Barclays PLC

H1/Q2 2016 Financial Results

29 July 2016

Jes Staley

Barclays Group Chief Executive Officer

Transatlantic Consumer, Corporate & Investment Bank

Our strategy is on track and is showing encouraging progress

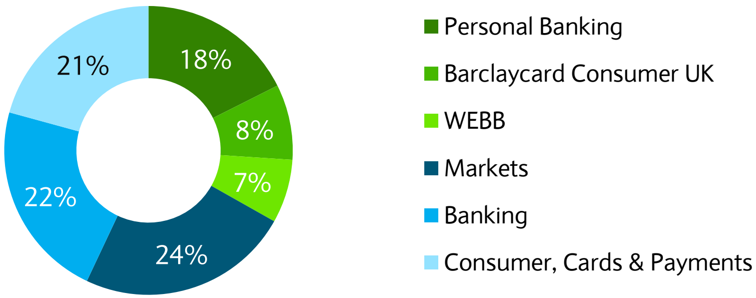
Strong Core returns	Double digit Core RoTE	11.0% RoTE[1]
Non-Core closure	New cost guidance for 2017	£400m-£500m[2]
	Continued momentum, on track to close in 2017	c.£20bn RWAs
Sell down Barclays Africa	First sale of 12.2% stake complete	c.10bps CET1 benefit
Reduce costs	On track to meet £12.8bn 2016 Core cost target, subject to FX[3]	Targeting Group cost: income ratio <60%
Capital strength	Strong capital ratios, providing additional flexibility	11.6% CET1 ratio

Group RoTE converging with Core RoTE

[1] Q216 RoTE excluding notable items | [2] Excluding notable items. Based on current exchange rates | [3] Target set at an average USD exchange rate for 2016 of 1.42 |

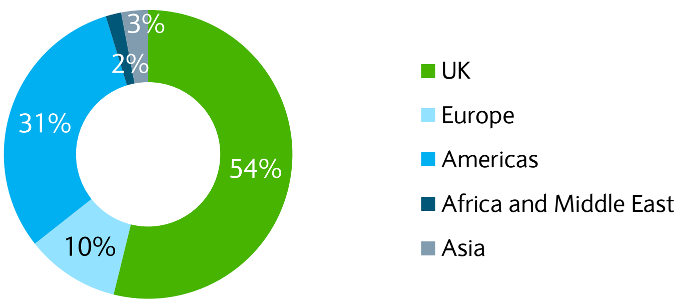
Resilience from prudent risk management and diversification

Diversified income by business – H116[1]



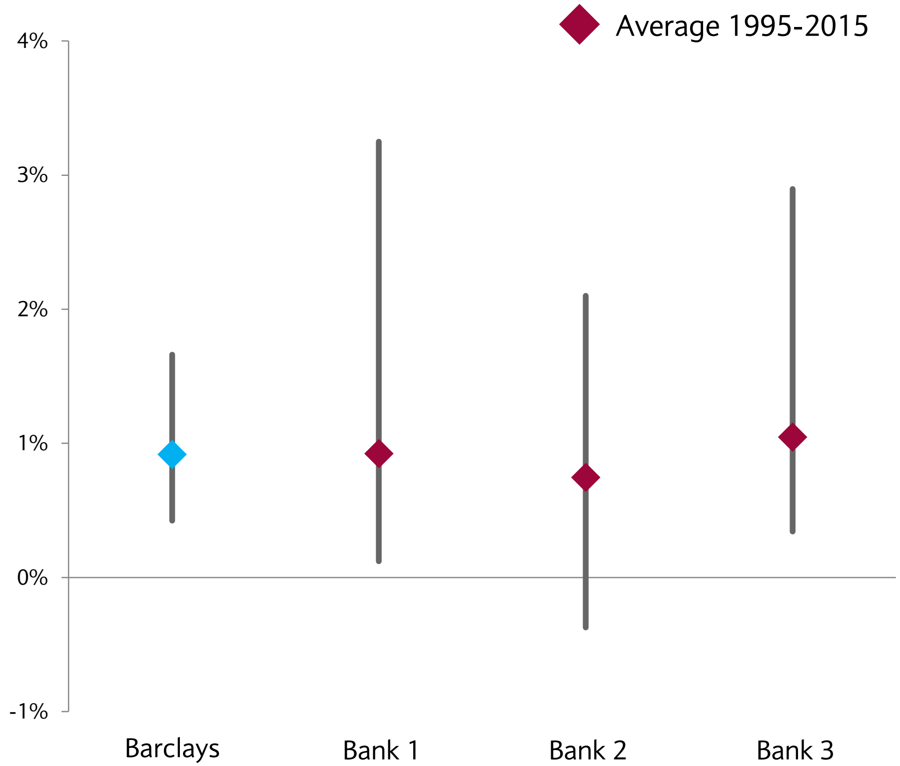
Well balanced business mix with income diversification across consumer and wholesale banking

