Barclays PLC
Fixed Income Investor Presentation[1]

Q3 2017 Results Announcement

26 October 2017

Strategy, Targets and Guidance

Transatlantic consumer and wholesale bank

Barclays UK

UK consumer and business bank differentiated by scale and digital innovation

Barclays International

Diversified wholesale and consumer bank

Group Service Company

Enabling world-class services for our customers and clients while driving efficiency

Strong capital position

CET1 ratio of 13.1%
13.3% pro-forma for BAGL[1]

Simpler organisation

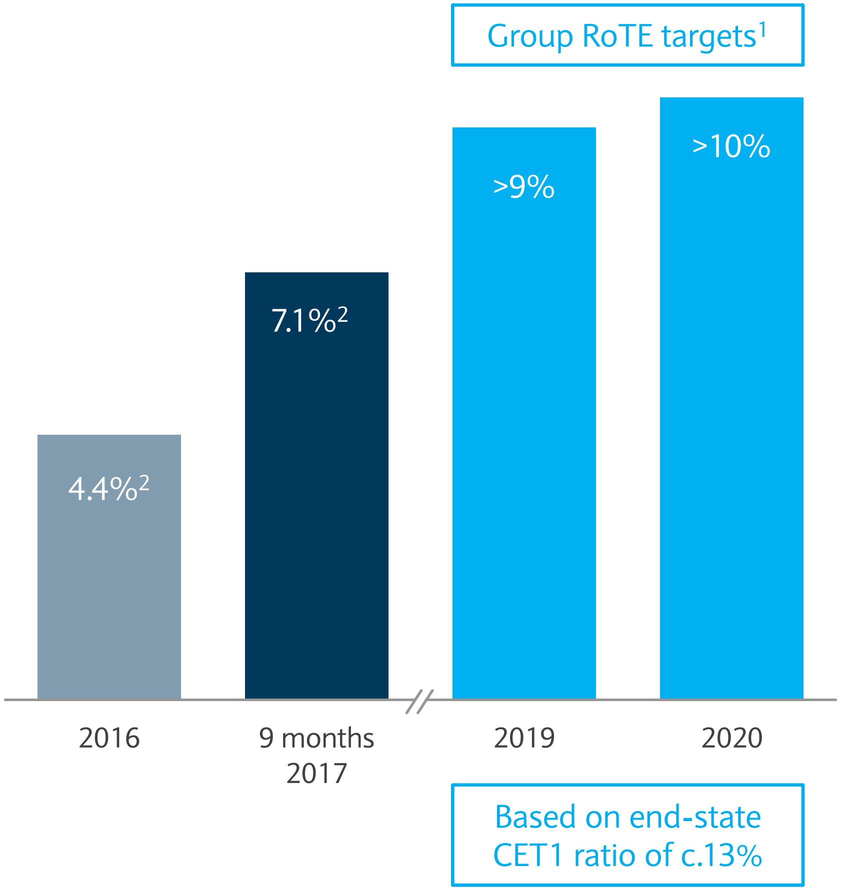
Closed Non-Core
Completed sale of Barclays Africa
Reduced headcount by c.60k

Focused on improving returns

Path to >10% Group RoTE in 2020[2]

[1]Assuming full regulatory deconsolidation, at 30 September 2017 | [2] Excluding litigation and conduct |

Path to Group RoTE of >10% in 2020



Improved cost efficiency

Creating capacity for investment, while delivering cost targets and cost: income ratio of below 60%

Redeployment of capital

At capital end-state level, now dynamically redeploying capital to improve returns, particularly within the CIB

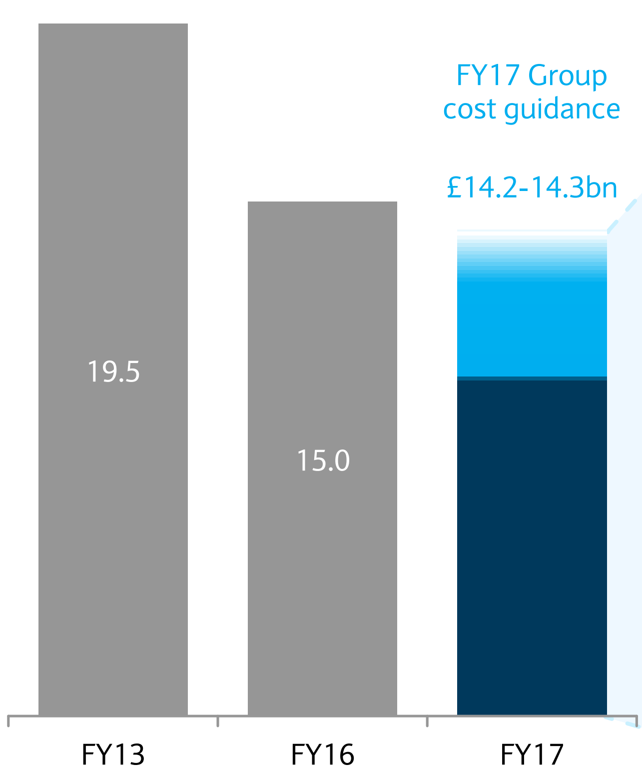
Targeted income growth

Selective investment in high growth, higher return businesses

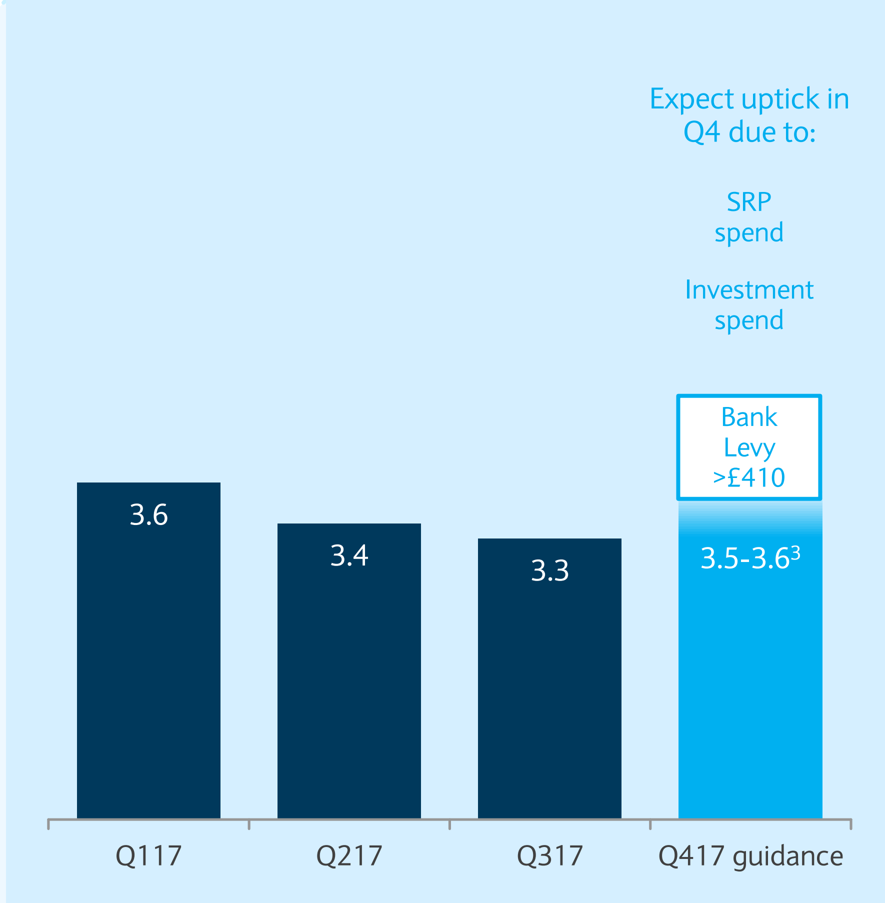
[1] Excluding litigation and conduct | [2] FY16 excluding PPI charges, gain on disposal of Barclays' share of Visa Europe Limited and own credit. Q317 YTD excluding PPI charges, impairment of Barclays' holding in BAGL and loss on the sale of BAGL |

Group 2017 cost guidance

Group operating expenses[1] (£bn)



Quarterly Group FY17 operating expenses[2] (£bn)

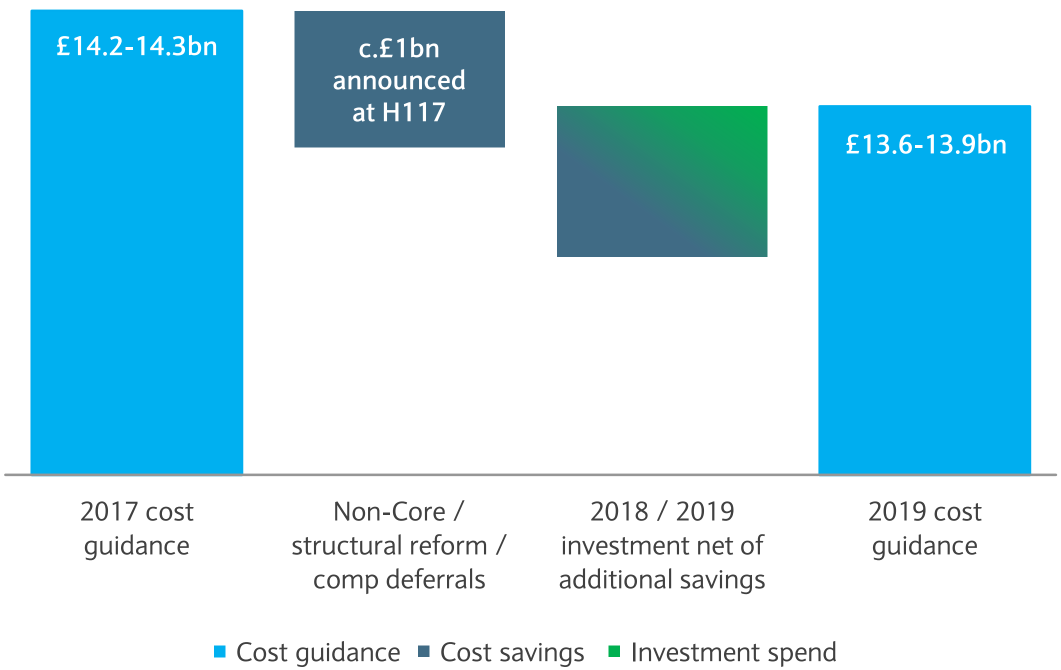


[1] Excluding litigation and conduct, and notable items as previously presented in Barclays' annual reports. Africa Banking reclassified as a discontinued operation in 2016 | [2] Excluding litigation and conduct | [3] Excluding UK Bank levy |

Cost efficiencies and investment underpinning RoTE targets

Cost savings by 2019 creating… | …capacity for investment… | …underpinning 2019 and 2020 RoTE targets

Group operating costs[1]



- Driving structural cost savings
- Targeting investment to drive income growth in higher RoTE businesses
- Delivering below 60% cost: income ratio in 2019

[1] Excluding litigation and conduct |

Meaningful efficiency savings initiatives

c.£1bn cost savings announced at H117

- Costs from Non-Core, structural reform programme and compensation deferrals changes expected to be eliminated by 2019

Key Group Service Company efficiency savings initiatives

Technology and digital

- Transition to the cloud
- Customer journey automation
- Digital transformation of the bank
- Technology insourcing savings

- Reducing applications by 30% and Barclays data centres to 4 globally, underpinned by increased use of the cloud
- Increasing internal IT employees to 75% from 50% vs. external 3rd parties

Transaction cycle and process automation

- Standardised front to back processes operating horizontally across the bank
- Reduced process duplication and increased automation

- 75 fraud applications reducing to 3 core platforms
- 20% increase in digital self service for customers in collections
- Voice biometrics launched in contact centres

Rightsized footprint

- Fewer high cost locations
- Branch optimisation
- Appropriately sized functions

- Reducing property costs over time
- Focus on omni-channel customer engagement
- Normalising legal and compliance costs

Supplier optimisation

- Streamlining of supplier base
- Discipline on preferred suppliers
- Leveraging economies of scale

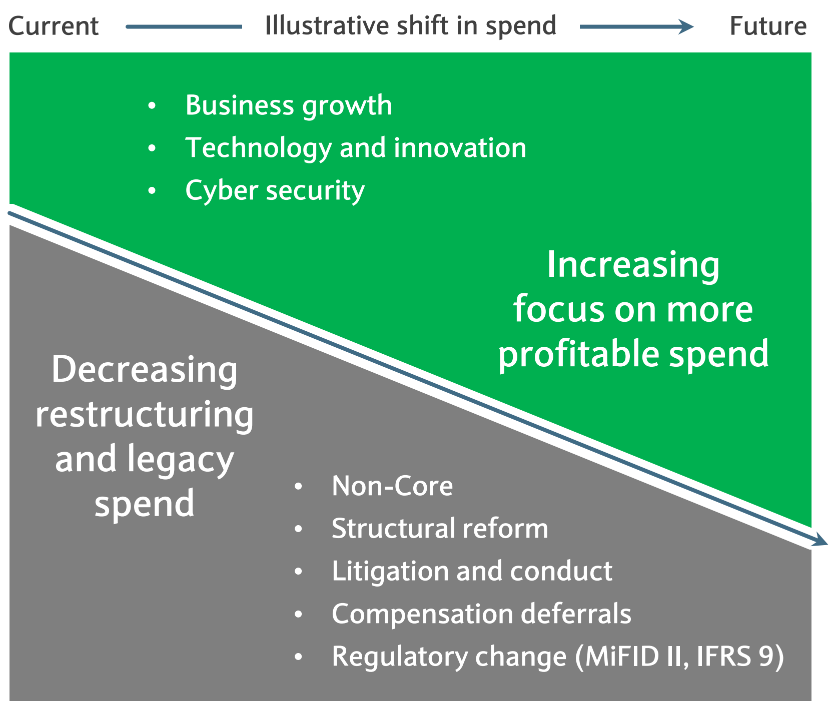
- Reduced active suppliers by 15%
- Over 70% of supplier spend now with preferred suppliers

