduct | (255) | (17) | |
| Operating expenses | (2,948) | (2,798) | (5%) |
| Other net income | 21 | 5 | |
| PBT | 6 | 373 | (98%) |
| Attributable (loss)/profit | (1,168) | 43 | |
| Performance measures | | | |
| RoTE | (15.9%) | 1.0% | |
| Average allocated tangible equity | £28.5bn | £26.6bn | |
| Cost: income ratio | 89% | 78% | |
| LLR | 76bps | 78bps | |
| NIM | 4.31% | 3.91% | |
| Balance sheet (£bn) | | | |
| RWAs | 210.3 | 212.7 | |

Q417 performance metrics

- Income decreased 8% to £3.3bn driven by CIB, which was impacted by low market volatility and a strong prior year comparator, partially offset by underlying growth in US Cards and increased debt underwriting fees
- Impairment decreased 9% to £386m mainly driven by CC&P due to repositioning of the portfolio towards a lower risk mix, partially offset by a single name charge in CIB
- Costs excluding UK bank levy and L&C decreased 3% to £2.4bn, primarily driven by the change in accounting treatment of deferral compensation introduced in Q416, partially offset by continued investment in technology in CIB and business growth in CC&P
 - L&C increased primarily reflecting a £240m provision in respect of Foreign Exchange matters
- RoTE was impacted by US DTA re-measurement
- Results were also impacted by the 7% depreciation of average USD against GBP

Q417 Barclays International: Corporate & Investment Bank results

| Business performance | | | |
|---------------------------------|--------------|------------|----------|
| Three months ended (£m) | Dec-17 | Dec-16 | % change |
| –Macro | 320 | 505 | (37%) |
| –Credit | 287 | 261 | 10% |
| FICC | 607 | 766 | (21%) |
| –Equities | 362 | 410 | (12%) |
| Markets | 969 | 1,176 | (18%) |
| –Banking fees | 605 | 650 | (7%) |
| –Corporate lending | 269 | 303 | (11%) |
| –Transaction banking | 408 | 401 | 2% |
| Banking | 1,282 | 1,354 | (5%) |
| Income ¹ | 2,252 | 2,531 | (11%) |
| Impairment | (127) | (90) | (41%) |
| Operating expenses | (2,384) | (2,287) | (4%) |
| Other net income | 7 | 1 | |
| (Loss)/profit before tax | (252) | 155 | |
| Performance measures | | | |
| RoTE | (20.2%) | (1.2%) | |
| Balance sheet (£bn) | | | |
| RWAs | 176.2 | 178.6 | |

Q417 performance metrics

- Income reduced 11% to £2.3bn primarily as a result of low market volatility and client activity
- Impairment increased 41% to £127m due to a large single name charge
- Costs increased 4% to £2.4bn, driven by a provision in respect of Foreign Exchange matters and continued investment in technology, partially offset by the impact of the change in compensation awards introduced in Q416
- RoTE was impacted by US DTA re-measurement

Key drivers

Markets income (18%)

- Markets businesses were impacted by low market volatility
 - Credit increased 10% driven by a stronger municipals performance
 - Macro reduced 37% impacted by low volatility in rates, and the impact of the integration of Non-Core assets
 - Equities decreased 12% to £362m reflecting declines in equity derivatives and cash equities, while equity financing performance remained strong as client balances increased

Banking income (5%)

- Banking fees decreased 7% to £605m driven by lower equity underwriting and advisory fees, while debt underwriting saw improved fees and fee share
- Corporate lending decreased 11% to £269m driven by lower lending balances due to the realignment of certain clients between Barclays UK and Barclays International in preparation for structural reform, and ongoing reallocation of RWAs within CIB
- Transaction banking increased 2% to £408m due to higher deposit balances, offset by lower trade balances

