



Barclays PLC Fixed Income Investor Call

FY 2017 Results Announcement

22 February 2018



Tushar Morzaria

Barclays Group Finance Director

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 |

Diversified Transatlantic Consumer and Wholesale Bank

Move from restructuring to Group returns targets

Restructuring completed in 2017

Africa sell down completed



Non-Core closed



Group ServCo launched



Structural reform on track



Focus on Group returns targets

RoTE¹

>9% in 2019

>10% in 2020

CET1 ratio

c.13%

150-200 bps above
regulatory minimum level

CET1 ratio

11.4%

13.3%

↑ 190bps

Dec-15

Dec-17

Costs

£13.6-13.9bn in 2019²

Cost: income ratio <60%

¹ Excluding litigation and conduct and based on a CET1 ratio of c.13% | ² Excluding litigation and conduct |

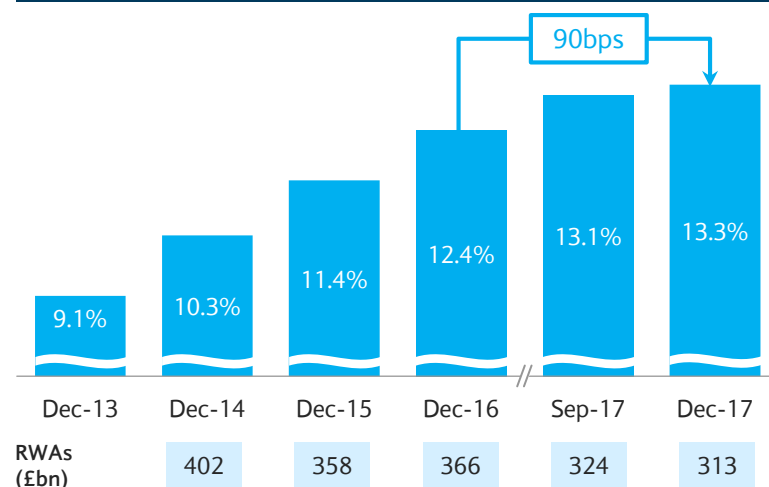


Kathryn McLeland

Group Treasurer

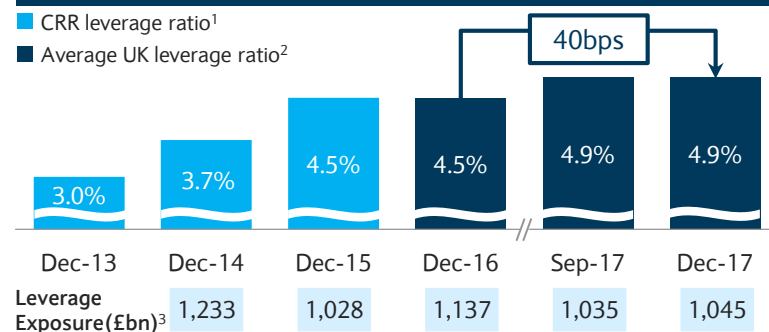
Further improved CET1 and leverage ratios