Clear path to reduce costs, creating capacity to invest in high return areas

Reconfiguring the cost base towards driving growth

Illustrative evolution of the cost base[1]

- Improving mix of spend as restructuring, regulatory change and conduct related costs reduce over time
- Creating capacity to focus on more profitable initiatives, including driving further efficiencies
- Cyber security spend critical for franchise strength



Investment in attractive growth opportunities

Barclays UK
- Transforming customer interaction
- Building on digital excellence
- Leveraging data analytics
- Open Banking/PSD2 and APIs

Consumer, Cards & Payments
- Continued steady growth in US cards
- US consumer banking proposition
- Omni-channel gateway capability
- Corporate payments franchise

Corporate & Investment Bank
- Markets: technology and electronic trading platforms
- Banking: consolidate leading position in UK and US
- Corporate Banking: technology and digital for Transactional Banking

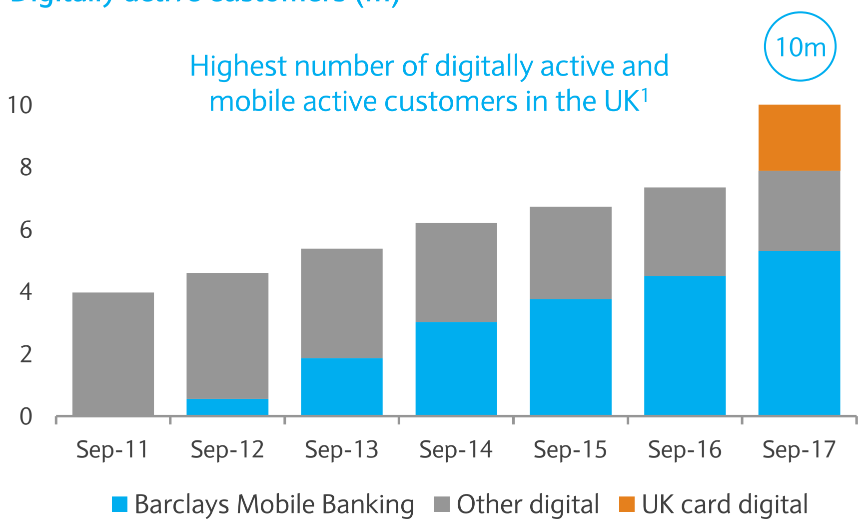
[1] Excludes BAU / baseline costs |

Consumer businesses – income growth opportunities

Barclays UK

- Significant opportunity with existing 24m customers in the UK
- Identify priority customer segments for growth
  - Focus resources on higher value segments
  - Deliver a differentiated and personalised offering
- Transform customer interaction through automation, digitisation and data analytics
  - c.40% of new customer propositions now delivered via digital
- Targeting <50% cost: income ratio over time

Digitally active customers (m)

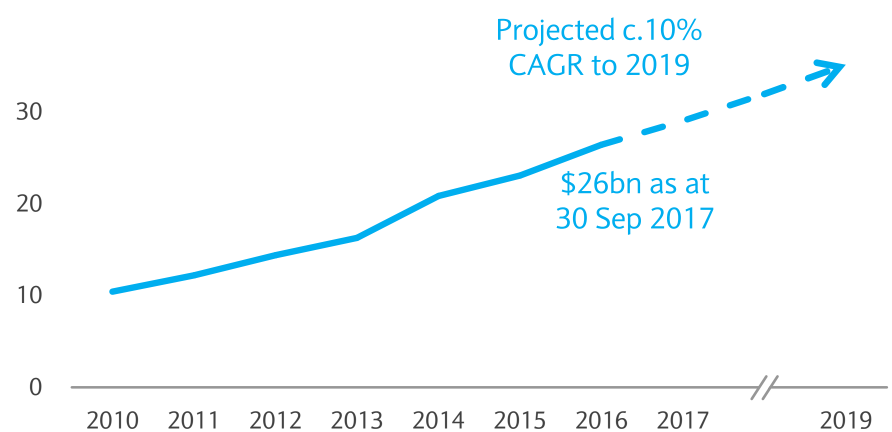


Barclaycard US[2]

CC&P

- US credit card market projected to grow by 5% CAGR to 2020
- 9th ranked US issuer by receivables and 7th by purchase volume
  - Projected c.10% CAGR to 2019
- Top 5 co-branded card issuer, with receivables of c.$20bn, as unique partnership model drives continued steady growth
- Growing prime-focused own brand digital banking offering
  - Currently with c.$6bn of receivables and c.$12bn in deposits

US cards receivables ($bn)



[1] Source: eBenchmarkers 2017. Includes UK card customers from 2017 | [2] Source for rankings and market growth projections: Nilson Report |

Wholesale businesses – income growth opportunities

Integrated Corporate Payments Franchise

Corporate Payments — CIB

Full suite of corporate treasury services products, including payments and FX

- Targeting core UK corporate bank clients and subsidiaries of multi-national corporations
- Invest in key FX products to enhance and expand our capabilities, building on our strong FX franchise

Commercial Payments — CC&P

#1 UK commercial cards[1] and virtual payment procurement solutions

- Build out volume of B2B virtual procurement related payment capabilities in the UK, then extend to other geographies

Payment Acceptance — CC&P

#2 merchant acquirer[2] in Europe, enabling payment acceptance, acquiring, and processing of card transactions

- Complete launch of new acquiring platform and client migration
- Controlled geographic expansion into the US with target clients
  - Initial focus on omni-channel gateway

Banking and Corporate Banking

Corporate Banking — CIB

- Optimise returns on balance sheet lending through reallocation of corporate lending RWAs
- Increase Transactional Banking revenues, through enhanced technological and digital capabilities
  - Leverage UK real-time payment capabilities
- Increase co-ordination of client coverage across Payments, and the Corporate & Investment Bank
  - Securing advisory and merchant acquiring mandates through existing corporate banking relationships, building pipeline for the future

Banking[3] — CIB

- Solidify leading banking position in UK and US home markets
  - 1st ranked in UK banking fee share, 2017 year to date
  - Lead European bank in the US, ranked 6th by fee share
  - Fee share of 6.2% in US and UK combined, 2017 year to date
- Select investment to increase penetration in EME and in growing US sectors
  - Aim to be top 5, up from current 7th position in EME
  - Close the gap in the US versus leading domestic banks

[1] Source: KAE Digital Banking Study | [2] Source: Nilson Report | [3] Sources for rankings and fee share: Dealogic data |

Markets – income growth opportunities

Markets

CIB

	Barclays actions				Market
	RWA reallocation	Leverage balance sheet	Technology	Products and services	Normalised volatility
Fixed income financing		●			
Equity financing		●		●	
Rates	●	●	●	●	●
FX	●	●	●	●	●
Credit	●		●	●	●
Equities			●	●	●

- Detailed plans to drive income growth
  - Redeployment of CIB loan book RWAs to optimise returns
  - Leverage capacity to be deployed across Financing and Macro products
  - Self funding improvements in technology capabilities, particularly Equities e-trading and Barx
  - Rebuild of corporate derivatives capabilities, broaden product offering in Equities and Credit
- Key hires made in Markets
- Modest improvement in volatility

Group financial targets

Group Return on Tangible Equity (RoTE)[1]

>9% in 2019
>10% in 2020

Based on:

CET1 ratio c.13%

150-200 bps above regulatory minimum level

Group costs[1] £13.6-13.9bn in 2019

Targeting cost: income ratio below 60%

Capital management framework update with FY17 results in February 2018

[1] Excluding litigation and conduct |

IFRS 9 guidance

Estimated IFRS 9 impact[1] (based on 30 September 2017 numbers)

	TNAV[2] (£bn)	CET1 (£bn)
Increase in impairment stock	(2.6-2.8)	
Tax relief (creating timing difference DTAs)	c.0.8	
Impact on shareholders' equity	(1.8-2.0)	(1.8-2.0)
Impact on TNAV per share (p)	**(10-12p)**	
Full deduction of timing difference DTAs in excess of 10% threshold, as at 30 September 2017 (no transition)		(c.0.8)
Reduction in EL > Impairment deduction		c.1.3
Estimated CET1 capital impact, without transitional arrangements		(1.3-1.5)
Reduction in RWAs		(c.1)
Estimated impact on CET1 ratio, without transitional arrangements		(c.40bps)
Estimated end-state impact on CET1 capital*		(0.5-0.7)
Estimated end-state impact on CET1 ratio*		**(c.20bps)**

* Excluding deduction of timing difference DTAs, which are expected to remain below the allowable threshold

Commentary / Assumptions

- TNAV reduction estimated at 10-12p per share, based on increase in impairment stock, net of tax relief – effective 1 January 2018
- Estimated CET1 ratio impact, if applied on day 1 without transitional arrangements, would be an estimated reduction of c.40bps as at 30 September
- Transitional arrangements are expected to be applied. During the transitional period, the CET1 impact would also be affected by the amount of potential timing-difference DTAs (in excess of 10% threshold) deducted from CET1 capital, if any
  - As timing-difference DTAs are expected to decrease over time, remaining below the 10% threshold, we do not expect a DTA deduction to arise
  - End-state impact of IFRS9 under this circumstance estimated to be c.20bps

IFRS9 impact manageable and already factored into capital 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 applied at 30 September 2017 under IAS 39. The adoption of certain classification and measurement accounting changes remain subject to endorsement by the European Union. The assessment above is a point in time estimate and is not a forecast. The actual effect of the implementation of IFRS 9 on Barclays PLC could vary significantly from this estimate. Barclays continues to refine models, methodologies and controls, and monitor developments in regulatory rule-making in advance of IFRS 9 adoption on 1 January 2018. All estimates are based on Barclays' current interpretation of the requirements of IFRS 9, reflecting industry guidance and discussions to date | [2] Tangible shareholders' equity attributable to ordinary shareholders of the parent |

Interest rate sensitivity

Illustrative sensitivity of Group NII to a 100bps parallel upward shift in interest rates[1]

Change in NII (£m)

Year 1	Year 2	Year 3
Assuming higher pass-through on deposits		
c.100	c.700	c.1,050
Assuming lower pass-through on deposits		
c.330	c.930	c.1,280

Commentary / Assumptions

Key drivers

- The majority of the year 1 impact is driven by the respective higher and lower assumptions around pass-through on deposits
- The increased benefits in years 2 and 3 can be attributed to the contributions from the structural hedges becoming incrementally larger over the 3 year period as the balance is cumulatively rolled into hedges at higher rates

Basis for analysis

- Analysis is based on performance of the customer banking book and includes the impact of both the product and equity structural hedges
- Sensitivity scenarios shown assume a high pass through of rate rises to deposit pricing and a moderate pass through – neither of these scenarios necessarily reflect pricing decisions that would be made in the event of rate rises
- 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 |

Performance

Group Return on Tangible Equity of 5.1%

Three months ended (£m)	Sep-17	Sep-16	% change
Income	5,173	5,446	(5%)
Impairment	(709)	(789)	10%
– Operating expenses (excluding L&C)	*(3,274)*	*(3,581)*	*9%*
– Litigation and conduct	*(81)*	*(741)*	*89%*
Operating expenses	(3,355)	(4,322)	22%
Other net (expenses)/income	(2)	502	
Profit before tax (PBT)	1,107	837	32%
Tax charge	(324)	(328)	1%
Profit after tax	783	509	54%
NCI – continuing operations	(43)	(70)	78%
Other equity holders	(157)	(110)	(43%)
Attributable profit – continuing operations	583	329	
Attributable profit – discontinued operation	-	85	
Attributable profit	583	414	41%
Performance measures			
Basic earnings per share (EPS)	3.7p	2.6p	
Return on average tangible equity (RoTE)	5.1%	3.6%	
Cost: income ratio	65%	79%	
Loan loss rate (LLR)	66bps	66bps	
Loan: deposit ratio (LDR)[1]	82%	91%	
Balance sheet (£bn)	**Sep-17**	**Sep-16**	
Tangible net asset value per share (TNAV)	281p	287p	
Risk weighted assets (RWA)	£324bn	£373bn	
CET1 ratio	13.1%	11.6%	
Material items (£m)	**Sep-17**	**Sep-16**	
Own credit[2]	-	(264)	
Charges for PPI	-	(600)	

Q317 performance metrics

- Income declined 5% to £5.2bn primarily driven by a 14% decline in Barclays International, given weak market conditions
- Impairment decreased 10% to £709m, while the loan loss rate was stable at 66bps
  - Impairment was impacted by a £168m charge in Q317 relating to deferred consideration from a Q117 asset sale in US cards, and the non-recurrence of a £320m charge in UK and US cards in Q316
  - Excluding these two items, impairment increased £72m
- Costs, excluding litigation and conduct, decreased 9% to £3.3bn, driven by a 7% decrease in Barclays International costs and the impact of business sales by Non-Core since Q316
  - Group cost: income ratio was 65%
- Other net income decreased by £504m due to the non-recurrence of the £535m prior year gain on the sale of Barclays Risk and Analytics
- CET1 ratio was 13.1%, within our end-state target range
- TNAV was 281p, down 6p on Q316 as profits were offset by adverse movements in reserve
- Group RoTE increased to 5.1%, as attributable profit increased 41%
  - RoTE was 6.0% excluding the £168m charge in US cards

[1] Excludes Head Office and investment banking balances other than interest earning lending. Comparatives have been restated to include interest earning lending balances within the investment banking business | [2] Own credit is now recognised in other comprehensive income, following the early adoption of the own credit provisions of IFRS 9 on 1 Jan 2017 |