Diversified income by geography – H116[3]



Geographic diversification with almost one third of our income from the Americas

Lower volatility LLR vs. other major UK banks[2]



Consistently conservative risk management with lower LLR volatility through the cycle

[1] Excludes Non-Core income of £(586)m and Head Office income of £301m | [2] Source: Autonomous | [3] Excludes income from Africa Banking treated as a discontinued operation |

Our strategy remains unchanged and is on track

Since EU Referendum 23rd June

Barclays UK	Helped start c.2,000[1] new businesses	£100m fund for lending to farmers
	Residential mortgage completions up 8% at c.£2bn[2]	c.62,000 current accounts opened
Barclays Corporate & International	£800m of sterling bond offerings for BAT and Brown Forman	Raised €750m bond for Deutsche Bahn
	Advised Nortek on US$2.8bn sale to Melrose	Joint Global Coordinator of ENAV's €760m IPO in Italy

- In a more uncertain environment our customers and clients are still looking to us for advice, financing and partnership
- Confident we will continue to be a major player in the European capital markets
- Some understandable caution, but seeing no immediate signs of unusual impairment trends or stress
- Business and geographic diversification together with our conservative risk profile makes Barclays extremely resilient

[1] Per week | [2] From 23rd June to 26th July 2016 (comparable period last year) |

Tushar Morzaria

Barclays Group Finance Director

Financial highlights – Q216

Double digit Core returns: Underlying Core RoTE of 11.0%, driven by Barclays UK RoTE of 18.4% and Barclays Corporate & International RoTE of 11.9%[1]

Robust capital ratios: CET1 ratio of 11.6% – on track to meet end-state capital requirements, providing additional capital flexibility to improve returns

Continuing Non-Core momentum: £4bn reduction in RWAs to £47bn – on track to close Non-Core in 2017, with c.£20bn of RWAs

Continued focus on reducing cost: On track to meet £12.8bn 2016 underlying Core cost target, subject to FX[2] – Core cost: income ratio of 57%[3]

Preserving book value: TNAV per share increased 3p to 289p

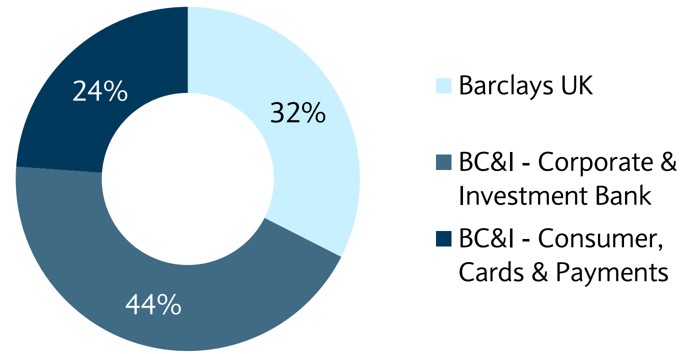
[1] RoTE excluding notable items. Core RoTE includes Head Office | [2] Target set at an average USD exchange rate for 2016 of 1.42 | [3] Excluding notable items |

Statutory Group financials – Q216

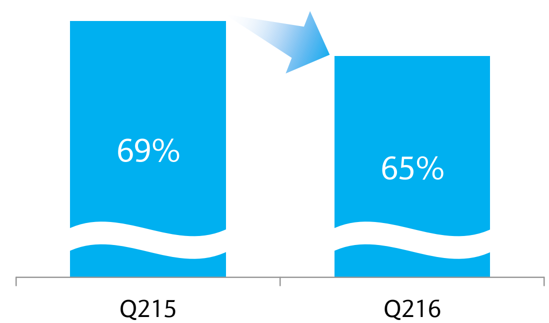
Three months ended (£m)	Jun-16	Jun-15	% change
Income	5,972	6,461	(8%)
Impairment	(488)	(393)	(24%)
– *Operating expenses*	*(3,425)*	*(3,557)*	*4%*
– *Litigation and conduct*	*(447)*	*(927)*	*52%*
Total operating expenses	(3,872)	(4,484)	14%
Other net expenses	(342)	(39)	
Profit before tax	1,270	1,545	(18%)
Tax	(467)	(324)	(44%)
Profit after tax - continuing operations	803	1,221	(34%)
NCI – continuing operations	(92)	(85)	(8%)
Other equity holders	(104)	(79)	(32%)
Profit after tax – discontinued operation	145	162	(10%)
NCI – discontinued operation	(75)	(73)	(3%)
Attributable profit	677	1,146	(41%)
Performance measures			
Return on average tangible equity	5.8%	9.8%	
Cost: income ratio	65%	69%	
Loan loss rate (LLR)	41bps	35bps	
Basic earnings per share	4.2p	7.0p	
	Jun-16	Mar-16	
Risk weighted assets	£366.3bn	£363.0bn	
Notable items (£m)[2]	Jun-16	Jun-15	
– *Own credit*	*292*	*282*	Income
– *Gain on disposal of Barclays' share of Visa* Europe	*615*	-	Income
– *Gains on US Lehman acquisition assets*	-	*496*	Income
– *Provisions for UK customer redress*	*(400)*	*(850)*	Litigation and conduct
Total	507	(72)	

