



Barclays PLC

Q1 2017 Financial Results

28 April 2017



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Our strategy is on track with further good progress in Q117

Robust Core returns

Core RoTE 11.0%, with Barclays UK RoTE 21.6% and Barclays International RoTE 12.5%

Accelerated Non-Core rundown

RWA reduction of £5bn in Q117 to £27bn and on track for closure at 30 June 2017

Focus on cost efficiency

Group cost: income ratio 62% and Core cost: income ratio 59%, with positive jaws

CET1 ratio of 12.5%

Significant capital generation enabling RoTE enhancing actions and offsetting capital headwinds

Group RoTE converging towards Core

Three months ended (£m)	Mar-17	Mar-16	% change
Income	5,823	5,041	16%
Impairment	(527)	(443)	(19%)
–Operating expenses (excluding L&C)	(3,591)	(3,747)	4%
–Litigation & conduct	(28)	(78)	64%
Operating expenses	(3,619)	(3,825)	5%
Other net income	5	20	(75%)
Profit before tax (PBT)	1,682	793	112%
Tax charge	(473)	(248)	(91%)
Profit after tax – continuing operations	1,209	545	122%
NCI – continuing operations	(79)	(94)	16%
Other equity holders	(139)	(104)	(34%)
Attributable profit – continuing operations	991	347	186%
Profit after tax – discontinued operation	(658)	166	
NCI – discontinued operation	(143)	(80)	(79%)
Attributable profit	190	433	(56%)

Performance measures			
Basic earnings per share (EPS)	1.3p	2.7p	
Basic EPS – continuing operations	6.1p	2.2p	
Return on average tangible equity (RoTE)	1.8%	3.8%	
Cost: income ratio	62%	76%	
Loan loss rate (LLR)	47bps	40bps	
Balance sheet			
	Mar-17	Mar-16	
Tangible net asset value per share (TNAV)	292p	286p	
Risk weighted assets (RWA)	£361bn	£363bn	

Q117 performance metrics

- Group results reflected strong Core performance, with Core PBT up 20%, and a materially reduced drag from Non-Core
- Group PBT more than doubled to £1.7bn, with increased income and a reduction in operating expenses resulting in positive jaws and an improved cost: income ratio of 62%
- Income grew 16% to £5.8bn, with strong growth in the Core business and a significant reduction in negative income in Non-Core
- Impairment increased 19% to £527m mostly due to a £121m increase in Consumer, Cards & Payments reflecting the impact of a change in portfolio mix in US Cards, business growth and FX movements
- Costs reduced 5% to £3.6bn, driven by a 72% reduction in Non-Core, offset by a 6% increase in Core
- Attributable profit of £190m was impacted by £884m impairment of Barclays' holding in Barclays Africa Group Limited (BAGL) allocated to acquisition goodwill, included in discontinued operations
 - Driven by the 17% decline in BAGL's share price in the quarter
- TNAV increased 2p to 292p from Q416 driven by profit generated in the period
- RoTE of 1.8% (Q116: 3.8%) included a 720bps impact from the impairment of Barclays' holding in BAGL allocated to acquisition goodwill, while EPS was 1.3p (Q116: 2.7p)
 - EPS from continuing operations was 6.1p (Q116: 2.2p)
- Group RoTE of 9.0% in Q117 excluding the impairment of Barclays' holding in BAGL allocated to acquisition goodwill
 - Converging towards Core returns

Core RoTE improved 110bps to 11.0%

Business performance			
Three months ended (£m)	Mar-17	Mar-16	% change
Income	5,897	5,283	12%
Impairment	(524)	(414)	(27%)
– Operating expenses (excluding L&C)	(3,443)	(3,258)	(6%)
– Litigation & conduct	(19)	(12)	(58%)
Operating expenses	(3,462)	(3,270)	(6%)
Profit before tax (PBT)	1,923	1,608	20%
Attributable profit	1,184	950	25%
Performance measures			
Basic earnings per share	7.2p	5.8p	
Return on average tangible equity (RoTE)	11.0%	9.9%	
Average allocated tangible equity ¹	£44.2bn	£39.3bn	
Cost: income ratio	59%	62%	
Loan loss rate (LLR)	53bps	42bps	
Balance sheet (£bn)			
Risk weighted assets (RWA) ¹	334	312	
Profit/(loss) before tax (£m)			
– Barclays UK	708	704	1%
– Barclays International	1,356	1,027	32%
– Head Office	(141)	(123)	(15%)
Core	1,923	1,608	20%

¹ Risk weighted assets and average allocated tangible equity for Africa Banking are included within Core |

Q117 performance metrics

- Core RoTE increased 110bps to 11.0%, on a higher tangible equity base
 - Average allocated tangible equity has increased by £4.9bn since Q116
- PBT increased 20% to £1.9bn reflecting strong profit growth in Barclays International, including the benefit of the appreciation of USD and EUR against GBP, and solid performance in Barclays UK
 - Demonstrated the benefits of diversification
- Income grew 12% to £5.9bn, mainly driven by strong growth in Barclays International across both the Corporate and Investment Bank (CIB) and Consumer, Cards & Payments, with modest Barclays UK growth
- Impairment rose to £524m due to increases in Consumer, Cards & Payments and Barclays UK
 - LLR increased by 11bps to 53bps, although delinquency rates remained well controlled
- Costs increased 6% to £3.5bn, reflecting the appreciation of USD and EUR against GBP, the change in compensation awards introduced in Q416 and business growth, partially offset by cost efficiencies
 - Cost: income ratio improved to 59%, reflecting positive jaws

Barclays UK – RoTE of 21.6%

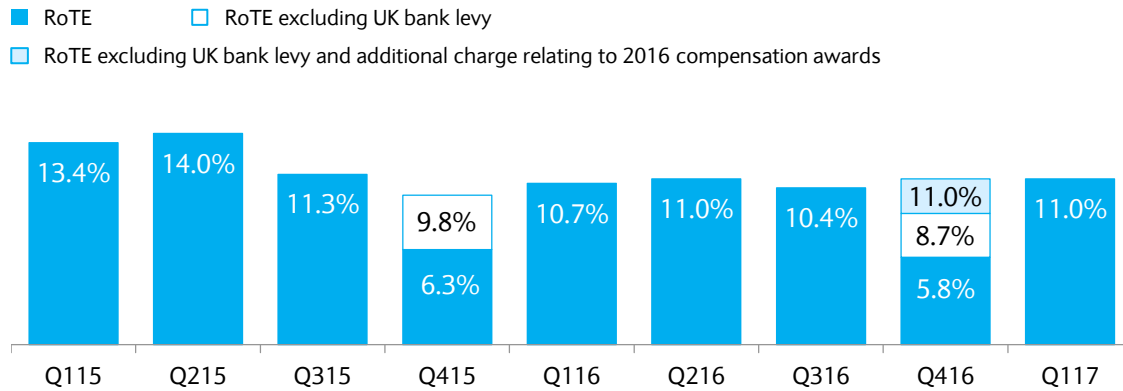
- Income growth of 2% reflected continued pricing discipline and improved NIM, offsetting asset margin compression
- Delivered positive cost: income jaws with costs flat at £955m despite the costs of setting up the ring-fenced bank

Barclays International – RoTE of 12.5%

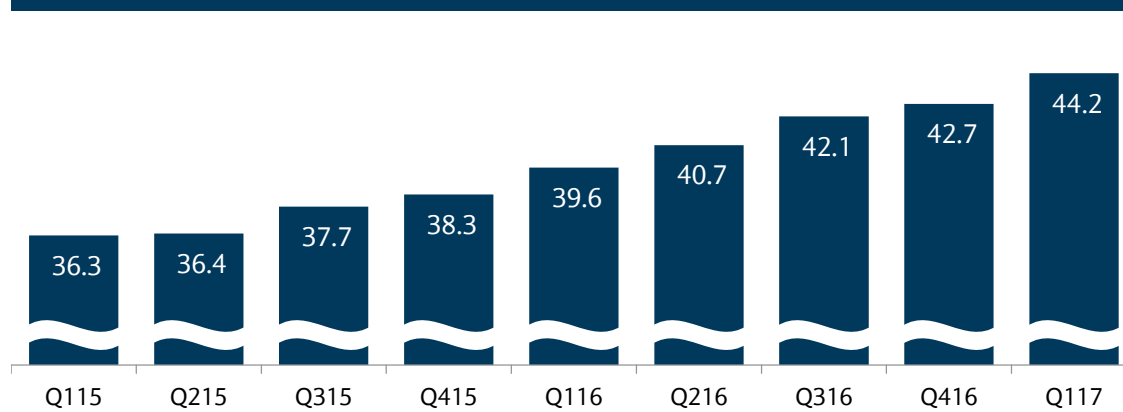
- Income growth of 18% outstripped increased costs of 10%, generating positive cost: income jaws
- PBT increased 32% to £1.4bn reflecting encouraging CIB results, continued momentum in Consumer, Cards & Payments, and the benefit from the appreciation of average USD and EUR against GBP

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

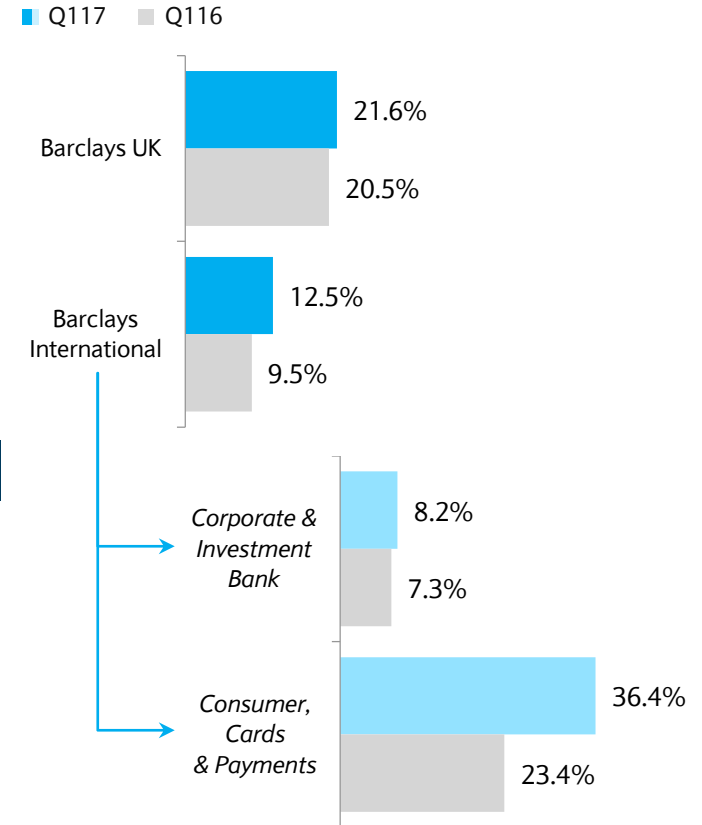
Core return on average allocated tangible equity¹



