

BARCLAYS PLC
Form FWP
June 01, 2015

Q1 2015 Interim Management Statement
29 April 2015
Barclays PLC
Fixed Income Investor Presentation
Free Writing Prospectus
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Barclays Q1 2015 Fixed Income Investor Presentation
Q1 financial highlights
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LIQUIDITY &
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TRANSITION
CAPITAL &
LEVERAGE
ASSET QUALITY

Increased
adjusted
pre-tax
profits
by
9%

Core
up
14%

Core business continued to performed well with PBT of £2.1bn and RoE of 10.9%
Further progress on shrinking Non-Core and releasing capital; RWAs down to £65bn
Building capital: CET1 ratio increased to 10.6% and leverage ratio maintained at 3.7%
Group adjusted costs of £4.1bn, down 7%, delivering positive jaws

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Performance Overview

|
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Financial performance

Adjusted profit before tax increased 9%

Adjusted income decreased 3%, due to Non-Core run-down, while impairment reduced 13%

Total adjusted operating expenses decreased 7% to £4.1bn driven by savings from Transform programmes and lower costs to achieve Transform

Adjusted attributable profit was £1.1bn, resulting in EPS of 6.5p

Group RoE was 7.6%, with Core RoE of 10.9%

Dilution on Group RoE from Barclays Non-Core was 3.3%

Statutory attributable profit was £465m:

Further provisions of £800m for investigations and litigation primarily relating to Foreign Exchange

Additional PPI redress provision of £150m

Gain of £429m recognised as valuation of a component of the defined retirement benefit liability was aligned to statutory provisions

Loss of £118m relating to completion of the Spanish business sale

Summary Group financials: Adjusted profits up 9%

1

EPS and RoE calculations are based on adjusted attributable profit, also taking into account tax credits on AT1 coupons |

4

Three months ended

March (£m)

2014

2015

% change

Income

6,650

6,430

(3%)

Impairment

(548)

(477)

13%

Total operating expenses

(4,435)

(4,124)

7%

Costs to achieve Transform (CTA)
(240)
(120)
50%
Adjusted profit before tax
1,693
1,848
9%
Tax
(561)
(529)
6%
NCI and other equity interests
(250)
(260)
(4%)
Adjusted attributable profit
882
1,059
20%

Provisions for investigations and
litigation primarily relating to
Foreign Exchange
(800)

Provisions for PPI redress
(150)

Gain on valuation of a
component of the defined
retirement benefit
429

Loss on sale of Spanish business
(118)

Own credit
119
128
Statutory profit before tax
1,812
1,337
(26%)
Statutory attributable profit/(loss)
965

465
(52%)
Basic
earnings
per
share
1
5.5p
6.5p
Return
on
average
equity
1
6.5%
7.6%
Dividend per share
1.0p
1.0p

|
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ASSET QUALITY

(£bn)

Dec-14

Mar-15

Balance

Sheet

Total assets

1,358

1,416

Leverage

exposure

1

1,233

1,255

Leverage

ratio

1

3.7%

3.7%

Capital

2

Fully loaded CET1 ratio

10.3%

10.6%

Fully loaded CET1 capital

41.5

41.8

Risk-weighted assets

402

396

Liquidity

Liquidity

coverage

ratio

3

124%

122%

Liquidity pool

149

148

Funding

Loan to Deposit Ratio

4

89%

89%

Wholesale funding

5

171

178

NSFR

3

102%

n/a

Strengthening key financial metrics

1

Mar-15

based

on

end-point

CRR

definition

of

Tier

1

capital

for

the

numerator

and

the

CRR

definition

of

leverage

exposure

as

adopted

by

the

European

Union

delegated

act.

This

is

broadly

consistent

with

the

BCBS

270

definition,

which

was

the

basis

of

Dec-14

comparatives

|
2
Based
on
Barclays
interpretation
of
the
final
CRD
IV
text
and
latest
EBA
technical
standards
|
3
LCR
based
on
CRD
IV
rules
as
per
the
EU
Delegated
Act
and
the
NSFR
based
on
the
final
guidelines
published
by
the
BCBS
in
October
2014.
NSFR
disclosed
semi-annually
|

4
LDR
calculated
for
PCB,
Africa
Banking,
Barclaycard
and
Non-Core
retail
|
5
Excludes
repurchase
agreements
|
6
Based
on
certain
assumptions

refer
to
slide
19
for
more
details
5

Progressive strengthening of key balance sheet metrics

CET1 capital has increased to £42bn and RWAs reduced to £396bn improving the CET1 ratio to 10.6%

Leverage exposure increased slightly to £1.255trn (Dec 2014: £1.233trn), mainly as a result of seasonal effects, but the leverage ratio was maintained at 3.7%

Liquidity position remains robust with liquidity pool of £148bn and LCR of 122%

Funding profile remain conservative and well diversified

Overall funding requirements reducing as Non-Core is run-down

Further progress on proactive transition towards Holding Company capital and funding model

With a proxy TLAC ratio of 24%

6

, we are well positioned to meet
future TLAC requirement

Highlights

Raised £2bn of senior unsecured debt at Barclays PLC
which was used to subscribe for senior unsecured debt at
Barclays Bank PLC.

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ASSET QUALITY

PBT up 14% at £2.1bn:

PCB profits up 14%

Investment Bank profits up 37%

Africa Banking profits up 23%

Barclaycard profits were down 1%

Income increased 2% to £6.4bn, with non-investment banking businesses up 4%

Impairment improved 7%, principally reflecting the improving UK economic environment benefitting PCB

Operating expenses reduced 2% to £3.9bn reflecting Transform savings across the businesses

Attributable profit was £1.3bn with EPS of 7.7p

RoE excluding CTA was 11.6% on average allocated equity of £47bn, up £7bn year on year

Core business performing well: Positive jaws and PBT up 14%

Three months ended

March (£m)

2014

2015

% change

Income

6,277

6,420

2%

Impairment

(481)

(448)

7%

Total operating expenses

(3,969)

(3,885)

2%

Costs to achieve Transform

(CTA)

(216)

(109)

50%

Adjusted profit before tax

1,847

2,104

14%
Tax
(589)
(615)
(4%)
NCI and other equity interests
(205)
(231)
(13%)
Adjusted attributable profit
1,053
1,258
19%
Adjusted financial performance measures
Average allocated equity
£40bn
£47bn
Return on average tangible equity
13.2%
13.2%
Return on average equity
10.7%
10.9%
Cost:income ratio
63%
61%
Basic EPS contribution
6.6p
7.7p
Dec-14
Mar-15
CRD IV RWAs
£327bn
£331bn
Leverage exposure
£956bn
£1,019bn
6
Financial performance

|
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Period end equity reduced by £5.2bn to £9.7bn, including a £1.3bn reduction in Q1

RWAs reduced £41bn to £65bn, with a reduction of £10bn in Q1, including the completion of the sale of the Spanish business

Income reduced £363m to £10m, reflecting sale of income generating assets

Credit impairment improved to £29m, driven by the impact of sale of the Spanish business and improved performance in European retail

Costs reduced 49% to £239m due to savings from Transform programmes, including non-retail headcount reductions, and savings from the sale of the Spanish and UAE businesses

Attributable loss was £199m, but with the reduction in allocated equity, the Non-Core dilution on Group RoE was 3.3%

Barclays Non-Core: Continued shrinkage and capital recycling

Three months ended

March (£m)

2014

2015

Businesses

301

122

Securities and Loans

87

(73)

Derivatives

(15)

(39)

Income

373

10

Impairment

(67)

(29)

Total operating expenses

(466)

(239)

Costs to achieve Transform (CTA)

(24)

(11)

Loss before tax

(154)

(256)

Tax credit

28

86

NCI and other equity interests

(45)

(29)

Attributable loss

(171)

(199)