Barclays UK

Business performance

Three months ended (£m)	Sep-17	Sep-16	% change
– *Personal Banking*	*926*	*970*	*(5%)*
– *Barclaycard Consumer UK*	*539*	*561*	*(4%)*
– *Wealth, Entrepreneurs & Business Banking*	*387*	*412*	*(6%)*
Income	1,852	1,943	(5%)
– *Personal Banking*	*(60)*	*(47)*	*(28%)*
– *Barclaycard Consumer UK*	*(145)*	*(291)*	*50%*
– *Wealth, Entrepreneurs & Business Banking*	*4*	*(12)*	
Impairment	(201)	(350)	43%
– *Operating expenses (excluding L&C)*	*(980)*	*(904)*	*(8%)*
– *Litigation and conduct*	*(11)*	*(614)*	*98%*
Operating expenses	(991)	(1,518)	35%
Other net income	1	-	
Profit before tax (PBT)	661	75	
Attributable profit /(loss)	423	(163)	
Performance measures			
Return on average allocated tangible equity	18.4%	(7.1%)	
Average allocated tangible equity	£9.4bn	£8.7bn	
Cost: income ratio	54%	78%	
Loan loss rate (LLR)	43bps	82bps	
Net interest margin (NIM)	3.28%	3.72%	
Balance sheet (£bn)			
Loans and advances to customers[1]	182.2	166.6	
Customer deposits	189.3	185.5	
Risk weighted assets (RWA)	70.0	67.4	
Material items (£m)			
Charges for PPI	-	(600)	

[1] At amortised cost |

Q317 performance metrics

- RoTE was 18.4% while PBT, excluding prior year PPI charges, was broadly in line
- Income declined as continued deposit growth, repricing actions and increased debit card volumes were more than offset by the non-recurrence of treasury gains, a debt sale in Q316 and a remediation in collections and recoveries
  - Excluding these items, income was in line with Q316
- NIM was 328bps, reflecting the c.30bps impact from the ESHLA portfolio integration. NIM was 357bps excluding ESHLA
  - FY17 NIM guidance remains unchanged at >340bps, or >360bps ex. ESHLA
- Impairment decreased 43% to £201m principally reflecting the non-recurrence of the £200m UK cards portfolio charge in Q316
  - Impairment decreased £19m on Q217
- Costs, excluding litigation and conduct, increased £76m as cost efficiency savings were more than offset by increased investment in digital banking and cyber resilience, and costs to set up the ring-fenced bank
  - Continue to target a cost: income ratio of <50% over time

Key drivers/highlights

Personal Banking

- £2.5bn increase in mortgage balances since Q316 was driven by growth in targeted customer segments, within existing risk mandates and maintaining pricing discipline
- Continued strong deposit growth of £2.9bn to £140.1bn, driven by current accounts

Barclaycard Consumer UK

- Interest earning lending increased 3% on Q317, while total lending was stable at £16.3bn
- 30 and 90 day arrears improved to 1.8% and 0.9% respectively (Q316: 2.0% and 1.0%)

Wealth, Entrepreneurs & Business Banking

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

Barclays International

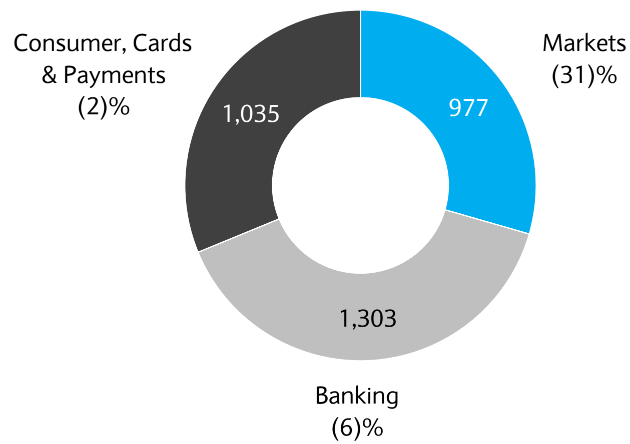
Business performance

Three months ended (£m)	Sep-17	Sep-16	% change
– *Corporate & Investment Bank (CIB)*	*2,280*	*2,795*	*(18%)*
– *Consumer, Cards & Payments (CC&P)*	*1,035*	*1,056*	*(2%)*
Income	3,315	3,851	(14%)
Impairment	(495)	(420)	(18%)
– *Operating expenses (excluding L&C)*	*(2,182)*	*(2,337)*	*7%*
– *Litigation and conduct*	*(5)*	*(17)*	*71%*
Operating expenses	(2,187)	(2,354)	7%
Other net income	19	8	
Profit before tax (PBT)	652	1,085	(40%)
Attributable profit	359	623	(42%)
Performance measures			
Return on average allocated tangible equity	5.4%	10.0%	
Average allocated tangible equity	£28.9bn	£25.7bn	
Cost: income ratio	66%	61%	
Loan loss rate (LLR)	88bps	71bps	
Net interest margin (NIM)	4.21%	4.21%	
Balance sheet (£bn)			
Risk weighted assets (RWA)	218.2	214.6	

Q317 performance metrics

- Income decreased by 14% to £3.3bn driven by the CIB, which was impacted by a weak market environment
- Impairment was impacted by a one-off charges in US cards
  - £168m charge in Q317 relating to an asset sale in Q117 and the non-recurrence of the prior year £120m charge
- Operating expenses decreased 7% to £2.2bn, primarily due to reduced restructuring and compensation costs in CIB, partially offset by business growth in CC&P
- RoTE was 5.4% – excluding the charge on the US cards asset sale, RoTE was 6.9%

Q317 income by product (£m)



Barclays International: Corporate & Investment Bank

Business performance

Three months ended (£m)	Sep-17	Sep-16	% change
Markets	977	1,408	(31%)
– *Equities*	*350*	*461*	*(24%)*
– *Credit*	*259*	*333*	*(22%)*
– *Macro*	*368*	*614*	*(40%)*
Banking	1,303	1,386	(6%)
– *Banking fees*	*607*	*644*	*(6%)*
– *Corporate lending*	*277*	*284*	*(2%)*
– *Transactional banking*	*419*	*458*	*(9%)*
Income[1]	2,280	2,795	(18%)
Impairment charges	(36)	(38)	5%
Operating expenses	(1,661)	(1,872)	11%
Other net income	10	-	
Profit before tax (PBT)	593	885	(33%)
Performance measures			
Return on average allocated tangible equity	5.9%	9.2%	
Balance sheet (£bn)			
Risk weighted assets (RWA)	185.2	182.5	

Q317 performance metrics

- Income reduced 18% to £2.3bn driven by low market volatility against a record Q316 comparator[2]
- Costs decreased 11% to £1.7bn reflecting lower restructuring costs, including the non-recurrence of a £150m real estate charge in Q316, and lower variable compensation, partially offset by continued investment in technology
- PBT was £593m and RoTE was 5.9%

Key drivers/highlights

Markets income (31%)

- Markets businesses were impacted by low market volatility, the integration of Non-Core assets and non-recurrence of treasury gains
  - Equities decreased 24% driven by lower trading income in equity derivatives and cash equities
  - Credit decreased 22% due to lower revenues in flow businesses, partially offset by an increase in municipals income
  - Macro reduced 40% driven by lower income in rates, the exit of the energy-related commodities business and the integration of Non-Core assets
  - Excluding the integration of Non-Core assets and non-recurrence of treasury gains, combined Credit and Macro declined 25%

Banking income (6%)

- Advisory performed well, while Banking fees were impacted by low levels of equity and debt underwriting
  - Advisory increased 10% – second highest quarterly revenue since Q114[2]
  - Increased fee share in EMEA in both equity underwriting and debt underwriting[3]
- Corporate lending revenues decreased 2%, impacted by lower Debt income from reduced balances, offset by an increase in gains from fair value hedges
- Transactional banking income decreased 9% due to the non-recurrence of treasury gains, partially offset by increased deposits

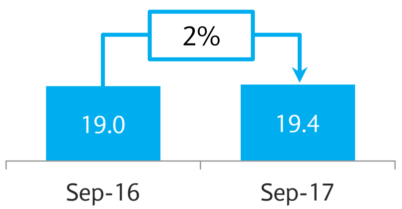
[1] Includes other income | [2] Since Q114 as data pre-2014 was not restated following resegmentation in Q116 | [3] Dealogic data |

Barclays International: Consumer, Cards & Payments

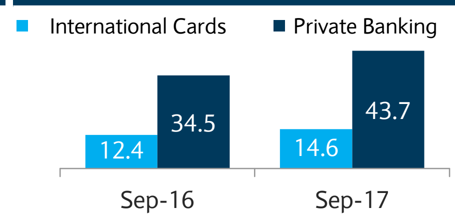
Business performance

Three months ended (£m)	Sep-17	Sep-16	% change
Income	1,035	1,056	(2%)
Impairment	(459)	(382)	(20%)
Operating expenses	(526)	(482)	(9%)
Other net income	9	8	13%
Profit before tax (PBT)	**59**	**200**	**(71%)**
Performance measures			
Return on average allocated tangible equity (RoTE)	2.2%	14.8%	
Balance Sheet (£bn)			
Risk weighted assets (RWA)	33.0	32.1	

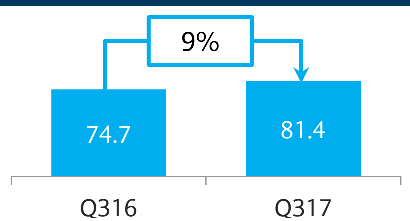
US cards net receivables (£bn)



Customer deposits (£bn)[1]



Total card spend and payments processed[2] (£bn)



Q317 performance metrics

- Income decreased by 2% reflecting repositioning of the US cards portfolio towards a lower risk mix
- Impairment was impacted by a one-off £168m charge in Q317 in US cards relating to an asset sale in Q117 and the non-recurrence of the prior year £120m US cards portfolio charge
  - Excluding these items, US card impairment increased by £29m, as the repositioning of the portfolio towards a lower risk mix was offset by higher underlying arrears and business growth
- Costs increased 9% reflecting business growth and investment in US cards and the new acquiring platform
- RoTE was 12.3% excluding the charge on the US cards asset sale

Key drivers/highlights

Barclaycard US

- 30 and 90 day arrears rates were broadly stable at 2.4% and 1.2% (Q316: 2.4% and 1.1%) respectively, including a benefit from the Q117 asset sale
- Growth in net card receivables of 2% to £19.4bn
- Card spend value of £15.4bn increased by 5%[2]

Barclaycard Germany

- Continued growth in net loans and advances of 10% to £3.2bn, including the impact of FX

Barclaycard Business Solutions

- Launch of a new acquiring platform, positioned for future growth
- Merchant acquiring business processed payments to the value of £62.3bn, an average of £677m per day, up 10% on Q316

Private Banking

- Customer deposits increased 27% to £43.7bn, including client reallocation from Barclays UK

[1] Sep-17 balance sheet affected by the realignment of certain clients between Barclays UK and Barclays International in Q117 in preparation for structural reform | [2] Includes balance transfers |

Head Office

Business performance

Head Office – Three months ended (£m)	Sep-17	Sep-16
Income	6	(189)
Impairment	(13)	1
– Operating expenses (excluding L&C)	*(112)*	*(29)*
– Litigation and conduct	*(65)*	*(8)*
Operating expenses	(177)	(37)
Other net expenses	(22)	(4)
Loss before tax	(206)	(229)
Performance measures (£bn)		
Average allocated tangible equity[1]	£10.5bn	£7.4bn
Balance sheet (£bn)		
Risk weighted assets[2]	36.1	47.5
Material items (£m)		
Own credit	-	(264)

Q317 performance metrics

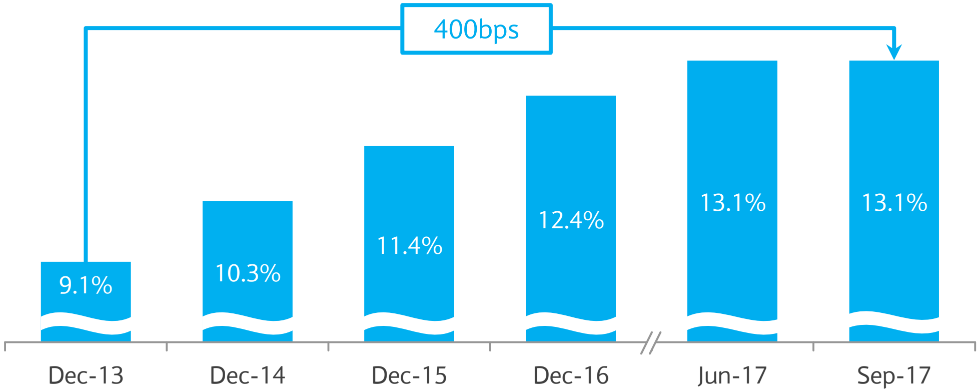
- Loss before tax decreased to £206m
- Income increased by £195m due to the impact of the early adoption of the own credit provisions of IFRS 9, with own credit now recognised within other comprehensive income
  - Income included Barclays' £32m share of BAGL's interim dividend
- Costs of £177m included costs associated with reintegrated Non-Core assets and businesses
  - Litigation and conduct costs of £65m include a provision in relation to an agreement in principal with the US FERC

[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 risk weighted assets |

Capital & Leverage

Strong CET1 and leverage ratio position

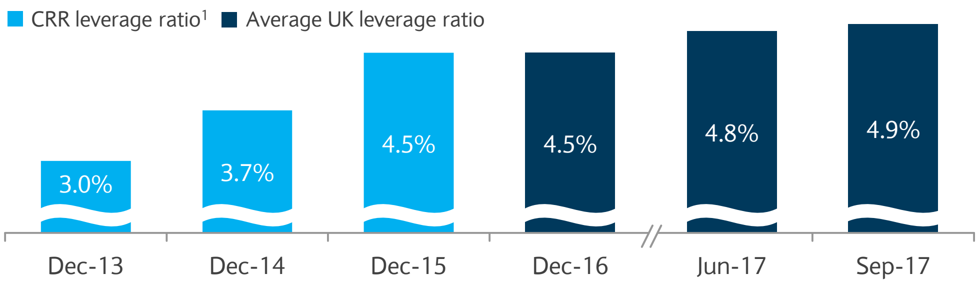
Fully loaded CET1 ratio



	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17	Sep-17
RWAs (£bn)		402	358	366	327	324