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



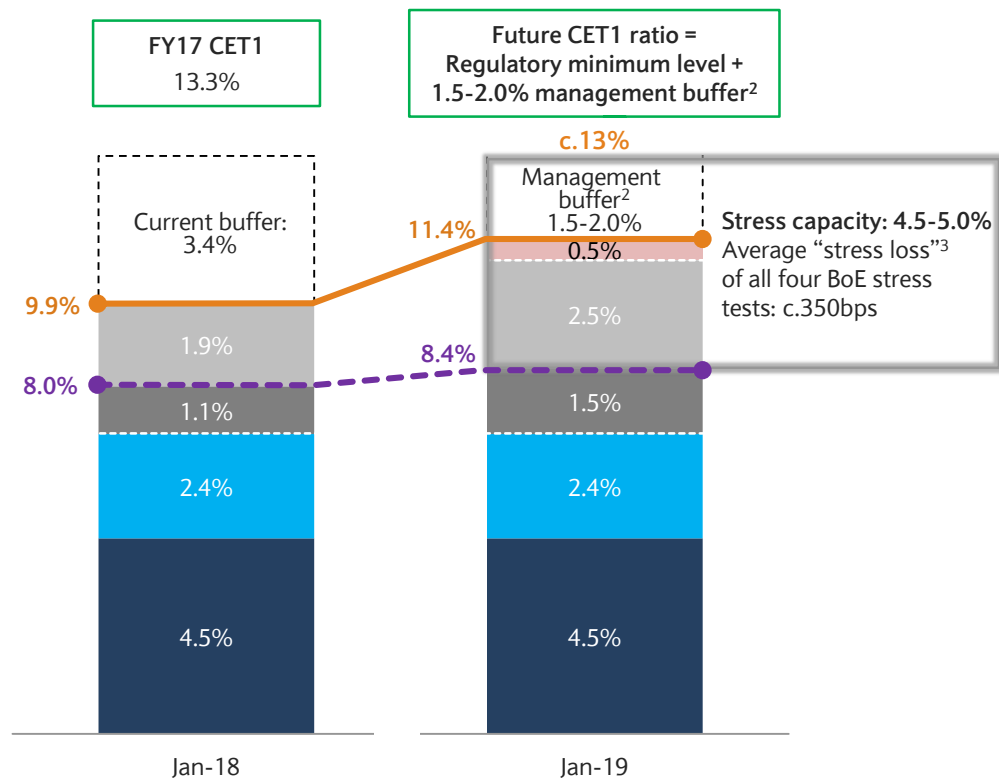
- The average UK leverage ratio² increased 40bps in the year driven by the reduction in exposures from both BAGL's regulatory proportional consolidation and Non-Core run down, as well as the issuance of Additional Tier 1 capital (AT1) securities
- UK leverage ratios on both average and spot bases were 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 |

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



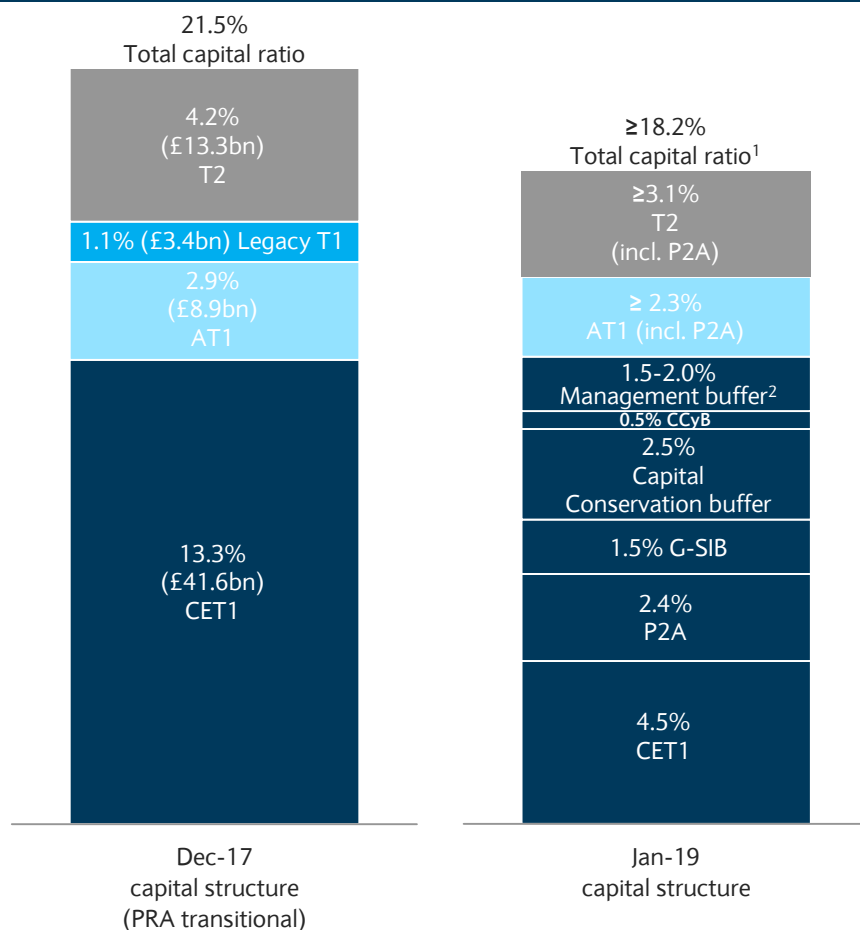
- End-state CET1 ratio expectation of c.13%
 - Assuming the introduction of a UK Countercyclical Buffer of 1% from November 2018, this would translate to c.50bps for the Group, based on our UK exposures
 - This would result in a CRD IV MDR hurdle rate of 11.4%
 - With a management buffer of 150-200bps², 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

