

BARCLAYS PLC  
Form FWP  
March 09, 2015

Barclays PLC  
Fixed Income Investor Presentation  
2014 Full Year Results  
3 March 2015  
Free Writing Prospectus  
Filed Pursuant to Rule 433  
Reg. Statement No. 333-195645

Financial highlights

1

Including Spain disposal |

Barclays Full Year 2014 Fixed Income Investor Presentation

2

Increased

adjusted

pre-tax

profits

by

12%

Core

up

3%,

Non-Core

losses

down 24%

Costs excluding CTA £16.9bn, ahead of £17bn guidance

Building

capital:

CET1

ratio

10.5%

and

BCBS

leverage

ratio

3.8%

1

Core business performed well with PBT of £6.7bn and RoE of 9.2% (10.9% ex-CTA)

Strong progress on shrinking Non-Core and releasing capital

Performance Overview  
ASSET QUALITY  
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#### Financial performance

Adjusted profit before tax increased by 12% to £5.5bn as PCB and Barclaycard continued to grow profits. This was partly offset by reduced income in the Investment Bank, which made progress on its origination-led strategy whilst driving cost savings and RWA efficiencies

Adjusted income decreased 8% while impairment reduced by

29% due to a £732m reduction in Non-Core to £168m and 8% reduction in the Core business

Total adjusted operating expenses decreased 9% to £18.1bn driven by savings from Transform programmes and favourable currency movements. Operating expenses excluding CTA were £16.9bn, down from £18.7bn in 2013 and ahead of the £17bn 2014 target

Adjusted attributable profit was £2.8bn, resulting in EPS of 17.3p

Core  
RoE  
was  
9.2%  
(or  
10.9%  
excluding  
CTA)

Group RoE  
was 5.1%

Barclays Non-Core attributable loss reduced by 43% to £1.1bn, and RoE drag fell to 4.1%

Summary Group financials: Adjusted profits up 12%

1

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

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Year ended

December (£m)

2013

2014

Income

27,896

25,728

Impairment

(3,071)

(2,168)

Total operating expenses

(19,893)

(18,069)

Costs to achieve Transform (CTA)

(1,209)

(1,165)

Adjusted profit before tax

4,908

5,502

Tax

(1,963)

(1,704)

NCI and other equity interests

(757)

(1,019)

Adjusted attributable profit

2,188

2,779

Provisions for PPI and IRH redress

(2,000)

(1,110)

Gain on US Lehman acquisition

assets

259

461

Provision for ongoing investigations

and litigation relating to Foreign

Exchange

(1,250)

Loss on announced sale of the

Spanish business

(446)

ESHLA valuation revision

(935)

Own credit and goodwill impairment

(299)

34

Statutory profit before tax

2,868

2,256

Statutory attributable profit/(loss)

540

(174)

Basic EPS

1

15.3p

17.3p

Return

on average equity

1

4.1%

5.1%



|  
(£bn)  
Dec-13  
Sep-14  
Dec-14  
Balance  
Sheet  
Total assets  
1,344  
1,366  
1,358

Leverage exposure

1

n/a

1,324

1,233

Leverage ratio

1

n/a

3.5%

3.7%

Capital

2

Fully loaded CET1 ratio

9.1%

10.2%

10.3%

Fully loaded CET1

capital

40.4

42.0

41.5

Risk-weighted assets

442

413

402

Liquidity

Liquidity coverage

ratio

3

96%

115%

124%

Liquidity pool

127

146

149

Funding

Loan to Deposit Ratio

4

91%

90%

89%

Wholesale funding

5

186

178

171

NSFR

3

94%

n/a  
102%

Continued strengthening of all key balance sheet metrics

Good progress on capital position with fully loaded CRD IV CET1 ratio of 10.3% and BCBS leverage ratio of 3.7%, both well on track towards 2016 Transform targets

Liquidity pool increased to £149bn, 82% of which in cash and deposits with central banks and high quality government bonds

Solid LCR with a £30bn surplus above 100% future requirement

Funding profile remained conservative with Loan to Deposit Ratio of 89% in retail and corporate businesses

Wholesale funding outstanding was £171bn, of which £75bn matures in <1 year

NSFR exceeded 100% well ahead of implementation date

Strengthening key financial metrics

Highlights

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1

Estimates

based

on

current

understanding

of

the

BCBS

270

standards

and

the

requirements  
contained  
in  
the  
European  
Commission  
delegated  
act  
|  
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  
|

|  
Highlights  
Financial performance

PBT up 3% at £6.7bn:

PCB and Barclaycard profits up 29% and 13%  
respectively

Africa Banking profits down 6%, but up 13% on a  
constant currency basis

Investment Bank profits down 32% in a year of transition

Income fell 4% to £24.7bn

Impairment improved by 8% to £2.0bn, reflecting the improving UK economic environment benefitting PCB and reduced impairment in Africa Banking South Africa mortgages portfolio

Operating expenses down 6% to £16.1bn reflecting Transform savings across the businesses, partially offset by an increase in CTA spend, including restructuring of the branch network and technology improvements to increase automation in PCB

Core attributable profit was £3.9bn with Core EPS of 24p

Core RoE was 9.2% (10.9% excluding CTA) on average allocated equity of £42bn, up £6bn from 2013

Core business performing well

Year ended

December

(£m)

2013

2014

Income

25,603

24,678

Impairment

(2,171)

(2,000)

Total operating expenses

(17,048)

(16,058)

Costs to achieve Transform (CTA)

(671)

(953)

Adjusted profit before tax

6,470

6,682

Tax

(1,754)

(1,976)

NCI and other equity interests

(638)

(842)

Adjusted attributable profit

4,078

3,864

Adjusted financial performance  
measures

Average allocated equity

£36bn

£42bn

Return on average tangible equity

14.4%

11.3%

Return on average equity

11.3%

9.2%

Cost: income ratio

67%

65%

Basic EPS contribution

28.5p

24.0p

Dec-13

Dec-14

CRD IV RWAs

£333bn

£327bn

Leverage exposure

1

n/a

£956bn

1

BCBS

270

leverage

exposure.

All

references

to

leverage

exposure

in

this

document

is

on

this

basis

|

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LIQUIDITY &

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CAPITAL &

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|  
ASSET QUALITY  
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FUNDING  
CAPITAL &  
LEVERAGE  
Year  
ended

December

(£m)

2013

2014

Businesses

1,498

1,101

Securities and Loans

642

117

Derivatives

153

(168)

Income

2,293

1,050

Impairment

(900)

(168)

Total operating expenses

(2,845)

(2,011)

Costs to achieve Transform (CTA)

(538)

(212)

Loss before tax

(1,562)

(1,180)

Tax

(209)

272

NCI and other equity interests

(119)

(177)

Attributable profit/(loss)

(1,890)

(1,085)

Financial performance measures

Average  
allocated  
equity

1

£17bn

£13bn

Period end allocated equity

£15bn

£11bn

Return on average tangible equity drag

(9.6%)

(5.4%)

Return on average equity drag

(7.2%)

(4.1%)

Basic EPS contribution

(13.2p)

(6.7p)

Highlights

Loss before tax reduced by 24% to £1,180m as improvements in impairments and costs were partially offset by significant declines in income due to sales and rundown of businesses, securities and loans and the non-recurrence of favourable fair value movements on derivatives

2013 CTA spend primarily reflects restructuring in Europe, with the subsequent savings flowing through 2014 operating expenses

The income and costs relating to Spain will exit on completion, with a c.£280m reduction in annualised income, offset by c.£240m saving in gross costs

Period end equity reduced by £4.1bn to £11.0bn

Reduced loss and lower allocated equity reduced drag on Group RoE to 4.1%, well within the 6% to 3% drag guidance

Continued shrinkage and capital return in Non-Core

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|  
Fully  
loaded  
(FL)  
CRD  
IV  
CET1  
ratio  
progression  
1  
RWA reduction (£bn)

Good progress on CET1 ratio towards 2016 Transform target

FL CRD IV CET1 ratio up 120bps, or c.140bps if including the sale of the Spanish businesses, demonstrating good progress towards 2016 Transform target of greater than 11%

Continued capital build as FL CRDIV CET1 capital grew by £1.1bn to £41.5bn, after absorbing £3.3bn of adjusting items

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

RWAs reduced by £41bn, or £46bn including the sale of the Spanish businesses, reflecting excellent progress on the run-down of Non-Core to £75bn

Increases due to model updates largely offset by methodology and policy driven decreases

Spain

c.16bps

2

40

42

41

CET1

Capital

(9%)

o/w

Spain

(£5bn)

2

1

Based

on

Barclays

interpretation

of

the

final

CRD

IV

text

and

latest

EBA

technical

standards.