Financial performance measures

Average allocated equity

£15.2bn

£10.3bn

Period end allocated equity

£14.9bn

£9.7bn

Return

on

average

equity

drag

1

(4.2%)

(3.3%)

Basic EPS contribution

(1.1p)

(1.2p)

CRD IV RWAs

£75bn

£65bn

Highlights

1

Return on average equity and average tangible equity for Barclays Non-Core represents its impact on the Group, being the difference between the return on average equity and average tangible equity of the Non-Core business |

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Capital & Leverage

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ASSET QUALITY

Fully

loaded

(FL)

CRD

IV

CET1

ratio

progression

1

RWA reduction (£bn)

1

Continued progress on CET1 ratio despite adjusting items

FL CRD IV CET1 ratio up 30bps demonstrating good progress towards 2016 Transform target of greater than 11%, absorbing significant litigation provisions

Continued capital build as FL CRD IV CET1 capital grew by £0.4bn to £41.8bn, despite absorbing net adjusting items of £0.6bn

Confident that our planned trajectory positions us well to meet future regulatory requirements

RWAs reduced by £6bn, mainly driven by a £10bn reduction in Non-Core to £65bn including the sale of the Spanish business and the run-down of legacy structured and credit products

Decreases in Non-Core were recycled into Core business growth +30bps

40

41

42

CET1

Capital

(1%)

9

9.1%

10.3%

10.6%

>11%

Dec-13

Dec-14

Mar-15

2016

Target

Dec-13

Dec-14

Mar-15

2016

Guidance

442

402

396

c.400

Based on Barclays interpretation of the final CRD IV text and latest EBA technical standards. Following the full implementation of the CRD IV, CET1 ratio is expected to increase from 8.9% to 9.1% and CET1 capital to increase from £6.9bn to £442bn and fully loaded CET1 ratio by (0.2%) to 9.1% |

1

|
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HOLDING COMPANY
TRANSITION
RWAs (£bn)
Highlights

RWAs reduced by £6bn reflecting continued progress on the run-down of Non-Core, and growth in Core businesses

Core business growth of £7bn driven by growth in PCB due to increased corporate and mortgage lending

Net Non-Core run-down of £10bn, reflecting the sale of the Spanish business and reduction in legacy structures and credit products

Model and methodology driven updates resulted in a net £5bn reduction in RWAs driven by improved market risk diversification methodology and a credit and counterparty risk model update

RWAs: Closely managed to support business growth and capital ratio accretion

1
Excludes
model
and
methodology
driven
movements

2
Includes
foreign
exchange
movements
of
£0.5bn.
This
does
not
include
movements
for
modelled
counterparty
risk
or
modelled
market
risk
|

396
1
402
10
7
1
9
5
Dec-14
Core business
growth
BNC
run-down
Net model and
methodology
updates
Other
2
Mar-15
1
1

|
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ASSET QUALITY

Barclays Non-Core: Further RWA reduction

278

236

1

Operational risk includes DTAs

1

2

382

110

45

75

65

11

RWA reduction bridge (£bn)

Leverage exposure by type (£bn)

Operational risk

Securities and loans

Derivatives

Businesses

9

8

16

15

31

31

18

11

Dec-13

Dec-14

Mar-15

39

23

107

99

114

101

18

13

180

Jun-14

Dec-14

Mar-15

2016

Target

Businesses

Securities and loans

Derivatives

Other

Total
reflects
rounding
2
2016
Target

|
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ASSET QUALITY

Continued progress on the transition towards our target end-state capital structure

Fully loaded CRD IV CET1 ratio at 10.6% on track to meet our target of > 11% in 2016. The ratio was well in excess of the 7% PRA regulatory target¹

Robust buffers to contingent capital triggers²
AT1 contingent capital: c.360bps or £14.1bn
T2 contingent capital: c.530bps or £20.8bn³

As we build CET1 capital over the transitional period, we currently expect to hold an internal management buffer of up to c.150bps over minimum requirements in end state⁴

Transitional total capital ratio increased to 16.8% (Dec 2014: 16.5%), and fully loaded total capital ratio increased to 15.6% (Dec 2014 : 15.4%)

Further clarity required on Total Loss Absorbing Capacity (TLAC) quantum and composition.

In the interim, we continue to build towards our target end

-state capital structure which assumes at least 17% of total capital; final requirements subject to PRA discretion

Barclays 2015 Pillar 2A requirement as per the PRA's Individual Capital Guidance (ICG) is 2.8%. The ICG is subject to at least annual review
CET1 of 1.6% (assuming 56%)
AT1 of 0.5% (assuming 19%)

T2 of 0.7% (assuming 25%)

The PRA consultation on the Pillar 2 framework (CP1/15), and Basel Committee consultations and reviews of approaches to Pillar 1 and Pillar 2 risk might further impact the Pillar 2A requirement in the future

3.5%

(£13.7bn)

T2

>17%

Total capital ratio

CCCB/

Sectoral

buffers

16.8%

Total capital ratio

1.6% P2A

Pillar 2A requirement

5

4.5%

CET1

1.7% (£6.8bn)

Legacy T1

2.5%

Capital

Conservation buffer

Max 1.5%

Internal buffer

2.0%

AT1 (incl. P2A)

2.9%

T2 (incl. P2A)

2.0%

G-SII

12

Evolution of capital structure

1.1% (£4.2bn) AT1

10.6%

(£41.8bn)

CET1

Barclays'

'target' end-state

capital structure

Barclays Q1 15

capital structure

(PRA Transitional)

Fully loaded CRD IV capital position

1
Being
the
higher
of
7%
PRA
expectation
and
CRD
IV
capital
requirements

|
2
CRD
IV
rules
on
mandatory
distribution
restrictions
apply
from

1
January
2016
onwards
based
on
transitional
CET1
requirements

|
3
Based
on
the
CRD
IV
CET1
transitional
(FSA
October
2012
statement)
the
ratio
was

12.3%
as
at
31
March
2015
based
on
£48.5bn
of
transitional
CRD
IV
CET1
capital
and
£396bn
of
RWAs
|
4
Barclays
current
regulatory
target
is
to
meet
a
FL
CRD
IV
CET1
ratio
of
9%
by
2019,
plus
a
Pillar
2A
add-on.
Pillar
2A
requirements
for
2015
held
constant

out
to
end-state
for
illustrative
purposes.
The
PRA
buffer
is
assumed
to
be
below
the
combined
buffer
requirement
of
4.5%
in
end-state
albeit
this
might
not
be
the
case.
CCCB,
other
systemic
and
sectoral
buffer
assumed
to
be
zero
|
5
Point
in
time
assessment
made
at
least
annually,
by

the
PRA,
to
reflect
idiosyncratic
risks
not
fully
captured
under
Pillar
1
|

|
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We intend to manage our CET1 capital ratio to mitigate against the risk of mandatory distribution restrictions

Mandatory restrictions to discretionary distributions

2

will

apply

to

all

European

banks, under CRD IV, from 1 January 2016

(Art. 162.2 of CRD)

As outlined in Art. 141 of CRD, mandatory distribution restrictions apply if an institution fails to meet the combined buffer requirement (CBR)

3

at which point a

Maximum Distributable Amount (MDA) is calculated on a reducing scale

CBR is phased in from 2016. In end state, we intend to hold an internal management buffer of up to c.150bps above CBR providing prudent headroom to the mandatory distribution restriction point

As at 1 January 2016, mandatory distribution restrictions on interest payment would apply at 7.2%, stepping up to 10.6% by 2019 when the CRD IV transitional rules are fully phased in

1

Barclays expects to have full discretion in the allocation of permitted distributions within the MDA