Core average allocated tangible equity (£bn)²



Return on average allocated tangible equity



¹ Q115 to Q416 RoTE excludes notable items as listed in the FY16 results announcement | ² Q115 to Q416 average allocated equity excludes the cumulative post-tax impact of Own Credit

Barclays UK: Robust RoTE of 21.6%

Business performance			
Three months ended (£m)	Mar-17	Mar-16	% change
– Personal Banking	944	919	3%
– Barclaycard Consumer UK	498	491	1%
– Wealth, Entrepreneurs & Business Banking	399	393	2%
Income	1,841	1,803	2%
– Personal Banking	(50)	(42)	(19%)
– Barclaycard Consumer UK	(123)	(105)	(17%)
– Wealth, Entrepreneurs & Business Banking	(5)	1	
Impairment	(178)	(146)	(22%)
Operating expenses	(955)	(953)	(0%)
Profit before tax (PBT)	708	704	1%
Attributable profit	470	467	1%
Performance measures			
Return on average allocated tangible equity (RoTE)	21.6%	20.5%	
Average allocated tangible equity	£8.9bn	£9.3bn	
Cost: income ratio	52%	53%	
Loan loss rate (LLR)	43bps	34bps	
Net interest margin (NIM)	3.69%	3.62%	
Balance sheet (£bn) ¹			
Loans and advances to customers	164.5	166.2	
Customer deposits	184.4	179.1	
Risk weighted assets (RWA)	66	70	

Q117 performance metrics

- Increased income and positive jaws delivered an improved RoTE of 21.6%, with PBT broadly in line at £708m
- Income increased 2% to £1.8bn, driven by a 1% increase in net interest income
 - Deposit growth and repricing more than offset headwinds from the UK base rate cut in 2016 and asset margin pressure, as well as reflecting Visa Inc. gains of £24m
- Impairment increased by £32m to £178m primarily due to the non-recurrence of higher provision releases and recoveries in Q116
 - Underlying impairment remained stable, with improved delinquency rates in the UK cards portfolio
- Operating expenses were flat at £955m, delivering an improved cost: income ratio of 52%
 - Cost efficiencies were offset by costs to set up the ring-fenced bank and investment in cyber resilience and technology
 - Aiming for a cost: income ratio of <50% over time

Key drivers/highlights

Personal Banking

- Strong deposit growth of £4.4bn year-on-year to £137.3bn with deposit repricing initiatives driving increased income
- Stable mortgage balances underpinned by reduced redemptions

Barclaycard Consumer UK

- Steady growth in loans and advances, up 1% year-on-year to £16.1bn
- Proportion of portfolio made up of 0% Balance Transfers is less than 30%
- Improved 30 and 90 day delinquency rates of 2.0% and 0.9% (Mar-16: 2.3% and 1.2%) respectively

Wealth, Entrepreneurs & Business Banking

- Income increased 2% driven by deposit growth in Business Banking and increased annuity fee income in Wealth

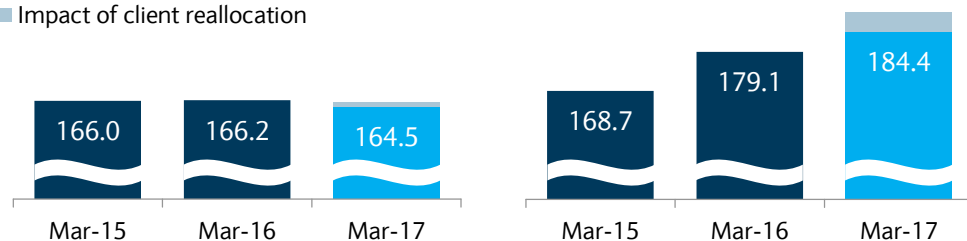
¹ Mar-17 balance sheet affected by the realignment of certain clients between Barclays UK and Barclays International in preparation for structural reform |

Barclays UK: Improved NIM and growth in deposits

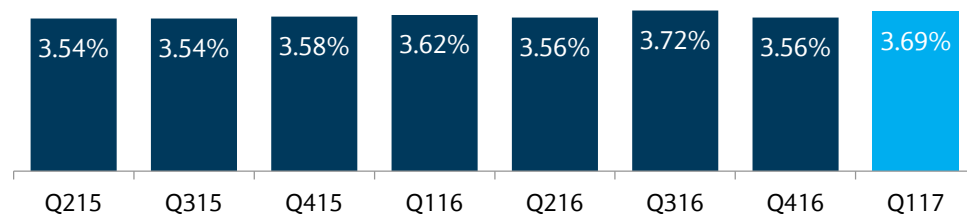
Income (£m) – Three months ended	Mar-17	Mar-16	% change
Net interest income (NII)	1,511	1,501	1%
– Net interest margin (NIM)	3.69%	3.62%	
Non-interest income	330	302	9%
Total income	1,841	1,803	2%

Loans & advances to customers (£bn) Customer deposits (£bn)

■ Impact of client reallocation



Net Interest Margin (NIM)







Q117 performance metrics

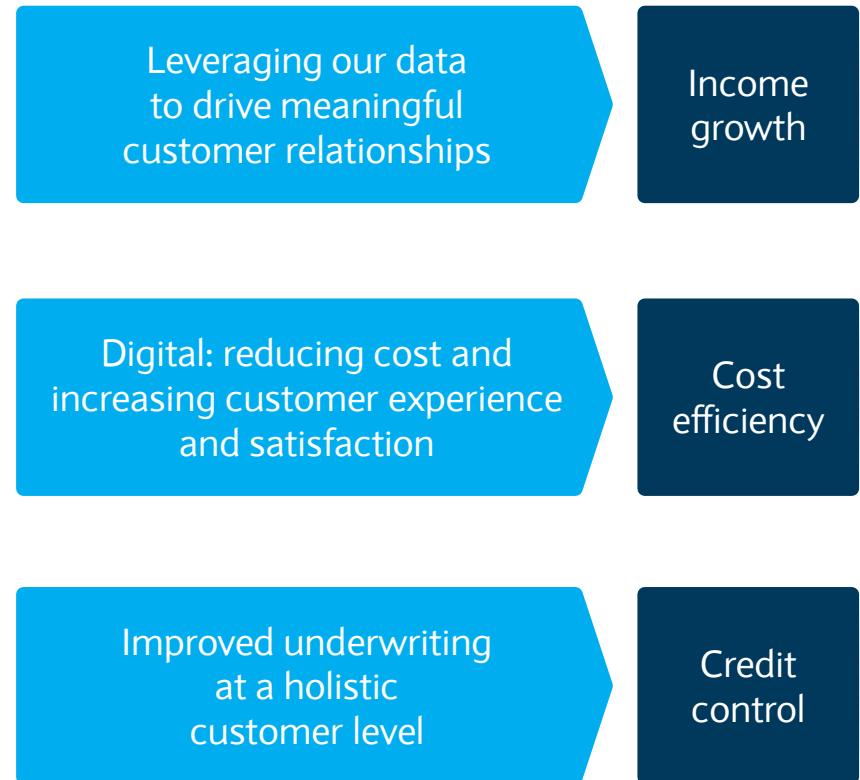
- NIM increased 7bps to 3.69% as NII grew 1% to £1.5bn
 - Growth in deposit balances and liability repricing initiatives offset headwinds from the lower UK base rate and asset margin pressure
- Non-interest income increased 9% to £330m reflecting Visa Inc. gains and an increase in debit card volumes
- Client reallocation between Barclays UK and Barclays International in preparation for structural reform reduced customer balances in Barclays UK, with modest PBT impact. Excluding this, Barclays UK demonstrated
 - Continued strong deposit growth
 - Stable loans and advances, reflecting a conservative risk appetite, with focus retained on remortgage and lower LTV segments, and unsecured lending to existing customers
- LDR of 89% (Mar-16: 93%), reflecting strong funding position and prudent risk appetite

NIM expectation

BoE base rate	FY17
0.25%	c.360bps

Barclays UK: Realising the significant opportunity with our 24 million customers by leveraging digital and data

Significant growth in digital banking – year-on-year			
Barclays Mobile Banking 	4.9m Active users	+17%	
Digital 	9.8m Digitally active customers	+10%	
Digital log-ins 	147m Monthly average Last 12 months	+19%	
Payments & transfers ¹ 	£23bn Monthly average Last 12 months	+10%	
Digital Eagles	1.6m People Barclays has helped since April 2013		



¹ Digital payments and transfers volumes include Pingit |

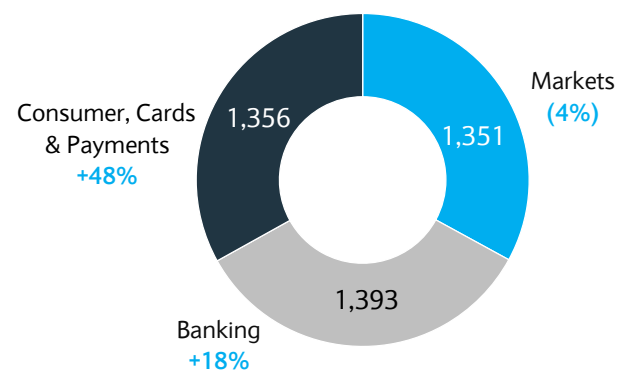
Barclays International: 12.5% RoTE with profit growth in CIB and Consumer, Cards & Payments

Business performance			
Three months ended (£m)	Mar-17	Mar-16	% change
–Corporate & Investment Bank (CIB)	2,782	2,596	7%
–Consumer, Cards & Payments (CC&P)	1,356	917	48%
Income	4,138	3,513	18%
Impairment	(346)	(269)	(29%)
Operating expenses	(2,448)	(2,225)	(10%)
Profit before tax (PBT)	1,356	1,027	32%
Attributable profit	837	575	46%
Performance measures			
Return on average allocated tangible equity (RoTE)	12.5%	9.5%	
Average allocated tangible equity	£27.7bn	£25.1bn	
Cost: income ratio	59%	63%	
Loan loss rate (LLR)	62bps	50bps	
Net interest margin (NIM)	4.06%	3.78%	
Balance sheet (£bn)		Mar-17	Mar-16
Risk weighted assets (RWA)		214	202