Following

the

full  
implementation  
of  
CRD  
IV  
reporting  
in  
2014,  
the  
previously  
reported  
31  
December  
2013  
RWAs  
were  
revised  
by  
£6.9bn  
to  
£442bn  
and  
fully  
loaded  
CET1  
ratio  
by  
(0.2%)  
to  
9.1%  
|  
2  
As  
announced  
on  
2  
January  
2015  
|

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9.1%  
10.2%  
10.3%  
>11%  
Dec-13  
Sep-14  
Dec-14  
2016  
442  
413  
402  
c.400  
Dec-13  
Sep-13  
Dec-14  
2016  
Target  
Guidance  
+120bps

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RWAs (£bn)  
Highlights

RWAs reduced by £40.6bn, or £46bn including the sale of the Spanish businesses, reflecting excellent progress on the rundown of Non-Core, allowing for growth in Core businesses

Non-Core RWAs reduced £35bn to £75bn reflecting the disposal of businesses, rundown and exit of securities and loans, and derivative risk reductions

If excluding the impact of methodology and model changes, Investment Bank RWAs reduced by £11bn driven principally by trading book risk reductions

Increases due to model updates largely offset by methodology and policy driven decreases  
RWAs: Well managed to support business growth and returns

1  
Excludes  
model  
and  
methodology  
driven  
movements

1  
2  
Includes  
foreign  
exchange  
movements  
of  
£(1.5)bn.  
This  
does  
not  
include  
movements  
for  
modelled  
counterparty  
risk  
or  
modelled  
market  
risk

1  
1  
402  
1

Spain

1

1

442

2

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10

2013

Core

business

growth

(ex. IB)

BNC

run-down

IB

reduction

Net model

and

methodology

updates

Other

2014

9

5

34

11

1

3

Barclays Non-Core: Outperforming on RWA  
Spain  
2  
1  
Derivatives  
figure  
for  
Sep-14  
has

been  
adjusted  
following  
reclassification  
of  
assets  
previously  
reported  
in  
securities  
and  
loans

|  
2  
Portion  
of  
Spain  
within  
Barclays  
Non-Core

|  
3  
2016  
target  
amended  
to  
reflect  
the  
impact  
of  
Spain

|  
Target = 80  
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11  
Dec-13  
Disposals  
Efficiencies  
Maturities  
and other

Dec-14  
110

75  
19

11  
5

Dec-13  
Sep-14

Dec-14  
2016

Targets <sup>3</sup>	
Operational risk and DTA	
Securities and loans	
Derivatives	
1	
Businesses	
110	
45	
9	
9	
22	
16	
31	
31	
19	
13	
5	
Revised	
Target	
75	
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RWA reduction bridge (£bn)	
RWA by type (£bn)	
81	

Continued progress on the transition towards our  
target  
end-state capital structure  
Evolution of capital structure  
Fully loaded CRD IV capital position

Fully loaded CRD IV CET1 ratio at 10.3% (10.2% on PRA transitional basis) on track to meet our target of > 11% in 2016. The ratio was well in excess of the 7% PRA regulatory target



Robust buffers to contingent capital triggers

AT1 contingent capital: c.330bps or £13.3bn

T2  
contingent  
capital:  
c.530bps  
or  
£21.5bn

As  
we  
build  
CET1  
capital  
over  
the  
transitional  
period,  
we  
expect  
to  
reach a range of 11.5-12% in end-state reflecting our intention to  
hold an internal management buffer of up to 150bps over  
future  
minimum  
requirements

Transitional total capital ratio increased to 16.5% (2013: 15.0%), and  
fully loaded total capital ratio increased to 15.4% (2013: 13.9%)

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

1.8% (£7.4bn)

Legacy T1

3.5%

(£14.3bn)

T2

17%

Total capital ratio

CCCB/

Sectoral

buffers

16.5%

Total capital ratio

1.6% P2A

Pillar

2A

requirement

6

4.5%

CET1

1.7% (£6.9bn)

Legacy T1

1

Difference

to

fully

loaded

ratio

of

10.3%

arises

from

a

regulatory

adjustment

relating

to

unrealised

gains

|

2

Being

the

higher

of

7%

PRA

expectation

and

CRD  
IV  
capital  
requirements  
|  
3  
CRD  
IV  
rules  
on  
mandatory  
distribution  
restrictions  
apply  
from  
1  
January 2016  
onwards  
based  
on  
transitional  
CET1  
requirements  
|  
4  
Based  
on  
the  
CRD  
IV  
CET1  
transitional  
(FSA  
October  
2012  
statement)  
the  
ratio  
was  
12.3%  
as  
at  
31  
December  
2014  
|  
5  
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  
|  
6  
Point  
in  
time  
assessment  
made  
at  
least  
annually,  
by  
the  
PRA,  
to  
reflect  
idiosyncratic  
risks  
not  
fully  
captured  
under  
Pillar  
1  
|  
2.5%  
Capital  
Conservation buffer  
Max 1.5%  
Internal buffer  
2.0%  
AT1 (incl. P2A)  
2.9%  
T2 (incl. P2A)  
2.0%  
G-SII

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10.2%

1

(£40.9bn)

CET1

1.1% (£4.3bn) AT1

Barclays FY 14

capital structure

(PRA Transitional)

Barclays'

'target' end-state

capital structure

2

3

5

4

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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 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.£13bn

c.£15bn

>16bn

c.£17bn

c.£18bn

To MDA

restriction

n/a

n/a

>15bn

c.£12bn

c.£9bn

c.£4-6bn



CET1 requirements

1

(as at 1 January except FY14)

Capital conservation buffer (CET1)

G-SII buffer (CET1)

Trajectory of fully loaded CET1 ratio, assuming >11% target  
is met

after

which

we

build

towards

11.5-12%

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

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  
(including  
a  
straight  
line  
progress  
towards  
meeting  
the  
>11%  
CET1  
ratio  
target  
in  
2016,  
and  
11.5-12%  
in  
end-state,  
and  
that  
the  
P2A  
requirement  
for  
2015  
is  
constant  
out  
to  
2019  
which  
may  
not

be  
the  
case  
as  
the  
requirement  
is  
subject  
to  
at  
least  
annual  
review)  
which  
cannot  
be  
assured  
and  
are  
subject  
to  
change.  
This  
illustration  
does  
not  
consider  
proposals  
in  
the  
FSB  
Consultative  
Document  
on  
the  
adequacy  
of  
loss-absorbing  
capacity  
of  
global  
systemically  
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

as  
applicable.  
For  
Barclays  
this  
is  
currently  
the  
2.5%  
Capital  
Conservation  
Buffer  
and  
2%  
G-SII  
buffer  
while  
the  
CCCB  
and  
other  
systemic  
risk  
and  
sectoral  
buffers  
are  
assumed  
to  
be  
zero

CAPITAL &  
LEVERAGE

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|  
10.6%  
8.4%  
7.2%  
9.5%  
4.0%  
4.5%  
4.5%  
4.5%  
4.5%  
4.5%  
1.4%  
1.6%  
1.6%  
1.6%

1.6%  
1.6%  
0.6%  
1.3%  
1.9%  
2.5%  
0.5%  
1.0%  
1.5%  
2.0%  
10.3%  
>11.0%  
11.5-12%  
0%  
2%  
4%  
6%  
8%  
10%  
12%  
FY 14  
2015  
2016  
2017  
2018  
2019  
c.£18-20bn

|  
ASSET QUALITY  
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PERFORMANCE  
OVERVIEW  
LIQUIDITY &  
FUNDING  
Leverage

ratio  
progression  
1  
Leverage  
exposure  
reduction  
(£trn)  
1

Significant reduction in leverage exposure, driven principally by reductions in Non-Core and in the Core Investment Bank

Leverage exposure decreased by £91bn in Q4 2014 driven mainly by a £35bn reduction in SFT exposure, £16bn reduction in PFE, and a seasonal £28bn reduction in settlement balances

+30bps  
41  
45  
46  
T1

Capital

1  
(9%)  
BCBS 270  
impact

1

Dec-13 not comparable to the estimates as of Jun-14 onwards due to different basis of preparation. Dec-13 estimated ratio and PRA defined deductions, and a PRA adjusted leverage exposure measure. From Jun-14 onwards, estimated ratios based on current

Commission  
delegated  
act.