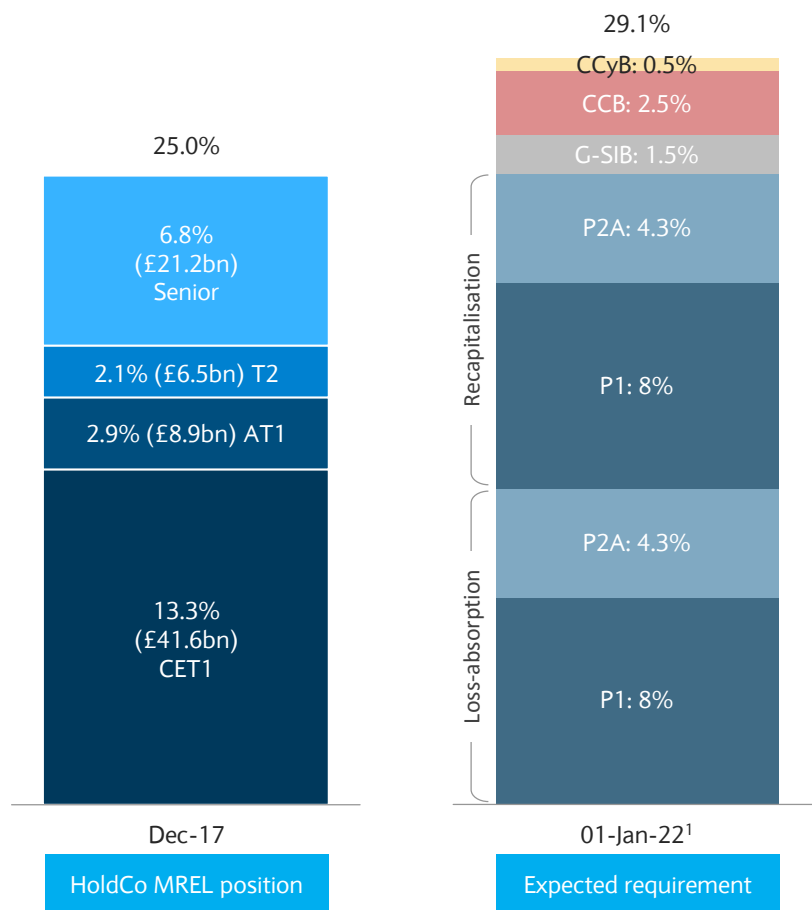
Pillar 2A requirement

- 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 |

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

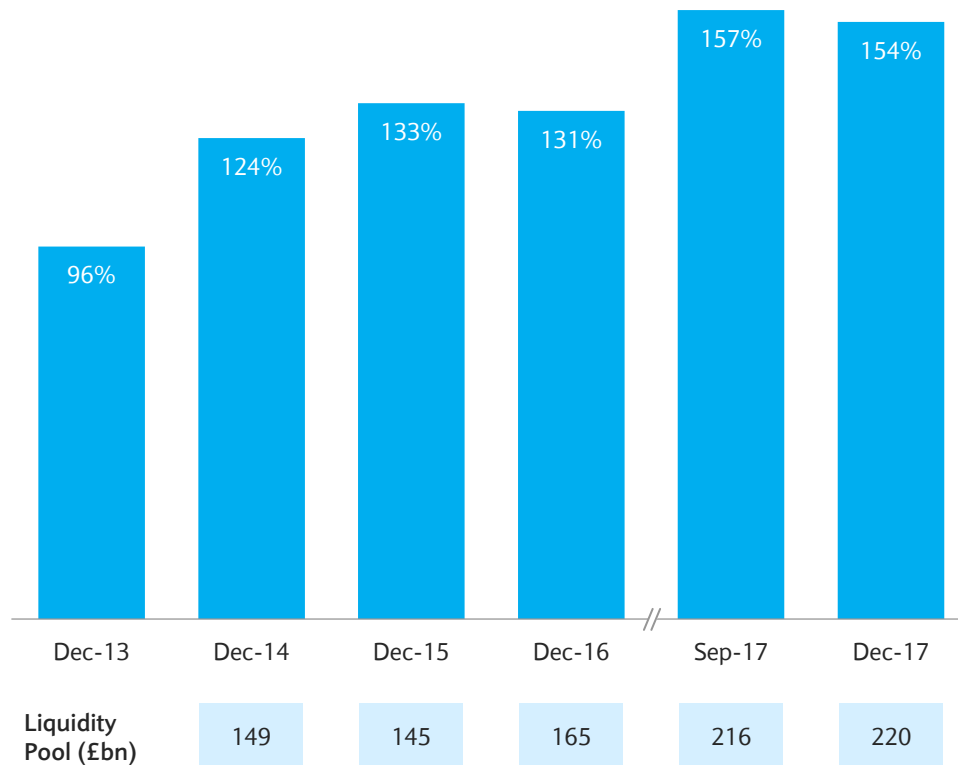
Requirements

- 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 |

High level of liquidity with a conservatively positioned liquidity pool

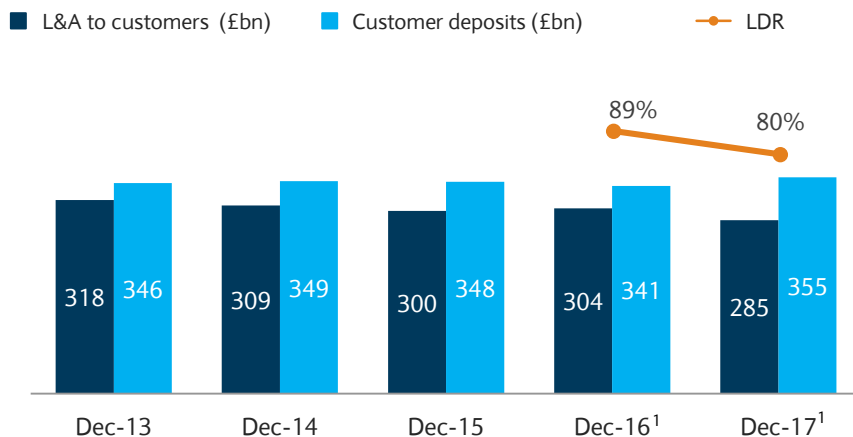
LCR continues to remain in prudential surplus



- 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%