Diversified Consumer, Corporate & Investment Bank

Q216 Core income by business[1]



Q216 Group cost: income ratio



[1] Excludes Head Office | [2] Other items not included as notable items: impairment of £372m in respect of the assets of the French retail businesses held for sale (Non-Core other net expenses), and loss of £182m from the restructuring of the terms of the ESHLA portfolio loans with Lender Option Borrower Option (LOBO) features (Non-Core income) |

Core: Underlying Return on Tangible Equity of 11.0%

Business performance excluding notable items			
Three months ended (£m)	**Jun-16**	**Jun-15**	**% change**
Income	5,409	5,441	(1%)
Impairment	(462)	(373)	(24%)
– *Operating expenses*	*(3,057)*	*(3,061)*	-
– *Litigation and conduct*	*(20)*	*(19)*	*(5%)*
Total operating expenses	(3,077)	(3,080)	-
Other net expenses/income	(18)	14	
Profit before tax	1,852	2,002	(7%)
Attributable profit	1,097	1,265	(13%)
Performance measures excluding notable items			
Return on average tangible equity	11.0%	14.0%	
Average allocated tangible equity[1]	£40.7bn	£36.4bn	
Cost: income ratio	57%	57%	
Loan loss rate (LLR)	45bps	38bps	
Basic earnings per share	6.6p	7.7p	
	Jun-16	**Mar-16**	
Risk weighted assets[1]	£319.6bn	£312.2bn	
Notable items (£m)	**Jun-16**	**Jun-15**	
– *Own credit*	*292*	*282*	
– *Gain on disposal of Barclays' share of Visa Europe*	*615*	-	
– *Gains on US Lehman acquisition assets*	-	*496*	
– *Provisions for UK customer redress*	*(400)*	*(800)*	
Total	507	(22)	

Profit/(loss) before tax (£m)	Jun-16	Jun-15	% change
– *Barclays UK*	*625*	*668*	*(6%)*
– *Barclays Corporate & International*	*1,262*	*1,374*	*(8%)*
– *Head Office*	*(35)*	*(40)*	*13%*
Core	1,852	2,002	(7%)

Q216 Performance metrics

- Core income decreased 1% to £5.4bn, excluding own credit and the gain on sale of Visa Europe
- Underlying impairment performance was stable while LLR increased by 7bps mostly due to refinement of impairment modelling
- Total operating expenses were flat, with savings offset by FX moves
  - Remain on track for 2016 Core cost target of £12.8bn, subject to FX[2]
  - Cost: income ratio was 57%
- Average allocated tangible equity increased by £4bn since Q215
  - Core RoTE was 11.0%

Barclays UK – RoTE of 18.4%

- Income was broadly in line, with good growth in customer balances offsetting lower fee income
- Cost reduction of 3% generated positive jaws