1  
2  
As  
announced  
on  
2

January  
2015

Barclays Full Year 2014 Fixed Income Investor Presentation

14

Leverage ratio progression ahead of plan

Dec-13

Jun-14

Dec-14

2016

Target

3.0%



3.4%

3.7%

>4%

Dec-13

Jun-14

Sep-14

Dec-14

1.36

1.35

1.32

1.23

**CAPITAL &  
LEVERAGE**

Leverage ratio up significantly to 3.7%, or 3.8% if reflecting the sale of the Spanish businesses

2

,

well

on track

to meet 2016 Transform target of in excess of 4%

Improvement over the year driven by T1 capital growth, including £2.3bn of AT1 issuance, and leverage exposure reduction

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

|  
ASSET QUALITY  
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FUNDING  
BCBS  
leverage  
exposure

1  
(£bn)  
Highlights

Leverage exposures during Q4 14 decreased by £91bn to £1,233bn

Loans and advances and other assets decreased by £52bn to £713bn primarily due to a seasonal reduction in settlement balances of £28bn and a £13bn reduction in cash balances

SFTs decreased £35bn to £157bn driven by a £26bn reduction in IFRS reverse repurchase agreements and £9bn in SFT adjustments, reflecting deleveraging in BNC and a seasonal reduction in trading volumes

Total derivative exposures decreased £8bn due to a £16bn reduction in the potential future exposure (PFE), partially offset by an increase in IFRS derivatives and cash collateral PFE on derivatives decreased £16bn to £179bn mainly due to reductions in business activity and optimisations, including trade compressions and tear-ups. This was partially offset by an increase relating to sold options driven by a change to the basis of calculation Other derivatives exposures (excluding PFE) increased £8bn to £92bn driven by an increase in IFRS derivatives of £57bn to £440bn and cash collateral £13bn to £73bn.

This was broadly offset by increases in allowable derivatives netting

Steady progression on leverage ratio

1,353

1,324

L&A and other assets

SFTs

Undrawn commitments

Derivatives

BCBS leverage

ratio

1

1

Current

understanding

of

the

BCBS

270

standards

and

the

requirements

contained  
in  
the  
European  
Commission  
delegated  
act  
|  
2  
Loans  
and  
advances  
and  
other  
assets  
net  
of  
regulatory  
deductions  
and  
other  
adjustments

|  
1,233  
CAPITAL &  
LEVERAGE

Barclays Full Year 2014 Fixed Income Investor Presentation

15  
3.4%  
3.5%  
3.7%  
732  
743  
690  
288  
279  
271  
228  
192  
157  
105  
110  
115  
Jun-14  
Sep-14  
Dec-14

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LEVERAGE  
Liquidity & Funding  
LIQUIDITY &  
FUNDING

|  
17

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

Losses at HoldCo are limited to its investment 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

Expected  
creditor  
hierarchy  
during  
transition

1

Barclays position

Barclays has started to issue 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

Transition towards a holding company capital and  
funding model

Barclays Bank  
PLC (OpCo)

External capital  
External equity  
External senior

Subscription of internal OpCo  
issued equity, capital and  
debt

2

1

st  
OpCo Equity  
2  
nd  
OpCo external  
& intercompany  
AT1  
3  
rd  
OpCo external  
& intercompany  
T2  
4  
th  
OpCo external  
& intercompany  
senior  
unsecured debt  
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  
1  
2  
Internal  
issuance  
in  
each  
case  
currently



with  
ranking  
corresponding  
to  
external  
HoldCo  
issuance.  
Detailed  
disclosure  
can  
be  
found  
in  
the  
Barclays  
PLC  
and  
Barclays  
Bank  
PLC  
2014  
annual  
reports  
|  
3  
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

I

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LEVERAGE

Barclays PLC

(HoldCo)

When required to qualify as TLAC

3

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	
2013	
As at 31 December	
Notes	
£m	
£m	
Assets	
Investment in subsidiary	
46	
33,743	
30,059	
Loans and advances to subsidiary	
46	
2,866	
-	
Derivative financial instrument	
46	
313	
271	
Other assets	
174	
812	
Total assets	
37,096	
31,142	
Liabilities	
Deposits from banks	
528	
400	
Subordinated liabilities	
46	
810	
-	
Debt securities in issue	
46	
2,056	
-	
Other liabilities	
10	
-	
Total liabilities	
3,404	
400	
Called up share capital	
31	
4,125	
4,028	
Share premium account	
31	
16,684	

15,859

Other equity instruments

31

4,326

2,063

Capital redemption reserve

394

394

Retained earnings

8,163

8,398

33,692

30,742

37,096

31,142

Barclays PLC Parent Company Balance Sheet

Extract from notes to Parent Company Balance Sheet

46 Barclays PLC (the Parent Company)

Investment in subsidiary

The investment in subsidiary of £33,743m (2013: £30,059m) represents investments made into Barclays Bank PLC, including £4,326m (2013: £2,063m) of Additional Tier 1 (AT1) securities. The increase of £3,684m during the year was due to a £2,263m increased holding in Barclays Bank PLC issued securities and a further cash contribution of £1,421m.

Loans and advances to subsidiary and debt securities in issue

During the period, Barclays PLC issued £810m equivalent of Fixed Rate Subordinated Notes (Tier 2) and £2,056m equivalent of Fixed Rate Senior Notes accounted for as subordinated liabilities and debt securities in issue respectively. The proceeds raised through these transactions were used, respectively, to subscribe for £810m equivalent of Fixed Rate Subordinated Notes (Tier 2) issued by Barclays Bank PLC, and to make £2,056m equivalent of Fixed Rate Senior Loans to Barclays Bank PLC, in each case with a ranking corresponding to the notes issued by Barclays PLC.

Barclays PLC Parent company accounts

LIQUIDITY &

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Barclays Full Year 2014 Fixed Income Investor Presentation

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Total liabilities and shareholders' equity

Total shareholders' equity

Shareholders' equity

|  
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19

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

Good 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 at 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)  
Dec-14  
PRA transitional Common Equity Tier 1 capital  
41  
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  
66  
HoldCo  
term  
non-structured  
senior  
unsecured  
debt  
2  
2  
OpCo  
term  
non-structured  
senior  
unsecured  
debt  
3  
29  
Total term non-structured senior unsecured debt  
97  
CRD IV RWAs  
402  
BCBS leverage exposure  
1,233  
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 ,  
including  
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  
|  
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

a

fully

phased

in

basis.

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LIQUIDITY &

FUNDING

|  
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Balance sheet is conservatively funded

20

Trading portfolio assets and reverse repurchase agreements are largely funded in wholesale markets by repurchase agreements and trading portfolio liabilities. Customer loans and advances largely funded by customer deposits.

Decreasing reliance on wholesale funding (£171bn as at 31 December 2014, down £15bn since 31 December 2013)

Liquidity pool predominantly funded through wholesale markets, and well in excess of short-term wholesale funds.

Derivative assets and liabilities matched

1

Matched cash collateral and settlement balances

|

2

The Group Loan to Deposit Ratio (LDR) includes BAGL, cash collateral and settlement balances

|

3

Including L&A to banks, financial assets at fair value, AFS securities (excluding

liquidity  
pool),  
unencumbered  
trading  
portfolio  
assets,  
and  
excess  
derivative  
assets

|  
4  
Including  
excess  
cash  
collateral  
and  
settlement  
balances

|  
**LIQUIDITY &  
FUNDING**

Barclays Full Year 2014 Fixed Income Investor Presentation

Derivatives, 438

Reverse repo, 132

Matched  
funding

£709bn

Trading portfolio assets, 37

Other  
matched  
assets<sup>1</sup>,

102

Other

assets<sup>3</sup>,

135

Customer loans & advances, 311

Liquidity pool, 149

100%

Group

LDR

2

Customer deposits, 332

Other  
liabilities,

31

4

>1 year wholesale funds, 96

<1 year wholesale funds, 75

Other

matched  
liabilities<sup>1</sup>,  
102  
Trading portfolio liabilities, 45  
Repo, 124  
Derivatives, 438  
Total assets  
Total Liabilities and Equity  
Balance sheet structure -  
£1.3tn (excluding BAGL), 31 Dec 14  
Equity, 61

|  
High quality liquidity pool (£bn)  
Key messages

Further strengthened liquidity position with the Group liquidity pool up by £22bn to £149bn, building a larger surplus to the internal Liquidity Risk Appetite