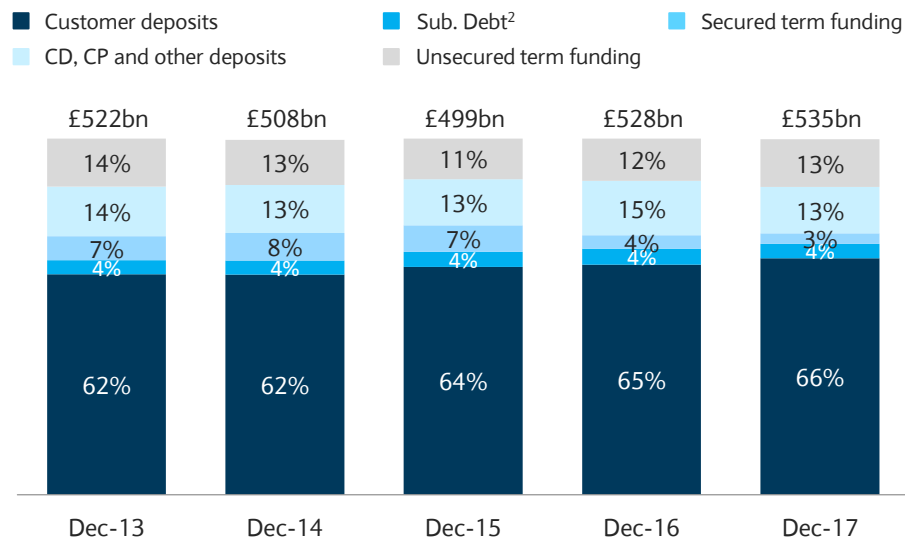
Robust group funding profile

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

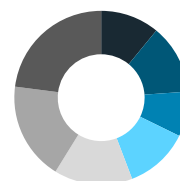


- Loan: deposit ratio of 80% at end of December 2017¹, down 9% from December 2016
- Increased proportion of customer deposits from 62% in December 2013 to 66% in December 2017 within an overall stable funding profile
- Wholesale funding outstanding excluding repurchase agreements was £157bn, diversified 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