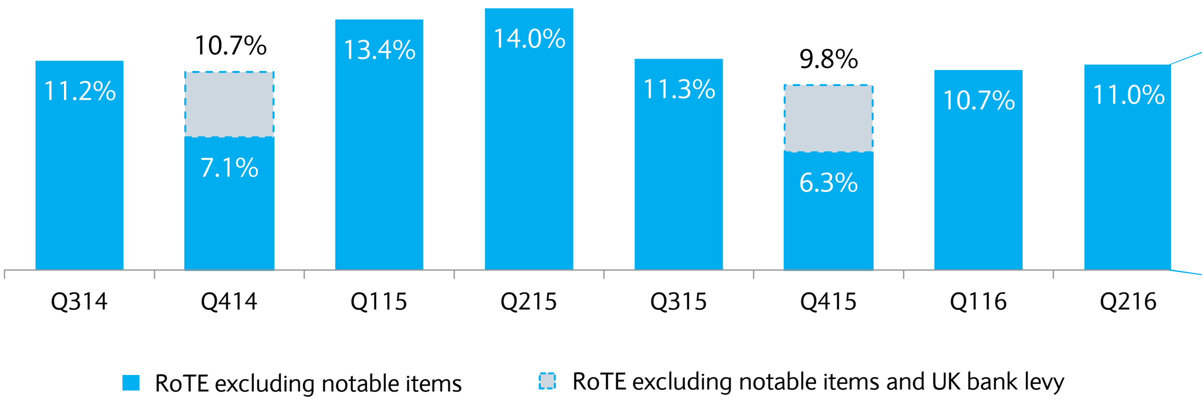
Barclays Corporate & International – RoTE of 11.9%

- Strong profit growth of 41% in CC&P and RoTE of 26.3%
- Resilient CIB performance despite challenging market conditions, and RoTE of 9.5%

[1] Risk weighted assets and average allocated tangible equity for Africa Banking are included within Core | [2] Target set at an average USD exchange rate for 2016 of 1.42 |

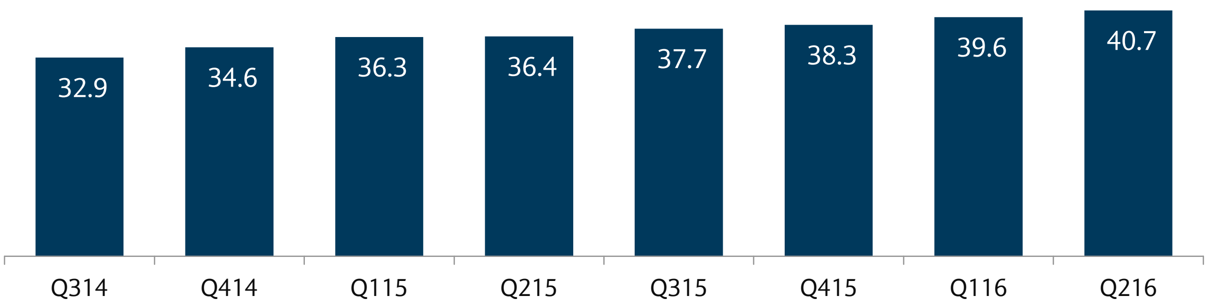
Generating a consistently strong Core RoTE on an increasing tangible equity base

Core return on average tangible equity (excluding notable items)



Barclays UK	18.4%
Barclays Corporate & International	11.9%
– Corporate & Investment Bank	9.5%
– Consumer, Cards & Payments	26.3%

Core average tangible equity – excluding notable items (£bn)



24% increase in average tangible equity since Q314

Barclays UK: Return on Tangible Equity of 18.4%

Business performance excluding notable items

Three months ended (£m)	Jun-16	Jun-15	% change
Income	1,792	1,804	(1%)
Impairment	(220)	(166)	(33%)
– *Operating expenses*	*(947)*	*(970)*	*2%*
– *Litigation and conduct*	*1*	*(1)*	
Total operating expenses	(946)	(971)	3%
Profit before tax	625	668	(6%)
Attributable profit	405	464	(13%)

Performance measures excluding notable items

Return on average tangible equity	18.4%	19.9%
Average allocated tangible equity	£9.0bn	£9.4bn
Cost: income ratio	53%	54%
Loan loss rate (LLR)	52bps	40bps
Net interest margin	3.56%	3.54%

	Jun-16	Mar-16
Loans and advances to customers	£166.0bn	£166.2bn
Customer deposits	£181.7bn	£179.1bn
Risk weighted assets	£67.1bn	£69.7bn

Notable items (£m)	Jun-16	Jun-15
– *Gain on disposal of Barclays' share of Visa Europe*	*151*	-
– *Provisions for UK customer redress*	*(400)*	*(800)*

Q216 Performance metrics

- Robust RoTE of 18.4% as PBT declined slightly to £625m
- Income was broadly in line at £1.8bn with NIM of 3.56%
  - Improved deposit margins and balance growth, offset by lower fee income from European Interchange Regulation, and mortgage margin compression
- Expect to broadly maintain FY16 NIM at current levels, assuming a 25bps rate cut
- While underlying trends remained stable, impairment increased £54m primarily due to refinement of impairment modelling in Barclaycard Consumer UK
- Costs continued to fall reflecting savings from strategic cost programmes delivering positive jaws
  - Continued trajectory towards a cost: income ratio below 50%