¹ Includes other income |

Q417 Barclays International: Consumer, Cards & Payments results

| Business performance | | | |
|-------------------------|------------|------------|------------|
| Three months ended (£m) | Dec-17 | Dec-16 | % change |
| Income | 1,067 | 1,061 | 1% |
| Impairment | (259) | (336) | 23% |
| Operating expenses | (564) | (511) | (10%) |
| Other net income | 14 | 4 | |
| PBT | 258 | 218 | 18% |
| Performance measures | | | |
| RoTE | 8.9% | 13.2% | |
| Balance Sheet (£bn) | | | |
| RWAs | 34.1 | 34.1 | |

Q417 performance metrics

- Income increased 1% reflecting underlying growth in US Cards, partially offset by the impact of repositioning the US Cards portfolio towards a lower risk mix
- Impairment decreased 23% driven by the repositioning of the portfolio towards a lower risk mix, partially offset by business growth
- Costs increased 10% reflecting business growth and investment, primarily within the US Cards and merchant acquiring businesses

Key drivers

Barclaycard US

- 30 and 90 day arrears rates were stable at 2.6% and 1.3% (Q416: 2.6% and 1.3%) respectively, including a benefit from the Q117 asset sale
- Card spend value¹ of £15.9bn grew 7% excluding FX impacts
- Customer deposits² grew 6% in USD to \$19.0bn
- US Cards net L&A³ grew 12% in USD to \$28.0bn, excluding the \$1.6bn of higher risk assets sold in Q117

Barclaycard Germany

- Continued growth in net L&A to customers of 10% to £3.2bn, including the impact of FX

Barclaycard Business Solutions

- Record volume of payments processed by the merchant acquiring business of £64.5bn, an average of £702m per day, up 7%

Private Banking

- Total client assets grew 5% on an underlying basis to c.£90bn

¹ Includes balance transfers | ² Core Retail deposits grew 13% in USD to \$12.6bn | ³ Including held for sale balances |

Q417 Head Office results

| Business performance | | |
|--|--------|--------|
| Three months ended (£m) | Dec-17 | Dec-16 |
| Income ¹ | (167) | (9) |
| Impairment | (3) | - |
| – Operating expenses (excluding UK bank levy and L&C) | (76) | 15 |
| – UK bank levy | (41) | (2) |
| – Litigation and conduct | (75) | (1) |
| Operating expenses | (192) | 12 |
| Other net (expenses)/income | (3) | 159 |
| (Loss)/profit before tax | (365) | 162 |
| Performance measures (£bn) | | |
| Average allocated tangible equity ² | 10.0 | 7.2 |
| Balance sheet (£bn) | | |
| RWAs ³ | 31.8 | 53.3 |

Q417 performance metrics

- Loss before tax was £365m
- Income reduced by £158m primarily due to the net impact of treasury operations
- Operating expenses of £192m reflected costs associated with integrated Non-Core assets and businesses, and included a higher UK bank levy charge
 - L&C costs of £75m included provisions for legacy redress
- Other net income reduced to an expense of £3m reflecting the non-recurrence of a gain due to recycling of the currency translation reserve on disposal of the Southern European Cards business
- RWAs declined to £31.8bn, as the benefit of the proportional consolidation of BAGL was partially offset by the integration of Non-Core assets

¹ Following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017, own credit, which was previously reported in the income statement for 2016, is now recognised in other comprehensive income | ² Based on risk weighted assets and capital deductions in Head Office plus the residual balance of average tangible shareholders' equity | ³ Includes Africa Banking RWAs of £6.4bn (December 2016: £42.3bn) |

Non-Core

- The Non-Core segment was closed on 1 July 2017 with the residual assets and liabilities reintegrated into Barclays UK, Barclays International and Head Office
- Financial results up until 30 June 2017 are presented in the Non-Core segment within the Group's results for the year ended 31 December 2017
 - Financial performance post integration is reflected in the Barclays UK, Barclays International and Head Office H217 results