Quality of the pool remains high:  
82% held in cash, deposits with central banks and high quality government bonds



Over 95% 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 almost double 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

Continued strengthening of estimated CRD IV/Basel 3 liquidity ratios:

Estimated LCR increased to 124%, mainly due to the increase in the size of the liquidity pool, resulting in a £30bn surplus above the future 100% requirement

Estimated NSFR strengthened to 102%, primarily driven by the progress on run-down of Non-Core

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

Estimated

CRD IV/Basel 3 liquidity ratios

Metric

2013

2014

Expected 100%

requirement date

LCR

2

96%

124%

1 January 2018

Surplus

-

£30bn

NSFR

3

94%

102%

1 January 2018

Surplus to 30-day Barclays-specific LRA

2013

2014

LRA

104%

124%

Surplus

£5bn

£29bn

127

150

1

Barclays  
interpretation  
of  
current  
rules  
and  
guidance

|

2

LCR  
estimated  
based  
on  
the  
EU  
delegated  
act

|

3

Estimated  
based  
on  
the  
final  
BCBS  
rules  
published  
in  
October  
2014

|

Barclays Full Year 2014 Fixed Income Investor Presentation

21

85

43

37

46

62

85

19

22

27

2012

2013

2014

Cash & Deposits at Central Banks  
Government Bonds

Other Available Liquidity

149

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LIQUIDITY &

1

|  
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Continue to access diverse wholesale funding sources  
across multiple products, currencies and maturities

Key Messages

By

currency

1

USD

EUR

GBP

Others

As at 31 December 2014

35%

32%

25%

8%

As at 31 December 2013

35%

36%

19%

10%

Wholesale funding by product (as at 31 December 2014)

By

remaining

maturity

1

:

WAM

net

of

liquidity

pool

105

months

1

Given

different

accounting

treatments,

AT1

capital

is

not

included

in

outstanding

subordinated

liabilities,

while

T2

contingent

capital  
notes  
are  
included  
|  
2  
Primarily  
comprised  
of  
fair  
valued  
deposits  
(£5bn)  
and  
secured  
financing of  
physical  
gold  
(£5bn)

|

2

1

2

## LIQUIDITY & FUNDING

Barclays Full Year 2014 Fixed Income Investor Presentation

10%

16%

3%

13%

26%

13%

12%

7%

Deposits from banks

CDs and CPs

ABCPs

Public benchmark MTNs

Privateley place MTNs

Covered bonds / ABS

Suborindated liabilities

Other

10%

14%

8%

8%

4%

8%

21%

27%

1 month  
> 1 mth but <  
3 mths  
> 3 mths but  
6 mths  
> 6 mths but  
9 mths  
> 9 mths but  
12 mths  
> 1 year but  
2 years  
> 2 years but  
> 5 years

Overall stock of wholesale funding continues to fall as we de-lever the balance sheet, with total wholesale funding (excluding repurchase agreements) of £171bn as at 31 December 2014, a reduction of £69bn since 2012 (31 December 2013: £186bn) £75bn matures in less than one year, while £17bn matures within one month (31 December 2013: £82bn and £20bn respectively)

£15bn of term funding (net of early redemptions) issued in 2014. Activity includes:

£8bn public benchmark senior unsecured debt, £2bn of which issued by Barclays PLC  
£0.8bn Tier 2 deal issued by Barclays PLC  
£1.5bn of Covered bonds, as well as £3bn US and UK credit card backed securities, issued by Barclays Bank PLC

<  
<  
<  
<  
>  
<  
1  
5 years  
1

We have £23bn of term funding maturing 2015 and £13bn maturing in 2016

We expect to issue a gross amount of £10-15bn in 2015 across public and private senior unsecured, secured and subordinated debt and to maintain a stable and diverse funding base by type, currency and distribution channel  
<





Asset quality  
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|  
Continued strong asset quality  
|  
Africa Banking impairment was down 14% on a constant currency basis |

Credit impairment charges improved 8% to £2bn, reflecting  
lower impairments in PCB and Africa Banking

PCB benefitted from the improving economic environment in  
the UK, particularly for Corporate which benefited from one-off  
releases and lower defaults from large UK Corporate clients

Africa Banking saw improvements in the South Africa mortgages portfolio and business banking

Barclaycard increased 8% due to asset growth and enhanced coverage for forbearance. Delinquency rates remained broadly stable and the loan loss rate reduced 24bps to 308bps

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24

2,171

2,000

FY13

FY14

8%

Impairment charge (£m)

Highlights

Personal and Corporate Banking

Barclaycard

Africa Banking

1

Impairment (£m)

22%

621

482

FY13

FY14

(8%)

27%

1,096

1,183

FY13

FY14

479

349

FY13

FY14

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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 impairment charges improved  
29% year-on-year to £2.2bn  
(31 December 2013: £3.1bn), principally  
reflecting lower charges in Personal &  
Corporate Banking, Africa Banking and  
Non-Core

Group LLRs declining in both retail and  
wholesale in line with improving macro  
economic conditions  
Retail loan loss rate (bps)  
Group impairment improved 29%, with positive trends  
across businesses

LLR

Annualised impairment charge

Gross loans and advances

Wholesale loan loss rate (bps)

Highlights

25

ASSET QUALITY

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25

180

332

94

78

91

18

138

308

85

75

84

Personal &

Corporate

Banking

Africa

Banking

Barclaycard

Core

Barclays

Non-Core

Group  
Dec-13  
Dec-14  
(3)  
34  
56  
16  
133  
37  
(1)  
28  
33  
13  
12  
12  
Investment  
Bank  
Personal &  
Corporate  
Banking  
Africa Banking  
Core  
Barclays  
Non-Core  
Group  
Dec-13  
Dec-14

|  
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The vast majority of the exposures to Spain have been disposed of as of 2 January 2015

Exposure to Spain, Italy, Portugal and Ireland reduced further, down 18% to £43.2bn in December 2014 in line with Non-Core strategy

£1bn of outstanding ECB LTRO as at 31 December 2014

Local net funding mismatches decreased

Portugal: 1.9bn funding gap (2013: 3bn)

Italy: 9.9bn funding gap (2013: 11.6bn)

We continue to explore options to exit our other European retail and corporate exposures or materially reduce the capital they consume

Reduced exposure to Eurozone periphery

Exposures by geography (£bn)<sup>1</sup>

Exposures by asset class (£bn)

59.2

53.1

43.2

59.0

52.8

Key Messages

43.2

26

1

Net on balance sheet

Barclays Full Year 2014 Fixed Income Investor Presentation

5.4

2.2

2.0

5.7

6.5

17.7

9.3

7.1

4.3

32.5

31.4

16.6

6.3

5.9

2.6

2012

2013

2014

Sovereign

Financial institutions



Corporate  
Residential mortgages  
Other retail lending  
23.5  
19.2  
15.6  
22.7  
20.6  
18.0  
7.9  
6.3  
4.8  
4.9  
6.7  
4.8  
2012  
2013  
2014  
Spain  
Italy  
Portugal  
Ireland  
ASSET QUALITY

|  
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Managing country exposures  
Passing stress tests

stressed CET1 ratios

Risk

Minimising potential headwinds

Managing sector exposures (£bn)

No material operations in Russia,  
with <£2bn exposure in relation to  
financing and trading counterparties

Barclays has always maintained internal stress tests

Barclays passed both the PRA and EBA stress tests in 2014,  
with stressed CET1 ratios ahead of UK peers

Under the PRA test, the 7.0% represents pre-management  
actions, and significantly above the 4.5% minimum threshold

Total net exposure of £27m in Greece

Investment grade makes up c.90%  
of limits in oil and gas

1

Total on and off balance sheet |

1

1

Barclays Full Year 2014 Fixed Income Investor Presentation

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ASSET QUALITY

All other  
exposure

Oil majors

Exploration

and

production

Midstream

(pipelines)

Refining

Oilfield

services

PRA stress test

EBA stress test

Barclays CET1

stressed ratio

UK Peers CET1

stressed ratio

Oil and gas

|  
|  
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Credit ratings

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Barclays

credit ratings remain strong and in line with  
peers

As at 3 March 2015

Barclays PLC

Barclays Bank

PLC

Standard & Poor's

Long Term

BBB (Stable)

A

(Credit Watch Negative)

Short Term

A-2

A-1

(Credit Watch Negative)

Stand-Alone Credit Profile

(SACP)

n/a

bbb+ (Stable)