Key drivers

Personal Banking

- Strong deposit growth year-on-year, up £8.1bn to £134.8bn with improved pricing
- Maintained pricing and underwriting discipline despite continued mortgage margin pressure
  - High quality mortgage book with low average LTV (47%) and prudent underwriting criteria
- Retained intentionally low share in higher risk segments e.g. high LTV and BTL

Barclaycard Consumer UK

- 3% year-on-year growth in loans and advances to £16.2bn as at Q216
- Underlying impairment trends stable, reflected in broadly flat arrears rates

Wealth, Entrepreneurs & Business Banking (WEBB)

- Market headwinds reduced management fees, offset by increased liability balances in Wealth
- Steady deposit balance growth of 4% year on year, led by cash management

Barclays UK: Digital is Barclays' biggest branch

Personal Banking

	2013	2014	2015	Q216
Digitally active customers	5.3m	6.3m	6.9m	7.2m
Barclays Mobile Banking (BMB) customers	2.3m	3.7m	4.8m	5.2m
Payments and transfers (monthly)	£13.3bn	£16.1bn	£19.0bn	£23.0bn
Unsecured lending completed digitally end-to-end (yearly)	£0.5bn	£1.0bn	£1.6bn	£1.1bn in H116

Digital unsecured lending has a cost to income ratio in the low 20's

Barclays Corporate & International: RoTE of 11.9%

Business performance excluding notable items			
Three months ended (£m)	Jun-16	Jun-15	% change
– *Corporate & Investment Bank*	*2,611*	*2,770*	*(6%)*
– *Consumer, Cards & Payments*	*964*	*836*	*15%*
Income	3,575	3,606	(1%)
Impairment	(240)	(206)	(17%)
– *Operating expenses*	*(2,074)*	*(2,027)*	*(2%)*
– *Litigation and conduct*	*(10)*	*(12)*	*17%*
Total operating expenses	(2,084)	(2,039)	(2%)
Profit before tax	1,262	1,374	(8%)
Attributable profit	720	847	(15%)

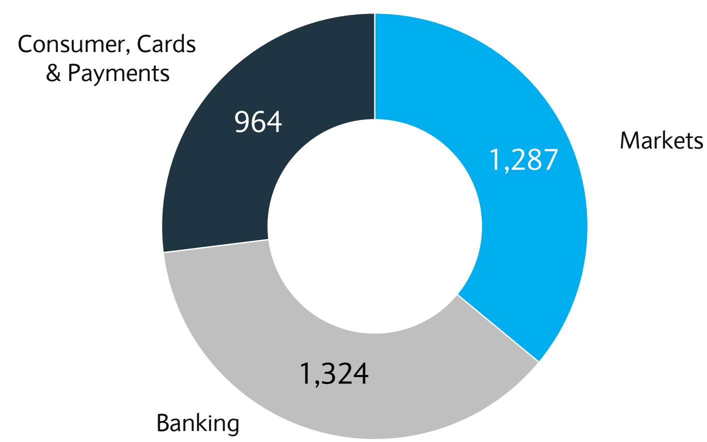
Performance measures excluding notable items		
Return on average tangible equity	11.9%	13.9%
Average allocated tangible equity	£24.8bn	£24.7bn
Cost: income ratio	58%	57%
Loan loss rate (LLR)	41bps	38bps
Net interest margin[1]	4.75%	4.66%
	Jun-16	Mar-16
Risk weighted assets	£209.3bn	£202.2bn

Notable items (£m)	Jun-16	Jun-15
– *Gain on disposal of Barclays' share of Visa Europe*	*464*	-
– *Gains on US Lehman acquisition assets*	-	*496*

Q216 Performance metrics

- RoTE of 11.9% demonstrated diversification benefit from consumer and wholesale banking mix
  - Strong growth in CC&P and resilient CIB performance in challenging market conditions
- High proportion of USD and EUR earnings benefitting from a weaker GBP
- NIM increased to 4.75%
- Stable impairment in CIB and balance growth in CC&P led to a £34m increase in impairment, with LLR increasing marginally to 41bps
- Underlying costs rose 2% as saves were more than offset by FX and higher structural reform implementation costs

Q216 Income by business (£m)