| Business performance | | |
|---|-------------------------|-------------------|
| (£m) | Six months ended Jun-17 | Year ended Dec-16 |
| Income | (530) | (1,164) |
| Impairment | (30) | (122) |
| – Operating expenses (excluding UK bank levy and L&C) | (256) | (1,509) |
| – UK bank levy | - | (76) |
| – Litigation and conduct | (28) | (246) |
| Operating expenses | (284) | (1,831) |
| Other net income | 197 | 331 |
| LBT | (647) | (2,786) |
| Balance sheet (£bn) | | |
| RWAs | 22.8 | 32.1 |

| Business performance | | |
|---|----------|--------------|
| Three months ended (£m) | Dec-17 | Dec-16 |
| Income | - | (419) |
| Impairment | - | (47) |
| – Operating expenses (excluding UK bank levy and L&C) | - | (341) |
| – UK bank levy | - | (76) |
| – Litigation and conduct | - | (51) |
| Operating expenses | - | (468) |
| Other net income | - | 146 |
| LBT | - | (788) |
| Balance sheet (£bn) | | |
| RWAs | - | 32.1 |

Income and margins – Q417

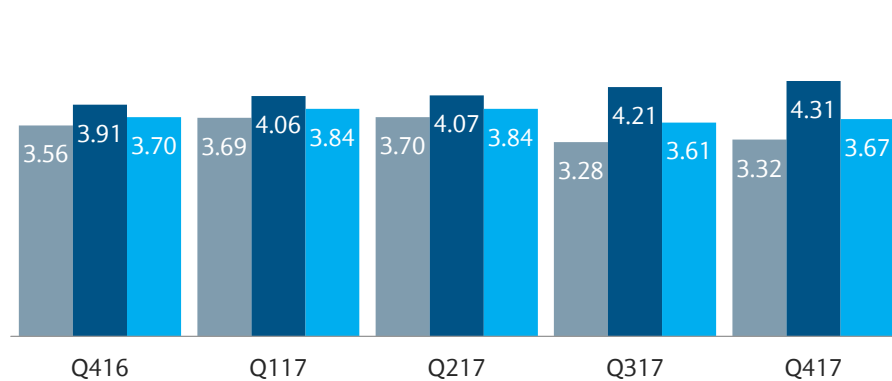
| NII (£m) – Three months ended | Dec-17 | Dec-16 | % change |
|---------------------------------------|--------|--------|----------|
| – Barclays UK | 1,540 | 1,502 | 3% |
| – Barclays International ¹ | 1,071 | 1,110 | (4%) |
| – Other ² | (339) | (89) | |
| Total NII | 2,272 | 2,523 | (10%) |
| Non-interest income | 2,750 | 2,469 | 11% |
| Total Group income | 5,022 | 4,992 | 1% |

Q417 performance metrics

- Combined Barclays UK and Barclays International¹ NIM decreased 3bps to 367bps
 - Barclays UK NIM declined to 332bps, including the c.30bps impact from the inclusion of ESHLA portfolio
 - Barclays International¹ NIM increased 40bps to 431bps as balances reduced

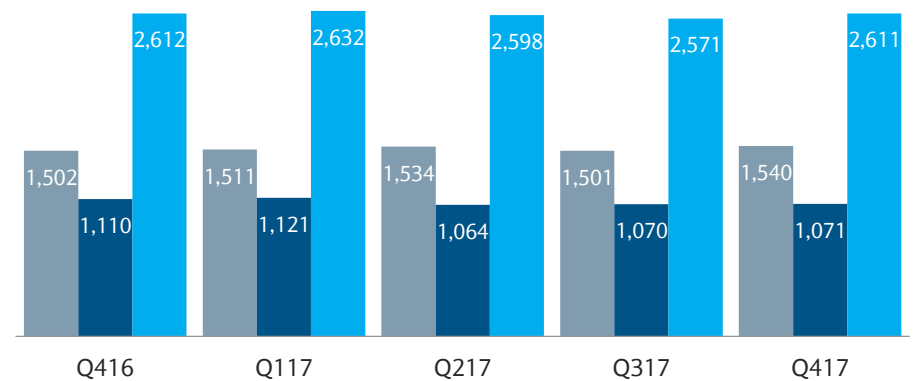
NIM (%)