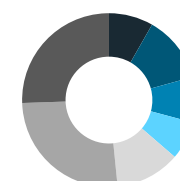
Conservative and stable funding profile (£bn)



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

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

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

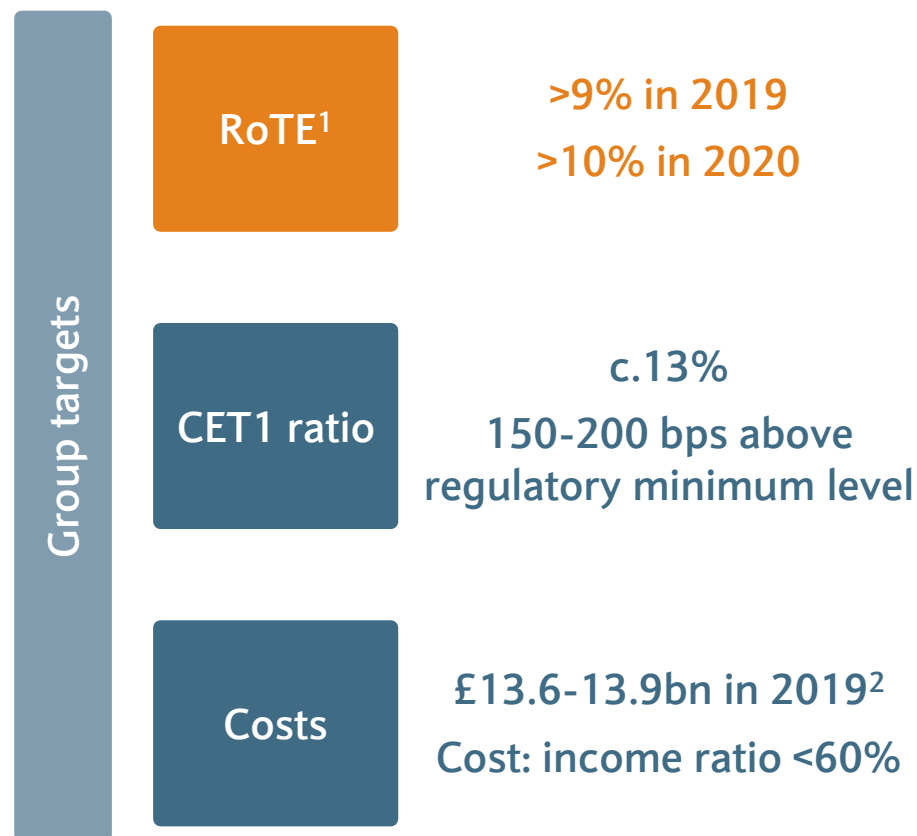
- Rating agencies have made various statements on their expectation of ratings post ring-fencing
 - Fitch has assigned expected ratings of A+ / F1 to BBUKPLC, and placed BBPLC on Rating Watch Positive (RWP) in Sep-17 anticipating that it will also be rated A+ once internal MREL is downstreamed on a subordinated 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. BBUKPLC 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

Restructuring completed and focusing on group returns targets

- ❖ Group restructuring completed
 - Barclays Africa sell down completed
 - Non-Core closed six months early
- ❖ At our end state CET1 target
- ❖ Strong MREL build, and liquidity and funding metrics
- ❖ Ring-fencing preparations near completion
- ❖ Prioritising improved group returns on a sustainable basis



¹ Excluding litigation and conduct and based on a CET1 ratio of c.13% | ² Excluding litigation and conduct |