[1] Excludes Investment Banking related balances |

Corporate & Investment Bank: RoTE of 9.5%

Business performance excluding notable items

Three months ended (£m)	Jun-16	Jun-15	% change
Markets	1,287	1,388	(7%)
– *Credit*	*269*	*218*	23%
– *Equities*	*406*	*588*	(31%)
– *Macro*	*612*	*582*	5%
Banking	1,324	1,383	(4%)
– *Banking fees*	*622*	*580*	7%
– *Corporate lending*	*312*	*387*	(19%)
– *Transactional banking*	*390*	*416*	(6%)
Income	2,611	2,770	(6%)
Impairment	(37)	(42)	12%
Total operating expenses	(1,665)	(1,605)	(4%)
Profit before tax	909	1,124	(19%)

Performance measures excluding notable items

Return on average tangible equity	9.5%	12.6%
	Jun-16	Mar-16
Risk weighted assets	£178.4bn	£172.6bn

Q216 Performance metrics

- Resilient performance in challenging conditions generated RoTE of 9.5%
- Income was 1% higher than Q116 led by a 29% increase in Banking fees
- Compared to Q215, income reduced 6% to £2,611m, with favourable FX moves
  - Credit and Macro income increased 23% and 5%, offset by weakness in Equities
  - Banking fees increased 7% driven by higher Advisory and DCM, offset by lower corporate lending
- Impairment charges of £37m were down on Q116
- Costs increased 4% to £1,665m primarily due to increased structural reform implementation costs and the appreciation of average USD rate against GBP
- Increase in RWAs primarily due to USD appreciation

Key drivers

Markets

- Second strongest Credit performance since 2014 after Q116, due to improved market share and client flows
- Higher client activity in both Rates and Currency products led to a 5% increase in Macro income
- Equities reduced 31% with strong Americas performance more than offset by lower client activity in Asia and simplification of parts of the EMEA business

Banking

- Strong quarter for Advisory and Debt underwriting as we continue to be ranked highest European bank globally and in the US on fee share
  - Advised on 3 of the top 5 M&A deals closed in Q216 and 2 of the top 3 Healthcare deals in H116[1]
  - Combined Investment Grade and Leveraged Finance outperformance, and ranked #2 for Acquisition Finance in H116[1]
- Corporate lending impacted by lower contribution from credit hedges on lending
- Transactional banking fell by 6%, due to some margin compression, partially offset by higher income from increased deposit balances and payments volumes

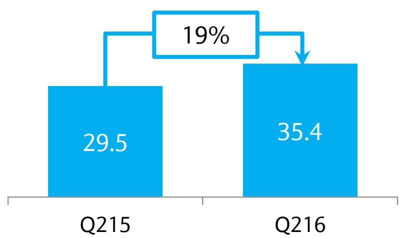
[1] Dealogic data |

Consumer, Cards & Payments: RoTE of 26.3%

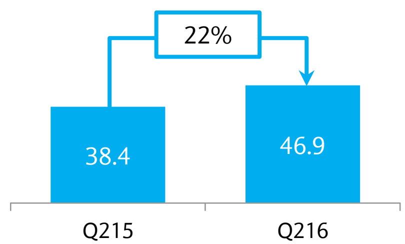
Business performance excluding notable items

Three months ended (£m)	Jun-16	Jun-15	% change
Income	964	836	15%
Impairment	(203)	(165)	(23%)
Total operating expenses	(419)	(434)	3%
Profit before tax	353	250	41%
Performance measures excluding notable items			
Return on average tangible equity	26.3%	23.4%	

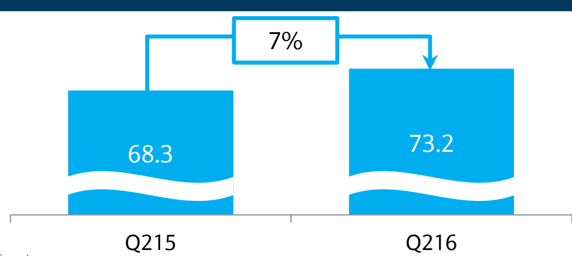
Loans & advances to banks and customers (£bn)



Customer deposits (£bn)



Total card spend and payments processed (£bn)



Q216 Performance metrics

- PBT increased 41% to £353m, generating RoTE of 26.3%
- Continued growth in Barclaycard US, Germany and Merchant Acquiring drove a 15% improvement in income, also helped by the appreciation of average USD and EUR rate against GBP
- Impairment increase primarily driven by growth in loans and advances and FX moves
- Costs declined 3% despite FX moves and business growth, resulting in a cost: income ratio of 43%, down from 52% in Q215

Key drivers

Barclaycard US

- Loans and advances to customers increased by 34% to £18.4bn, while the customer base grew 4% to 13.8m
- Card spend value of £13.7bn in Q216, up 18% vs. Q215[1]
- Stronger than expected JetBlue performance from both the acquired portfolio and new customers
- Announced new co-brand agreement with American Airlines