■ Barclays UK ■ Barclays International¹ ■ Combined



NII (£m)

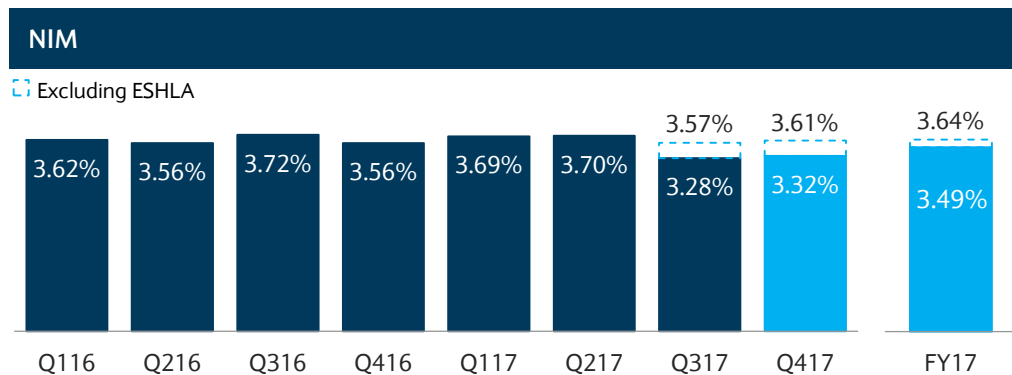
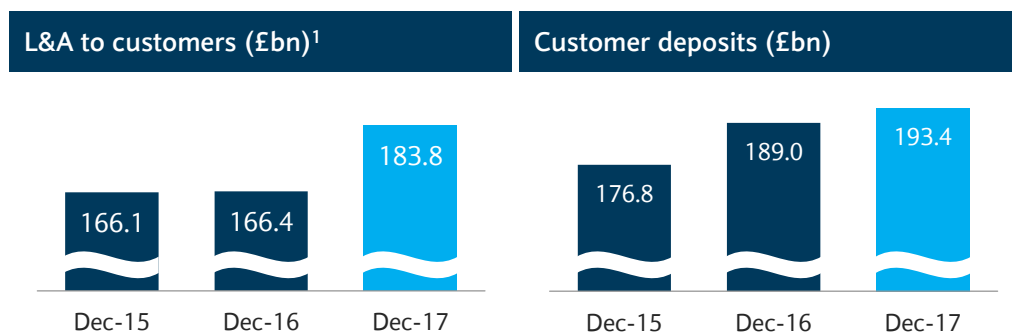
■ Barclays UK ■ Barclays International¹ ■ Combined



¹ Barclays International margins include interest earning lending balances within the investment banking business | ² Other includes Head Office and non-lending related investment banking balances |

Q417 Barclays UK income

| Income (£m) – Three months ended | Dec-17 | Dec-16 | % change |
|----------------------------------|--------------|--------------|-----------|
| NII | 1,540 | 1,502 | 3% |
| –NIM | 3.32% | 3.56% | |
| Non-interest income | 330 | 326 | 1% |
| Total income | 1,870 | 1,828 | 2% |



¹ At amortised cost

Q417 performance metrics

- NIM decreased 24bps to 332bps due to the integration of the ESHLA portfolio
 - NIM was 361bps excluding ESHLA, in line with guidance
- NII increased 3% to £1,540m primarily due to liability repricing initiatives, growth in deposit balances and an update to EIR modelling, partially offset by a provision for remediation
- Excluding absorption of c.£14bn of the ESHLA portfolio, L&A at amortised cost increased by £3.5bn on Q416, driven by controlled growth in mortgage balances
- Deposits increased £4.4bn on Q416, mainly reflecting growth in current accounts and Business Banking

Interest rate sensitivity

Illustrative sensitivity of Group NII to a 100bps parallel upward shift in interest rates¹

| Change in NII (£m) | | |
|---|--------|---------|
| Year 1 | Year 2 | Year 3 |
| <i>Assuming higher pass-through on deposits</i> | | |
| c.200 | c.550 | c.850 |
| <i>Assuming lower pass-through on deposits</i> | | |
| c.450 | c.850 | c.1,150 |