- CET1 ratio remained stable in the quarter at 13.1% largely driven by:
  - 23bps from profit generation, more than offset by
  - (8)bps increase in the excess of expected loss over impairment related to business and corporate banking model updates
  - (8)bps due to dividends paid and foreseen
  - (3)bps from £120m of pension deficit reduction contributions
  - An increase in loss DTAs resulting in a (4)bps impact, largely offset by a reduction in timing difference DTAs falling below the 10% threshold
- Group RWAs decreased £3bn to £324bn, largely due to FX movements, which were broadly offset by a move in CET1 capital via lower currency translation reserves
- CET1 ratio of 13.3% on a pro-forma basis, post full regulatory deconsolidation of BAGL

Leverage ratio



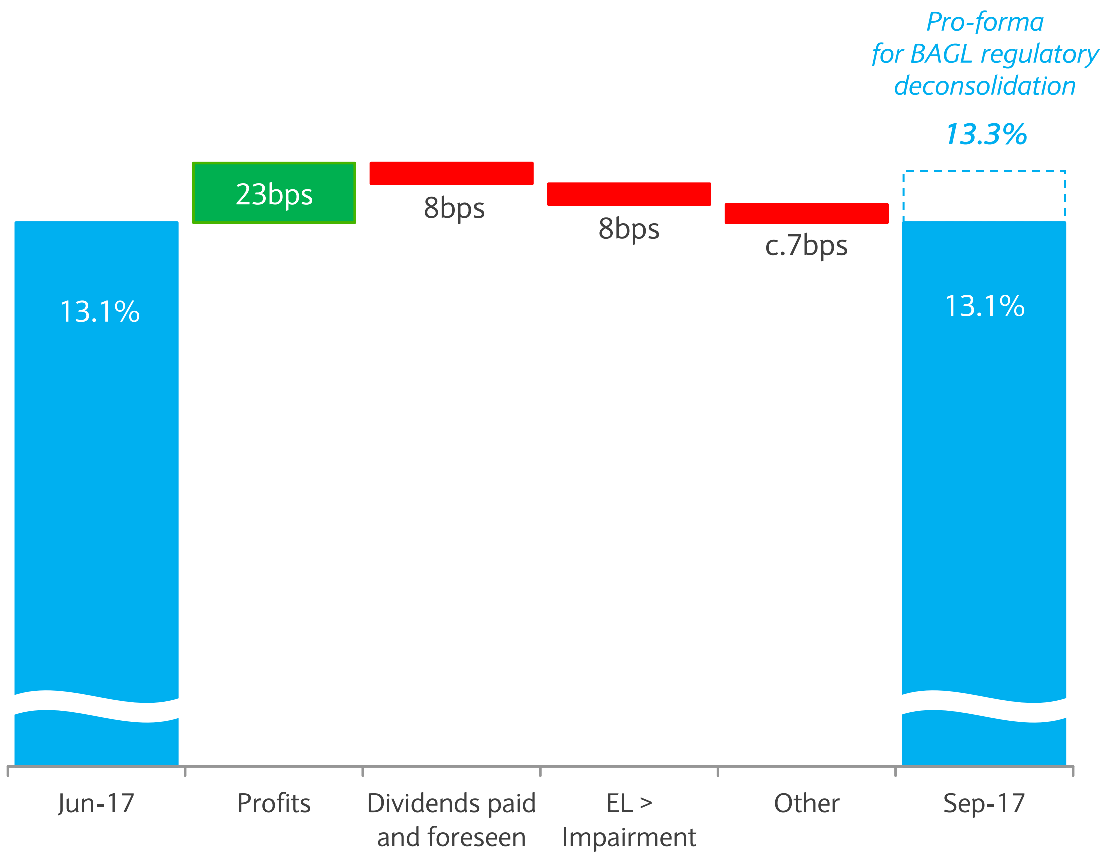
	Dec-13	Dec-14	Dec-15	Dec-16	Jun-17	Sep-17
Leverage Exposure (£bn)[2]		1,233	1,028	1,137	1,092	1,035

- Average UK leverage ratio (excluding qualifying central bank claims[3]) increased 10bps in the quarter to 4.9%. This was principally due to the impact of BAGL proportional consolidation fully reflected in the Q317 monthly average leverage exposure but only reflected in the final month of Q217
  - Average UK leverage exposure decreased £57bn to £1,035bn
  - Fully loaded average Tier 1 capital decreased £0.9bn to £51.2bn
- 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] Dec-14 and Dec-15 on CRR basis. Dec-16, Jun-17 and Sep-17 on average UK basis | [3] As long as these are matched by deposits denominated in the same currency, subject to firms obtaining permission from the PRA |

Within our end-state CET1 ratio target range[1]

CET1 ratio progression in Q317

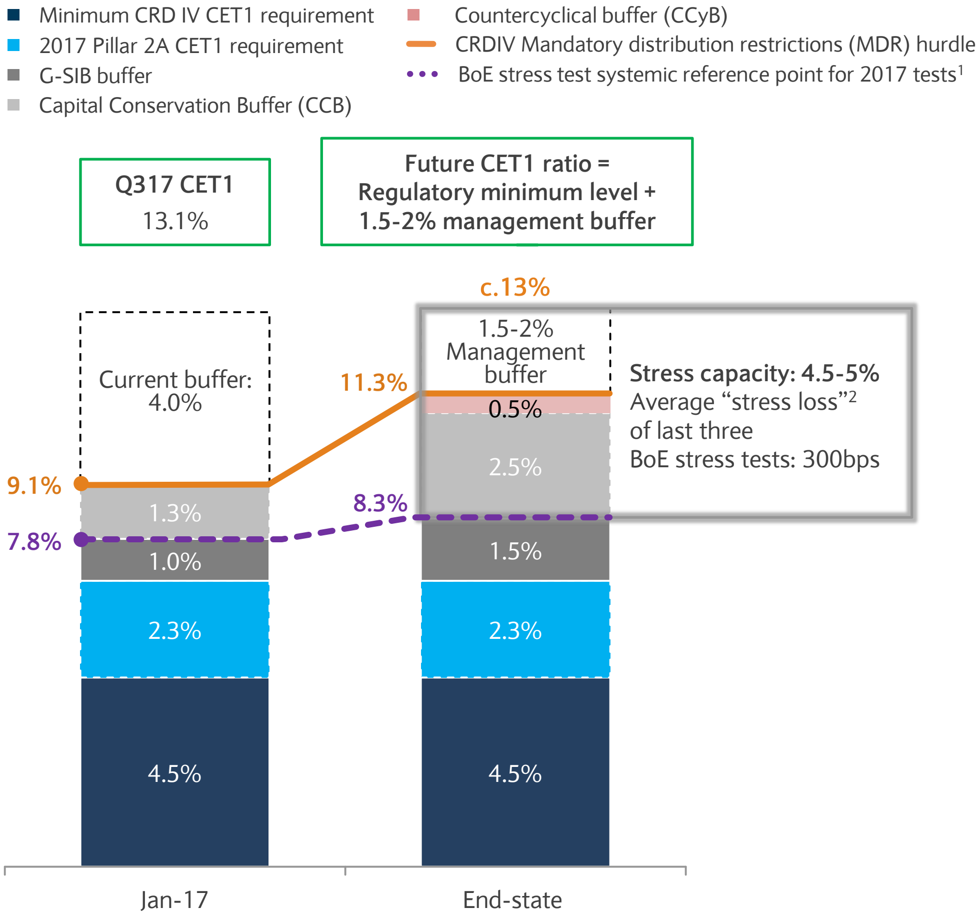


- CET1 ratio remained stable vs. Q217 at 13.1%
- 23bps accretion from profits were offset by
  - (8)bps due to dividends paid and foreseen
  - (8)bps increase in the excess of expected loss over impairment deduction primarily related to business and corporate banking model updates
  - (3)bps from £120m of pension deficit reduction contributions
  - (4)bps due to an increase in loss DTAs, offset by a 4bps impact as a result of timing difference DTAs falling below the 10% threshold
- Group RWAs decreased £3bn to £324bn, largely due to FX movements, broadly offset by a move in CET1 capital via lower currency translation reserves
- CET1 ratio of 13.3% on a pro-forma basis, post full regulatory deconsolidation of BAGL

[1] See appendix slide 36 |

Managing evolving future minimum CET1 levels

Illustrative evolution of minimum CET1 requirements and buffers

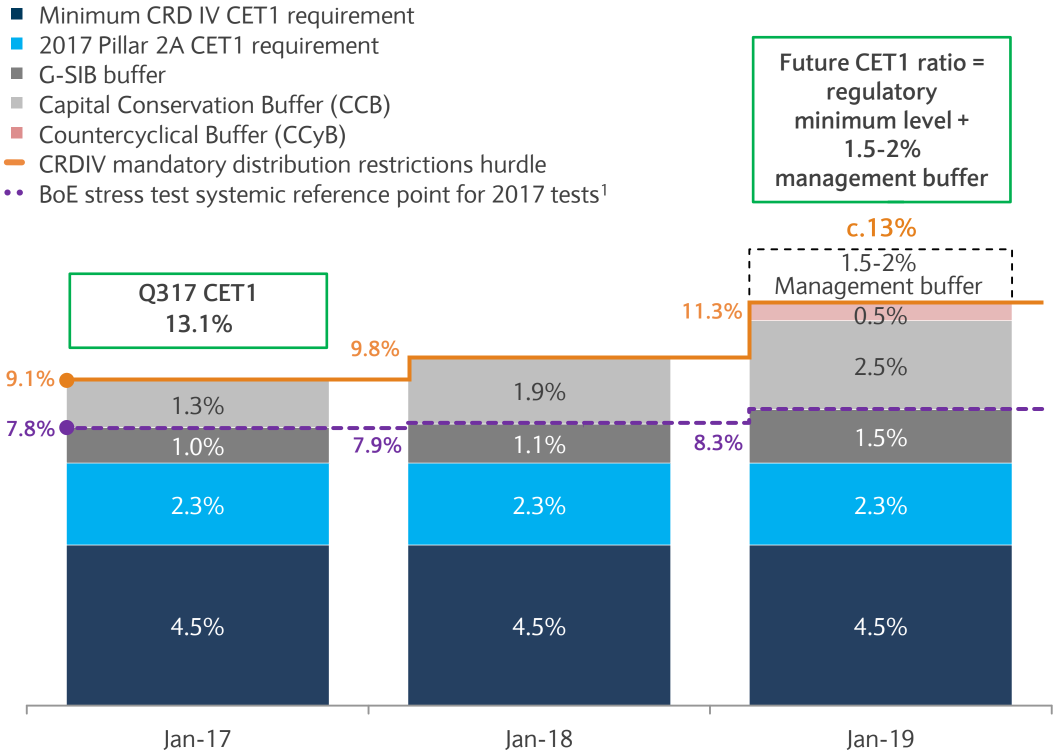


- **End-state CET1 ratio expectation of around 13%:**
  - Assuming the introduction of a UK countercyclical buffer of 1% from November 2018, this would translate to around 45bps for the Group based on our UK exposures
  - This would result in a CRD IV MDR hurdle rate of 11.3%
  - With a management buffer of 150-200bps, this would create stress capacity of 450-500bps
- 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 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:**
  - While there are a number of details still to be resolved, we continue to target initial CET1 ratios for Barclays Bank UK PLC (ring-fenced bank) and Barclays Bank PLC (non-ring fenced bank) post ring-fencing that are broadly similar to each other, and to the Group

[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] 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



- Maintained robust capital buffers based on 30 September 2017 capital position:
  - Buffer to 7% AT1 Trigger Event: c.6.1% or c.£20bn
  - Buffer to 1 January 2017 MDA hurdle: c.4.0% or c.£13bn

Distribution restrictions and management

- Maintaining our CET1 ratio comfortably above the mandatory distribution threshold remains a critical management objective
- Distribution restrictions[2] 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 structure

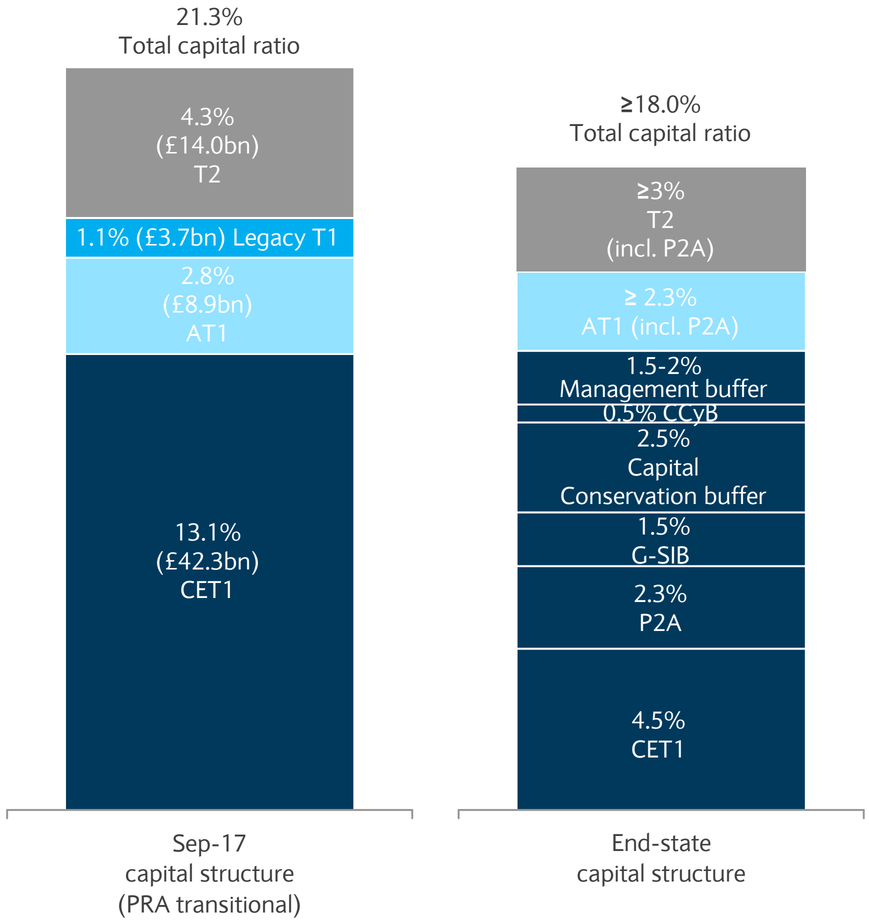
Stress tests

- Barclays' end state stress buffer is expected to be c.4.5-5% when including the management buffer, 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 2017 stress test", published March 2017 | [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) |