Barclaycard Germany

- c.13% growth in customers on Q215 to over 1.1m
- 26% growth in net loans and advances to £2.7bn

Barclaycard Business Solutions (BBS)

- Merchant Acquiring business processed payments to the value of £56.0bn in Q216, up 5% on Q215
- Point of Sale Finance loans and advances grew 8% to £3.9bn

[1] Includes balance transfers |

Non-Core: Continued good rundown momentum

Business performance excluding notable items			
Three months ended (£m)	Jun-16	Mar-16	Jun-15
– *Businesses*	*181*	*196*	*292*
– *Securities and loans*	*(363)*	*(402)*	-
– *Derivatives*	*(162)*	*(36)*	*(49)*
Income	(344)	(242)	243
Impairment	(26)	(29)	(20)
– *Operating expenses*	*(368)*	*(489)*	*(496)*
– *Litigation and conduct*	*(27)*	*(66)*	*(58)*
Total operating expenses	(395)	(555)	(554)
Other net expenses/income	(324)	11	(54)
Loss before tax	(1,089)	(815)	(385)
Attributable loss	(887)	(603)	(284)
Performance measures excluding notable items			
Average allocated tangible equity	£7.9bn	£9.0bn	£11.3bn
Period end allocated tangible equity	£7.8bn	£8.5bn	£10.1bn
Basic earnings/(loss) per share	(5.2p)	(3.6p)	(1.7p)
Risk weighted assets	£46.7bn	£50.9bn	£68.6bn
Notable items (£m)	**Jun-16**	**Mar-16**	**Jun-15**
– *Provisions for UK customer redress*	-	-	*(50)*
Material one-off items (£m)	**Jun-16**	**Mar-16**	**Jun-15**
– *Impairment of French retail business assets held for sale*	*(372)*	-	-
– *Restructure of ESHLA loans with LOBO features*	*(182)*	-	-

Q216 Performance metrics

- Negative income of £344m was largely driven by a one-off loss of £182m due to the restructuring of the ESHLA Lender Option Borrower Option (LOBO) loan terms
  - Business income reduced due to sale of the Portuguese business
  - Derivatives income reduced reflecting active rundown of portfolios and funding costs
- Total operating expenses declined to £395m including lower restructuring costs of £81m (Q116: £182m)
- Loss before tax increased to £1,089m reflecting a £372m impairment associated with the valuation of the French retail banking operations which are held for sale

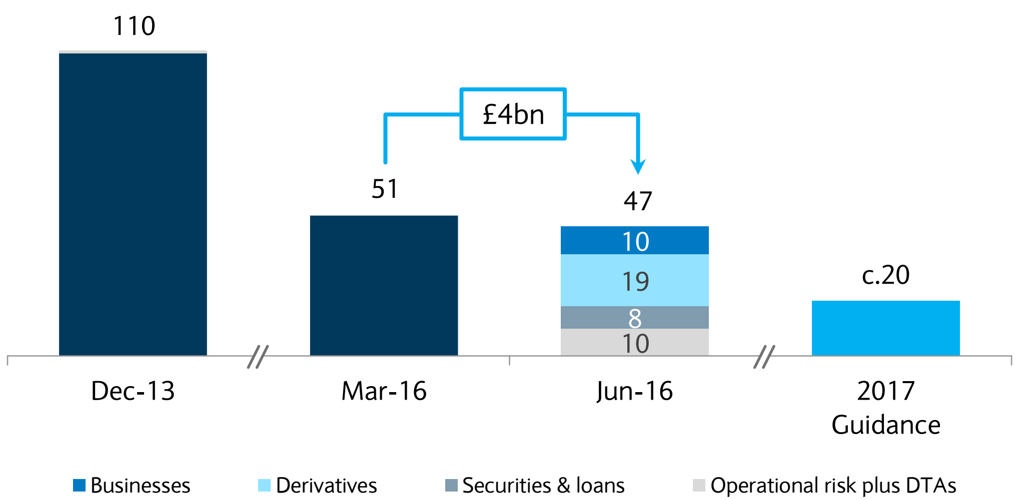
Key drivers/highlights

- RWAs reduced by £4bn to £47bn from rundown of businesses, derivatives, and securities & loans
  - Portugal retail business sale completed on 1 April, reducing RWAs by £1.8bn
- Restructuring of ESHLA LOBO loan terms expected to significantly reduce future P&L volatility in the remaining portfolio
  - Capital accretive due to reduced requirement to hold capital against these loans
  - Significant reduction in Level 3 assets
- Lower ESHLA negative fair value movements of £50m as gilt swap spreads narrowed