Q117 performance metrics

- PBT increased 32% to £1.4bn driven by encouraging CIB performance and continued momentum in CC&P, delivering an improved RoTE of 12.5%
- Income increased by 18% to £4.1bn
 - Income growth of 48% in CC&P was driven by a gain on an asset sale in US Cards, Visa Inc. gains and continued growth in US Cards, while CIB increased 7% driven by strong Banking performance
 - Income benefitted from the appreciation of USD and EUR against GBP, with over 50% of income in USD
- Impairment increased £77m driven by CC&P, reflecting a shift in US Cards portfolio mix, business growth and the impact of FX movements, partially offset by the non-recurrence of single name charges in CIB in Q116
- Costs rose 10%, impacted by FX movements, the change in compensation awards introduced in Q416 and continued business growth in CC&P, partially offset by lower restructuring costs in CIB
 - Generated positive jaws and a cost: income ratio of 59%

Q117 income by product (£m)



Barclays International: Corporate & Investment Bank

Strong banking performance drove 13% PBT growth

Business performance			
Three months ended (£m)	Mar-17	Mar-16	% change
Markets	1,351	1,408	(4%)
– Credit	399	322	24%
– Equities	462	513	(10%)
– Macro	490	573	(14%)
Banking	1,393	1,185	18%
– Banking fees	726	481	51%
– Corporate lending	269	296	(9%)
– Transactional banking	398	408	(2%)
Income ¹	2,782	2,596	7%
Impairment	(51)	(95)	46%
Operating expenses	(1,941)	(1,800)	(8%)
Profit before tax (PBT)	790	701	13%
Performance measures			
Return on average allocated tangible equity (RoTE)	8.2%	7.3%	
Balance sheet (£bn)			
Risk weighted assets (RWA)	181	173	

Q117 performance metrics

- Income growth of 7% to £2.8bn reflected strong performance in Banking, partially offset by lower income in Markets, compared to a strong Q116
 - Income benefitted from the appreciation of average USD against GBP, with over 50% of income in USD
- Impairment reduced to £51m due to the non-recurrence of oil and gas single name charges
- Costs increased 8%, reflecting both the stronger USD and the change in compensation awards introduced in Q416, partially offset by lower restructuring charges
 - Delivered positive cost: income jaws, excluding the compensation changes
- RWAs increased 5% to £181bn driven by FX movements

Key drivers/highlights

Markets income (4%)

- Strong Credit performance driven by continued strength in the flow business and higher performance in municipals due to increased volumes
- Macro reduced 14% driven by weaker trading performance in US rates and the exit of the energy-related commodities business, more than offsetting improved performance in FX and fixed income financing
- Equities fell 10% as improved performance in equity financing and cash equities was more than offset by lower trading income in US equity derivatives

Banking income +18%

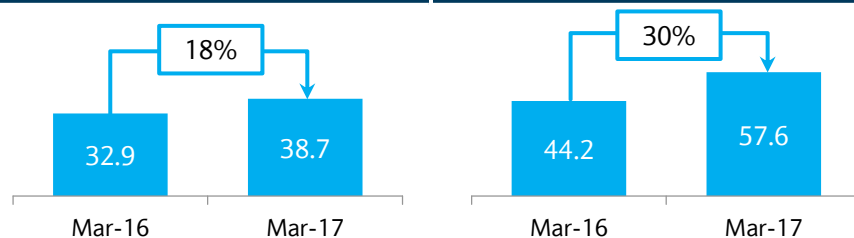
- Banking fees increased 51%; strongest performance in 3 years primarily driven by DCM recording its highest quarter since Q114²
 - Highest DCM global quarterly fee share of 5.9%³
 - #1 in the UK and #5 in the US, for total banking fee products (Advisory, DCM and ECM)³
- Higher corporate lending income was more than offset by increased losses on fair value hedges
- Transactional banking income reduction driven by deposit margin compression

¹ Includes Other income | ² Data pre-2014 was not restated following resegmentation in Q116 | ³ Dealogic data |

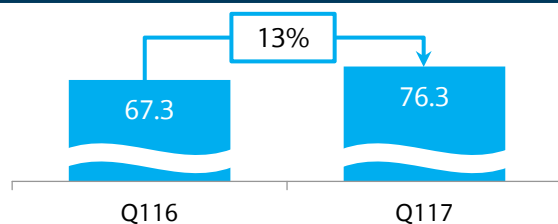
Barclays International: Consumer, Cards & Payments

Continued momentum and strong business growth

Business performance			
Three months ended (£m)	Mar-17	Mar-16	% change
Income	1,356	917	48%
Impairment	(295)	(174)	(70%)
Operating expenses	(507)	(425)	(19%)
Profit before tax (PBT)	566	326	74%
Performance measures			
Return on average allocated tangible equity (RoTE)	36.4%	23.4%	
Loans and advances to banks and customers (£bn) ¹		Customer deposits (£bn) ¹	



Total card spend and payments processed (£bn)



Q117 performance metrics

- PBT increased by 74%, generating an RoTE of 36.4%
- Income increased 48% driven by a gain of £192m relating to the sale of \$1.6bn of higher risk assets in US Cards, Visa Inc. gains of £74m, and continued growth in US Cards
- Impairment increased by £121m, driven by business growth, a shift in US Cards portfolio mix and the impact of FX movements
 - US Cards 30 and 90 day delinquency rates increased marginally to 2.3% (Mar-16: 2.2%) and 1.2% (Mar-16: 1.1%) respectively
 - Impairment fell £41m compared to Q416
- Costs increased 19% driven by business growth and the impact of FX
 - Cost: income ratio improved to 37%

Key drivers/highlights

Barclaycard US

- Loans and advances increased 18% to £19.4bn, including the impact of FX and the asset sale
- Card spend value of £14.9bn in Q117, increased by 27% on Q116²

Barclaycard Germany

- 10% growth in customers since Q116 to 1.2 million
- 20% growth in net loans and advances to £3.0bn, including the impact of FX

Barclaycard Business Solutions

- Merchant acquiring business processed payments to the value of £57.9bn in Q117 (average of £643m per day), up 11% on Q116

Private Banking

- 30% increase in customer deposits to £43bn on Q116, including client realignment of £7.9bn from Barclays UK

¹ Mar-17 balance sheet affected by the realignment of certain clients between Barclays UK and Barclays International in preparation for structural reform | ² Includes balance transfers |

Non-Core: On track for closure at 30 June 2017

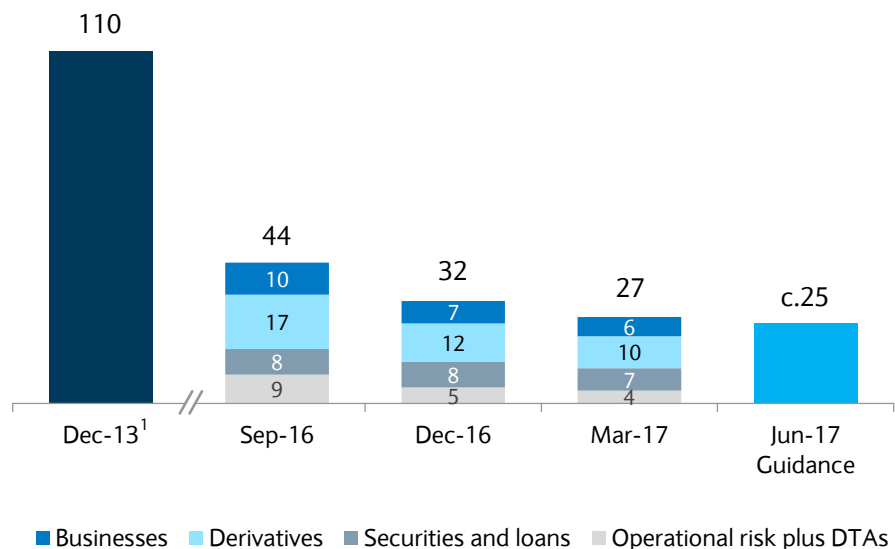
Business performance			
Three months ended (£m)	Mar-17	Dec-16	Mar-16
–Businesses	51	(73)	196
–Securities and loans	68	161	(402)
– ESHLA FV	46	43	(374)
–Derivatives	(193)	(507)	(36)
Income	(74)	(419)	(242)
Impairment	(3)	(47)	(29)
–Operating expenses (excluding bank levy and L&C)	(148)	(341)	(489)
–Bank levy	-	(76)	-
–Litigation & conduct	(9)	(51)	(66)
Operating expenses	(157)	(468)	(555)
Other net (expenses)/income	(7)	146	11
Loss before tax	(241)	(788)	(815)
Attributable loss	(193)	(498)	(603)
Performance measures			
Basic loss per share	(1.1p)	(2.9p)	(3.6p)
Average allocated tangible equity	£5.2bn	£6.5bn	£9.0bn
Period end allocated tangible equity	£4.8bn	£5.4bn	£8.5bn
Balance sheet (£bn)			
Risk weighted assets (RWA)	27	32	51