Evolving CRD IV capital structure transitioning to HoldCo over time

Illustrative evolution of CRD IV capital structure



Well managed and balanced total capital structure

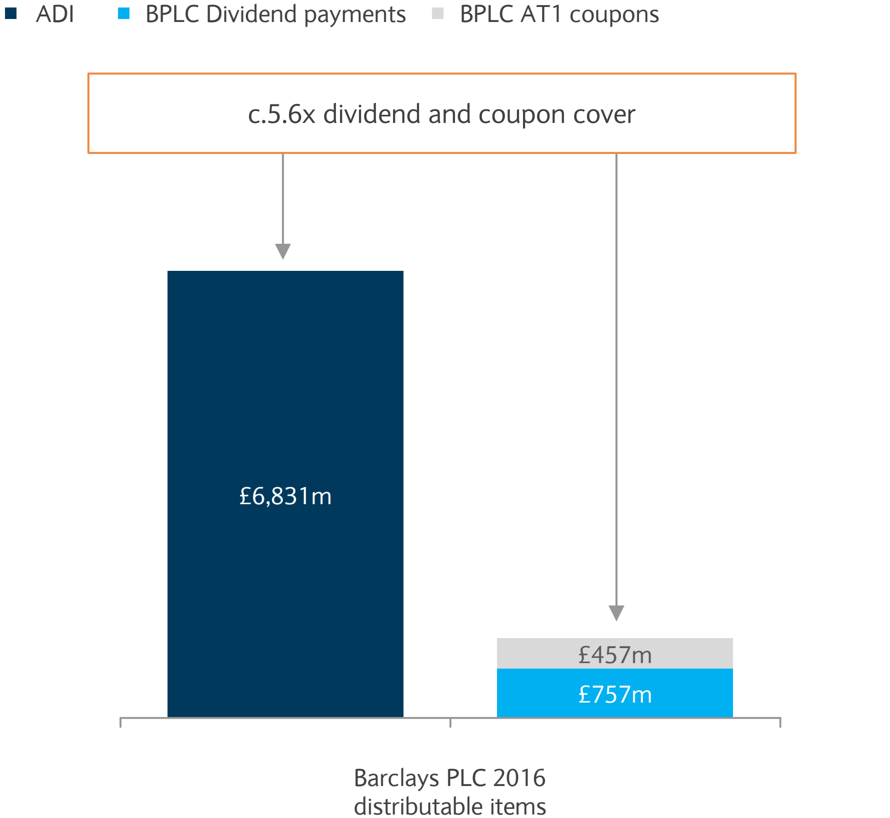
- Transitional total capital ratio increased to 21.3% (Jun-17: 20.7%), while the fully loaded total capital ratio increased to 20.3% (Jun-17: 19.8%)
- Currently, most OpCo capital is expected to remain eligible as some form of CRD IV capital during, and to the extent outstanding, after the Basel II grandfathering period ending on 31 December 2021. It is also mostly expected to qualify as MREL until 1 January 2022 based on our understanding of the current Bank of England position
- We aim 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 (currently 2.8%)
  – The appropriate balance of Tier 2 will be informed by relative pricing of Senior and Tier 2 and investor appetite

Pillar 2A requirement

- Barclays Pillar 2A requirement is set as part of a “Total Capital Requirement” (Pillar 1 + P2A) reviewed and proscribed at least annually by the PRA. Barclays Group P2A requirement for 2017 is 4.2%. This is split:
  – CET1 of 2.3% (assuming 56% of total P2A requirement)
  – AT1 of 0.8% (assuming 19% of total P2A requirement)
  – T2 of 1.0% (assuming 25% of total P2A requirement)
- Basel Committee consultations and reviews of approaches to Pillar 1 and Pillar 2 risk might further impact the Pillar 2A requirement in the future

ADI position supports strong distribution capacity

Distribution capacity as at 31 December 2016



Distributable items

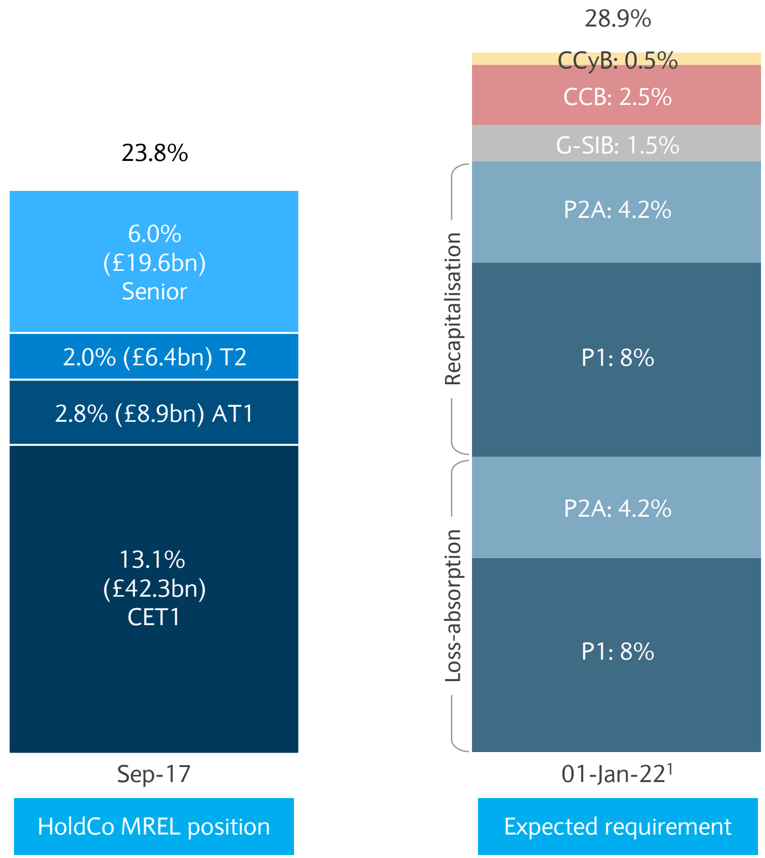
- Barclays PLC has significant Available Distributable Items (ADIs)[1] to cover dividends on ordinary shares and AT1 distributions
- Barclays has never missed an external discretionary interest payment on its capital instruments, including during the financial crisis
- We continue to manage ADIs as part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

[1] Coupon payments on AT1s have to be paid out of 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 |

MREL, Funding and Liquidity

Progressing well on MREL issuance

HoldCo MREL position and requirement including requisite buffers



Well advanced on HoldCo issuance plan

Issuance plan – currently expect average issuance of c.£8bn p.a. from 2018[2,3]

- We have now issued £11.0bn[4] equivalent of MREL year-to-date, and subject to market conditions may continue to issue in Q417 to accelerate meeting MREL requirements
- Beyond 2017, we currently envisage average issuance of around £8bn equivalent per annum[2,3] to meet our requirements and allow for a prudent MREL management buffer
- MREL position of 27.2% as at Sep-17 on a transitional basis, including eligible OpCo instruments, compared to 23.8% on a HoldCo-only basis

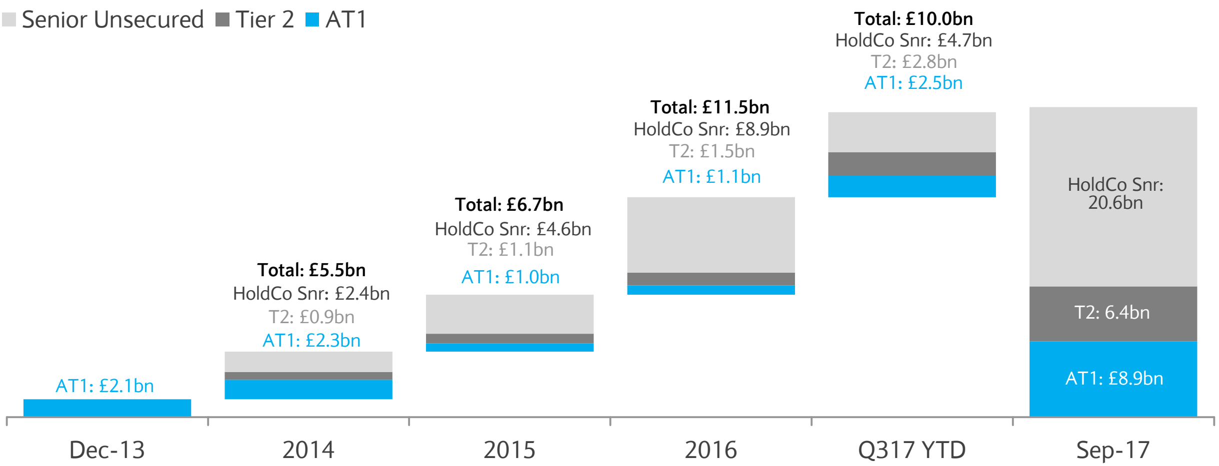
Requirements

- Barclays' non-binding indicative MREL is currently expected to be 28.9% 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 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 | [3] Issuance plan may be recalibrated should forecast Group RWAs increase materially from the current level (Sep-17: £324bn) | [4] Includes the £1bn BACR GBP 2.375% 2023 which will be accounted for in Q4 17 |

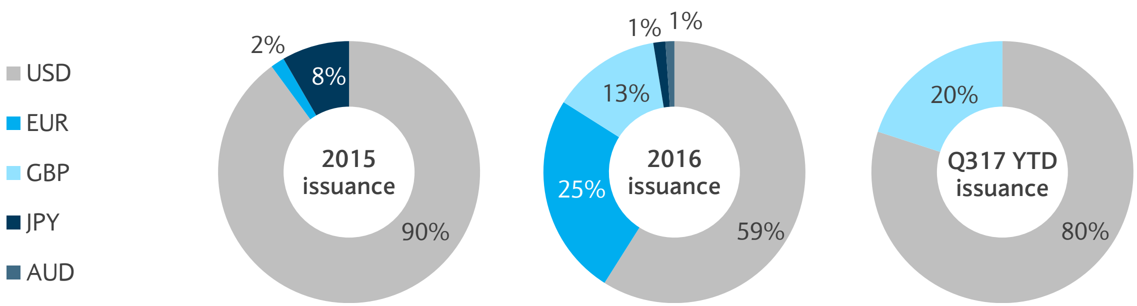
Proactive transition to HoldCo capital and funding model

HoldCo issuance by year[1]



- 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 £11bn[2] equivalent from the HoldCo, including the £1bn GBP senior unsecured transaction in October 17
  - £4.7bn[3] 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 build a diversified funding profile at the HoldCo across currencies, maturities and channels

Currency split of senior HoldCo issuance by period



- We continue to diversify the HoldCo funding profile with notable GBP and EUR transactions since H117:
  - £1.25bn AT1 in August
  - €1.5bn Tier 2 in September
  - £1bn senior in October

[1] Annual issuance balances based on FX rate on 30 Septmeber2017 for debt accounted instruments and historical transaction rates for equity accounted instruments | [2] Includes the £1bn BACR GBP 2.375% 2023 which will be accounted for in Q4 17 | [3] 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

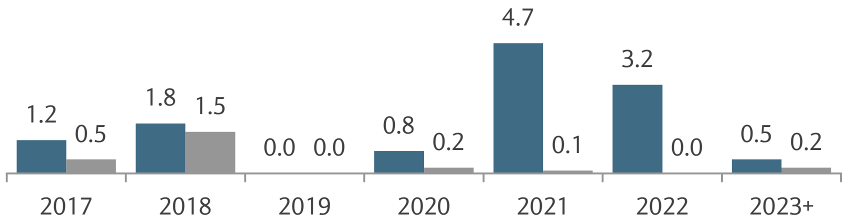
(£bn)	Sep-17	Jun-17
PRA transitional Common Equity Tier 1 capital	**42.3**	**42.8**
PRA transitional Additional Tier 1 regulatory capital	**12.6**	**11.4**
– Barclays PLC (HoldCo)	*8.9*	*7.7*
– Barclays Bank PLC (OpCo)	*3.7*	*3.7*
PRA transitional Tier 2 regulatory capital	**14.0**	**13.4**
– Barclays PLC (HoldCo)	*6.4*	*5.2*
– Barclays Bank PLC (OpCo)	*7.6*	*8.2*
PRA transitional total regulatory capital	**68.9**	**67.7**

Outstanding term vanilla senior unsecured debt

(£bn)	Sep-17	Jun-17
Barclays PLC (HoldCo) term vanilla senior unsecured debt	**20.6**	**21.2**
Barclays Bank PLC (OpCo) term vanilla senior unsecured debt[2]	**15.9**	**14.5**
Total term vanilla senior unsecured debt	**36.5**	**35.7**

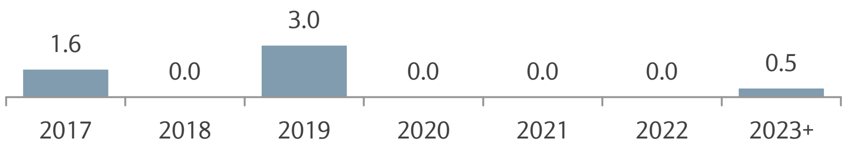
BB PLC Tier 2 capital (nominal basis) as at 30 June 2017[1]