Commentary / assumptions

- This analysis is based on the modelled performance of the consumer and corporate banking book, and includes the impact of both the product and equity structural hedges
- It assumes an instantaneous parallel shift in interest rate curves
- The NII sensitivity is calculated using a constant balance sheet i.e. maturing business is reinvested at a consistent tenor and margin
- However, it is assumed that a material proportion of balances deemed to be potentially rate sensitive immediately leave the bank following the rate shock
 - The estimated NII change is highly sensitive to this assumption from Year 1
- The sensitivity scenarios illustrated assume a higher and a lower pass through of rate rises to deposit pricing. Neither of these scenarios necessarily reflect pricing decisions that would be made in the event of rate rises
- The majority of the increased benefits in Years 2 and 3 can be attributed to the income from structural hedges becoming incrementally larger over the 3 year period, as the balances are rolled into hedges at higher rates
- The sensitivities illustrated do not represent a forecast of the effect of a change in interest rates on Group NII

¹ This sensitivity is provided for illustrative purposes only and is based on a number of assumptions regarding variables which are subject to change. This sensitivity is not a forecast of interest rate expectations, and Barclays' pricing decisions in the event of an interest rate change may differ from the assumptions underlying this sensitivity. Accordingly, in the event of an interest rate change the actual impact on Group NII may differ from that presented in this analysis |

UK approach to resolution

Illustrative UK resolution loss allocation waterfall assuming multiple OpCos¹

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 PD/LGD of external and internal instruments of the same class are expected to be the same²

Intercompany investments

STEP 2

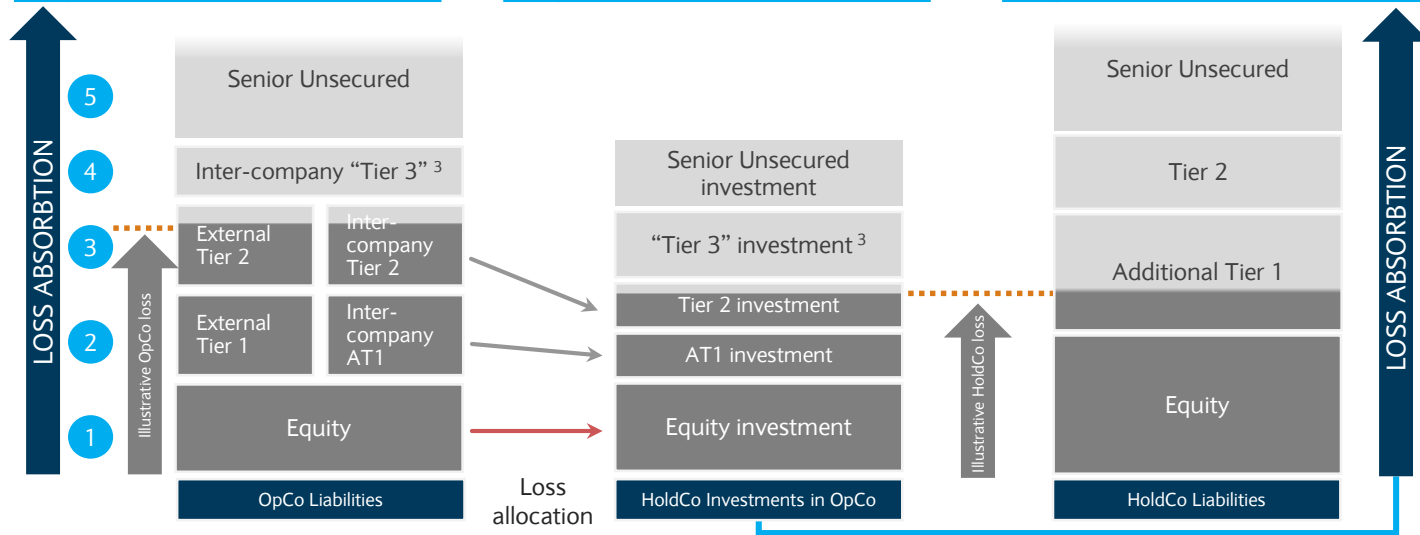
- Losses are transmitted to HoldCo through write-down of its intercompany investments in line with the OpCo's creditor hierarchy
- The HoldCo's investments are impaired and/or written down to reflect the losses on each of the intercompany investments