Q117 vs. Q416 performance metrics

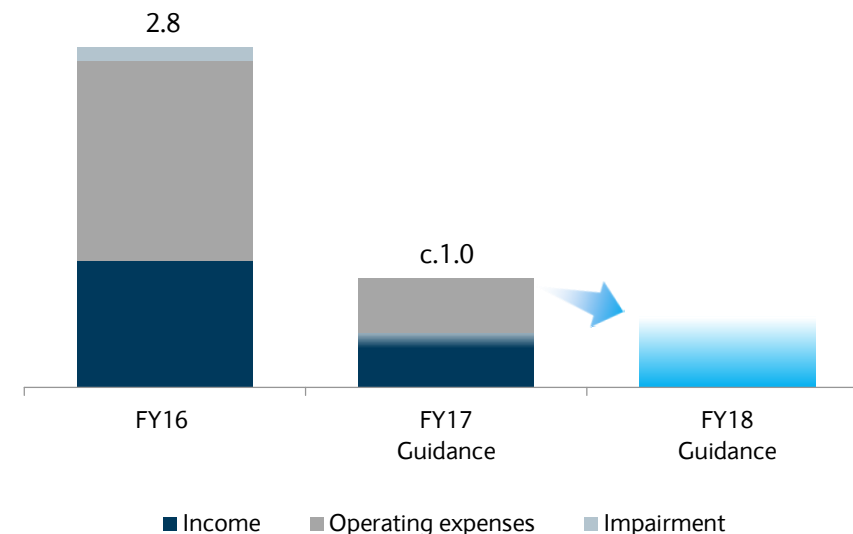
- Loss before tax decreased to £241m due to lower operating expenses and improved income, partially offset by lower other net income
- Income improved to an expense of £74m
 - Derivatives income increased to a net expense of £193m primarily due to reduced cost of exits
 - Businesses income increased to £51m due to the non-recurrence of losses on the termination of internal funding and hedging positions
 - Securities and loans income reduced to £68m driven by lower restructuring gains on a component of the ESHLA portfolio and lower disposal gains
- Other net income decreased to an expense of £7m mainly due to the non-recurrence of the Q416 gain on sale of the Asia Wealth and Investment Management business
- Credit impairment charges decreased £44m due to lower charges in Europe and business exits
- Operating expenses decreased to £157m driven by the exit of businesses, lower restructuring costs and lower litigation & conduct costs
- RWAs reduced £5bn in the quarter to £27bn, driven by a £2bn reduction in Derivatives, a £1bn reduction in Securities and loans, and a £1bn reduction in Businesses
- Non-Core remains on track to close at 30 June 2017, with c.£25bn RWAs

Non-Core: Rundown guidance

RWAs rundown (£bn)



Loss before tax (£bn)²



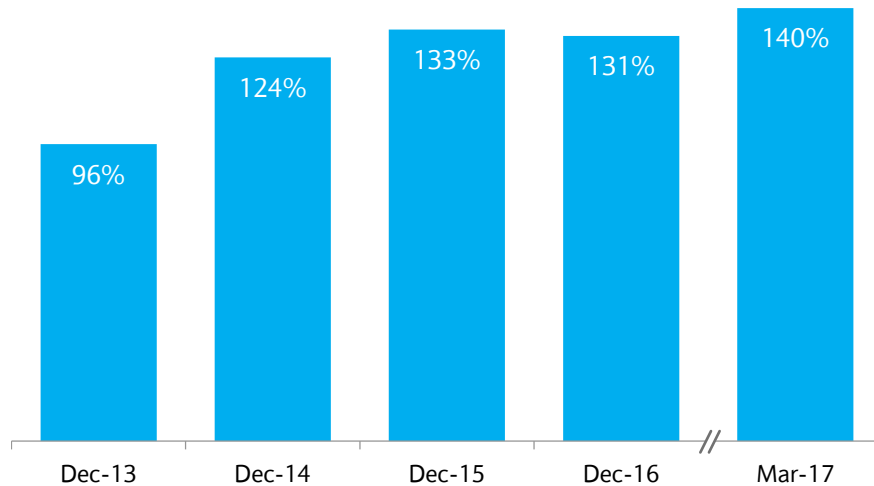
- Continued good execution of the Non-Core rundown while preserving capital
- £5bn RWA reduction during Q117
 - £2bn in Derivatives, reflecting rundown of portfolios
 - £1bn in Businesses due to divestments and business exits
 - £1bn in Securities and loans primarily due to trade unwinds

- Non-Core loss before tax expected to be approximately £1bn in FY17, weighted towards the first half of the year
 - Both negative income and costs in FY17 expected to be significantly lower than FY16
 - Expect negative income and costs to fall further in 2018, reducing the drag on Group returns after Non-Core is closed

¹ Dec-13 RWAs are on a pre-restatement basis i.e. excluding c.£8bn of RWAs added to Non-Core in Q116 | ² Total includes other net income |

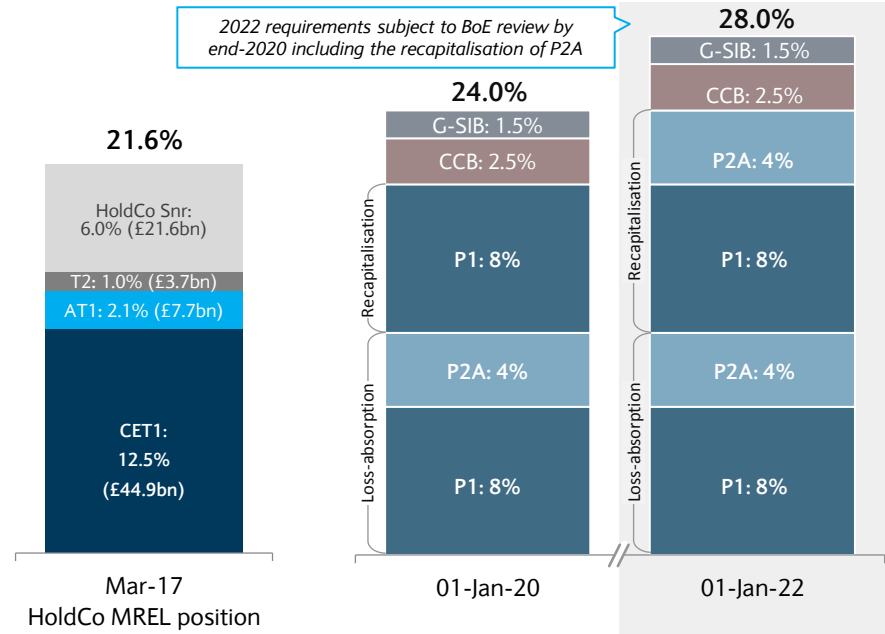
Strong liquidity metrics and good progress in MREL funding and liability management

LCR well above minimum requirements



- Liquidity pool increased £20bn in the quarter to £185bn and the LCR increased to 140% (Dec-16: 131%) equivalent to a surplus of £54bn to 100%
- The overall increase in the liquidity pool reflects increases across a variety of funding sources including continued build of our MREL, money markets and the BoE Term Funding Scheme
- Quality of the pool remains high with the majority held in cash, deposits with central banks and high quality government bonds

HoldCo MREL at 21.6% as at Mar-17¹



- Received the non-binding, indicative Group MREL requirements for 2019 to 2022 and these are in line with the above expectations
- Strong progress with HoldCo transition and MREL build in Q117, with £6.3bn issued across USD senior and GBP AT1 instruments
- Continued to retire legacy OpCo capital instruments during Q117 as part of Barclays' ongoing liability management
 - \$1.375bn Series 3 USD preference share redeemed

¹ Barclays actual final MREL requirements are still subject to change but is based on Barclays' bank specific MREL requirement from the Bank of England received in Q117, which is consistent with 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 |

Barclays Africa selldown on track

**Confident of executing BAGL selldown
and achieving regulatory deconsolidation**
in line with previously guided timeline of 1-2 years

c.75bps

CET1 ratio benefit from
regulatory deconsolidation¹

No impact on CET1 capital or TNAV

**Impairment of Barclays' holding in BAGL
allocated to acquisition goodwill**
of £884m in Q117, driven by the decline
in BAGL's share price

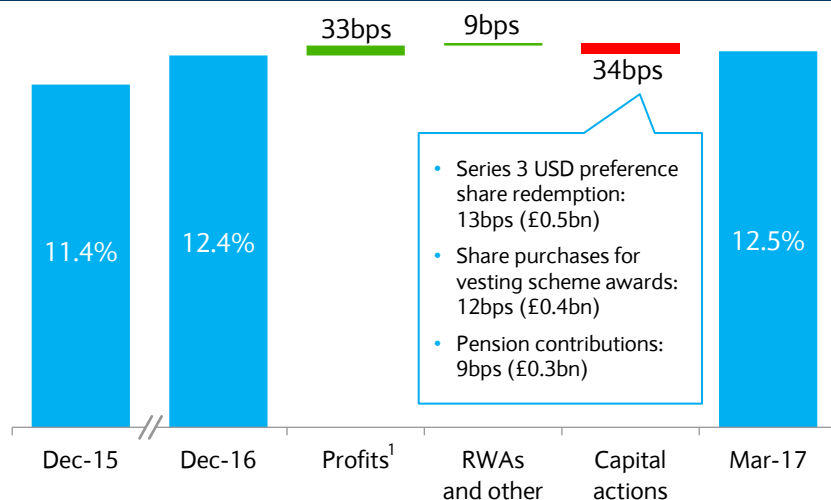
Cumulative currency translation reserve loss
to be recycled through the income statement
on accounting deconsolidation
– current balance c.£1.2bn

Q117 impairment calculation	£bn
Fair value of BAGL less costs to sell ²	7.2
Carrying value on Barclays' balance sheet (pre-impairment)	8.1
Impairment (allocated to goodwill)	(0.9)
Carrying value on Barclays' balance sheet (post-impairment)	7.2

¹ Using 31 March 2017 GBPZAR FX rate of 16.68 and BAGL share price of 139.51, with no premium or discount on sale. Aggregate effect following regulatory deconsolidation and projected separation costs, including phased contributions and contribution to a new Black Economic Empowerment scheme, totaling £827m. Implementation of Barclays' intentions is subject to, amongst other things, regulatory approval | ² Assuming share price of ZAR 139.51 and GBPZAR FX rate of 16.68 as at 31 March 2017, with number of BAGL shares 848m. Including £0.2bn for value of BAGL issued preference shares |

On track for end-state capital requirement

Fully Loaded CET1 ratio

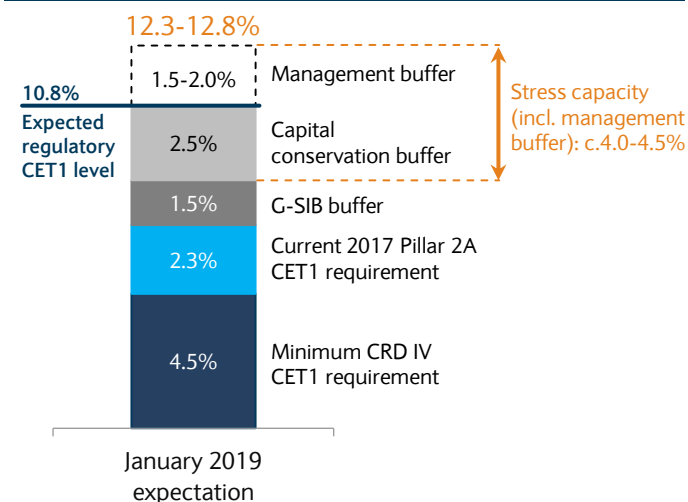


RWAs (£bn)