To AT1

7% trigger

c.£14bn

>£16bn

c.£17bn

c.£18bn

c.£20bn

To MDA

restriction

n/a
>£15bn
c.£12bn
c.£9bn
c.£6bn
Capital conservation buffer (CET1)
G-SII buffer (CET1)
Trajectory of fully loaded CET1 ratio, assuming >11% target is
met
after
which
we
build
towards
c.12%
in
end
state
3
Distributions subject to mandatory distribution restrictions
Minimum CET1 ratio
Estimated
buffers
1
(fully
loaded
CET1
ratio
vs.
AT1
7%
trigger
and
vs.
MDA
restrictions)
Sliding scale of restrictions
Pillar 2A
10.6%
8.4%
7.2%
9.5%
1
This
analysis
is
presented
for
illustrative
purposes

only
and
is
not
a
forecast
of
Barclays
results
of
operations
or
capital
position
or
otherwise.
The
analysis
is
based
on
certain
assumptions,
which
cannot
be
assured
and
are
subject
to
change,
including:
straight
line
progress
towards
meeting
our
CET1
ratio
targets;
holding
the
2015
P2A
requirement
constant
(which
may

not
be
the
case
as
the
requirement

is
subject
to
at
least

annual
review);
and
CET1
resources

are
not required to meet the AT1 or T2 components of the minimum capital requirement. This illustration does not consider proposed
important
banks

in
resolution

|
2
Dividends

on
ordinary
shares,
interest
payments
in

respect
of
AT1
securities

and
variable
compensation

|
3
As
per
Art.
128(6)

of
CRD:
total
CET1
capital

required
to
meet
the
requirement
for
the
capital

conservation buffer, as well as an institution specific countercyclical buffer (CCCB), G-SII buffer, O-SII buffer and systemic risk buffer, while the CCCB and other systemic risk and sectoral buffers are assumed to be zero |

13
CET1
requirements

1
(as
at
1
January
except
Q115)

- 4.5%
- 4.5%
- 4.5%
- 4.5%
- 4.5%
- 1.6%
- 1.6%
- 1.6%
- 1.6%
- 1.6%
- 1.3%
- 1.9%
- 2.5%
- 1.0%
- 1.5%
- 2.0%
- 10.6%
- >11.0%
- c.12%
- 0%
- 2%
- 4%
- 6%
- 8%
- 10%
- 12%
- Q1 15
- 2016
- 2017

2018
2019
0.6%
0.5%

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Leverage
ratio
progression
1

Leverage
exposure
(£trn)
1

Leverage ratio on track for 2016 target

Leverage ratio at 3.7% well on track to meet 2016 Transform
target of in excess of 4%

The ratio was maintained as £0.3bn of T1 capital growth was
offset by a £22bn increase in leverage exposure

Leverage ratio already in line with expected minimum end-state
requirement of 3.7% as outlined by the Financial Policy
Committee

Leverage exposure increased by £22bn in Q1 2015, mainly due
to fluctuations in settlement balances

Non-Core leverage exposure reduced by £41bn to £236bn
primarily driven by the sale of the Spanish business, as well as
continued reduction in derivatives exposure reflecting maturities
and trade compressions

Core leverage exposure increased by £63bn driven by an
increase in loans and advances and other assets due to the
seasonal increase in settlement balances

41
46
46
T1
Capital
1
BCBS 270
impact
14
3.0%
3.7%
3.7%
>4%
Dec-13
Dec-14
Mar-15
2016

Target
1.36
1.35
1.23
1.26
Dec-13
Jun-14
Dec-14
Mar-15
1
Mar-15
based
on
end-point
CRR
definition
of
Tier
1
capital
for
the
numerator
and
the
CRR
definition
of
leverage
exposure
as
adopted
by
the
European
Union
delegated
act.
This
is
broadly
consistent
with
the
BCBS
270
definition,
which
was
the

basis
of
Jun-14
and
Dec-14
comparatives.
Dec-13
not
comparable
to
the
estimates
as
of
Jun-14
onwards
due
to
different
basis
of
preparation:
estimated
ratio
and
T1
capital
based
on
PRA
leverage
ratio
calculated
as
fully
loaded
CRD
IV
T1
capital
adjusted
for
certain
PRA
defined
deductions,
and
a
PRA
adjusted

leverage
exposure
measure.
|

|
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Leverage
exposure

1
(£bn)

Highlights

Leverage ratio maintained at 3.7%

1,353

1,233

L&A

and

other

assets

2

SFTs

Undrawn commitments

Derivatives

Leverage

ratio

1

1,255

Leverage exposures during Q1 15 increased by £22bn to
£1,255bn

Loans and advances and other assets increased by £19bn to
£709bn primarily due to a seasonal increase in settlement
balances, partly offset by a decrease in cash balances

Net derivatives exposures decreased £9bn due to offsetting
moves between IFRS derivatives and allowable netting

Trade compressions and tear-ups continued to benefit PFE,
but reductions achieved during the quarter were largely offset
by new activity

SFT exposure was impacted by reduced netting

1

Mar-15

based

on

end-point

CRR

definition

of

Tier

1

capital

for

the
numerator
and
the
CRR
definition
of
leverage
exposure
as
adopted
by
the
European
Union
delegated
act.
This
is
broadly
consistent
with
the
BCBS
270
definition,
which
was
the
basis
of
Jun-14
and
Dec-14
comparatives
|
2
Loans
and
advances
and
other
assets
net
of
regulatory
deductions
and
other
adjustments

I
15
732
690
709
288
271
262
228
157
170
105
115
114
Jun-14
Dec-14
Mar-15
3.4%
3.7%
3.7%

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FUNDING
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LEVERAGE
ASSET QUALITY
Holding company transition
HOLDING COMPANY
TRANSITION

Losses arise at OpCo, and are transmitted to HoldCo through write-down of intercompany instruments

Holdco's losses are limited to its investments (equity and debt) in the OpCo

Losses should be allocated in accordance with the insolvency hierarchy, meaning *pari passu* treatment of equal-ranked

internal and external claims

No creditor worse off
than in insolvency safeguard expected to
apply for senior unsecured debt
Better aligning credit proposition during transition
towards a holding company capital and funding model

Barclays PLC
(HoldCo)

Barclays Bank
PLC (OpCo)

External capital

External equity

External senior

Subscription of internal
OpCo issued equity, capital
and debt²

External OpCo
senior

External OpCo
capital

1

Based
on
Barclays
expectations
of
the
creditor
hierarchy
in

a
resolution
scenario;
assumes
internal
subordination

not
imposed
during
transition

|
Internal
issuance
in
each
case

currently
with
ranking

corresponding
to
external
HoldCo
issuance.
Further
detail
on
Barclays
PLC
parent
company
balance
sheet
on
slide
18
|
Assumes
equivalent
loss
absorption
and
recapitalisation
at
HoldCo
and
OpCo
|
4
Total
loss
absorbing
capacity
(TLAC)
as
proposed
in
the
FSB
Consultative
Document
on
the
adequacy
of
loss-absorbing
capacity
of
global

systemically
important
banks
in
resolution
dated
10
November
2014

I
Expected creditor hierarchy during transition¹
Barclays position
Barclays Q1 2015 Fixed Income Investor Presentation

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3
3
2
4
th
OpCo external
& intercompany
senior
unsecured
debt

3
rd
OpCo external
& intercompany
T2
2
nd
OpCo external
& intercompany
AT1
1
st
OpCo Equity

Barclays is committed to issuing most of its capital and term senior

unsecured debt out of Barclays PLC, the Holding Company

To better align the credit proposition between investors in HoldCo and OpCo securities during the transition period, proceeds raised by Barclays PLC have been used to subscribe for capital and senior unsecured term debt in Barclays Bank PLC with corresponding ranking

As the HoldCo is a creditor of the OpCo alongside OpCo external creditors, respecting the creditor hierarchy should require *pari passu* treatment between internally and externally OpCo issued capital and debt of the same rank