Moody's

Long Term

A3 (Negative)

A2 (Negative)

Short Term

P-2

P-1

Bank Financial Strength (BFS)

n/a

C-

(Stable)

Fitch

Long Term

A (Stable)

A (Stable)

Short Term

F1

F1

Viability Rating

a

a

DBRS

Long Term

n/a

AA low (Stable)

Short Term

n/a

R-1 middle (Stable)

Current ratings reflect Barclays  
strong franchise ,

diverse revenue streams , good asset quality  
relative to peers , historically less volatile earnings  
than peers  
and sounds financial profile

S&P s Barclays PLC rating reflects 3 February  
2015 decision to remove sovereign support notches  
from UK and Swiss Bank Non-Operating Holding  
Company (NOHC) ratings to reflect their view that  
NOHCs in these jurisdictions are unlikely to receive  
sovereign support. Barclays PLC benefitted from 2  
notches of support previously

Negative outlook from Moody s reflect the expected  
removal of sovereign support notches

The outlooks on Barclays standalone credit profile  
remains stable by all rating agencies

Key Messages

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Rating agencies evolving approach to bank ratings

3

February  
2015  
announcement  
placed  
the  
OpCo  
ratings  
of  
most  
UK,  
German  
and  
Austrian  
banks  
on  
CreditWatch  
with  
Negative  
implications

to reflect their view that, with the implementation of BRRD bail-in powers in these jurisdictions as of 1 January 2015, sovereign support has become less predictable, but that they continue to see unresolved questions about how the legislation may operate.

S&P  
expect  
to  
resolve  
the  
CWN  
on  
affected  
banks  
by  
early  
May  
2015, which  
could  
see  
sovereign  
support  
notches  
removed  
for  
bank  
OpCos  
and  
their  
rated

subsidiaries  
and  
branches,  
in  
the  
same  
way  
as  
they  
have  
been  
removed  
for  
NOHCs.  
Barclays  
Bank  
PLC s  
rating  
currently benefit from two sovereign support notches

Concurrently,  
S&P  
are  
considering  
changes  
to  
their  
bank  
rating  
methodology  
to  
account  
for  
the  
impact  
that  
additional  
loss  
absorbing  
capacity (ALAC) instruments have on OpCo senior unsecured debt. This ALAC proposal has the potential to partially or completely  
mitigate  
the  
impact  
of  
sovereign  
support  
notch  
removal  
from  
some

bank  
Operating  
Companies,  
if  
implemented  
in  
the  
current  
draft  
form  
S&P

Barclays ratings currently include 3 notches of sovereign support, the negative outlook expressly references their publically stated intent to remove (in part or full) support notches from bank ratings

In parallel, Moody's is expected to implement their new proposed bank rating methodology which explicitly seeks to capture the impact of changing bank regulation and gives benefit to some asset classes from loss absorbing capacity, and a proposed methodology for rating counterparty risk

Moody's have indicated to the market that they seek to avoid rating volatility by announcing the implications of these changes in a similar manner during H1 15

While difficult to predict precisely, methodology changes could partially or fully offset any contemplated removal of sovereign support from some liabilities  
Moody's

In March 2014 Fitch revised the outlook on long term ratings to negative for banks in the US, EU and elsewhere that benefit from sovereign support floors

The agency is expected to take further action on sovereign support in H1 15, however as Barclays standalone credit rating does

benefit from sovereign support uplift at its current level, no rating implications are expected from any action as a consequence  
Fitch

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Barclays manages and reserves for potential rating

actions in the liquidity pool

Contractual credit rating downgrade exposure

(as at 31 December 2014)

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

Key messages

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Potential outflows related to a multiple-notch credit downgrade 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 across all credit rating agencies

1

During the year 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 A-1/P-1 short term ratings for Barclays Bank PLC as credit rating agencies assess sovereign support notches in their ratings

Behavioural outflows

Contractual outflows



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## 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 10.3% as at 31 December 2014, 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

BCBS leverage ratio of 3.7% as at 31 December 2014, close to our target of greater than 4% in 2016

Planned reduction in leverage exposure by 2016 mainly through reduction in Barclays Non-Core and the Core Investment Bank

Leverage

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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

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Repositioning and simplifying Barclays

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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%)

10.9%

£15.1bn

3.8%

38%

10.5%

(4.1%)

2014

1

Including Spain disposal |

Excluding CTA. RoE 9.2% including CTA |

2016 Target

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35

2

2

1

1

2



|  
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LEVERAGE  
Simpler, focused and balanced structure

Barclaycard  
Personal and  
Corporate Banking  
Africa  
Banking  
Investment  
Bank  
Barclays Group  
RoE drag  
(4.1%)

1  
Includes Head Office as part of Core, representing £5.6bn RWAs and £97m profit before tax |

All figures for year ended December 2014

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1  
LBT £1,180m  
RWAs £75.3bn  
PBT £1,377m  
RWAs £122.4bn

PBT £984m

RWAs £38.5bn

PBT £1,339m

RWAs £39.9bn

PBT £2,885m

RWAs £120.2bn

Barclays Non-Core

(BNC)

Income

Impairment

Operating expenses

Profit before tax

£24.7bn

(£2.0bn)

(£16.1bn)

£6.7bn

Risk weighted assets (RWA)

Average allocated equity

Return on average equity (RoE)

Return on tangible equity (RoTE)

Adjusted results

£327bn

£42bn

9.2%

11.3%

|  
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Reducing and reallocating RWAs to drive growth and returns

Investment

Bank

222

2013 post-resegmentation estimate

(£bn)

2016 guidance (£bn)

2013 pre-resegmentation (£bn)

49%

51%

Retail and

Commercial

214

RWAs

£436bn

BNC

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

BNC

c.50

<15%

c.55%

30%

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 regulat

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Preliminary  
numbers  
as  
presented  
at  
the  
Group  
Strategy  
Update  
on  
8  
May  
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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  
Core Investment Bank:  
Building on competitive advantages  
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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  
Non-Core Investment Bank  
th  
Preliminary  
numbers  
as  
presented  
at  
the  
Group  
Strategy  
Update  
on  
8  
May



|  
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LEVERAGE  
Profit  
before

tax  
of  
Core  
business:  
FY14  
1  
Retail and Corporate  
Investment  
Bank  
Barclaycard  
Personal  
and  
Corporate  
Banking  
Africa  
Banking  
Investment  
Bank  
Barclaycard  
Personal  
and  
Corporate  
Banking  
Africa  
Banking  
1  
Excluding  
Head  
Office  
|  
2  
Includes  
Head  
Office  
|  
3  
Costs  
exclude  
CTA  
and  
bank  
levy  
|  
Year  
ended  
  
December  
(£m)  
2  
2013

2014

Income

17,007

17,090

Adjusted profit before tax

4,450

5,305

Cost:

Income

ratio

58%

53%

+19%

PBT

CIR = 53%

69%

79%

Retail and Corporate

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Profit

before

tax

of

Core

business:

FY13

1

3

|  
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Year

ended

December

(£m)

2013

2014

Income

8,723

8,828

Impairment

(621)

(482)

Total operating expenses

(5,910)

(5,475)

Costs to achieve Transform

(384)

(400)

Profit before tax

2,233

2,885

Financial performance measures

Average allocated equity

£17.3bn

£17.5bn

Return on average tangible equity

12.7%

15.8%

Return on average equity

9.7%

11.9%

Cost: income ratio

68%

62%

Loan loss rate

28bps

21bps

Net interest margin

2.91%

3.00%

Dec-13

Dec-14

Loans and advances to customers

£212.2bn

£217.0bn

Customer deposits

£295.9bn

£299.2bn

CRD IV RWAs

£118.3bn

£120.2bn

Financial performance

Total income increased 1% to £8.8bn due to balance growth and improved savings margins in Personal

Net interest margin improved by 9bps to 300bps driven primarily by personal savings

Credit impairment charges improved 22% due to the improving economic environment in the UK

Corporate benefitted from one-off releases and lower defaults from large UK Corporate clients

Costs fell 7% due to savings from Transform programme, including branch optimisation (net branch closure of 72) and increased automation from technology improvements

Positive jaws contributed to an increased RoE of 11.9%, while RoTE improved to 15.8%

Continue to lead the UK banking market in technology:

3.6 million customers of mobile banking

2.2 million customers of Pingit

Payment volume through our Pingit app grew almost threefold in 2014

The number of personal unsecured loans originating through digital channels increased by over 80% year-on-year, and this now accounts for c. 35% of all personal unsecured lending