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



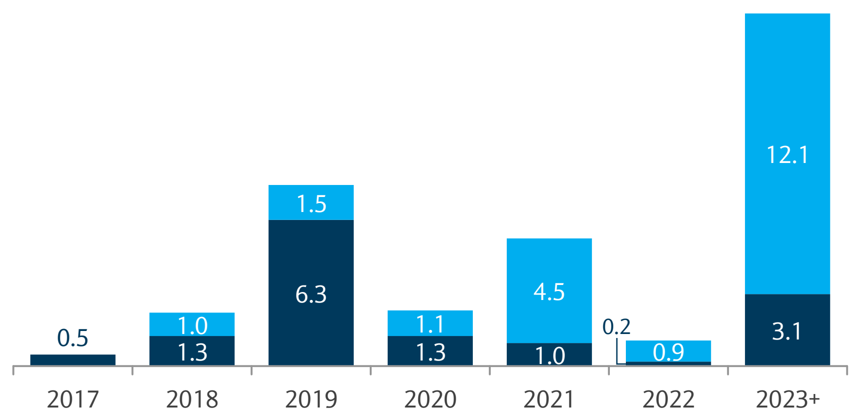
BB PLC Tier 1 capital (nominal basis) as at 30 June 2017[1]

■ First call date



Term vanilla senior unsecured debt maturities as at 30 June 2017[1]

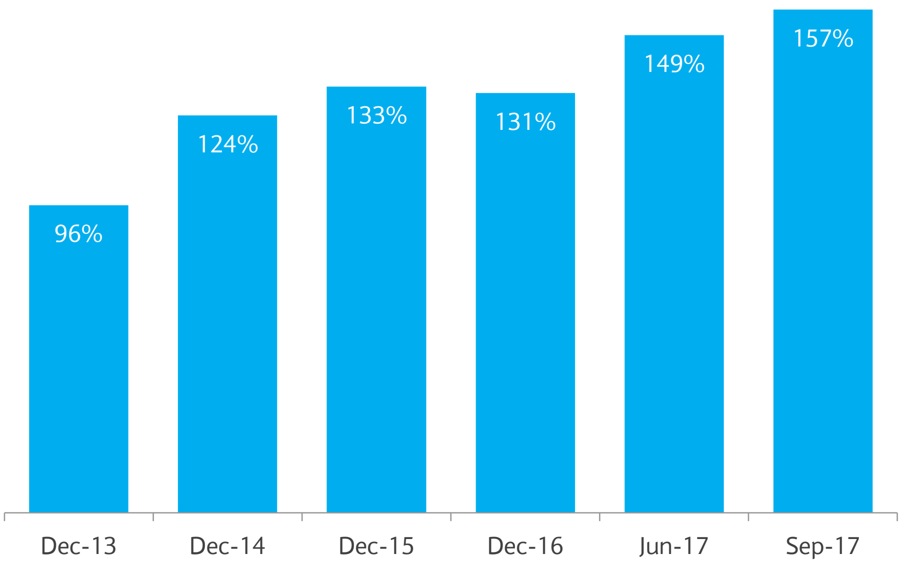
■ BB PLC ■ B PLC



[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 £30.8bn of notes issued under the structured notes programmes |

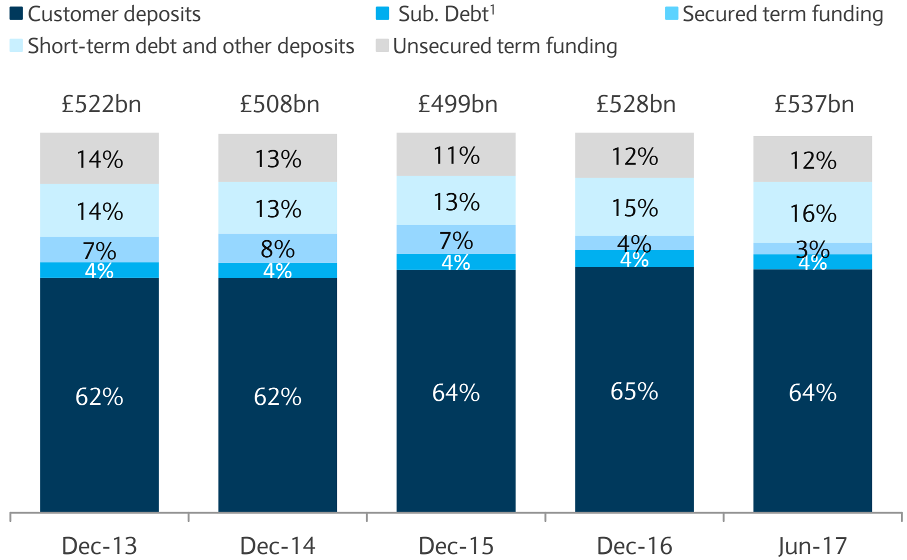
High level of liquidity and conservative funding profile

LCR continues to remain in prudential surplus



- Liquidity pool increased £15bn in the quarter to £216bn and the LCR increased to 157% equivalent to a surplus of £78bn to 100%
- The overall increase in the liquidity pool reflects deposit growth, higher money market balances, £10bn drawdown from the BoE Term Funding Scheme and a net increase in MREL issuance
- The quality of the liquidity pool remains high with the majority held in cash and deposits with central banks and highly rated government bonds
- The liquidity pool continues to 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

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



- Loan to deposit ratio of 82% at end of Sep-17[2]
- Wholesale funding diversified across currencies, notably in USD, EUR and GBP
- As of Sep-17, the Group has £4.4bn of term funding maturing in the remainder of 2017 across public and private senior unsecured and secured, and capital instruments
- 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
- NSFR continues to exceed future minimum requirement of 100%

[1] Excludes AT1 capital and preference shares | [2] Loan: deposit ratio excludes Head Office and investment banking balances other than interest earning lending |

Wholesale funding composition as at 30 June 2017[1]

As at 30 June 2017 (£bn)	≤1 month	>1 month but ≤3 months	>3 months but ≤6 months	>6 months but ≤12 months	Total ≤1 year	>1 year but ≤2 years	>2 year but ≤3 years	>3 year but ≤4 years	>4 year but ≤5 years	>5 years	Total
Barclays PLC											
Senior unsecured MTNs (public benchmark)	-	-	-	0.8	0.8	0.1	2.3	2.8	4.5	9.9	20.4
Senior unsecured MTNs (private placements)	-	-	-	-	-	0.1	-	0.1	0.1	0.5	0.8
Subordinated liabilities	-	-	-	-	-	-	-	1.1	-	4.2	5.3
Barclays Bank PLC											
Deposits from banks	10.6	5.6	1.0	0.8	18.0	0.1	-	0.2	-	-	18.3
Certificates of deposit and commercial paper	0.6	6.4	10.4	8.5	25.9	0.7	0.9	0.5	0.4	0.1	28.5
Asset backed commercial paper	2.7	3.4	1.4	0.2	7.7	-	-	-	-	-	7.7
Senior unsecured MTNs (public benchmark)	-	-	-	-	-	1.4	1.9	0.6	0.1	1.1	5.1
Senior unsecured MTNs (private placement)[2]	1.0	1.6	1.7	5.2	9.5	7.8	5.8	2.0	2.3	12.1	39.5
Covered bonds	-	1.5	-	1.0	2.5	-	2.8	1.0	2.4	1.3	10.0
ABS	-	-	0.6	0.7	1.3	0.6	2.3	-	0.1	1.3	5.6
Subordinated liabilities	-	-	1.2	3.1	4.3	-	-	5.9	1.4	7.0	18.6
Other[3]	1.3	0.5	0.1	0.3	2.2	0.2	0.1	0.2	-	0.5	3.2
Total	16.2	19.0	16.4	20.6	72.2	11.0	16.1	14.4	11.3	38.0	163.0
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
Total as at 31 December 2015	15.8	15.3	8.6	13.8	53.5	16.5	12.6	13.7	8.3	37.3	141.9

[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 and collateral swaps, included within deposits from banks are £4.5bn of liabilities drawn in the European Central Bank's facilities. 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 £30.1bn, £8.2bn of which mature within one year | [3] Primarily comprised of fair valued deposits £2.1bn and secured financing of physical gold £0.3bn |

Structural Reform

Simplifying our business divisions for structural reform

Barclays PLC

Divisional constructs

Barclays UK	Barclays International	Head Office[1]
UK consumer and business bank differentiated by scale and digital innovation	Diversified wholesale and consumer bank	Incorporates re-integrated Non-Core assets and businesses and the residual holding in BAGL[2]
Personal Banking Barclaycard Consumer UK Wealth, Entrepreneurs & Business Banking	Corporate & Investment Bank Consumer, Cards & Payments	

Summary financials – Q317

Barclays UK	Barclays International	Head Office
PBT: £661m	PBT: £652m	PBT: £(206)m
RoTE: 18.4%	RoTE: 5.4%	
RWAs: £70bn	RWAs: £218bn	RWAs: £36bn

Future legal entity constructs

Formation of the UK ring-fenced Bank (RFB) expected in April 2018	Barclays Bank PLC (and subsidiaries)

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

[1] We expect the Head Office division (excluding the Group Service Company) will materially remain in Barclays Bank PLC | [2] Selldown effectively to 14.9% completed in Q217, resulting in proportional regulatory consolidation. Full regulatory deconsolidation expected by the end of 2018.

Progress on Group legal structure

Barclays PLC

Divisional constructs

Barclays UK

UK consumer and business bank differentiated by scale and digital innovation

Barclays International and Head Office[1]

Diversified wholesale and consumer bank

Group Service Company[2]

- Provides critical services to Barclays UK and Barclays International to deliver operational continuity
- Enabling world-class services for our customers and clients while driving efficiency
- c.£3.8bn assets and liabilities transferred in Q317

Future legal entity constructs

Formation of the UK ring-fenced Bank expected in April 2018

Barclays Bank PLC (and subsidiaries)

US IHC

Multiple entities

Progress Highlights YTD

- Group Service Company established in September 2017
- Non-public US IHC CCAR completed
- Conditional ring-fenced bank licence approved by the Bank of England

[1] We expect the Head Office division (excluding the Group Service Company) will materially remain in Barclays Bank PLC | [2] Rated "A" (negative 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)

Barclays PLC

Divisional constructs

Barclays UK	Barclays International and Head Office[1]
UK consumer and business bank differentiated by scale and digital innovation	Diversified wholesale and consumer bank

Legal entity constructs

Formation of the UK ring-fenced Bank expected in April 2018

Funding sources:

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

Barclays Bank PLC (and subsidiaries)

Funding sources:

- **Deposit funding:**
  - Mid and large corporate deposits
  - Delaware deposits
  - International Wealth customer deposits
- **Term funding:**
  - Equity, debt capital and term senior unsecured debt downstreamed from B PLC (Internal MREL)
  - Residual outstanding BB PLC externally issued debt capital and senior unsecured debt (including structured notes)
  - Secured funding (e.g. ABS)
- **Other operating funding (externally issued):**
  - Short-term funding (e.g. CD, CPs and ≤3 year public debt)

Residual outstanding BB PLC externally issued debt capital and senior unsecured debt will remain in BB PLC post-ring-fencing

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

Structural reform plan remains 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
- ✓ Majority of assets, contracts and employees migrated
- ✓ Introduced arms-length service management

H1 2018 Legal entity separation

Milestones completed

- ✓ Barclays UK and Barclays International established as operating divisions in March 2016 to reflect the businesses within 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
- ✓ Successfully completed a large proportion of sort code migrations with limited impact on customers

Milestones to complete

- Ring-Fencing Transfer Scheme (RFTS) court process to be initiated in November 2017
- Continue to prepare internal infrastructure

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

Barclays UK Divisional Balance Sheet

Balance Sheet[1]

As at (£bn)	Sep-17	Jun-17	Dec-16
– Loans and advances to customers at amortised cost	182.2	166.6	166.4
– Total assets	230.4	203.4	209.6
– Customer deposits	189.3	187.4	189.0
– Risk weighted assets	70.0	66.1	67.5
Analysis of loans and advances to customers at amortised cost			
– Personal Banking	138.4	136.5	135.0
– Barclaycard Consumer UK	16.3	16.2	16.5
– Wealth, Entrepreneurs & Business Banking	27.5	13.9	14.9
Analysis of customer deposits			
– Personal Banking	140.1	138.5	139.3
– Barclaycard Consumer UK	-	-	-
– Wealth, Entrepreneurs & Business Banking	49.2	48.9	49.7

Drivers of balance sheet movements[2]

Total assets increased to £230.4bn (December 2016: £209.6bn) reflecting the integration of the ESHLA portfolio of c.£18bn from Non-Core on 1 July 2017 and growth in mortgages

Establishment of Barclays Bank UK PLC

Barclays Bank UK PLC was established in August 2015 as a subsidiary of Barclays Bank PLC

Following the transfers of assets and liabilities to Barclays Bank UK PLC, Barclays Bank PLC will distribute to Barclays PLC the equity ownership of Barclays Bank UK PLC, thereby establishing Barclays Bank UK PLC as a direct subsidiary of Barclays PLC

The secured funding programmes of Barclays Bank PLC which relate to assets transferring to the ring-fenced bank will also transfer to Barclays Bank UK PLC

- In respect of Barclays Bank PLC's outstanding regulated and local authority covered bonds, the issuer (and certain transaction counterparty roles currently undertaken by Barclays Bank PLC) will be substituted with Barclays Bank UK PLC
- For the other secured funding programmes, including Barclays' Gracechurch credit card and mortgage securitisation programmes, there will be no change to the existing issuers, however certain of the transaction counterparty roles currently undertaken by Barclays Bank PLC will be transferred to Barclays Bank UK PLC

In order to effect ring-fencing, we intend to transfer businesses from Barclays Bank PLC and certain of its subsidiaries to Barclays Bank UK PLC, which are materially those businesses that currently comprise the Barclays UK division