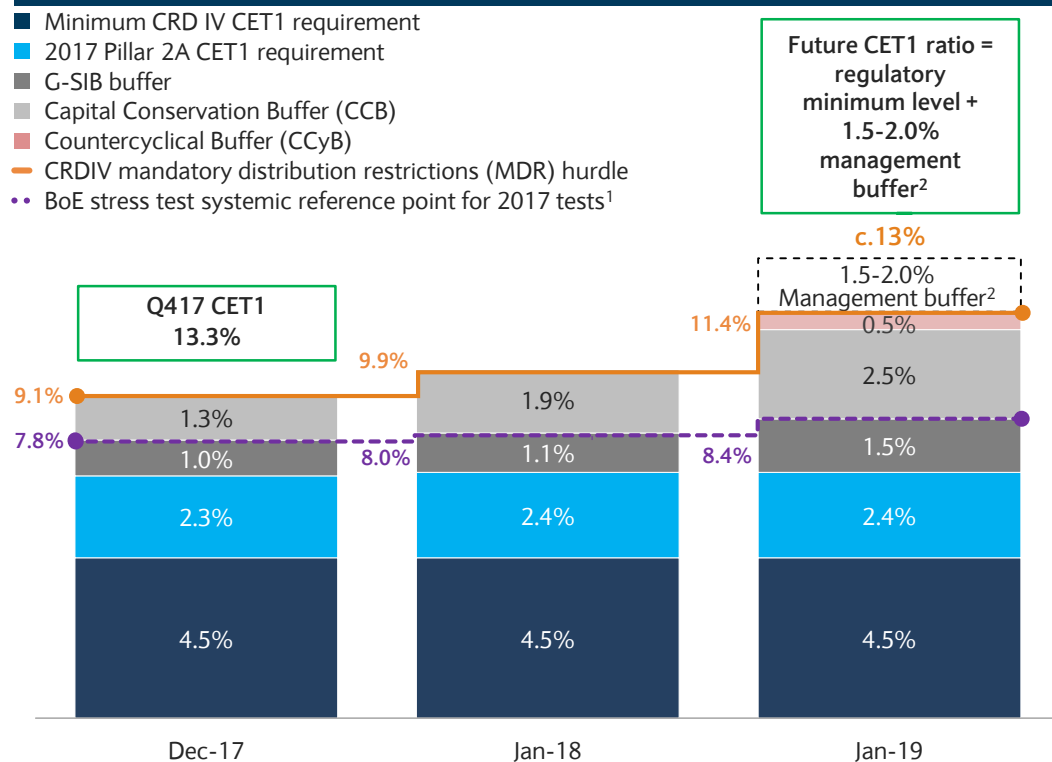
Q&A



Appendix

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) |

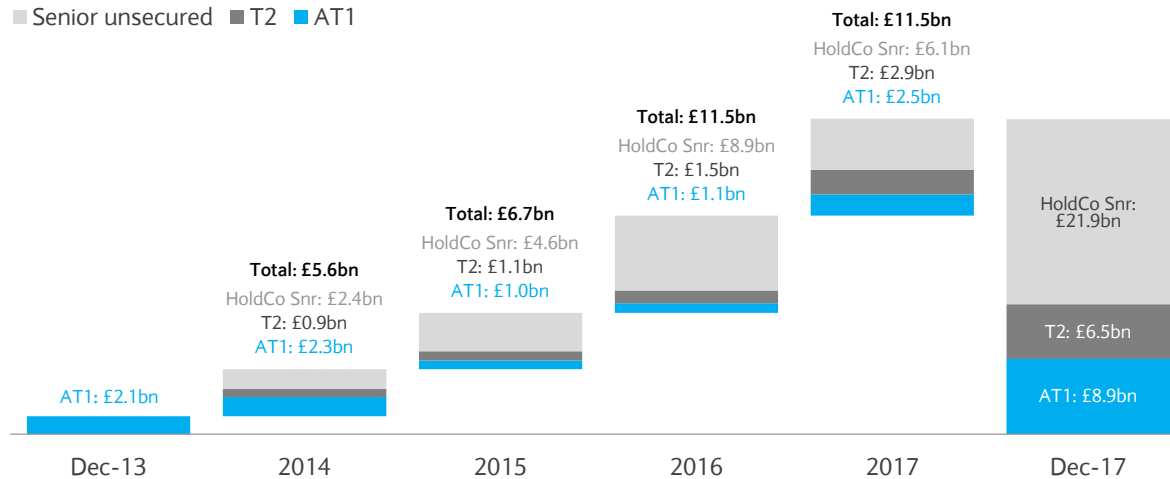
Leverage requirements

		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 |

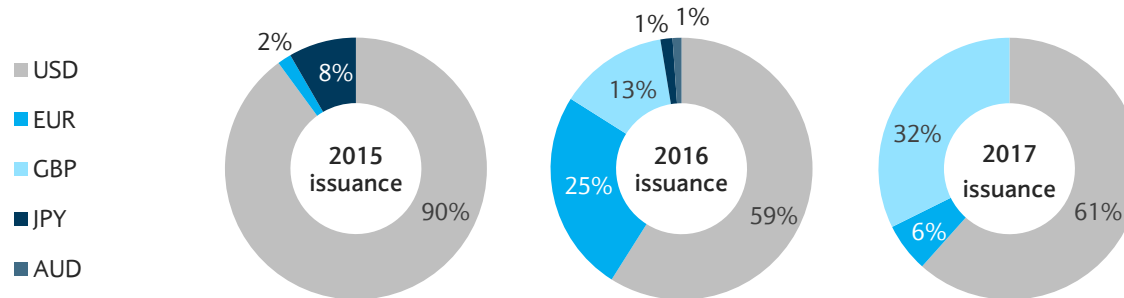
Proactive transition to HoldCo capital and funding model

HoldCo issuance by year¹



- 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

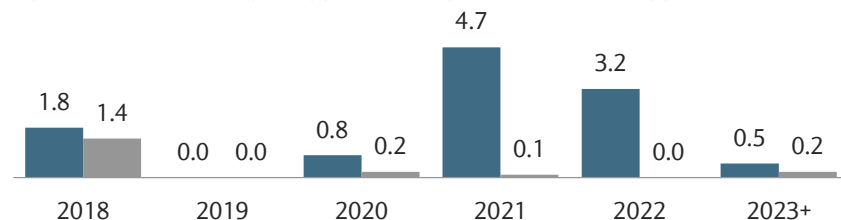
¹ Annual issuance balances based on FX rate on 31 December 2017 for debt accounted instruments and historical transaction rates for equity accounted instruments | ² Buyback and redemption based on FX rates at time of retirement for debt accounted instruments and historical transaction rates for equity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

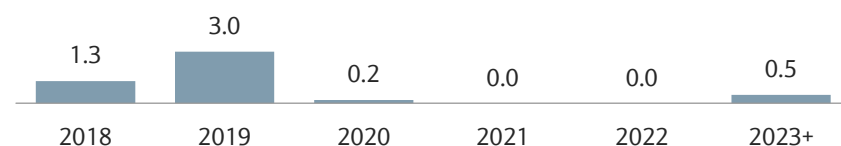
BBPLC Tier 2 capital (nominal basis) as at 31 December 2017¹