UK mortgage market stock share was 10.1%

PCB: Profits up 29%

1

2014 CIR excluding CTA was 57% |

Bank of England lending statistics (December 2014) |

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40

2

1

2

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Financial performance

Strong customer number and asset growth across all geographies

Income increased 6%, reflecting growth in the UK consumer and merchant, Germany and US businesses, partially offset by depreciation of average USD against GBP

NII increased 8% to £3bn driven by volume growth; NIM decreased to 8.75% from 8.99% due to a change in product mix and impact of promotional offers

Impairment increased 8% due to asset growth and enhanced coverage for forbearance. Delinquency rates remained broadly stable and the loan loss rate reduced 24bps to 308bps

Costs broadly flat despite continued investment in the business

RoE increased to 16%

Net L&A increased 16% reflecting growth across all geographies, including the impact of promotional offers and the acquisition of portfolios in the US

14% growth in customers and 9% increase in payments processed

Barclaycard: Profits up 13%

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2013

2014

Income

4,103

4,356

Impairment

(1,096)

(1,183)

Total operating expenses

(1,857)

(1,874)

Costs to achieve Transform

(49)

(118)

Profit before tax

1,183

1,339



Financial performance measures

Average allocated equity

£5.3bn

£5.9bn

Return on average tangible equity

19.9%

19.9%

Return on average equity

15.5%

16.0%

Cost: income ratio

45%

43%

Loan loss rate

332bps

308bps

Net interest margin

8.99%

8.75%

Dec-13

Dec-14

Loans and advances to customers

£31.5bn

£36.6bn

Customer deposits

£5.1bn

£7.3bn

CRD IV RWAs

£35.7bn

£39.9bn

Year ended

December (£m)

|  
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Financial performance  
Constant currency basis

PBT increased by 13%, driven by 7% income growth and a 14% reduction in credit impairment charges

NII benefitted from increased NIM driven by higher deposit margins in RBB South Africa in addition to strong growth in Corporate and Investment Banking loans

Impairment reduced 14% and the LLR improved by 35bps to 93bps driven by South Africa mortgages and business banking, partially offset by an increase in the card portfolio

Costs were up 8% due to inflationary increases resulting in higher staff costs. There was also increased CTA and spend on other key initiatives

RoE increased to 9.3% while RoTE was 12.9%  
Africa Banking: Constant currency profits up 13%

Year  
ended  
1

December

(£m)

2013

2013

Constant

Currency

2014

Income

4,039

3,435

3,664

Impairment

(479)

(406)

(349)

Total operating expenses

(2,519)

(2,163)

(2,342)

Costs to achieve Transform

(26)

(23)

(51)

Profit before tax

1,049

873

984

Financial performance measures

Average

allocated

equity

£4.4bn

£3.9bn

Return

on

average

tangible

equity

11.3%

12.9%

Return

on

average

equity

8.1%

9.3%

Cost: income ratio

62%

64%

Loan loss rate

128bps

93bps

Net interest margin

5.81%

5.95%

Dec-13

Dec-13

Constant

Currency

Dec-14

Loans and advances to customers

£34.9bn

£33.6bn

£35.2bn

Customer deposits

£34.6bn

£33.3bn

£35.0bn

CRD IV RWAs

£38.0bn

£38.5bn

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

|  
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Year ended  
December (£m)

2013  
2014

Banking  
2,485  
2,528

Markets  
6,134  
5,040

Other  
(23)  
20

Income  
8,596  
7,588

Impairment release  
22  
14

Total operating expenses  
(6,598)  
(6,225)

Costs to achieve Transform  
(190)  
(374)

Profit before tax  
2,020  
1,377

Financial performance measures  
Average allocated equity

£15.9bn  
£15.4bn

Return on average tangible equity  
8.5%  
2.8%

Return on average equity  
8.2%  
2.7%

Cost: income ratio  
77%  
82%

Dec-13  
Dec-14

CRD IV RWAs  
£124.4bn  
£122.4bn

Q4 13  
Q4 14



% Change

639

638

1,146

1,028

(10%)

(3)

-

1,782

1,666

(7%)

Q4 14 vs. Q4 13

Banking is in line with prior year at £638m. Decrease in Investment Banking fees was offset by an increase in Lending income

Markets income decreased 10%

Credit down 25% to £173m

Equities up 2% to £431m

Macro down 14% to £424m

FY14 vs. FY13

Income decreased 12%

Operating expenses decreased 6% reflecting a 9% reduction in compensation costs, as well as Transform savings

FY14 highlights

#2

in

All

International

Bonds

Banking strength in dual home markets with #2 position in

total

UK

fees

and

#6

in

the

US

Investment Bank: New strategy underpinning Q4

performance

Financial performance

1

Source: Dealogic |

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1

1

Group cost targets  
Group cost guidance (£bn)  
Core cost targets  
(£bn)

1

Excludes provisions for PPI, IRHP and FX redress, goodwill impairment and CTA | <sup>2</sup>

2016

CTA

target

of  
c.£0.2bn  
|  
Costs to  
achieve  
Transform  
(CTA)  
£1.2bn  
c.£0.7bn  
£1.22bn  
Revised Guidance =  
£17bn  
Original Guidance = £17.5bn  
10%  
Core cost target  
2  
8%

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18.7

16.9

c.16.3

FY13

FY14

FY15 Target

16.4

15.1

<14.5

FY13

FY14

FY16

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1

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LIQUIDITY &  
FUNDING  
CAPITAL &  
LEVERAGE  
Operating expenses significantly reduced  
Operating

expenses  
progress

excluding  
CTA  
(£bn)

Transform saves:  
FTE reductions from  
Investment Bank front  
office restructuring,  
branch network  
transformation in UK and  
Africa and restructuring of  
the European business  
Optimisation of IT  
platforms, consolidation of  
middle office functions in  
the Investment Bank and  
process improvements

Reduction of performance  
costs mainly in the Investment  
Bank and PCB

Favourable currency moves  
from a cost perspective in  
Africa Banking, the Investment  
Bank and Barclaycard

Highlights

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45

18.7

16.9

16.3

0.6

0.5

0.5

0.2

0.1

Core operating expenses (£bn)

Core operating costs

Highlights

Personal and Corporate

Banking

Barclaycard

Africa Banking

1

Investment Bank

Operating costs (excluding CTA and bank levy) (£bn)

1

Africa Banking operating expenses were up 7% on a constant currency basis, due to local inflationary pressures and investment  
8%

Core costs (excluding CTA) decreased by 8% year-on-year  
driven by Transform saves as well as currency movements

Transform initiatives delivered significant and sustainable cost  
reductions across all businesses driven by restructuring,  
industrialisation and automation

Savings were partially offset by increased costs of litigation and  
conduct charges and associated legal fees

Net headcount reduced by 6,200 (5%) driven by voluntary  
redundancies through branch rationalisation and front office  
restructuring in the Investment Bank which was partially offset  
by in-sourcing in Barclaycard

CTA increased by £300m year-on-year primarily reflecting  
further restructuring in the Investment Bank

3%

8%

9%

#### APPENDIX

Barclays Full Year 2014 Fixed Income Investor Presentation

46

FY13

FY14

Staff costs

Other operating costs

Costs to achieve Transform

17.0

16.1

5.46

5.00

FY13

FY14

1.79

1.73

FY13

FY14

2.45

2.25

FY13

FY14

6.17

5.63

FY13



FY14

10.4

9.6

6.0

5.5

0.7

1.0

8%

excl. CTA

ASSET QUALITY

CREDIT RATING

PERFORMANCE

OVERVIEW

LIQUIDITY &

FUNDING

CAPITAL &

LEVERAGE

|  
ASSET QUALITY  
CREDIT RATING  
PERFORMANCE  
OVERVIEW  
LIQUIDITY &  
FUNDING  
CAPITAL &  
LEVERAGE

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

Investment

Bank

Compensation

actions

Investment Bank: Downward trend in compensation

charge

Investment

Bank

operating

expenses

(£m)

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

Down

9%

1

Excludes

compensation

related

CTA

of

£37m

1

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  
|

1  
APPENDIX

Barclays Full Year 2014 Fixed Income Investor Presentation

47  
7%  
Other  
costs  
8%  
ex-  
CTA  
3,045  
2,566  
c.200  
933  
854  
c.700  
FY13  
FY14  
FY15E  
3  
2,194  
2,050  
3,978  
3,620  
190  
337