[1] While Barclays' plans for UK ring-fencing are well-progressed, these plans remain subject to further regulatory approvals, Court sanction and management discretion. Accordingly, the final composition of those assets and liabilities which are to remain in Barclays Bank PLC, and those which are to be transferred to Barclays Bank UK PLC, may differ from Barclays' current expectations. | [2] Sep-17 balance sheet includes previous Non-Core assets absorbed into the Core business from 1 July 2017. |

Barclays International and Head Office Divisional Balance Sheet

Barclays International Balance Sheet[1]

As at (£bn)	Sep-17	Jun-17	Dec-16
– Loans and advances to banks and customers at amortised cost[2]	220.7	204.8	211.3
– Trading portfolio assets	91.2	83.3	73.2
– Derivative financial instrument assets	242.8	108.4	156.2
– Derivative financial instrument liabilities	242.9	116.8	160.6
– Reverse repurchase agreements and other similar secured lending	15.5	17.2	13.4
– Financial assets designated at fair value	103.7	94.1	62.3
– Total assets	867.1	681.6	648.5
– Customer deposits[3]	241.0	230.3	216.2
– Risk weighted assets	218.2	212.2	212.7
Consumer, Cards and Payments			
– Loans and advances to banks and customers at amortised cost	39.0	38.5	39.7
– Customer deposits	58.3	57.3	50.0
– Risk weighted assets	33.0	33.3	34.1
Corporate and Investment Bank			
– Risk weighted assets	185.2	178.9	178.6

Head Office Balance Sheet

As at (£bn)	Sep-17	Jun-17	Dec-16
– Total assets	51.7	17.3	75.2
– Risk weighted assets	36.1	26.2	53.3

Drivers of balance sheet movements[4]

Barclays International

- Total assets increased to £867.1bn (December 2016: £648.5bn) driven by the integration of c.£200bn of assets and c.£9bn of associated risk weighted assets (RWAs), from Non-Core on 1 July 2017, principally relating to derivatives
- In addition, an increases in financial assets designated at fair value and trading portfolio assets were partially offset by a reduction in derivative mark-to-market as a result of increased forward rates

Head Office

- Total assets reduced to £51.7bn (December 2016: £75.2bn) primarily due to the accounting deconsolidation of BAGL, which accounted for £65bn of total assets on deconsolidation from the Barclays Group
- This was partially offset by an increase in the liquidity pool and the integration of Non-Core assets on 1 July 2017, of which c.£9bn related to Italian mortgages

Group Service Company

- In September 2017, c.£3.8bn of assets and liabilities were transferred from Barclays Bank PLC and its subsidiaries to the Group Service Company

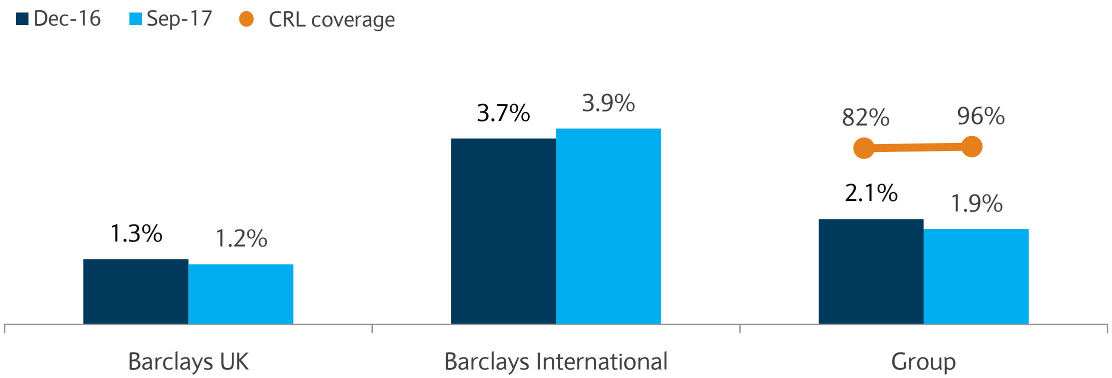
We expect that those businesses which currently comprise the Barclays International and Head Office (excluding the Group Service Company) divisions will materially remain in Barclays Bank PLC

[1] While Barclays' plans for UK ring-fencing are well-progressed, these plans remain subject to further regulatory approvals, Court sanction and management discretion. Accordingly, the final composition of those assets and liabilities which are to remain in Barclays Bank PLC, and those which are to be transferred to Barclays Bank UK PLC, may differ from Barclays' current expectations. | [2] As at 30 September 2017 loans and advances included £190.5bn (June 2017: £183.9bn) of loans and advances to customers (including settlement balances of £28.0bn (June 2017: £31.6bn) and cash collateral of £38.2bn (June 2017: £26.9bn)), and £30.2bn (June 2017: £20.9bn) of loans and advances to banks (including settlement balances of £4.9bn (June 2017: £5.7bn) and cash collateral of £15.2bn (June 2017: £5.4bn)). Loans and advances to banks and customers in respect of Consumer, Cards and Payments were £39.0bn (June 2017: £38.5bn). | [3] As at 30 September 2017 customer deposits included settlement balances of £29.1bn (June 2017: £29.4bn) and cash collateral of £25.9bn (June 2017: £16.2bn). | [4] Sep-17 balance sheet includes previous Non-Core assets absorbed into the Core business from 1 July 2017. |

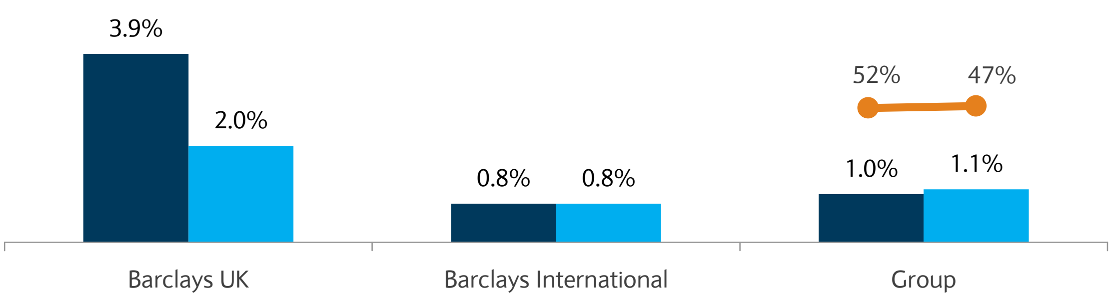
Asset Quality

Stable underlying trends reflect prudent approach to credit risk management

Retail CRL % of Gross L&A



Wholesale CRL % Gross L&A

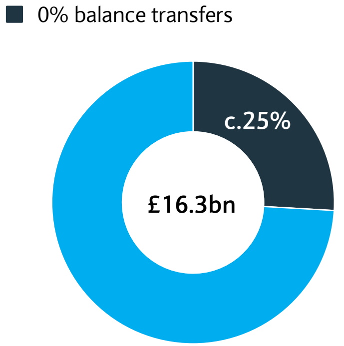


Prudent risk management

- 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 96% (Dec-16: 82%)
  - Group Wholesale CRL coverage ratio of 47% (Dec-16: 52%)

Stable underlying impairment trends in UK cards and active management of US cards portfolio

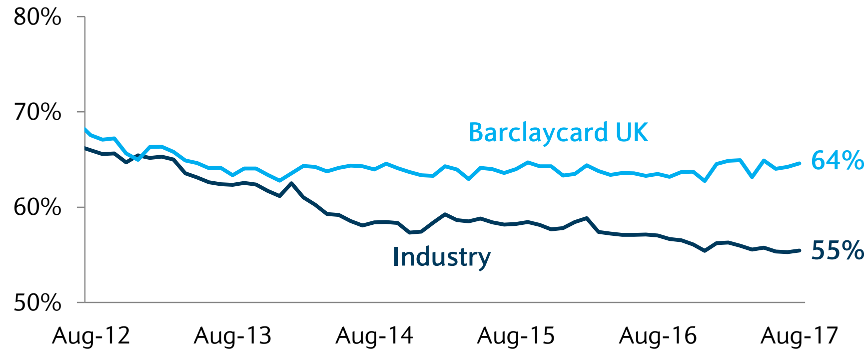
Q317 UK cards balance mix



0% balance transfers are c.25%

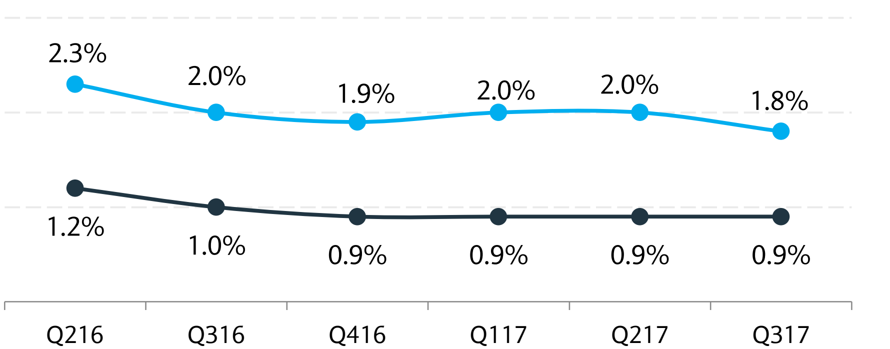
- c.90% has a duration of <24 months
- Majority taken by existing customers
- Prudent EIR of <5%
- EIR income recognised on the balance sheet <£40m

UK cards interest earning lending (IEL), as % of balances[1]

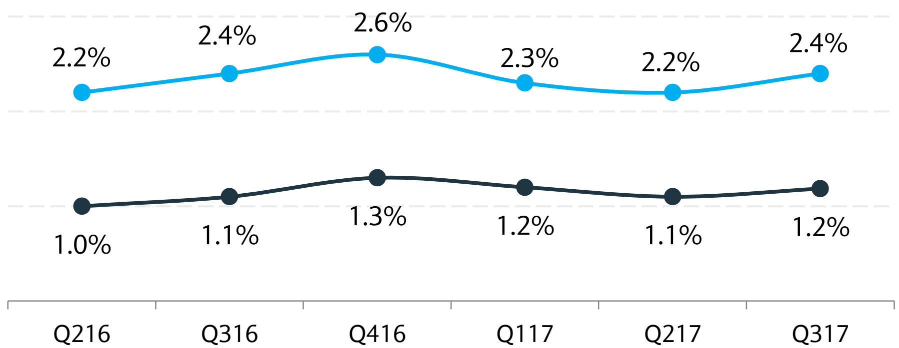


Stable card portfolio arrears rates

UK cards



US cards



30 day arrears — 90 day arrears

[1] Source: BBA, June 2017 |

Credit Ratings

Ratings are a key strategic priority

Current Senior Long and Short Term ratings	Fitch	Standard & Poor's	Moody's
Barclays PLC (B PLC – HoldCo)	A F1	BBB Neg A-2	Baa2 Neg P-3
Barclays Bank PLC (BB PLC)	A RWP F1	A Neg A-1	A1 Neg P-1
Barclays Bank UK PLC (BBUK PLC)	A+ (EXP) F1 (EXP)	A (prelim) Neg A-1 (prelim)	

Future ratings expectations of Barclays Bank UK PLC and Barclays Bank PLC

- Rating agencies have made various statements on their expectation of ratings post ring-fencing
  - **Fitch** has assigned an expected rating of A+ / F1 to BBUK PLC, and placed BB PLC on Rating Watch Positive (RWP) in anticipation that it will also be rated A+ once internal MREL is downstreamed on a subordinated basis
  - **S&P** has assigned a preliminary rating of A / A-1 for BBUK PLC and upgraded BB PLC's rating to A / A-1 due to their assessment that it is "core" to the group, whilst maintaining negative outlooks
  - **Moody's** expects the baseline credit assessment of BB PLC to be weaker following the implementation of ring-fencing. Ring-fencing is now also included in the rationale for maintenance of negative outlooks

Rating priorities

- Barclays' objective is to maintain 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
- Focus on execution of strategy to support credit fundamentals

Barclays rating composition for senior debt

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

[1] The component parts relate to Barclays PLC consolidated |

Barclays rating composition for subordinated debt

Standard & Poor's

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

Moody's

		B PLC		BB PLC				
		T2	AT1	T2 Coco	LT2	UT2	T1 (cum)	T1 (non-cum)
Stand-alone rating	Baseline Credit Assessment	baa2						
Notching	LGF	-1			-1	-1	-1	-1
Notching	Coupon skip risk (cum)					-1	-1	
Notching	Coupon skip risk (non-cum)							-2
Notching	Model based outcome with legacy T1 rating cap		-3					
Notching	Total notching	-1	-3		-1	-2	-2	-3
Liability ratings	Rating	Baa3	Ba2	n/a	Baa3	Ba1	Ba1	Ba2
Liability ratings	Outlook	NEGATIVE						

Fitch

		B PLC		BB PLC			
		T2	AT1	T2 Coco	LT2	UT2	T1
Stand-alone rating	Visibility Rating	a		a			
Notching	Loss severity	-1	-2	-2	-1	-1	-2
Notching	Non-performance risk		-3	-2		-2	-2/-3
Notching	Total notching	-1	-5	-4	-1	-3	-4/-5
Liability ratings	Rating	A-	BB+	BBB-	A-	BBB	BBB-/BB+
Liability ratings	Outlook	STABLE					