358	366	361
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- CET1 ratio increased to 12.5% at Mar-17, representing
 - 33bps of capital ratio accretion from profits
 - £5bn reduction in RWAs, predominantly driven by Non-Core
- Partially offset by 34bps of CET1 ratio reduction from RoTE accretive actions and capital headwinds
 - 13bps on redemption of the Series 3 USD preference share – returns accretive going forward
 - 12bps from share purchases to meet vesting share awards
 - 9bps of defined benefit pension scheme deficit reduction contributions
- Estimate a further c.75bps increase in the CET1 ratio from the regulatory deconsolidation of BAGL based on 31 March 2017 share price²

Current expected capital requirements³



- End-state expectation of 12.3-12.8%
 - Management buffer of 150-200bps resulting in 400-450bps stress capacity
 - Expected minimum requirement of 10.8% reflecting the 1.5% G-SIB buffer and P2A requirement, of which 2.3% is required to be held in CET1 form

¹ Before capital neutral goodwill impairment | ² Using 31 March 2017 GBPZAR FX rate of 16.68 and BAGL share price of 139.51, with no premium or discount on sale. Aggregate effect following regulatory deconsolidation and projected separation costs, including phased contributions and contribution to a new Black Economic Empowerment scheme, totaling £827m. Implementation of Barclays' intentions is subject to, amongst other things, regulatory approval | ³ Refer to slide 31 in the appendix for composition of, and relevant footnotes relating to, Barclays' expected capital requirements |

Transatlantic consumer, corporate and investment bank

Benefits of diversification by customer, product and geography showing through

Group returns converging with attractive Core returns

On track to close Non-Core at 30 June 2017 with c.£25bn of RWAs

Resilience from high asset quality across our portfolios and prudent risk management

Expect to deliver Group financial targets within a reasonable timeframe

Group financial targets

Returns

Group Return on
Tangible Equity (RoTE)

Group to converge with Core RoTE

Capital

Group CET1 ratio

*150-200bps above
regulatory minimum level*

Costs

Group cost: income ratio

Below 60%



Barclays PLC

Q1 2017 Financial Results

28 April 2017



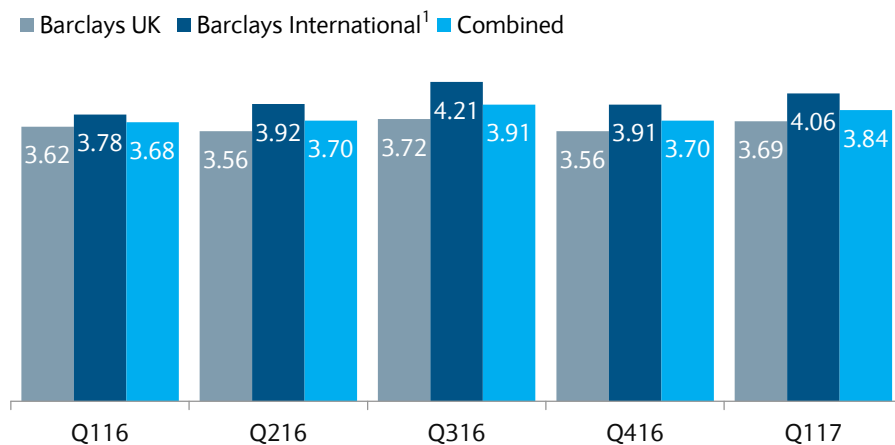
Appendices

Core income and margins – Q117

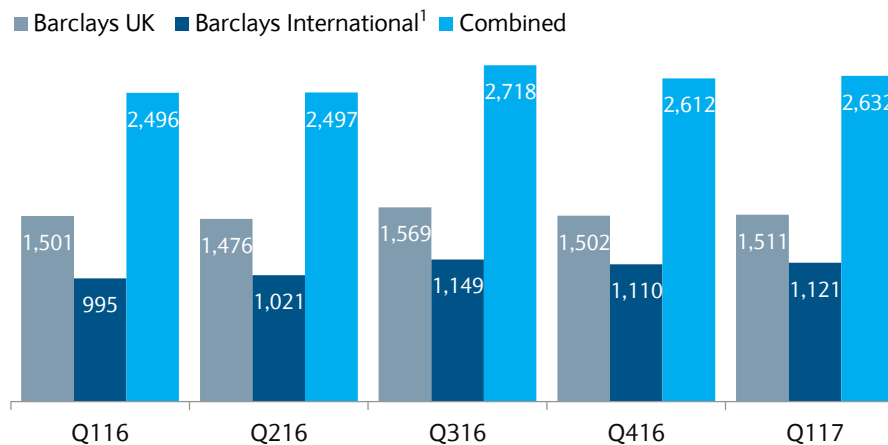
Income (£m) – Three months ended	Mar-17	Mar-16	% change
–Barclays UK	1,511	1,501	1%
–Barclays International ¹	1,121	995	13%
–Other ²	(124)	95	
Net interest income (NII)	2,508	2,591	(3%)
Non-interest income	3,389	2,692	26%
Total Core income	5,897	5,283	12%

- Core income increased 12% driven by a 26% increase in non-interest income
- Barclays UK NII increased 1% to £1.5bn as growth in deposits and liability repricing initiatives offset headwinds from the lower UK base rate and asset margin compression
 - NIM of 3.69% was 7bps higher on Q116
- Barclays International¹ NII increased 13% to £1.1bn, delivering an improved NIM of 4.06%
- Overall Core NIM increased to 3.84%
- Non-interest income increased 26% to £3.4bn driven by growth in CIB income

Net Interest Margin (%)



Net Interest Income (£m)

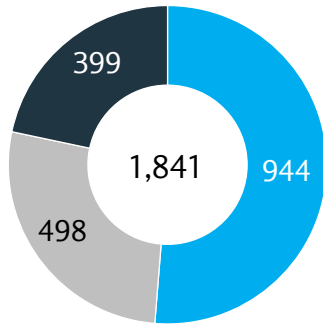


¹ Barclays International margins include interest earning lending balances within the investment banking business | ² Other includes Head Office and non-lending related investment banking balances |

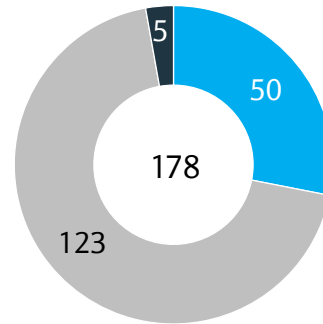
Barclays UK and Barclays International analysis

Barclays UK – Q117

Split of income (£m)

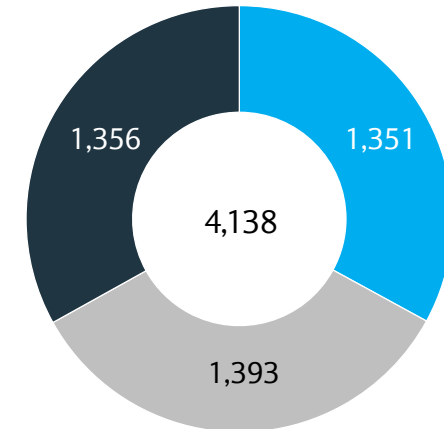


Split of impairment (£m)

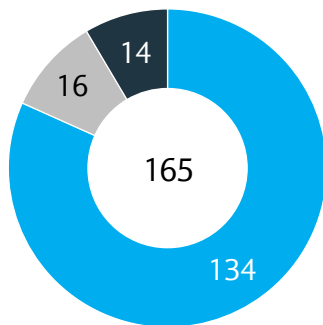


Barclays International – Q117

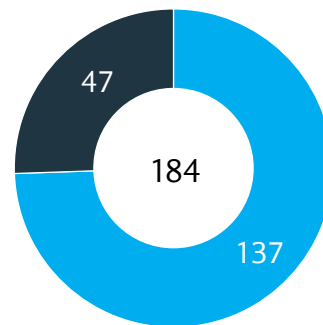
Split of income (£m)¹



Split of loans and advances to customers (£bn)



Split of customer deposits (£bn)



■ Personal Banking

■ Barclaycard Consumer UK

■ Wealth, Entrepreneurs & Business Banking

■ Consumer, Cards & Payments

■ Markets

■ Banking

¹Includes other income in CIB of £38m |

Head Office and Africa Banking summary financials

Business performance		
Head Office – Three months ended (£m)	Mar-17	Mar-16
Income	(82)	(33)
Impairment	-	1
–Operating expenses (excluding L&C)	(49)	(85)
–Litigation & conduct	(10)	(7)
Operating expenses	(59)	(92)
Loss before tax	(141)	(123)
Performance measures		
Average allocated tangible equity ^{1,2}	£7.6bn	£5.0bn
Balance sheet (£bn)	Mar-17	Mar-16
Risk weighted assets ²	53	40

Africa Banking – Three months ended (£m)	Mar-17	Mar-16	% change
Income	1,082	818	32%
Impairment	(106)	(111)	5%
Operating expenses	(1,537)	(477)	
– Impairment of Barclays' holding in BAGL allocated to acquisition goodwill	(884)	-	
(Loss)/Profit before tax	(559)	231	
Profit before tax excluding impairment of goodwill	325	231	41%
Profit after tax ³	(658)	166	
	Mar-17	Mar-16	
Risk weighted assets	41	34	

- Head Office loss before tax increased to £141m (Q116: £123m) reflecting reduced income from treasury operations, while operating expenses reduced reflecting increased cost allocations to businesses
- Africa Banking PBT, excluding impairment of Barclays' holding in BAGL allocated to acquisition goodwill, increased to £325m (Q116: £231m) mainly reflecting the appreciation of average ZAR against GBP
- Africa Banking profit after tax and non-controlling interests presented in the Group income statement as a discontinued operation
- Tangible equity and risk weighted assets of Africa Banking included within Head Office

¹ Based on risk weighted assets and capital deductions in Head Office plus the residual balance of average tangible ordinary shareholders' equity | ² Includes Africa Banking tangible equity and risk weighted assets | ³ Included in Group income statement as profit after tax in respect of discontinued operation |