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
- 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 HoldCo investors to understand nature of intercompany arrangements



¹ 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. This illustration assumes the loss absorption and recapitalisation required exceeds the failing OpCo's equity capacity. This illustration also assumes that losses occur at the OpCo, rather than the HoldCo, 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. In a situation where all losses can be absorbed within equity, existing shareholders would be diluted but not wiped out, and more senior layers of the hierarchy would be written down to recapitalise the failing firm | ² Point of non-viability power implemented in the UK in accordance with Article 59 of the Bank Recovery and Resolution Directive. The Bank of England is currently consulting on its proposals for internal MREL, including the requirement for contractual PONV triggers in internal MREL instruments. There remains some uncertainty as to the intended interaction of such contractual triggers with the statutory PONV power. The illustration on this slide assumes that the PONV trigger for internal and external OpCo instruments is equivalent, whether via contractual or statutory mechanisms, such that the "pari passu" principle is respected in resolution | ³ Barclays MREL requirements are not yet finalised. Current BoE proposals remain subject to change, including as a result of final international guidance from the FSB on internal TLAC, and implementation of the final European requirements, both of which may impact the BoE's position on MREL |

Abbreviations

| | | | | | | |
|-----------------|---|----------------|-------------------------------------|-----------|------------|----------------------|
| AFS | Available for sale | L&A | Loans and advances | £ | GBP | Great British Pound |
| BAGL | Barclays Africa Group Limited | LBT | Loss before tax | \$ | USD | United States Dollar |
| BBPLC | Barclays Bank PLC | L&C | Litigation & conduct | | | |
| BoE | Bank of England | LDR | Loan: deposit ratio | | | |
| BEAT | Base Erosion Anti-Abuse Tax | LLR | Loan loss rate | | | |
| BI | Barclays International | MDR | Mandatory distribution restrictions | | | |
| BPLC | Barclays PLC | NCI | Non-controlling interests | | | |
| BUK | Barclays UK | NII | Net interest income | | | |
| CC&P | Consumer, Cards & Payments | NIM | Net interest margin | | | |
| CET1 | Common equity tier 1 | NPS | Net Promoter Score | | | |
| CIB | Corporate & Investment Bank | PAT | Profit after tax | | | |
| CTR | Currency translation reserve | PBT | Profit before tax | | | |
| DTA | Deferred tax asset | P&L | Profit and loss | | | |
| EIR | Effective interest rate | PPI | Payment Protection Insurance | | | |
| EL | Expected loss | PSD2 | Payment Services Directive 2 | | | |
| EPS | Basic earnings per share | RCI | Reserve capital instrument | | | |
| ESHLA | Education, Social Housing & Local Authority | RoTE | Return on average tangible equity | | | |
| ETR | Effective tax rate | RWAs | Risk weighted assets | | | |
| FICC | Fixed Income, Currencies & Commodities | SRP | Structural Reform Programme | | | |
| FV | Fair value | TNAV | Tangible net asset value | | | |
| FX | Foreign exchange | YoY | Year-on-year movement | | | |

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Contact – Debt Investor Relations Team

Lisa Bartrip

+44 (0)20 7773 0708

lisa.bartrip@barclays.com

James Cranstoun

+44 (0)20 7773 1630

james.cranstoun@barclays.com

Dan Colvin

+44 (0)20 7116 6533

daniel.colvin@barclays.com

Alysha Jamani

+44 (0)20 7773 1976

alysha.jamani@barclays.com

Website:

barclays.com/barclays-investor-relations.html

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