1

Maturing capital and term senior unsecured debt to be refinanced out of HoldCo during the transition period, making the external creditor hierarchy simpler post transition

When required to qualify as TLAC

4

in a material subsidiary,
senior obligations with >1 year residual maturity would need to be downstreamed in subordinated form to its excluded liabilities

Investment at HoldCo gives exposure to diversified businesses post ring-fencing, comparable to the position of OpCo investors today

Evolving regulation, including the implementation of MREL beginning 1 Jan 2016 and any subsequent regulatory policy interpretations, may require a change to the current approach. Any change would be communicated to the market

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Balance sheet

2014

Q1 15

Notes

£m

£m

Assets

Investment in subsidiary

33,743

33,743

Loans and advances to subsidiary

2,866

4,927

Derivative financial instrument

313

232

Other assets

174

1,221

Total assets

37,096

40,123

Liabilities

Deposits from banks

528

561

Subordinated liabilities

810

839

Debt securities in issue

2,056

4,088

Other liabilities

10

453

Total liabilities

3,404

5,941

Called up share capital

4,125

4,179

Share premium account

16,684

17,202

Other equity instruments

4,326

4,326

Capital redemption reserve

394

394

Retained earnings

8,163

8,081

33,692

34,182

37,096

40,123

Barclays PLC is the holding company (HoldCo) of the Barclays Group

The HoldCo's primary assets currently are its investments in, and loans and advances made to, its sole subsidiary, Barclays Bank PLC, the operating company (OpCo)

As Barclays is committed to issuing most capital and term senior unsecured debt out of the HoldCo going forward, the HoldCo balance sheet is expected to increase

Barclays PLC parent company accounts

Notes to the [parent company balance sheet](#)

Investment in subsidiary

The investment in subsidiary of £33,743m (2014: £33,743m) represents investments made into Barclays Bank PLC, including £4,326m (2014: £4,326m) of Additional Tier 1 (AT1) securities.

Loans and advances to subsidiary and debt securities in issue

During the quarter, Barclays PLC issued £2,032m equivalent of Fixed Rate Senior Notes accounted for as debt securities in issue. The proceeds raised through these transactions were used to make £2,032m equivalent of Fixed Rate Senior Loans to Barclays Bank PLC, with a ranking corresponding to the notes issued by Barclays PLC.

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Barclays PLC parent company balance sheet

Notes

Shareholders' equity

Total shareholders' equity

Total liabilities and shareholders' equity

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HOLDING COMPANY
TRANSITION

Proactive
transition
towards
a
HoldCo
funding
and
capital
model positions us well to meet potential future TLAC
requirements

While requirements remain to be set, Barclays current
expectation is a multi-year conformance period

Majority portion of OpCo term senior unsecured debt
maturing before 2019 which can be refinanced from HoldCo

Based on Barclays current interpretation of TLAC
requirements,
proxy
TLAC
ratio
is
24%
4
on
the
assumption
that Barclays Bank PLC term non-structured senior
unsecured debt is refinanced from HoldCo and subordinated
to OpCo excluded liabilities

Currently do not intend to use HoldCo senior unsecured debt
proceeds to subscribe for OpCo liabilities on a subordinated
basis until required to do so

The future TLAC-ratio will further benefit from CET1 capital
growth and AT1 issuance towards end-state expectations

As TLAC rules are finalised, and as we approach
implementation date, we will assess the appropriate
composition and quantum of our future TLAC stack

Proxy
Total
Loss
Absorbing
Capacity

(TLAC)

1

(£bn)

Mar-15

PRA transitional Common Equity Tier 1 capital

42

PRA transitional Additional Tier 1 regulatory capital

11

Barclays PLC (HoldCo)

4

Barclays Bank PLC (OpCo)

7

PRA transitional Tier 2 regulatory capital

14

Barclays PLC (HoldCo)

1

Barclays Bank PLC (OpCo)

13

PRA transitional total regulatory capital

67

HoldCo

term

non-structured

senior

unsecured

debt

2

4

OpCo

term

non-structured

senior

unsecured

debt

3

26

Total term non-structured senior unsecured debt

97

RWAs

396

Leverage exposure

1,255

Proxy risk-weighted TLAC ratio

~ 24%

Proxy leverage based TLAC ratio

~ 8%

1

For

illustrative

purposes

only
reflecting
Barclays
interpretation
of
the
FSB
Consultative
Document
on
Adequacy
of
loss-absorbing
capacity
of
global
systemically
important
banks
in
resolution ,
published
10
November
2014,
including
certain assumptions on the inclusion or exclusion of certain liabilities where further regulatory guidance is necessary. Evolving
interpretations,
may
require
a
change
to
the
current
approach
|
2
Barclays
PLC
issued
senior
unsecured
term
debt
assumed
to
qualify
for
consolidated

TLAC
purposes
I
3
Comprise
all
outstanding
Barclays
Bank
PLC
issued
public
and
private
term
senior
unsecured
debt,
regardless
of
residual
maturity.
This
excludes
£35bn
of
notes
issued
under
the
structured
notes
programmes
|
4
Including
the
4.5%
combined
buffer
requirement
which
needs
to
be
met
in
CET1.
The
combined

buffer
requirement
comprises
a
2%
G-SII
buffer
and
2.5%
capital
conservation
buffer
on
a
fully
phased
in
basis.
19

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Liquidity & Funding

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Stable liquidity position with the Group liquidity pool maintained at £148bn, providing a surplus to internal and external minimum requirements

Quality of the pool remains high:

81% held in cash, deposits with central banks and high quality government bonds

94% of government bonds are securities issued by UK, US, Japanese, French, German, Danish, Swiss and Dutch sovereigns

Even though not a regulatory requirement, the size of our liquidity pool is over 1.8x that of wholesale debt maturing in less than a year

Additional significant sources of contingent funding in the form of high quality assets pre-positioned with central banks globally

Maintaining a robust liquidity position, with pool well in excess of internal and external minimum requirements

Estimated

CRD IV/Basel 3 liquidity ratios

Metric

Dec-14

Mar-15

Expected 100%

requirement date

LCR

1

124%

122%

1 January 2018

Surplus

£30bn

£28bn

NSFR

2

102%

n/a

1 January 2018

Surplus to 30-day Barclays-specific LRA (as at 31 December 14)

2013

2014

LRA

104%

124%

Surplus

£5bn

£29bn

149
127
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High quality liquidity pool (£bn)
Key messages
1
LCR
estimated
based
on
the
EU
delegated
act
2
Estimated
based
on
the
final
BCBS
rules
published
in
October
2014
43
37
31
62
85
88
22
27
29
Dec-13
Dec-14
Mar-15
Cash & Deposits at Central Banks
Government Bonds
Other Available Liquidity
148

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Total funding (excluding BAGL, as at 31 December 14)

We guided to issuance of a gross amount of £10-15bn in 2015 across public and private senior unsecured, secured and subordinated debt. This is materially below term maturities of £23bn in 2015, of which £14bn remaining this year

In Q1 15, we issued £4bn publicly against this plan, including \$3bn of senior unsecured debt from the HoldCo in two transactions, a £1bn covered bond from Barclays Bank PLC, and a \$500m US cards securitisation from Barclays Bank Delaware

We intend to maintain access to diverse sources of wholesale funding, through different products, currencies, maturities and channels

We expect to be a regular issuer of AT1 securities over the next few years

We maintain access to stable and diverse sources of funding, across customer deposits and wholesale debt

2015 Funding Plan

£508bn

£522bn

£521bn

Customer deposits

Sub. debt

Secured term funding

Short-term debt and other deposits

Unsecured term funding

1

LDR for PCB, Barclaycard, Africa Banking and Non-Core retail |

LIQUIDITY &

FUNDING

22

Broadly

self-funded

retail

businesses

(£bn)