Barclays Africa selldown on track

Impairment

- Per IFRS5, impairment is assessed based on the difference between carrying value (CV) of a disposal group and its fair value less costs to sell (FV)
 - As a result of the 17% decline in the BAGL share price from Dec-16 to ZAR139.5, the FV of BAGL reduced to £7.2bn¹ (Dec-16: £8.6bn)
 - CV, including expected separation contributions of £827m, was £8.1bn at Mar-17 (Dec-16: £8.1bn), prior to the impairment of Barclays' holding in BAGL
- As FV was lower than the CV as at Mar-17, an impairment of £884m was recognised in Q117 and allocated to acquisition goodwill, resulting in a revised CV of £7.2bn
 - As goodwill is excluded from CET1 capital and TNAV, the impairment had no impact on either
 - At Mar-17, £42m of acquisition goodwill remained on Barclays balance sheet with regard to its interest in BAGL
- Were FV to be below the CV in the future, any further impairment would firstly be applied to remaining goodwill and then allocated proportionally to BAGL fixed and intangible assets

Impairment calculation

	£bn
Fair value of BAGL less costs to sell ¹	7.2
Carrying value on Barclays' balance sheet (pre-impairment)	8.1
Impairment (allocated to goodwill)	(0.9)
Carrying value on Barclays' balance sheet (post-impairment)	7.2

CET1 ratio guidance

- Estimate c.75bps CET1 ratio benefit from regulatory deconsolidation based on BAGL share price at Mar-17 of ZAR139.5²
 - Decline in the BAGL share price since Dec-16 has impacted CET1 ratio benefit estimate by c.20bps

Other financial effects

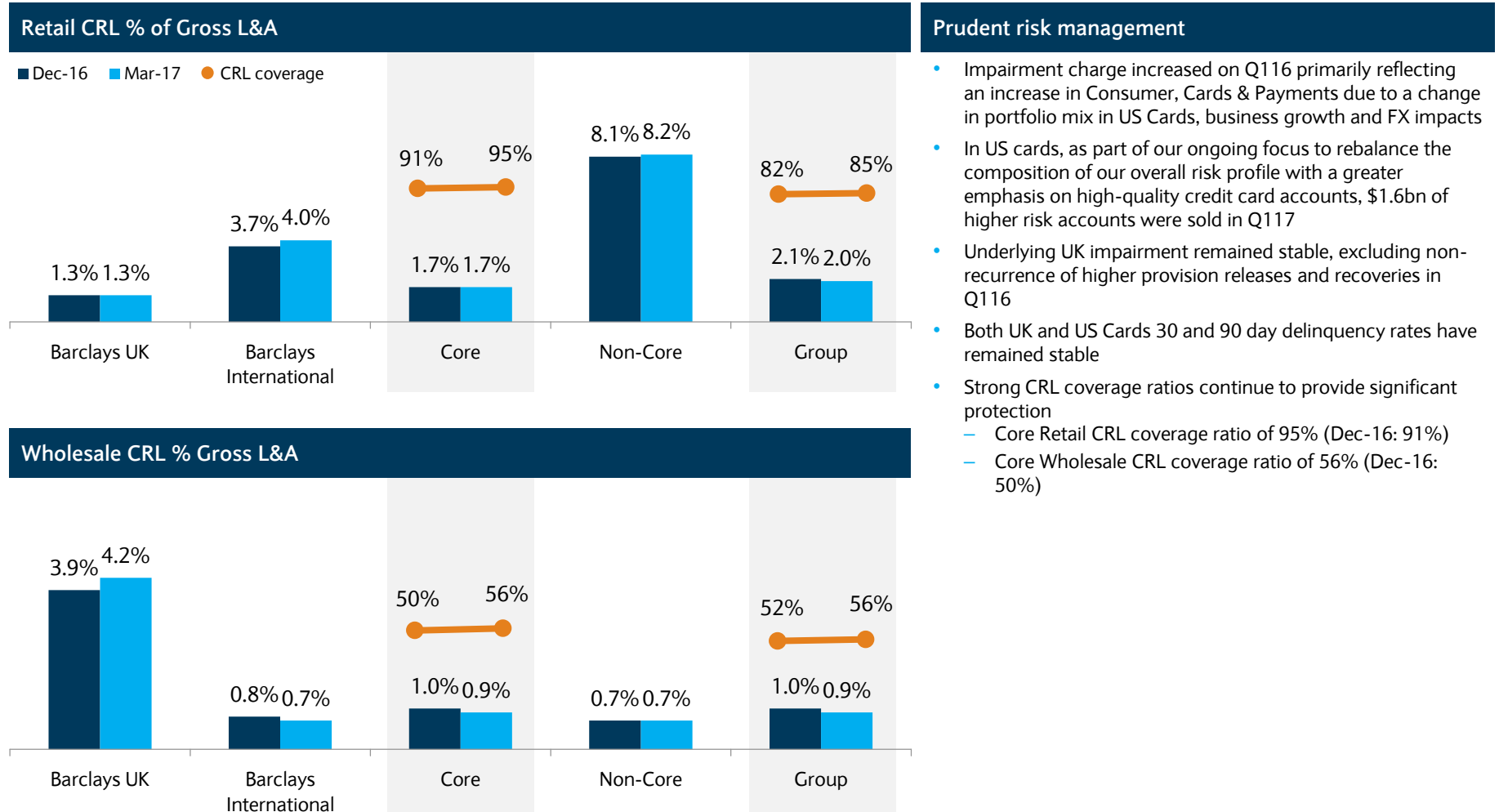
- Cumulative Currency Translation Reserve (CTR) losses of c.£1.2bn have accumulated in relation to Barclays' holding in BAGL, due to the depreciation of ZAR against GBP since July 2005
 - In line with IAS21, CTR will be recycled through the income statement upon accounting deconsolidation, but has no impact on CET1 capital or TNAV given it is already included in both
- Africa Banking attributable loss of £801m in Q117 due to £884m impairment allocated to acquisition goodwill
 - Underlying operational performance was resilient, as profit before tax, excluding the impairment of Barclays' holding in BAGL, increased to £325m (Q116: £231m)

Confident of executing BAGL selldown and achieving regulatory deconsolidation

**c.75bps
CET1 ratio uplift²**

¹ Assuming share price of ZAR 139.51 and GBPZAR FX rate of 16.68 as at 31 March 2017, with number of BAGL shares 848m. Including £0.2bn for value of BAGL issued preference shares | ² Using 31 March 2017 GBPZAR FX rate of 16.68 and BAGL share price of 139.51, with no premium or discount on sale. Aggregate effect following regulatory deconsolidation and projected separation costs, including phased contributions and contribution to a new Black Economic Empowerment scheme, totaling £827m implementation of Barclays' intentions is subject to, amongst other things, regulatory approval |

Underlying stable trends reflect prudent approach to credit risk management

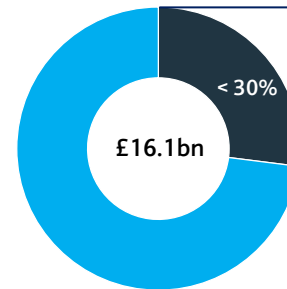


Stable UK Cards portfolio with flat underlying impairment trends

UK Cards portfolio

- UK macro environment remains benign, with record low unemployment rate of 4.7%
- Remain comfortable with underlying UK impairment trends and risk positioning
- UK 30 and 90 day delinquency rates have improved year-on-year
- Long experience of providing 0% Balance Transfers
 - Proportion of portfolio made up of 0% Balance Transfers is less than 30%
 - c.90% of these have a duration of two years or less outstanding
 - Maintained prudent EIR assumptions
- Interest earning lending (IEL) as percentage of balances has remained stable since 2014, while industry IEL balances have reduced

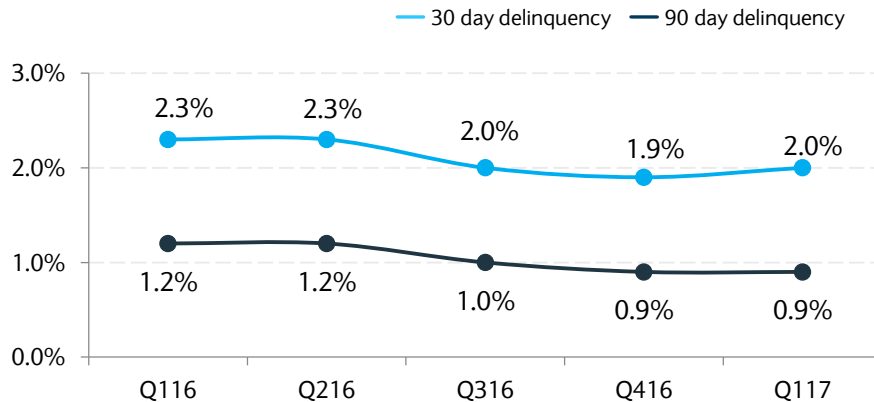
Q117 UK Cards balance mix



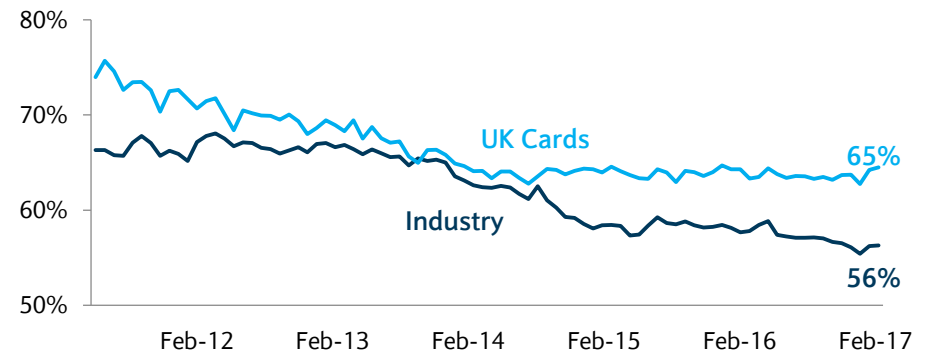
- 0% Balance Transfers <30%, of which**
- c.90% has a duration of <24 months
 - Majority taken by existing customers