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



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

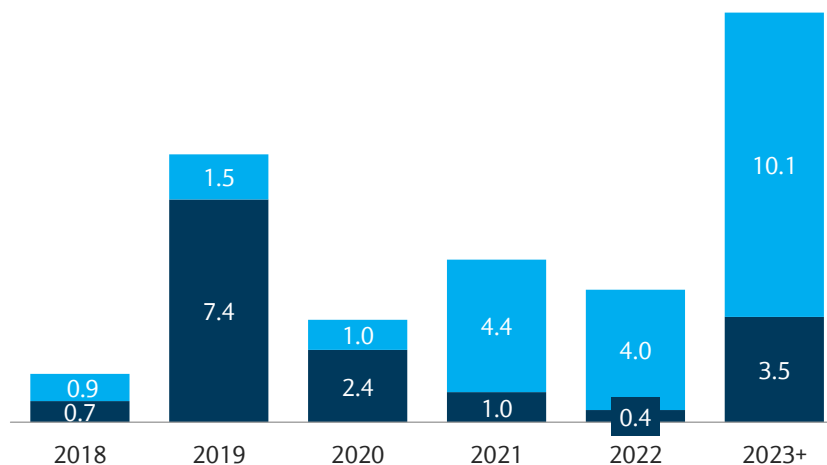
■ First call date



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

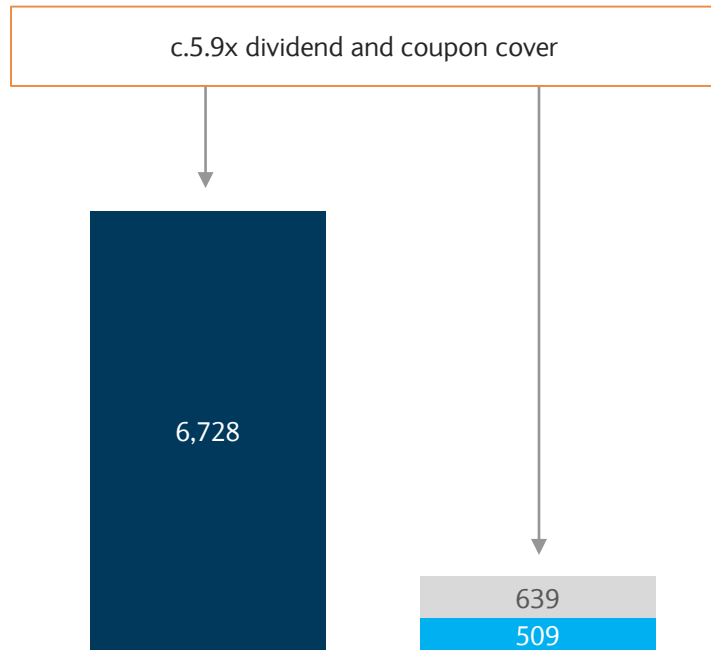


¹ Prepared on nominal basis which will not reconcile with regulatory or accounting bases due to adjustments | ² Comprises all outstanding Barclays Bank PLC issued public and private term vanilla senior unsecured debt, regardless of residual maturity. This excludes £33.4bn of notes issued under the structured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

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 |

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 |

Disclaimer

Important Notice

The information, statements and opinions contained in this presentation do not constitute a public offer under any applicable legislation, an offer to sell or solicitation of any offer to buy any securities or financial instruments, or any advice or recommendation with respect to such securities or other financial instruments.

Information relating to:

- regulatory capital, leverage, liquidity and resolution is based on Barclays' interpretation of applicable rules and regulations as currently in force and implemented in the UK, including, but not limited to, the BRRD, CRD IV and CRR texts and any applicable delegated acts, implementing acts or technical standards. All such regulatory requirements are subject to change;
- MREL is based on Barclays' understanding of the Bank of England's policy statement on "The minimum requirement for own funds and eligible liabilities (MREL) – buffers and Threshold Conditions" (PS30/16) published on 8 November 2016 and the non-binding indicative MREL requirements communicated to Barclays by the Bank of England. Binding future MREL requirements remain subject to change including at the conclusion of the transitional period, as determined by the Bank of England, taking into account a number of factors as described in the policy statement and as a result of the finalisation of international and European MREL/TLAC requirements;
- structural reform plans, including illustrations of Barclays business divisions in preparation for regulatory ring-fencing, are subject to internal and regulatory approvals and may change.
- future regulatory capital, liquidity, funding and/or MREL, including forward-looking illustrations, are provided for illustrative purposes only and are not forecasts of Barclays' results of operations or capital position or otherwise. Illustrations regarding the capital flight path, end-state capital evolution and expectations and MREL build are based on certain assumptions applicable at the date of publication only which cannot be assured and are subject to change, including amongst others, holding constant the Pillar 2A requirement at the 2017 level despite it being subject to at least annual review and assumed CRD IV buffers, which are also subject to change.

Forward-looking Statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, structural reform, capital, leverage and other regulatory ratios, payment of dividends (including dividend payout ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets and the impact of any regulatory deconsolidation resulting from the sell down of the Group's interest in Barclays Africa Group Limited, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers, IFRS 9 impacts and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards including the implementation of IFRS 9, evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; UK, US, Africa, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; the implications of the exercise by the United Kingdom of Article 50 of the Treaty of Lisbon and the disruption that may result in the UK and globally from the withdrawal of the United Kingdom from the European Union and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in our filings with the SEC (including, without limitation, our annual report on form 20-F for the fiscal year ended 31 December 2017), which will be available on the SEC's website at www.sec.gov.

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