Key messages

351

349

347

321

309

310

Dec-13

Dec-14

Mar-15

Deposits from customers

91%

89%

89%

62%

61%

62%

4%

4%

4%

7%

7%

8%

14%

14%

13%

14%

13%

13%

2013

H1 14

2014

HOLDING COMPANY

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L&A to customers

Group Loan to Deposit Ratio (LDR) and the LDR for PCB,
Barclaycard

and

Africa

Banking

at

101%

and

89%

respectively

Excess customer

deposits in PCB, Barclaycard and Africa

Banking predominantly used to fund the liquidity buffer

requirements for these businesses, making them broadly self

funded

Overall funding requirements for the Group reducing as Non-

Core assets are run down

Retail LDR

1

1

Asset quality
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Declining Loan Loss Rate (LLR) trend across the Group reflecting Barclays well-managed and conservative risk profile

The Group LLR of 46bps remains significantly below the longer term average of 88bps

Group LLRs declining in both retail and wholesale in line with improving macro economic conditions
Group impairment stable (31 December 2014)

LLR
Annualised impairment charge
Gross loans and advances
Wholesale loan loss rate (bps)

26
Retail loan loss rate (bps)

Highlights

34
56

(3)

16

133

37

28

33

(1)

13

12

12

Personal &

Corporate

Banking

Africa Banking

Investment

Bank

Core

Barclays

Group

Dec-13

Dec-14

25

180

332

94
78
91
18
138
308
85
75
84
Personal &
Corporate
Banking
Africa Banking
Barclaycard
Core
Barclays
Group
Dec-13
Dec-14
Non-Core
Non-Core

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Credit ratings

|
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Contractual outflows

Barclays manages and reserves for potential rating actions in the liquidity pool (31 December 2014)

Contractual credit rating downgrade exposure

Total cumulative cash

outflow (£bn)

One-notch

Two-notch

Securitisation derivatives

5

6

Contingent liabilities

8

8

Derivatives margining

-

1

Liquidity facilities

1

2

Total

14

17

1

These numbers do not include the potential liquidity impact from loss of unsecured funding, such as from money market funds

31

Key Messages

Potential outflows related to a multiple-notch credit downgrade of Barclays Bank PLC are included in the liquidity risk appetite (LRA)

The table on the left hand side shows contractual collateral requirements and contingent obligations following potential future one and two notch long-term and associated short-term simultaneous downgrades of Barclays

Bank

PLC

across

all

credit

rating

agencies

Behavioural outflows

During 2014 the Group strengthened its liquidity position, building a larger surplus to its liquidity risk appetite

This positions the Group well for any potential contractual or behavioural outflows as a consequence of the potential loss of the A-1 short term rating for Barclays Bank PLC by S&P as the credit rating agency assess sovereign support notches in its ratings

1

|
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Barclays Q1 2015 Fixed Income Investor Presentation
Summary

Diversified international bank focused on delivering improved and more sustainable returns

Concentrating on high growth opportunities where we have competitive advantage, eliminating marginal businesses and sharpening our focus on costs
Business model

Strengthened capital position with fully loaded CRD IV CET1 ratio of 10.6% as at 31 March 2015, on track to deliver a ratio of greater than 11% in 2016

Building on good track record in reducing RWAs as we run-down Barclays Non-Core and reinvest in Core businesses outside of the Investment Bank
Capital

Diversified funding base, combining customer deposits and wholesale funding, in multiple currencies and different maturities

Robust liquidity position, well positioned to meet anticipated future regulatory requirements
Liquidity & funding

Proactive and practical approach to managing regulatory changes

Established track record of adapting to regulatory developments.
Regulation

Leverage ratio maintained at 3.7% as at 31 March 2015, close to our target of greater than 4% in 2016

Additional planned reductions in leverage exposure by 2016 mainly through reduction in Barclays Non-Core and the Core Investment Bank
Leverage

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Repositioning and simplifying Barclays

Delivering a structurally lower cost base

Allocating capital to growth businesses

Establishing a dedicated Non-Core unit and a
new Personal and Corporate Banking business

Rightsizing and focusing the Investment Bank

Generating higher and more sustainable returns

As

presented

at

the

Group

Strategy

Update

on

8

th

May

2014

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2016 Transform targets

Returns

Cost

Barclays Core

Adjusted RoE >12%

Adjusted operating expenses

<£14.5bn

Leverage

Dividend

Capital

Group

Leverage ratio >4.0%

Payout ratio 40-50%

CRD IV FL CET1 ratio >11.0%

Returns

Barclays Non-Core

Drag on adjusted RoE <(3%)

11.6%

2

£3.8bn

3

3.7%

1p

1

10.6%

(3.3%)

Q1 2015

1

Dividend

per

share

paid

for

the

quarter

-

payout

ratio

is

not

meaningful

at

Q1

|

2

Excluding

CTA.

Adjusted

RoE
including
CTA
is
10.9%
|
3
Excluding
CTA.
Bank
Levy
is
accounted
for
in
Q4
each
year
|
2016 Target
35

|
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Barclays Q1 2015 Fixed Income Investor Presentation

Simpler, focused and balanced structure

Barclays Non-Core

LBT £256m

RWAs £65bn

Barclaycard

PBT £366m

RWAs £40bn

Personal and

Corporate Banking

PBT £787m

RWAs £123bn

Africa

Banking

PBT £295m

RWAs £39bn

Investment

Bank

PBT £675m

RWAs £123bn

Barclays Group

Adjusted

results

1

Income

£6.4bn

Risk weighted assets (RWA)

£331bn

Impairment

£(0.4bn)

Average allocated equity

£47bn

Operating expenses

£(3.9bn)

Return on average equity (RoE)

10.9%

Profit before tax

£2.1bn

Return on tangible equity (RoTE)

13.2%

RoE drag

(3.3%)

1

Includes Head Office as part of Core, representing £6bn RWAs and £19m loss before tax |

All figures for quarter ended Q1 2015

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Reducing and reallocating RWAs to drive growth and
returns

<15%

Investment

Bank

222

49%

51%

Retail and

Commercial

214

RWAs

£436bn

Non-Core

c.115

Core IB

c.120

Core

(excl. IB)

c.200

£436bn

c.£400bn

+15%

c.55%

26%

28%

46%

Maintained

Core

(excl. IB)

c.230

Core IB

c.120

Non-Core

c.50

<15%

c.55%

Leverage exposure

£1.4tn

£1.4tn

c.£1.1tn

1

The Core Investment Bank will represent no more than 30% of the Group's RWAs

1

2016

leverage

exposure
estimated
on
the
basis
of
calculation
methodology

set
out
in
BCBS
Jan-14
proposals.

All
other
regulatory
metrics
calculated

on
a
CRD

IV
basis

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numbers

as
presented
at

the
Group
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on
8

th
May

2014
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2013 pre-resegmentation (£bn)

2013 post-resegmentation estimate (£bn)

2016 guidance (£bn)

30%

|
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Markets

Exit Quadrant Assets

Most physical commodities

Certain Emerging Markets
products

Capital intensive Macro
transactions
Principal Businesses

Investments

Credit
Banking

Front-to-back efficiency driven
headcount reductions
RWAs: c.£90bn
Leverage exposure: c.£340bn
Global credit
Right-sized macro

Foreign exchange

Rates

Cash equities

Equity derivatives

Equity prime

Credit products

Securitised products

Municipals

Fixed income secondary trading to be standard,
cleared and collateralised, short term and executed
on the electronic flow platform where relevant

Global equities

RWAs: c.£120bn

Leverage exposure: c.£490bn

Build on leading positions in our home markets of the UK and the US, where we are already well positioned

Exit those products with low returns under new regulatory rules

Structurally lower the cost base through infrastructure efficiencies and refining the client proposition

Improve capital efficiency of Markets businesses

DCM

Advisory

ECM

Origination led

1

CRD IV basis |

Core Investment Bank

Non-Core Investment Bank

Core Investment Bank:

Building on competitive advantages

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numbers

as

presented

at

the

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on

8

th

May

2014

|
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PCB: Profits up 14%

1

Q1 15 CIR excluding CTA was 58% |

Income was in line at £2,174m:

Personal income reduced 2% driven by a reduction in fee income and mortgage margin pressure from existing customer rate switching, partially offset by improved deposit margins

Corporate income increased 3% due to improved deposit margins and balance growth in both lending and deposits, partially offset by reduced margins in the lending business

Wealth income reduced 4% to £258m

Net interest margin improved to 3.02% primarily due to the revised overdraft proposition and higher savings and deposit margins in personal and corporate businesses, partially offset by margin compression in mortgages and the corporate lending business

Credit impairment charges improved 41% due to the positive economic environment in the UK resulting in lower default rates and charges in corporate, with a resulting loan loss rate of 14bps

Costs reduced 3% reflecting savings from Transform programmes, including headcount reductions and branch network rationalisation

Positive jaws contributed to an increased RoE of 12.9%, while RoTE improved to 17.1%

Three months ended

March (£m)

2014

2015

% change

Personal

1,026

1,009

(2%)

Corporate

879

907

3%

Wealth

268

258

(4%)

Income

2,173

2,174

-

Impairment

(135)

(79)

41%

Total operating expenses

(1,355)

(1,310)

3%

Costs to achieve Transform

(57)

(42)

26%

Profit before tax

688

787

14%

Financial performance measures

Average allocated equity

£17.4bn

£18.1bn

Return on average tangible equity

14.7%

17.1%

Return on average equity

11.1%

12.9%

Cost:income ratio¹

62%

60%

Loan loss rate

25bps

14bps

Net interest margin

2.99%

3.02%

Mar-14

Mar-15

Loans and advances to customers

£215.5bn

£219.0bn

Customer deposits

£297.2bn

£298.1bn

CRD IV RWAs

£116.1bn

£122.5bn

Financial performance

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CAPITAL &
LEVERAGE

ASSET QUALITY

Barclays Q1 2015 Fixed Income Investor Presentation

Income increased 9% to £1,135m driven by US cards and Barclaycard Business Solutions

Net interest margin reduced to 8.78% (Q1 14: 9.19%) due to change in product mix with relatively stronger growth in the lower margin US cards and Barclays Partner Finance businesses, but strongly up from 8.13% reported for Q4 14

Non-interest income increased 6% to £314m due to growth in US cards and Barclaycard Business Solutions, partially offset by the impact of interchange fee reductions in Europe

Credit impairment charges increased 8% to £290m and was accompanied by loans and advances growth of 15%. The loan loss rate reduced 20bps to 305bps

Costs increased 18% primarily reflecting business growth

PBT decreased slightly to £366m and attributable profit rose to £259m (2014: £254m)

Barclaycard: Income up 9% and RoE of nearly 17%

Three months ended

March (£m)

2014

2015

% change

Income

1,042

1,135

9%

Impairment

(269)

(290)

(8%)

Total operating expenses

(415)

(490)

(18%)

Costs to achieve Transform

(13)

(25)

(92%)

Profit before tax

368

366

(1%)

Financial performance measures

Average allocated equity

£5.6bn

£6.3bn

Return on average tangible equity

22.6%

21.0%

Return on average equity

18.2%

16.6%

Cost:income ratio

40%

43%

Loan loss rate

325bps

305bps

Net interest margin

9.19%

8.78%

Mar-14

Mar-15

Loans and advances to customers

£31.9bn

£36.8bn

Customer deposits

£5.8bn

£8.0bn

CRD IV RWAs

£36.4bn

£39.9bn

Financial performance

APPENDIX

40

|
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Currency movements had a limited effect on Q1 year on year comparisons. Discussion of business performance is therefore based on reported results in GBP:

PBT increased 23%, driven by 8% income growth exceeding 3% cost growth

Net interest income increased 6% to £533m, driven by higher loans to customers in Corporate and Investment Banking (CIB) and customer deposits in Retail and Business Banking

Non-interest income increased 11% to £415m, reflecting transactional income growth in South Africa and trading income in CIB

Credit impairment charges decreased 6% to £90m, driven by reduced impairments in the South Africa mortgages portfolio and business banking

Costs increased 3% reflecting inflationary pressures, resulting in higher staff costs, partially offset by the benefits of Transform programmes

RoE was 10.8% and RoTE was 14.7%

Africa Banking: Profits up 23%

1
Africa
Banking
business
unit
performance
based
on
BAGL
results,
including
Egypt
and
Zimbabwe
|
2
Barclays
share
of
the
statutory
equity
of

the
BAGL
entity
(together
with
that
of
the
Barclays
Egypt
and
Zimbabwe
businesses
which
remain
outside
the
BAGL
corporate
entity),
as
well
as
the
Barclays
goodwill
on
acquisition
of
these
businesses.
The
tangible
equity
for
RoTE
uses
the
same
basis
but
excludes
both
the
Barclays
goodwill
on
acquisition
and
the

goodwill
and
intangibles
held
within
the
BAGL
statutory
equity

|
Three months ended

March (£m)

2014

2015

% change

Income

878

948

8%

Impairment

(96)

(90)

6%

Total operating expenses

(546)

(565)

(3%)

Costs to achieve Transform

(9)

(6)

33%

Profit before tax

240

295

23%

Financial performance measures

Average allocated equity

2

£3.7bn

£4.1bn

Return on average tangible equity

2

15.5%

14.7%

Return on average equity

2

11.1%

10.8%

Cost:income ratio

62%

60%

Loan loss rate

104bps

94bps

Net interest margin

5.91%

5.91%

Mar-14

Mar-15

Loans and advances to customers

£35.0bn

£35.7bn

Customer deposits

£34.0bn

£35.0bn

CRD IV RWAs

£36.6bn

£39.3bn

Financial

performance

1

41

|
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Q4 14

% change

638

(1)%

1,028

48%

PBT rose 37% driven by income up 2% and costs down 9%

RoE improved to 9.1%, or 9.6% excluding CTA

Income increased 2% to £2,149m:

Banking increased 3% driven by higher debt and equity underwriting fees, partially offset by a decrease in advisory fees and lending

Macro increased 13% due to higher income in rates and currency products, reflecting increased client activity and market volatility

Credit decreased 21% driven by lower income in distressed credit, but recovered strongly from Q4 14 due to increased client activity

Equities increased 5% driven by cash equities and equity financing, partially offset by equity derivatives

Costs decreased 9% due to lower CTA and compensation costs, as well as savings from Transform programmes, including business restructuring and operational streamlining

Investment Bank: Profits up 37%

Three months ended

March

(£m)

2014

2015

% change

Banking

616

632

3%

Markets

1,489

1,517

2%

Credit

346

274
(21%)

Equities

591

619

5%

Macro

552

624

13%

Income

1

2,103

2,149

2%

Impairment release

19

11

(42%)

Total operating expenses

(1,631)

(1,485)

9%

Costs to achieve Transform

(130)

(31)

76%

Profit before tax

491

675

37%

Financial performance measures

Average allocated equity

£15.4bn

£15.4bn

Return on average tangible equity

6.4%

9.7%

Return on average equity

6.1%

9.1%

Cost:income ratio

78%

69%

Mar-14

Mar-15

CRD IV RWAs

£125.2bn
£123.0bn
Financial
performance

Q1
15
vs.
Q1
14
1
Includes Other
income |
42

|
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Core income: growth in net interest income and margin

Improved performance in income across all businesses

NII for our retail and corporate businesses

2

grew 6%,

reflecting an increase in customer assets and NIM:

PCB grew NII 5% driven by lending and deposit growth and margin improvement

Barclaycard grew NII 10% driven by volume growth

Africa Banking income was up 8%, with NII up 6%

1

Includes Head Office income |

2

For Personal and Corporate Banking, Barclaycard and Africa Banking |

Average

customer

assets

and

liabilities

2

(£bn)

NIM increased to 414bps, measured across PCB,

Barclaycard and Africa Banking

PCB NIM improved to 3.02% (Q1 14: 2.99%)

Net

interest

margin

2

(bps)

Average customer assets increased 5% to £289bn, with growth in PCB, Barclaycard, and Africa Banking

Average customer liabilities increased 2% to £333bn, with growth in all three businesses

Total income

NII

Three months ended

March

2014

2015

2014

2015

Personal and Corporate

Banking

2,173
2,174
1,528
1,601
5%
Barclaycard
1,042
1,135
746
821
10%
Africa Banking
878
948
503
533
6%
Investment Bank
2,103
2,149
Total Core
1
6,277
6,420
43
Core income (£m)

|
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Group and Core cost targets

1

Excludes
provisions
for
PPI,
IRHP
and
FX
redress,
goodwill
impairment
and
CTA

|

2

2016

CTA

target

of

c.£0.2bn

|

Costs to
achieve
Transform
(CTA)

£1.2bn

c.£0.7bn

2

£1.2bn

Original Guidance = £17.5bn

44

Group cost guidance

1

(£bn)

Core cost target

1

(£bn)

18.7

16.9

c.16.3

FY13

FY14

FY15 Target

16.4

15.1

<14.5

FY13

FY14

FY16 Target

Revised Guidance = £17bn

|
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Investment Bank: Downward trend in compensation charge (31 December 2014)

Role based pay

3,978

3,620

Down

c.£160m

Deferred bonuses

brought forward

Other

compensation

costs

6,598

CTA

1

Bank levy

Compensation

Non-compensation

2

1

Excludes

compensation

related

CTA

of

£37m

|

2

Excludes

CTA

and

bank

levy

|

3

The

actual

amount

charged

depends

upon

whether

conditions

have

been

met

and

will

vary
compared
with
the
above
expectation

|
46
Investment Bank operating expenses (£m)

Investment Bank
Compensation actions

2,194

2,050

3,978

3,620

236

190

FY13

FY14

7%

Other

costs

3,045

2,566

c.200

933

854

c.700

FY13

FY14

FY15E

3

218

337

1

6,225

8%

ex-

CTA

c.700

3

Headcount down by 2,100 net

Incentive awards down 24%

Role based pay introduced and charged in 2014

Deferred bonus brought forward of £854m, but on downward trend

Down

9%

|
Barclays Q1 2015 Fixed Income Investor Presentation

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Barclays Q1 2015 Fixed Income Investor Presentation

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to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements include the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "may", "aim", "anticipate", "target", "projected", "expect", "estimate", "intend", "plan", "goal", "believe", "achieve" or other similar words. Forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, liabilities, provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the Programme and Group Strategy Update, run-down of assets and businesses within Barclays Non-Core, estimates of capital expenditures, 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, accounting standards and interpretations under International Financial Reporting Standards (IFRS), evolving practices with regard to the interpretation of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. Factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the Group) applicable to past, current and future periods; UK, US, Africa, Eurozone and global macroeconomic and business conditions; continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of the Group or more countries exiting the Eurozone; the impact of EU and US sanctions on Russia; the implementation of the Transform Programme; and the impact of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. The Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, and objectives in the Group's forward-looking statements. Additional risks and factors are identified in our filings with the SEC, including our Annual Report for the fiscal year ended 31 December 2014 (2014 20-F), which are available on the SEC's website at <http://www.sec.gov>. Any forward-looking statements made herein speak only as of the date they are made and it should not be assumed that they have been updated in the light of new information or future events. Except as required by the Prudential Regulation Authority, the Financial Conduct Authority, the London Stock Exchange plc (the LSE) or applicable law, Barclays expressly disclaims any obligation or undertaking to release or update, or to revise or amend, any forward-looking statements contained herein to reflect any change in Barclays' expectations with regard to the conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures made or may make in documents it has published or may publish via the Regulatory News Service of the LSE and/or has filed with the SEC, including the 2014 20-F.

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Disclaimer (continued)
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Barclays
has
filed
a
registration
statement
(including
a
prospectus)
and
has
filed,
or
will
file,
a
prospectus

supplement
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U.S.
Securities
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Exchange
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Before
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statement,
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Securities
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and
other
documents
that
Barclays
will
file

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the
SEC.
You
may
get
these
documents
for
free
by
searching
the
SEC
online
database
(EDGAR®)
at
www.sec.gov.
Alternatively,
you
may
obtain
a
copy
of
the
prospectus
from
Barclays
Capital
Inc.
by
calling
1-888-603-5847.
Certain non-IFRS Measures
Barclays
management
believes
that
the
non-International
Financial
Reporting
Standards
(non-IFRS)
measures
included
in
this

document
provide
valuable
information
to
readers
of
its
financial
statements
because
they
enable
the
reader
to
identify
a
more
consistent
basis
for
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business
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between
financial
periods,
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an
assessment
of
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Group.
They
also
reflect
an
important
aspect
of
the
way
in
which
operating
targets
are
defined
and
performance
is
monitored
by
Barclays
management.
However,
any
non-IFRS
measures
in
this
document
are
not
a
substitute
for
IFRS
measures
and
readers
should
consider
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IFRS
measures
as
well.
As
management
reviews
the
adjusting
items
described
below
at
a
Group
level,
segmental
results
are
presented
excluding
these
items
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with
IFRS
8;
"Operating
Segments".
Statutory
and
adjusted
performance
is
reconciled
at
a
Group
level
only.
Key
non-IFRS
measures
included
in
this
document
and
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most
directly
comparable
IFRS
measures
are
described
below.

Quantitative
reconciliations
of
these

measures
to
the
relevant

IFRS
measures
are
included

in
Exhibit
99.1

of
the
Barclays
Form

6-K
filed
with
the
SEC

on
April
29,
2015

(Film
No.
15811411)
(the

April
29
Form
6-K)

(available
at

<http://www.sec.gov/Archives/edgar/data/312069/000119312514388991/d810869dex991.htm>)

and
such
quantitative

reconciliations
are
incorporated
by
reference
into
this
document.

Adjusted
profit
before
tax
is
the
non-IFRS
equivalent
of
profit
before
tax
as
it
excludes
the
impact
of
own
credit;
provisions
for
Payment
Protection
Insurance
(PPI)
and
claims
management
costs
and
interest
rate
hedging
redress;
gain
on
US
Lehman
acquisition
assets;

provision
for
investigations
and
litigation
primarily
relating
to
Foreign
Exchange;
loss
on
sale
of
the
Spanish
business;
Education,
Social
Housing,
and
Local
Authority
(ESHLA)
valuation
revision,
gain
on
valuation
of
a
component
of
the
defined
retirement
benefit
liability,
and
goodwill
impairment.
A
reconciliation
to
IFRS
is
presented
on
page
9

of
the
April
29
Form
6-K;

Adjusted
profit
after
tax
represents
profit
after
tax
excluding
the
post-tax
impact
of
own
credit;
provisions
for
PPI
redress;
provision
for
investigations
and
litigation
primarily
relating
to
Foreign
Exchange;
loss
on
sale
of
the
Spanish
business;
and
gain
on
valuation
of
a
component

of
the
defined
retirement
benefit
liability.

A
reconciliation
to
IFRS
is
presented
on
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5
of
the
April
29
Form
6-K;

Adjusted
attributable
profit
represents
adjusted
profit
after
tax
less
profit
attributable
to
non-controlling
interests.

The
comparable
IFRS
measure
is
attributable
profit;

Adjusted
income
and
adjusted
total
income

net
of
insurance
claims
represents
total
income

net
of
insurance
claims
excluding
the
impact
of
own
credit.