■ 0% Balance Transfers

Stable delinquency rates



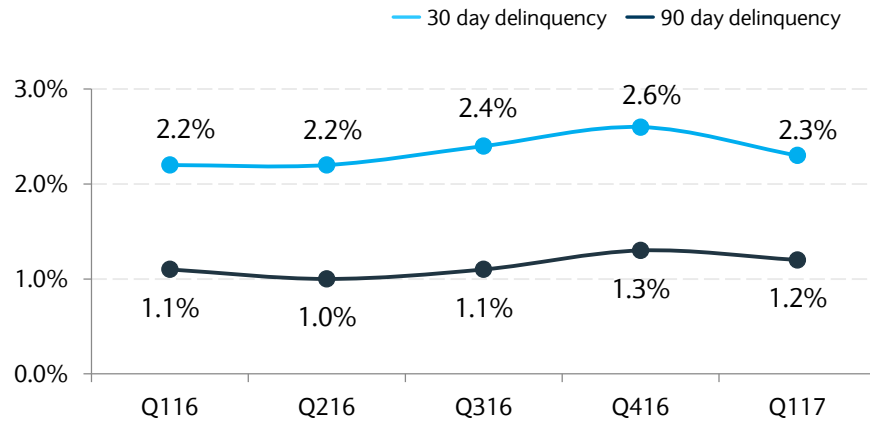
Interest earning lending (IEL), as % of balances¹



¹ Source: BBA, March 2017 |

Actively managed US Cards growth, including shifts in portfolio mix

US Cards delinquency rates

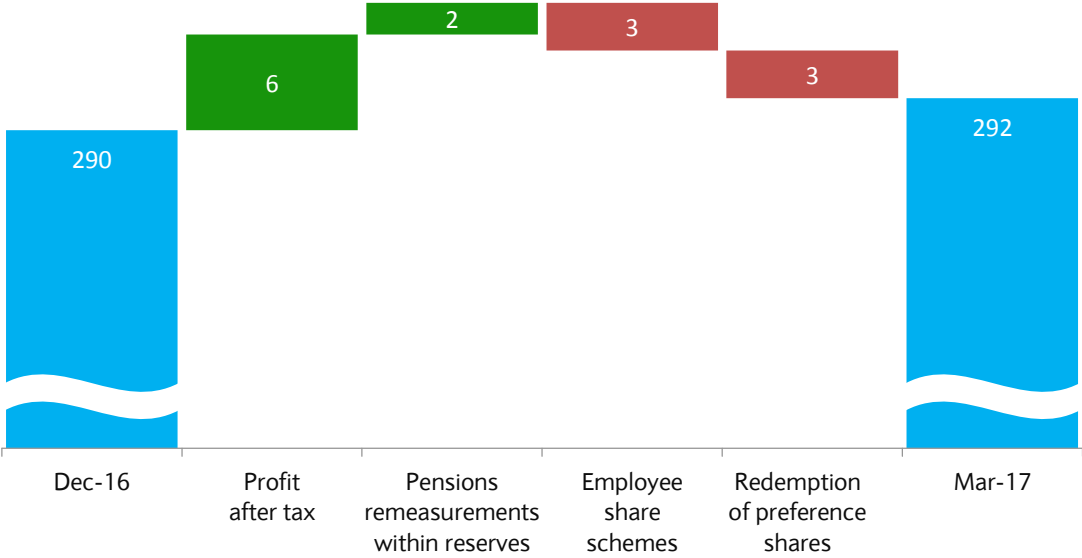


US Cards

- The US Cards portfolio is weighted towards a co-brand model, with a smaller proportion made up of branded cards
- In both segments emphasis has been on re-balancing the portfolio to a better quality mix
 - Asset sale of \$1.6bn of higher risk balances was completed in Mar-17
 - Mix shift expected from growth in lower risk partner cards including the American Airlines portfolio
- 30 and 90 day delinquency rates improved versus Q416 due to the asset sale
- Impairment reduced relative to Q416 on a stronger revenue base
- Risk-adjusted returns across the US Cards portfolios remain strong

Tangible Net Asset Value movements

TNAV (pence per share) – Dec-16 to Mar-17

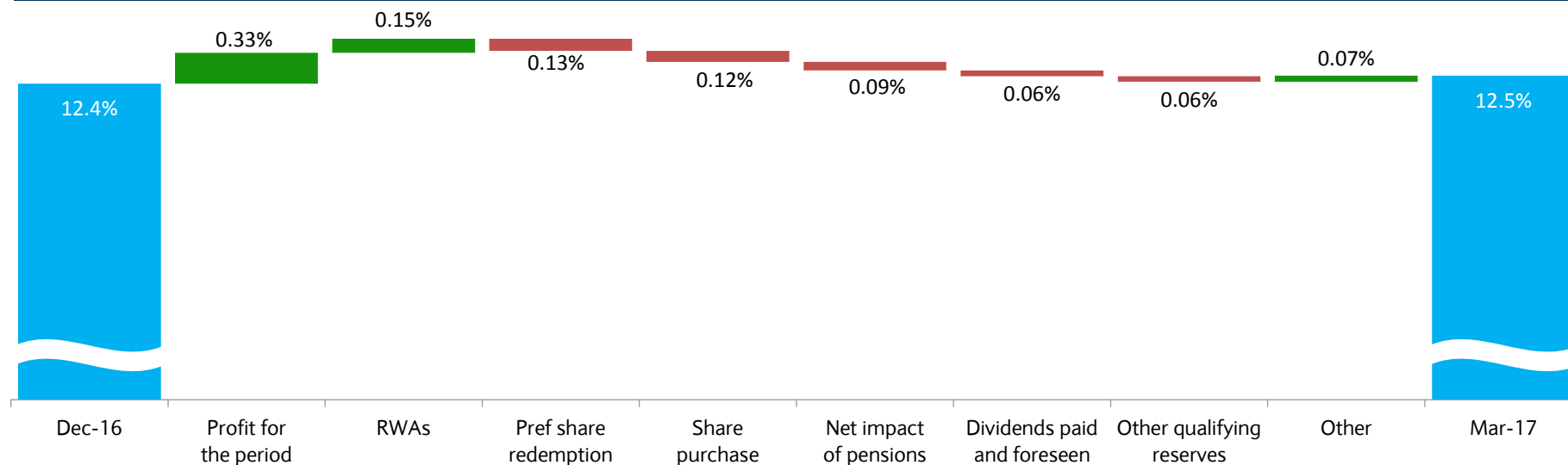


Q117 highlights

- TNAV increased by 2p per share in the quarter to 292p
 - Profit after tax contributed 6p per share
 - Pension related reserve movements had a 2p per share positive impact
 - The vesting of shares under employee share schemes reduced TNAV by 3p per share
 - The redemption of USD preference shares had a negative impact of 3p per share

Common Equity Tier 1 ratio progression

CET1 ratio progression – Dec-16 to Mar-17



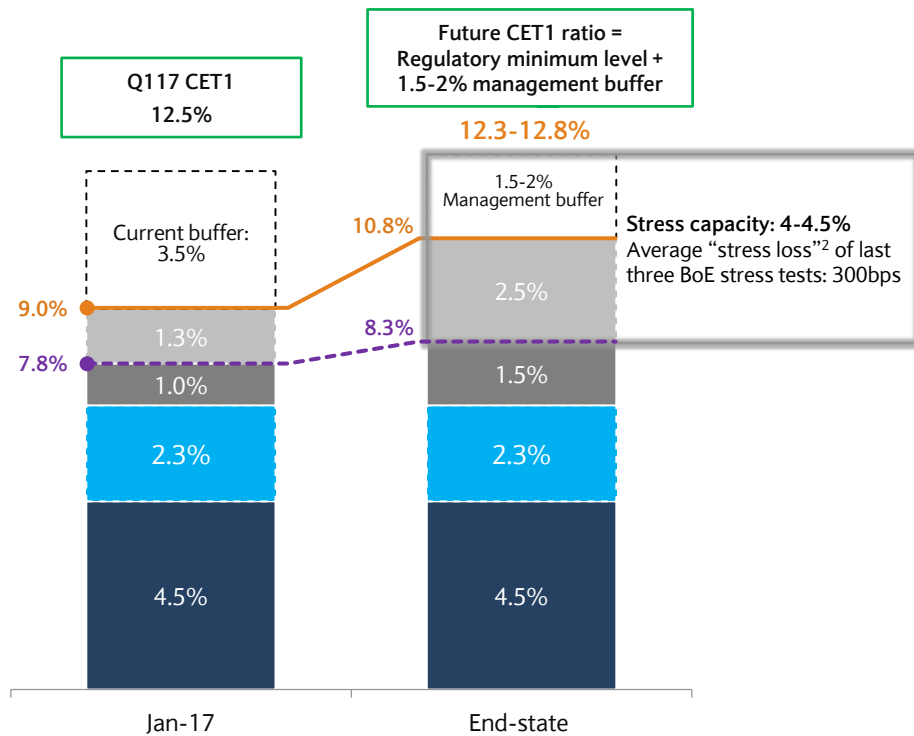
Q117 CET1 ratio drivers

- CET1 capital ratio increased to 12.5% driven by:
 - 33bps largely from profits
 - 16bps due to a £4.8bn reduction in RWAs to £361bn, mainly driven by a £5bn reduction in Non-Core to £27bn from continued rundown
- Partially offset by:
 - 13bps on redemption of the Series 3 USD preference shares, which will be returns accretive going forward
 - 12bps from share purchases to meet vesting share awards
 - 9bps of defined benefit pension scheme deficit reduction contributions
- The impairment of Barclays' holding in BAGL allocated to acquisition goodwill in Q117 of £0.9bn had no impact on CET1 capital as there was an equivalent decrease in the goodwill and intangible deduction

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)
- CRDIV Mandatory distribution restrictions hurdle
- BoE stress test systemic reference point for 2017 tests¹