6,225  
236  
218  
FY13  
FY14

|  
ASSET QUALITY  
CREDIT RATING  
PERFORMANCE  
OVERVIEW  
LIQUIDITY &  
FUNDING  
CAPITAL &  
LEVERAGE  
Core income  
growth in NII

Improved performance in PCB and Barclaycard income  
 PCB grew NII 7% driven by lending and deposit growth  
 and margin improvement  
 Barclaycard grew NII 8% driven by volume growth

Africa Banking income was up 7% on a constant currency  
 basis, with NII up 9% on the same basis

Average  
 customer  
 assets  
 and  
 liabilities  
 2  
 (£bn)

NIM increased from 402bps to 408bps, measured across PCB,  
 Barclaycard and Africa Banking

Net interest margin  
 2  
 (bps)

Average customer assets increased 2.7% to £280bn, with  
 growth in PCB and Barclaycard, and in Africa Banking on a  
 constant currency basis

Core  
 income  
 year  
 ended

December  
 (£m)

2013

2014

Personal and Corporate Banking

8,723

8,828

Barclaycard

4,103

4,356

Africa Banking

4,039

3,664

Investment Bank

8,596

7,588

Total Core

1

25,603

24,678

NII  
for  
these  
businesses

2  
grew  
4%,  
reflecting  
an  
increase  
in  
customer  
assets

and

NIM

APPENDIX

Barclays Full Year 2014 Fixed Income Investor Presentation

48

402

408

FY13

FY14

273

280

317

334

FY13

FY14

Customer assets

Customer liabilities

1

Includes

Head

Office

income

|

2

For

Personal

and

Corporate

Banking,

Barclaycard

and

Africa Banking

|



|  
ASSET QUALITY  
CREDIT RATING  
PERFORMANCE  
OVERVIEW  
LIQUIDITY &  
FUNDING  
CAPITAL &  
LEVERAGE  
Wholesale  
funding

composition

as

at

December

2014

1

As at 31 December 2014 (£bn)

1 month

>1 month

but

3

months

>3 months

but

6

months

>6 months

but

12

months

>9 months

but

12

months

Total

1 year

>1 year but

2 years

>2 years

but

5

years

>5 years

Total

Barclays PLC

Senior unsecured MTNs

(public benchmark)

-

-

-

-

-

-

-

1.3

0.8

2.1

Subordinated liabilities

-

-

-  
-  
-  
-  
-  
-  
0.8  
0.8  
Barclays Bank PLC  
Deposits from banks  
9.2  
5.7  
0.9  
0.5  
0.3  
16.6  
0.2  
0.1  
0.2  
17.1  
Certificates of deposit and  
commercial paper  
0.8  
5.6  
7.8  
6.0  
4.0  
24.2  
0.6  
2.0  
0.6  
27.4  
Asset backed commercial  
paper  
1.0  
4.4  
0.2  
-  
-  
5.6  
-  
-  
-  
5.6  
Senior unsecured MTNs  
(public benchmark)  
-  
2.0  
0.7  
1.1

-  
3.8  
2.7  
7.9  
5.1  
19.5  
Senior unsecured MTNs  
(private placement)  
2  
0.6  
1.8  
3.3  
3.8  
2.0  
11.5  
7.2  
13.3  
12.6  
44.6  
Covered bonds / ABS  
2.7  
2.0  
0.7  
1.6  
0.2  
7.2  
2.2  
7.5  
6.0  
22.9  
Subordinated liabilities  
-  
0.1  
-  
-  
-  
0.1  
-  
2.9  
16.7  
19.7  
Other  
3  
2.5  
1.6  
0.8  
0.5  
1.0  
6.4  
1.1

1.6  
2.6  
11.7  
Total  
16.8  
23.2  
14.4  
13.5  
7.5  
75.4  
14.0  
36.6  
45.4  
171.4  
Total as at 31 December 2013  
20.3  
24.0  
15.5  
15.9  
6.3  
82.0  
27.1  
33.8  
42.6  
185.5  
1  
The  
composition  
of  
wholesale  
funds  
comprises  
the  
balance  
sheet  
reported  
deposits  
from  
banks,  
financial  
liabilities  
at  
fair  
value,  
debt  
securities  
in  
issue  
and  
subordinated

liabilities,  
excluding  
cash  
collateral  
and  
settlement  
balances.

It  
does  
not  
include  
collateral  
swaps,  
including  
participation  
in  
the  
Bank  
of  
England's  
Funding  
for  
Lending  
Scheme.

Included  
within  
deposits  
from  
banks  
are  
£1bn  
of  
liabilities  
drawn  
in  
the  
European  
Central  
Bank's  
3  
year  
LTRO.

1  
2  
Includes  
structured  
notes  
of  
£35bn,  
£9bn

of  
which  
matures  
within  
one  
year  
|  
3  
Primarily  
comprised  
of  
fair  
value  
deposits  
£5bn  
and  
secured  
financing  
of  
physical  
gold  
£5bn  
|

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APPENDIX

Barclays Full Year 2014 Fixed Income Investor Presentation

|  
ASSET QUALITY  
CREDIT RATING  
PERFORMANCE  
OVERVIEW  
LIQUIDITY &  
FUNDING  
CAPITAL &  
LEVERAGE

Reduced exposure to the Eurozone  
As at 31 December 2014 (£m)



Spain  
 Italy  
 Portugal  
 Ireland  
 Total  
 Sovereign  
 108  
 1,716  
 105  
 37  
 1,966  
 Financial institutions  
 14,043  
 485  
 7  
 3,175  
 17,710  
 Corporate  
 1,149  
 1,128  
 531  
 1,453  
 4,261  
 Residential mortgages  
 12  
 13,530  
 2,995  
 43  
 16,580  
 Other retail lending  
 248  
 1,114  
 1,207  
 50  
 2,619  
 Total  
 1  
 15,559  
 17,973  
 4,845  
 4,758  
 43,135  
 Total as at 31 December 2013  
 19,245  
 20,628  
 6,262  
 6,656  
 52,791  
 1

Total net on-balance sheet exposure as at 31 December 2014 for Cyprus and Greece was £123m (2013: £175m) and £27m resp

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APPENDIX

Barclays Full Year 2014 Fixed Income Investor Presentation

|  
ASSET QUALITY  
CREDIT RATING  
PERFORMANCE  
OVERVIEW  
LIQUIDITY &  
FUNDING  
CAPITAL &  
LEVERAGE

In line with the European Bank Recovery & Resolution  
Directive the UK Banking Act now includes a statutory

bail-in power

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Under Depositor Preference, the BRRD introduces seniority of deposits from natural persons and SMEs over wholesale liabilities

The scope of the UK bail-in power extends to include all outstanding unsecured wholesale liabilities of original tenor greater than 7 days

Liabilities issued prior to the introduction of the statutory bail-in power, including those issued under non-EEA governing laws, may be subject to bail-in upon its introduction irrespective of issuance date, unless they are excluded liabilities

(i.e. all

outstanding unsecured liabilities with an original tenor greater than 7 days may be subject to bail-in Guiding principle is that the ordinary creditor hierarchy should be respected and that creditors holding eligible liabilities of equal rank should be treated equally

In light of Article 55 of the BRRD, and as requested by the PRA, Barclays has begun the process of including in the terms of its wholesale term debt securities, governed by non-EEA laws, a provision acknowledging the scope of the UK bail-in power

Note, the inclusion of such an acknowledgement is not intended to change the ranking or treatment of such non-EEA law governed instruments relative to EEA law governed instruments in respect of a UK bail-in, rather it clarifies that all such instruments should be treated equally in the event of a UK bail-in

Barclays Full Year 2014 Fixed Income Investor Presentation  
APPENDIX

Statutory bail-in of debt is a key part of the regulatory response to the financial crisis, aimed at avoiding the bail-out of failing financial institutions with tax-payer funds

European Bank Recovery and Resolution Directive  
( BRRD ):

a European-wide framework for the recovery and resolution of credit institutions and investment firms:

UK Banking Act:

in line with the BRRD, the UK Banking Act was amended in January 2015 to include a bail-in option

available to the UK resolution authority, enabling it recapitalise a failed institution by allocating losses to its shareholders and unsecured creditors by writing down and/or converting their claims to equity:

Certain liabilities excluded from scope, such as insured deposits, secured liabilities (Section 48B(8))

Powers to be exercised broadly in a manner that respects the hierarchy of claims in liquidation