A
reconciliation
to
IFRS
is
presented
on
page
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of
the
April
29
Form
6-K;

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Adjusted
total
operating
expenses
represents
operating
expenses
excluding
the
provisions
for
PPI
redress;
provision
for
investigations

and
litigation
primarily
relating
to
Foreign
Exchange;
and
gain
on
valuation
of
a
component
of
the
defined
retirement
benefit
liability.
A
reconciliation
to
IFRS
is
presented
on
page
9
of
the
April
29
Form
6-K;

Adjusted
litigation
and
conduct
represents
litigation
and
conduct
excluding
the
provisions
for
PPI
redress;

and
the
provision
for
investigations
and
litigation
primarily
relating
to
Foreign
Exchange.

A
reconciliation
to
IFRS
is
presented
on
page
9
of
the
April
29
Form
6-K;

Adjusted
cost:
income
ratio
represents
cost:
income
ratio
excluding
the
impact
of
own
credit;
the
provisions
for
PPI
redress;
gain
on
US

Lehman
acquisition
assets;
provision
for
investigations
and
litigation
primarily
relating
to
Foreign
Exchange
and
gain
on
valuation
of
a
component
of
the
defined
retirement
benefit
liability.
The
comparable
IFRS
measure
is
cost:
income
ratio,
which
represents
operating
expenses
to
income
net
of
insurance
claims.
A
reconciliation
to
IFRS
is
presented

on
page
9
of
the
April
29
Form
6-K;

Adjusted
basic
earnings
per
share
represents
adjusted
attributable
profit
divided
by
the
basic
weighted
average
number
of
shares
in
issue.

The
comparable
IFRS
measure
is
basic
earnings
per
share,
which
represents
profit
after
tax
and
non-controlling
interests,
divided
by
the

basic
weighted
average
number
of
shares
in
issue;

Adjusted
return
on
average
shareholders
equity
represents
annualised
adjusted
profit
after
tax
for
the
period
attributable
to
ordinary
shareholders,
including
an
adjustment
for
the
tax
credit
in
reserves
in
respect
of
other
equity
instruments,
as
a
proportion
of
average
shareholders
equity,

excluding
non-controlling
interests
and
other
equity
instruments.

The
comparable
IFRS
measure
is
return
on
average
shareholders
equity
which
represents
annualised
profit
after
tax
for
the
period
attributable
to
ordinary
shareholders,
including
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adjustment
for
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tax
credit
in
reserves
in
respect
of
other
equity
instruments,
as
a
proportion
of
average

shareholders
equity,
excluding
non-controlling
interests
and
other
equity
instruments;

Adjusted
return
on
average
tangible
shareholders
equity
represents
annualised
adjusted
profit
after
tax
for
the
period
attributable
to
ordinary
shareholders,
including
an
adjustment
for
the
tax
credit
in
reserves
in
respect
of
other
equity
instruments,
as
a
proportion
of
average

shareholders
equity
excluding
non-controlling
interests
and
other
equity
instruments
adjusted
for
the
deduction
of
intangible
assets
and
goodwill.
The
comparable
IFRS
measure
is
return
on
average
tangible
shareholders
equity
which
represents
annualised
profit
after
tax
for
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period
attributable
to
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shareholders,
including
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adjustment
for
the
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credit
in

reserves
in
respect
of
other
equity
instruments,
as
a
proportion
of
average
shareholders
equity
excluding
non-controlling
interests
and
other
equity
instruments
adjusted
for
the
deduction
of
intangible
assets
and
goodwill;

Barclays
Core
results
are
non-IFRS
measures
because
they
represent
the
sum
of
five
Operating
Segments,
each
of
which
is

prepared
in
accordance
with
IFRS
8;
Operating
Segments :
Personal
and
Corporate
Banking,
Barclaycard,
Africa
Banking,
Investment
Bank
and
Head
Office.
A
reconciliation
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corresponding
statutory
Group
measures
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29
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6-K;

Constant
currency
results
in
Africa
Banking
are
calculated
by
converting

ZAR
results
into
GBP
using
the
average
exchange
rate
for
the
three
months
ended
31
March
2015
for
the
income
statement
and
the
31
March
2015
closing
exchange
rate
for
the
balance
sheet
and
applying
those
rates
to
the
results
as
of
and
for
the
three
months
ended
31
March

2014,
in
order
to
eliminate
the
impact
of
movement
in
exchange
rates
between
the
two
periods;

|
Disclaimer (continued)
Barclays Full Year 2014 Fixed Income Investor Presentation
53

Liquidity
Coverage
Ratio
(LCR)
is
calculated
according
to
the
Commission
Delegated
Regulation
of

October
2014
that
supplements
Regulation
(EU)
575/2013
(CRDIV)
published
by
the
European
Commission
in
June
2013.
The
metric
is
a
ratio
that
is
not
yet
fully
implemented
in
local
regulations
and,
as
such,
represents
a
non-IFRS
measure

Net
Stable
Funding
Ratio
(NSFR)
is
calculated
according
to
the
definition
and

methodology
detailed
in
the
standard
provided
by
the
Basel
Committee
on
Banking
Supervision.
The
original
guidelines
released
in
December
2010
(Basel
III:
International
Framework
for
Liquidity
Risk
Measurement,
Standards
and
Monitoring ,
December
2010)
were
revised
for
in
January
2014
(Basel
III:
The
Net
Stable
Funding
Ratio ,
January
2014).
The
metric

is
a
regulatory
ratio
that
is
not
yet
finalised
in
local
regulations
and,
as
such,
represent
a non-
IFRS
measure.
This
definition
and
the
methodology
used
to
calculate
this
metric
is
subject
to
further
revisions
ahead
of
the
implementation
date
and
Barclays
interpretation
of
this
calculation
may
not
be
consistent
with

that
of
other
financial
institutions;

Transitional
CET1
ratio
according
to
FSA
October
2012.

This
measure
is
calculated
by
taking
into
account
the
statement
of
the
Financial
Services
Authority,
the
predecessor
of
the
Prudential
Regulation
Authority,
on
CRD
IV
transitional
provisions
in
October
2012,
assuming
such
provisions
were
applied
as

at
1
January
2014.
This
ratio
is
used
as
the
relevant
measure
starting
1
January
2014
for
purposes
of
determining
whether
the
automatic
write-down
trigger
(specified
as
a
Transitional
CET1
ratio
according
to
FSA
October
2012
of
less
than
7.00%)
has
occurred
under
the
terms
of
the
Contingent
Capital
Notes

issued
by
Barclays
Bank
PLC
on
November
21,
2012
(CUSIP:
06740L8C2)
and
April
10,
2013
(CUSIP:
06739FHK0).

Please
refer
to
page
20
of
the
April
29
Form
6-K
for
a
reconciliation
of
this
measure
to
CRD
IV
CET1
ratio;
and

The
estimate
of
Proxy
Total
Loss
Absorbing
Capacity
(TLAC)

ratio
reflects
Barclays
current
understanding
of
how
the
Financial
Stability
Board's
Consultative
Document
on
Adequacy
of
loss-absorbing
capacity
of
global
systemically
important
banks
in
resolution
may
be
implemented
in
the
United
Kingdom.
The
estimate
reflects
certain
assumptions
on
the
inclusion
or
exclusion
of
certain
liabilities
where
further
regulatory
guidance
is

necessary.
Evolving
regulation,
including
the
implementation
of
MREL
beginning
1
Jan
2016
and
any
subsequent
regulatory
policy
interpretations,
may
require
a
change
to
the
current
approach.
As
such
metric
is
subject
to
further
regulatory
guidance
and
it
is
not
yet
implemented
in
local
regulations,
the
estimate
of
this
metric
represents

a
non-IFRS
measure
and
is
presented
in
this
document
for
illustrative
purposes
only.