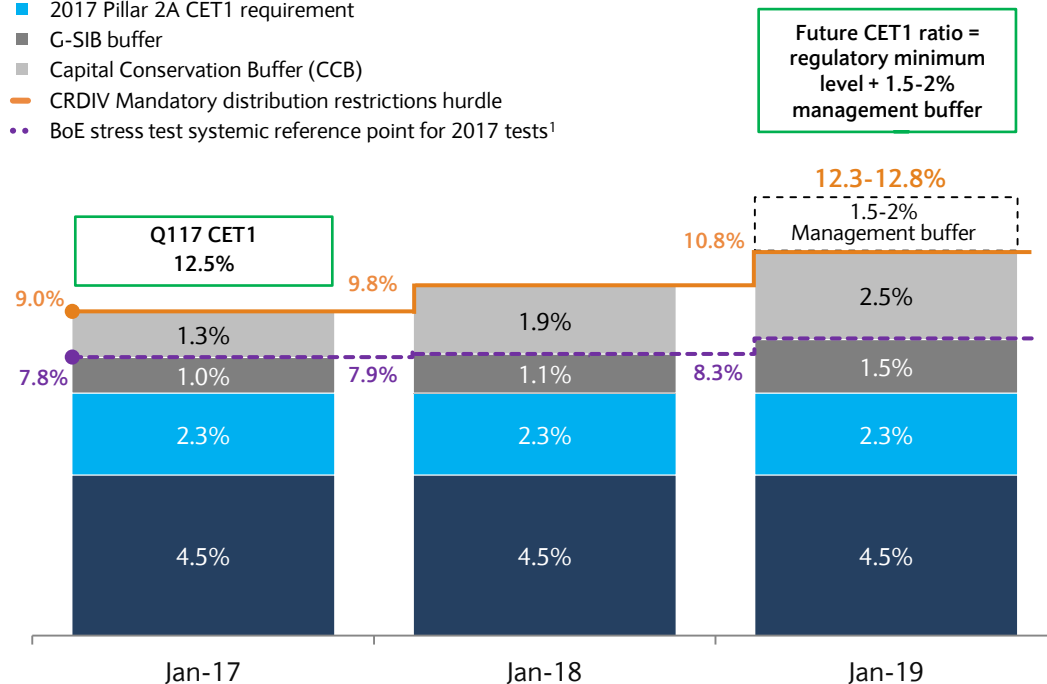
- End-state expectation of 12.3-12.8%:
 - Management buffer of 150-200bps resulting in 400-450bps stress capacity
- As capital buffers and RWAs will evolve over time, we manage our CET1 position to maintain a prudent internal management buffer over future minimum levels. This is to guard against mandatory distribution restrictions pursuant to CRD IV and to take into account stress testing
- The management buffer is prudently calibrated, intended to absorb fluctuations in the CET1 ratio, cover event risk and stress, and to ensure management actions can be taken in sufficient time to avoid breaching mandatory distribution restrictions
- We continue to monitor regulatory developments as part of our capital planning and conservatively manage our capital position as the regulatory landscape normalises

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 2016 stress test", published March 2016 | ² Market derived average stress-loss of past three years based on applicable year-end CET1 ratios against low-point stress outcomes |

Managing capital position above mandatory distribution restrictions and stress test hurdles

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

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



- Maintained robust capital buffers based on 31 March 2017 capital position:
 - Buffer to 7% AT1 Trigger Event: c.5.5% or c.£20bn
 - Buffer to 1 January 2017 MDA hurdle: c.3.5% or c.£13bn

Distribution restrictions and management

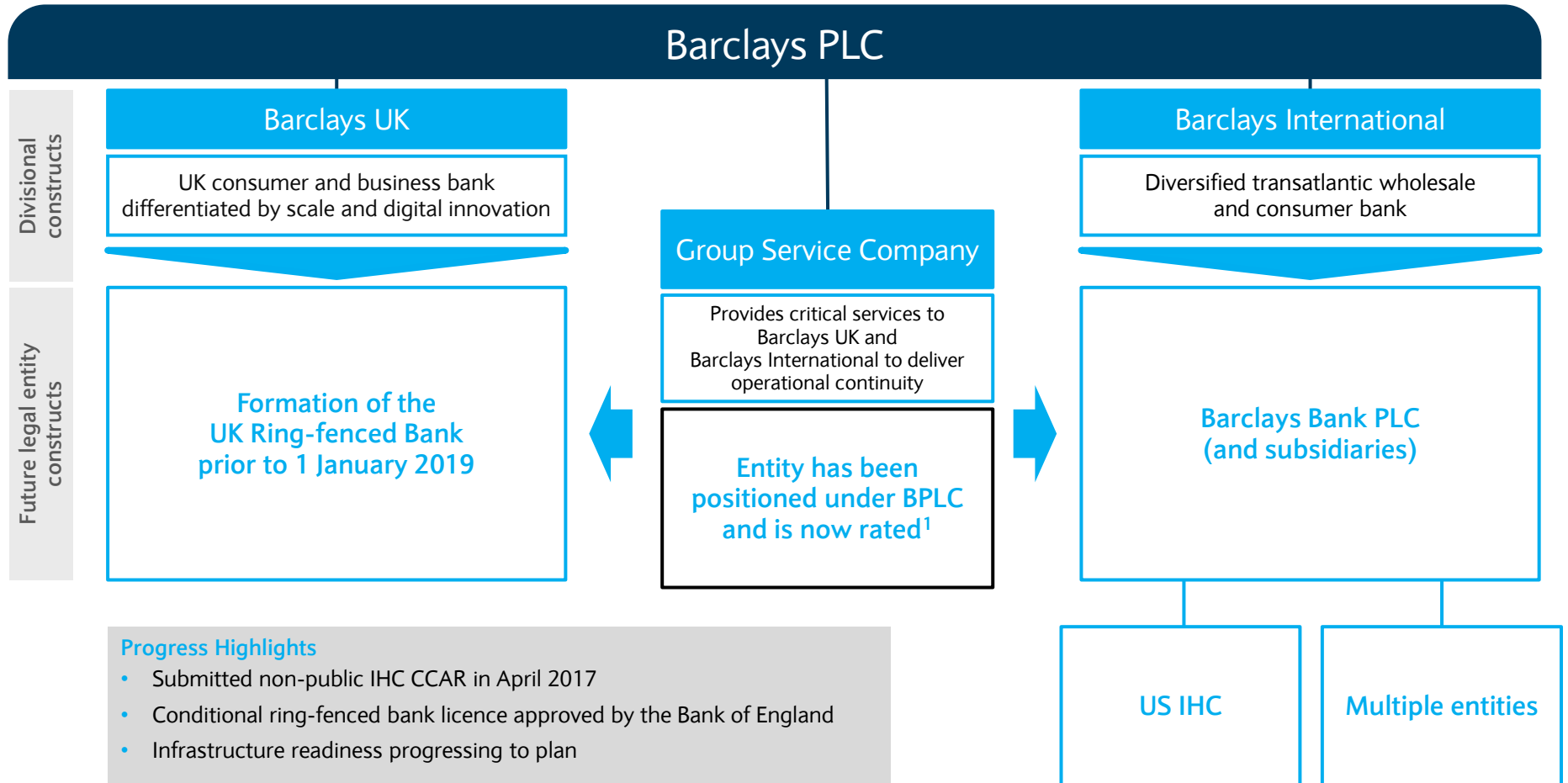
- Maintaining a CET1 ratio comfortably above mandatory distribution threshold remains a critical management objective
- Distribution restrictions² apply if an institution fails to meet the CRD IV Combined Buffer Requirement (CBR) at which point the MDA is calculated on a reducing scale
- Currently Barclays targets an internal management buffer of 1.5-2% 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
- It is the Board's current intention that, whenever exercising its discretion to declare dividends on ordinary shares or to cancel interest on AT1 securities, it will take into account the relative ranking of these instruments in its capital structure³
- In addition, we note that under CRD IV MDA restrictions, the PRA has broad powers to require the issuer to limit or cancel interest on the securities

Stress tests

- Barclays' end state stress buffer is expected to be c.4-4.5% when including the management buffer, incorporating 2016 BoE stress test results, providing ample 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
- For the 2017 BoE stress tests, the stress test systemic reference point will include the minimum CRD IV CET1 requirement, P2A, and a phased-in G-SIB buffer

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 2016 stress test", published March 2016 | ² 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) | ³ While the Board currently has discretion to depart from this policy, we note that the EC's current proposal in the draft of CRD V would codify these existing intentions if implemented as currently proposed |

Progress on Group legal structure



¹ Rated "A-" (negative outlook) by S&P, in line with the Group Credit Profile |

Structural reform plan is on track achieving critical milestones as planned

H2 2017 Group Service Company setup

Milestones completed

- ✓ Legal entity repositioned and rated
- ✓ Target operating model agreed
- ✓ Relevant services identified and catalogued

Milestones to complete

- Migrate assets, contracts and employees
- Introduce arms-length service management
- Continue to prepare internal infrastructure

H1 2018 Legal entity separation

Milestones completed

- ✓ Barclays UK and Barclays International established as operating divisions in March 2016 and will become the future-state legal entities
- ✓ Conditional banking licence approved for the Ring-fenced Bank in April 2017
- ✓ Ongoing communication with customers and clients with positive feedback to date

Milestones to complete

- Ring-Fenced Transfer Scheme (RFTS) court process to be initiated in Q4 2017
- Continue to prepare internal infrastructure including moving customer accounts to new sort codes

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

Ratings are a key strategic priority

Senior Long Term/ Short Term ratings	Fitch	Standard & Poor's	Moody's
Barclays PLC (B PLC – HoldCo)	A F1	BBB A-2	Baa2 P-3
Barclays Bank PLC (BB PLC – OpCo)	A DCR ¹ : A F1	A- A-2	A1 CRA ² : A1 P-1
Outlook			
Pre-referendum	STABLE	STABLE	STABLE
Post-referendum	STABLE	NEGATIVE	NEGATIVE

Rating priorities

- Barclays is committed to maintaining solid investment grade ratings
- We 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

Recent rating developments

- Following the EU referendum, all rating agencies took action on UK sovereign ratings
- S&P and Moody's also placed several UK banks on negative outlooks including Barclays, whilst affirming the ratings
- In December 2016 Moody's upgraded senior long term ratings for both the OpCo and HoldCo by one notch reflecting the continued build-up of loss absorbing capacity at the HoldCo
- In December 2016 S&P assigned an A- rating to the ServCo, aligned to the rating of Barclays Bank PLC
- Ratings and outlooks for Barclays have remained unchanged with Fitch after the UK referendum

¹ Derivative counterparty rating | ² Counterparty rating assessment |

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.

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 the Group's future financial position, income growth, assets, impairment charges, provisions, notable items, business strategy, structural reform, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the strategic cost programme and the Group Strategy Update, rundown of assets and businesses within Barclays Non-Core, 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 and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards, evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, future levels of notable items, 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; the implementation of the strategic cost programme; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, 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 2016), which are 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.