Appendix

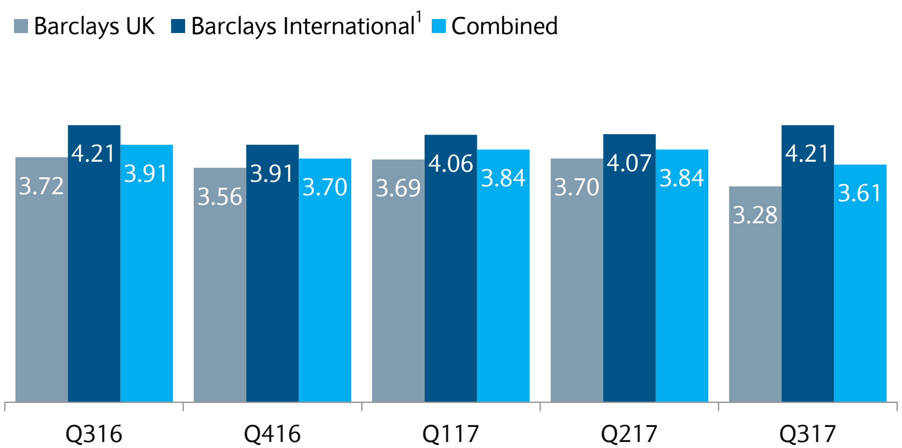
Income and margins – Q317

NII (£m) – Three months ended	Sep-17	Sep-16	% change
– *Barclays UK*	*1,501*	*1,569*	*(4%)*
– *Barclays International*[1]	*1,070*	*1,149*	*(7%)*
– *Other*[2]	*(96)*	*78*	
Net interest income (NII)	2,475	2,796	(11%)
Non-interest income	2,698	2,650	2%
Total Group income	5,173	5,446	(5%)

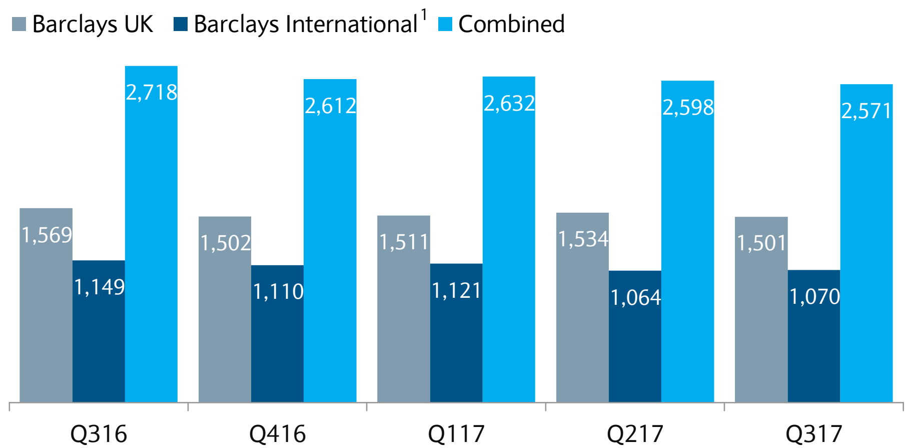
Q317 performance metrics

- Combined Barclays UK and Barclays international[1] NIM decreased 30bps to 361bps
  - Barclays UK NIM declined to 328bps, including the c.30bps impact from the ESHLA portfolio integration
  - Barclays International[1] NIM remained flat at 421bps
- NII decreased 11% to £2.5bn primarily due to the non-recurrence of prior year treasury contributions

Net Interest Margin (%)



Net Interest Income (£m)

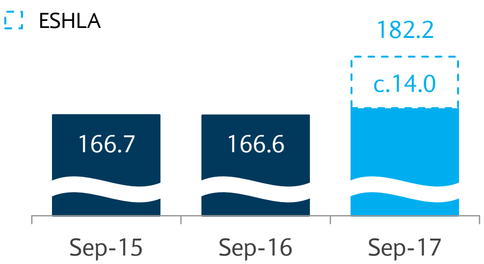


[1] Barclays International margins include interest earning lending balances within the investment banking business | [2] Other includes Head Office and non-lending related investment banking balances |

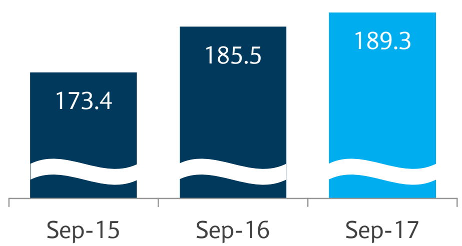
Barclays UK: Growth in L&A and deposits, NIM in line with guidance

Income (£m) – Three months ended	Sep-17	Sep-16	% change
Net interest income (NII)	1,501	1,569	(4%)
Net interest margin (NIM)	3.28%	3.72%	
Non-interest income	351	374	(6%)
Total income	1,852	1,943	(5%)

Loans & advances to customers (£bn)



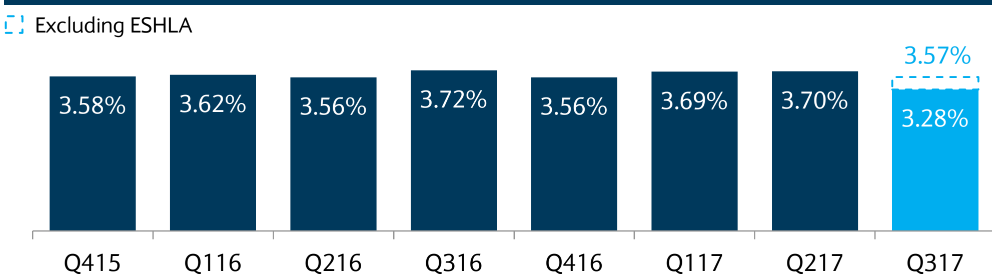
Customer deposits (£bn)



Q317 performance metrics

- NIM decreased 44bps to 328bps including integration of the ESHLA portfolio
  – NIM was 357bps excluding ESHLA
- NII decreased 4% to £1.5bn primarily due to the non-recurrence of prior year treasury contributions, and remediation in collections
  – Liability repricing initiatives and growth in deposit balances were offset by the impact from the lower UK base rate
- Non-interest income decreased 6% to £351m due to a debt sale in the prior year
- Excluding absorption of c.£14bn of the ESHLA portfolio, L&A at amortised cost increased by £2.0bn on Q217, driven by controlled growth in mortgage balances
- Deposits increased by £3.8bn, mainly driven by growth in current accounts

Net Interest Margin (NIM)



NIM expectation

FY 2017
>340bps / >360bps excluding ESHLA

Annualised impact of ESHLA reabsorption
(c.30bps)

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

Significant growth in digital banking – year-on-year

Barclays Mobile Banking[1]	**6.4m** Active users	**+20%**
Digital	**10.0m** Digitally active customers	**+7%**
Digital log-ins	**157m** Monthly average Last 12 months	**+16%**
Payments & transfers[2]	**£24bn** Monthly average Last 12 months	**+4%**
Digital Eagles	**2.4m** People Barclays has helped since April 2013	

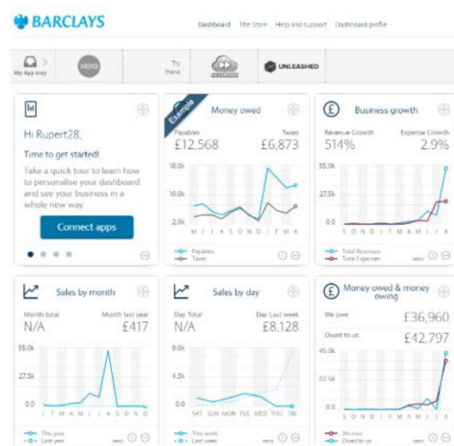
Leading in digital offerings for Business Banking

UK's 1st
major banking service using Open APIs

1st UK bank
to have a digital business lending application on mobile

Smart Business Dashboard & Apps

- Provides customers with a clear snapshot of their business performance on one screen
- 35 curated app providers available to connect or test for free
  - Cashflow, marketing, sales and inventory apps
- Business performance available alongside real-time banking data for the first time
- Only UK bank to offer this type of proposition



Google Analytics
xero
Sage One
FreeAgent

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

Non-Core: RWA reallocation and guidance from H117

		Allocated to		
Balance sheet – 30 June 17	Non-Core RWAs[1]	Barclays UK	Barclays International[2]	Head Office
Pre reallocation RWAs (£bn)	23			
ESHLA	4	3	1	
Legacy derivatives	7		7	
Italian Mortgages	3			3
Residual businesses/offices	5		1	4
Op Risk/DTA	4			4
Reallocated RWAs		3	9	11
Capital deductions	1.3	0.3	0.5	0.5
Allocated tangible equity	4.0	0.7	1.6	1.7
H217 Guidance				
Loss before tax	£300-400m	c.10%	c.40%	c.50%
Estimated H217 RoTE impact		2.0-2.5%	1.0-1.5%	n.m.

[1] Estimated allocation based on Jun-17 balance sheet | [2] Balance sheet and P&L allocation is entirely to the CIB |

Material & other items – Q317 and Q316

	Q317				Q316			
Material items (£m)	Barclays UK	Barclays International	Head Office	Group	Barclays UK	Barclays International	Head Office	Group
Income								
Own credit[1]	-	-	-	-	-	-	(264)	(264)
Litigation and conduct								
Charges for PPI	-	-	-	-	(600)	-	-	(600)
Total	-	-	-	-	(600)	-	(264)	(864)
Other items of interest (£m)								
Impairment								
Charge relating to deferred consideration from Q117 asset sale in US cards	-	(168)	-	(168)	-	-	-	-
Management review of UK and US cards portfolio impairment modelling	-	-	-	-	(200)	(120)	-	(320)
Operating expenses								
Structural reform costs				(103)				(94)
Effect of change in compensation awards introduced in Q416				(21)				-
Real estate restructuring charge	-	-	-	-	-	(150)	-	(150)
Other net income								
Gain on sale of Barclays Risk Analytics and Index Solutions	-	-	-	-	-	-	-	535[2]

[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 | [2] Reported in Non-Core |

Material & other items – Q117 to Q317

	Q317				Q217				Q117			
Material items (£m)	Barclays UK	Barclays Intl	Head Office	Group	Barclays UK	Barclays Intl	Head Office	Group	Barclays UK	Barclays Intl	Head Office	Group
Discontinued operation – Africa Banking												
Impairment of Barclays' holding in BAGL	-	-	-	-	-	-	-	*(206)*	-	-	-	*(884)*
Loss on sale of 33.7% of BAGL's issued share capital	-	-	-	-	-	-	-	*(1,435)*	-	-	-	-
Litigation and conduct												
Charges for PPI	-	-	-	-	(700)	-	-	(700)	-	-	-	-
Total					(700)			(2,341)				(884)
Other items of interest (£m)												
Income												
US card asset sale	-	-	-	-	-	-	-	-	-	192	-	192
Valuation gain on Barclays' preference shares in Visa Inc	-	-	-	-	-	-	-	-	24	74	-	98
Impairment												
Charge relating to deferred consideration from Q117 asset sale in US cards	-	(168)	-	(168)	-	-	-	-	-	-	-	-
Operating expenses												
Structural reform costs				(103)				(106)				(103)
Effect of change in compensation awards introduced in Q416				(21)				(49)				(111)
Other net income												
Gain on sale of Barclays' share in VocaLink	-	-	-	-	-	109	-	109	-	-	-	-
Gain on sale of joint venture in Japan	-	-	-	-	-	76	-	76	-	-	-	-
Gain on sale of Barclays Bank Egypt	-	-	-	-	-	-	-	189[1]	-	-	-	-
CTR recycling on sale of Barclays Bank Egypt	-	-	-	-	-	-	(180)	(180)	-	-	-	-

[1] Reported in Non-Core |

UK approach to resolution

Illustrative UK resolution loss allocation waterfall assuming multiple OpCos[1]

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 same[2]

Intercompany investments

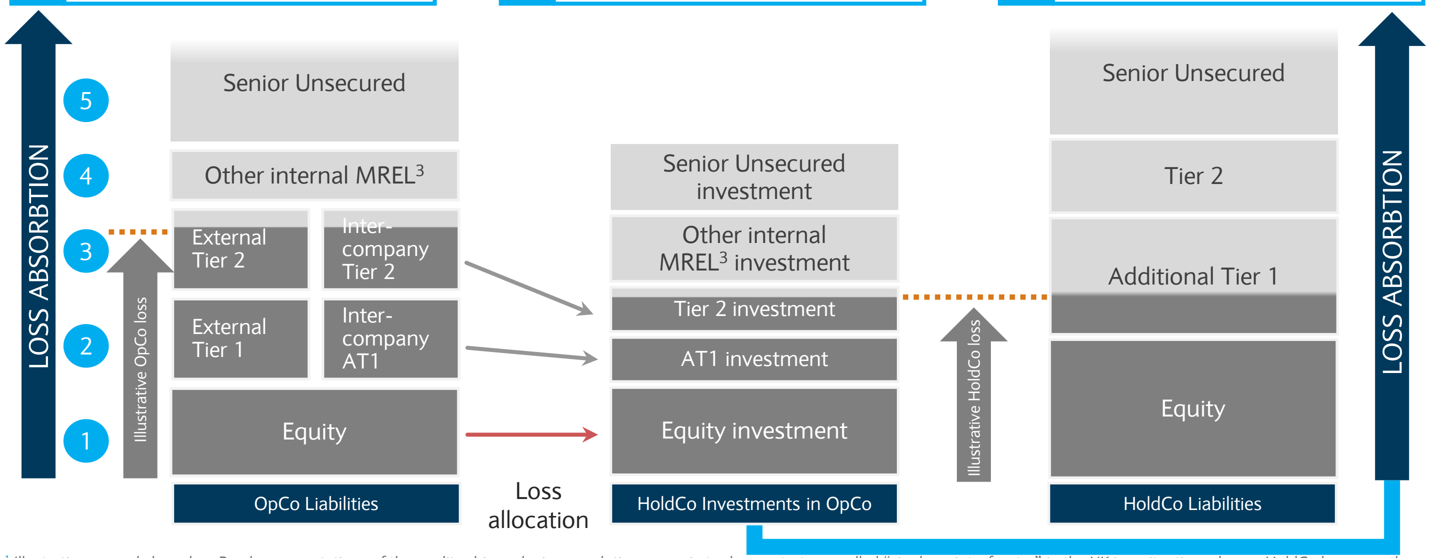
STEP 2

- 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 UK 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 |

Index

Version 5

Index

Version 5

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

Website:

barclays.com/barclays-investor-relations.html

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, 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, 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 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 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.