Principle that at least senior creditors should receive no less favourable treatment than they would have received in an insolvency

Statutory bail-in power in respect of eligible liabilities, to be implemented in home state legislation by no later than 1 January 2016 (Article 130)

Requirement for eligible liabilities governed by non-EEA laws to include a contractual recognition by creditors that they are bound by any exercise of the statutory bail-in power (Article 55)

Considerations for Bondholders

Overview

|

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[barclays.com/barclays-investor-relations.html](http://barclays.com/barclays-investor-relations.html)

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#### Disclaimer

Barclays Full Year 2014 Fixed Income Investor Presentation

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#### Important Notice

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

#### Forward-looking Statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934 and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and objectives with respect to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of performance and actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements are based on the information available to us as of the date of this document and that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as "may", "will", "anticipate", "target", "projected", "expect", "estimate", "intend", "plan", "goal", "believe", "achieve" or other words and phrases. Forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairments, liabilities, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projections of earnings, banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the



Group Strategy Update, run-down of assets and businesses within Barclays Non-Core, estimates of capital expenditures and pl operations, projected employee numbers and other statements that are not historical fact. By their nature, forward-looking state uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the develop interpretations under International Financial Reporting Standards (IFRS), evolving practices with regard to the interpretation and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of co and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors in following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the C current and future periods; UK, US, Africa, Eurozone and global macroeconomic and business conditions; the effects of contin market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit marke valuation of issued securities; volatility in capital markets; changes in credit ratings of the Group; the potential for one or more Eurozone; the impact of EU and US sanctions on Russia; the implementation of the Transform Programme; and the success of disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, and expectations set for looking statements. Additional risks and factors are identified in our filings with the SEC, including our Annual Report on Form 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 ha in the light of new information or future events. Except as required by the Prudential Regulation Authority, the Financial Cond Stock Exchange plc (the LSE) or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any forward-looking statements contained herein to reflect any change in Barclays' expectations with regard thereto or any ch circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Barcl in documents it has published or may publish via the Regulatory News Service of the LSE and/or has filed or may file with the

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

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Barclays has filed a registration statement (including a prospectus) and has filed, or will file, a prospectus supplement with the  
Commission

( SEC )

for  
the  
offering  
of  
securities  
to  
which  
this  
document  
relates.  
Before

you  
invest,  
you  
should  
read  
the  
prospectus  
in  
that  
registration  
statement,  
the  
prospectus  
supplement  
relating  
to  
the  
offering  
of  
the  
Securities  
(when  
filed)  
and  
other  
documents  
that  
Barclays  
will  
file  
with  
the  
SEC.  
You  
may

get these documents for free by searching the SEC online database (EDGAR®) at [www.sec.gov](http://www.sec.gov). Alternatively, you may obtain  
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  
information

to  
readers  
of  
its  
financial  
statements  
because  
they  
enable  
the

reader  
to  
identify  
a  
more  
consistent  
basis  
for  
comparing  
the  
business  
performance  
between  
financial  
periods,  
and  
provide  
more  
detail  
concerning  
the  
elements  
of  
performance  
which  
the  
managers  
of  
these  
businesses  
are  
most  
directly  
able  
to  
influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating performance is monitored by Barclays management. However, any non-IFRS measures in this document are not a substitute for what should consider the IFRS measures as well. As management reviews the adjusting items

described  
below  
at  
a  
Group  
level,  
segmental  
results  
are  
presented

excluding these items in accordance 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 the most directly comparable IFRS measures are described below. Quantitative  
measures to the relevant IFRS measures are included in Barclays

2014 20-F filed with the SEC on March 3, 2015 (available at

<http://www.sec.gov/Archives/edgar/data/312069/000119312515075307/d793693d20f.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

Insurance

(PPI)

and

claims

management

costs

and

interest

rate

hedging

redress;

gain

on

US

Lehman

acquisition

assets;

provision

for

ongoing

investigations and litigation relating to Foreign Exchange; loss

on announced sale of the Spanish business; Education, Social Housing, and Local

Authority (ESHLA) valuation revision and goodwill impairment. A reconciliation to IFRS is presented on page 198 of the 2014

Adjusted profit after tax represents profit after tax excluding the post-tax impact of own credit; provisions for PPI and interest

gain on US Lehman acquisition assets; provision for ongoing investigations and litigation relating to Foreign Exchange; loss on

Spanish business; ESHLA valuation revision and goodwill impairment. A reconciliation to IFRS is presented on page 198 of the

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

attributable profit;

Adjusted income and adjusted total income net of insurance claims represents total income net of insurance claims excluding the

the

gain

on

US

Lehman

acquisition

assets

and

ESHLA

valuation

revision.

A

reconciliation

to

IFRS

is

presented

on

page

198

of

the

2014

20-F;

|  
Disclaimer (continued)  
Barclays Full Year 2014 Fixed Income Investor Presentation  
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Adjusted total operating expenses represents operating expenses excluding the provisions for PPI and interest rate hedging redress for ongoing investigations and litigation relating to Foreign Exchange; and goodwill impairment. A reconciliation to IFRS is presented on page 198 of the 2014 20-F;

Adjusted cost: income ratio represents cost: income ratio excluding the impact of own credit; the provisions for PPI and interest rate hedging redress; gain on US Lehman acquisition assets; and provision for ongoing investigations and litigation relating to Foreign Exchange; ESHLA valuation revision. The comparable IFRS measure is cost: income ratio, which represents operating expenses to income ratio excluding insurance claims. A reconciliation to IFRS is presented on page 198 of the 2014 20-F;

Adjusted basic earnings per share represents adjusted attributable profit (page 212 of the 2014 20-F) 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 adjusted attributable profit (page 212 of the 2014 20-F) divided by average equity, excluding non-controlling interests. The comparable IFRS measure is return on average shareholders' equity, which represents profit attributable to equity holders of the parent divided by average equity, excluding non-controlling interests;

Adjusted return on average tangible shareholders' equity represents adjusted attributable profit (page 212 of the 2014 20-F) divided by average adjusted tangible equity, excluding non-controlling interests. The comparable IFRS measure is return on average tangible shareholders' equity, which represents profit after tax and non-controlling interests, divided by average tangible equity (page 212 of the 2014 20-F);

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 Global Office. A reconciliation to the corresponding statutory Group measures are provided on pages 197 and 198 of the 2014 20-F;

Constant currency results in Africa Banking are calculated by converting ZAR results into GBP using the average exchange rate for the year ended 31 December 2014 for the income statement and the 31 December 2014 closing exchange rate for the balance sheet and those rates to the results as of and for the year ended 31 December 2013, in order to eliminate the impact of movement in exchange rates between the two periods. See page 205 of the 2014 20-F for the corresponding statutory Group measures;



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Disclaimer (continued)  
Barclays Full Year 2014 Fixed Income Investor Presentation  
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Liquidity Coverage Ratio (LCR) is calculated according to the Commission Delegated Regulation of October 2014 that supplements Directive 2009/137/EC (CRDIV) published by the European Commission in June 2013. The metric is a ratio that is not yet fully implemented 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 European Central Bank on Banking Supervision. The original guidelines released in December 2010 (Basel III: International Framework for Liquidity Standards and Monitoring, December 2010) were revised for in January 2014 (Basel III: The Net Stable Funding Ratio, January 2014). This 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.

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 Authority, the predecessor of the Prudential Regulation Authority, on CRD IV transitional provisions in October 2012, assuming applied as at 1 January 2014. This ratio is used as the relevant measure starting 1 January 2014 for purposes of determining whether a 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: 06740L8C3). Please refer to page 155 of the 2014 20-F for a reconciliation of this measure to CRD IV CET1 ratio;

BCBS 270 leverage exposure makes certain adjustments to Total assets under IFRS in accordance with Barclays' understanding of the requirements that are expected to be included in the revised CRD IV text and guidance from regulators. The Leverage table in the 2014 20-F shows a reconciliation of BCBS 270 leverage exposure to total assets under IFRS;

BCBS 270 leverage ratio represents CRD IV Tier 1 capital divided by BCBS 270 leverage exposure. See the Leverage table in the 2014 20-F for a reconciliation of BCBS 270 leverage exposure to Total assets under IFRS; 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 applied 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 guidance, may require a change to the current approach. As such metric is subject to further regulatory guidance and it is not yet implemented in the United Kingdom, the estimate of this metric represents a non-IFRS measure and is presented in this document for illustrative purposes.