Priority is to close Non-Core in 2017

- Continued good execution of the Non-Core rundown while preserving capital
  - RWA reduction of £4bn in Q216
  - Strong pipeline of business disposals and confidence in derivatives rundown
- Priority remains to close Non-Core with c.£20bn of RWAs in 2017 with minimal impact on Group returns
- Providing new cost guidance for 2017 of £400-£500m[1]

RWAs (£bn)[2]



Pipeline of announced disposals

- Italy Retail
- Barclays Risk Analytics and Index Solutions
- Asia Wealth and Investment Management
- Southern European Cards
- France Retail[3]

Expected pro-forma impact on completion

RWAs c.£3bn

CET1 ratio c.15-20bps

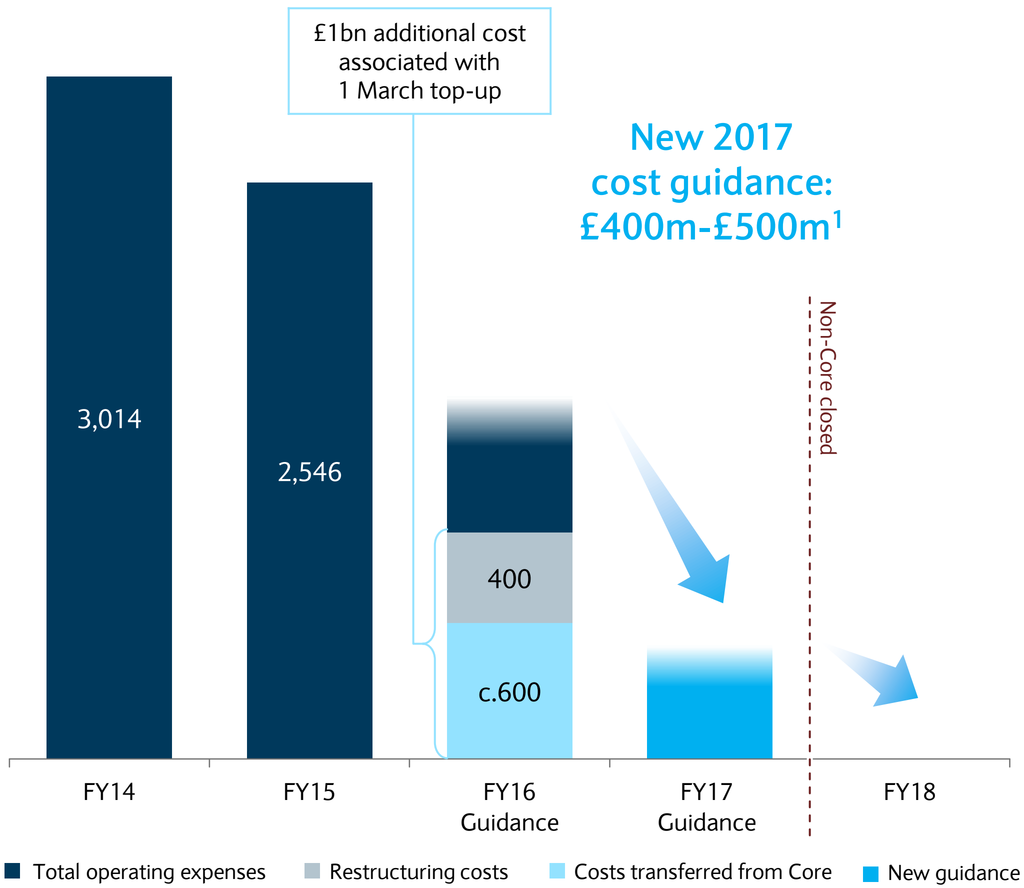
Remaining Businesses

- Egypt/Zimbabwe
- Italian Mortgages

[1] Excluding notable items. Based on current exchange rates | [2] Dec-13 RWAs are on a pre-restatement basis. Mar-16, Jun-16 and 2017 Guidance are on a post-restatement basis i.e. inclusive of £8bn of RWAs added to Non–Core in Q116 | [3] Barclays has entered into exclusive discussions with AnaCap Financial Partners for the potential sale of our French Retail Banking operations including our network of 74 branches, life insurance business, and wealth and investment management operations. A decision to sell will only be taken after completion of a required works council consultation |

New Non-Core cost guidance for 2017

Costs (£m)



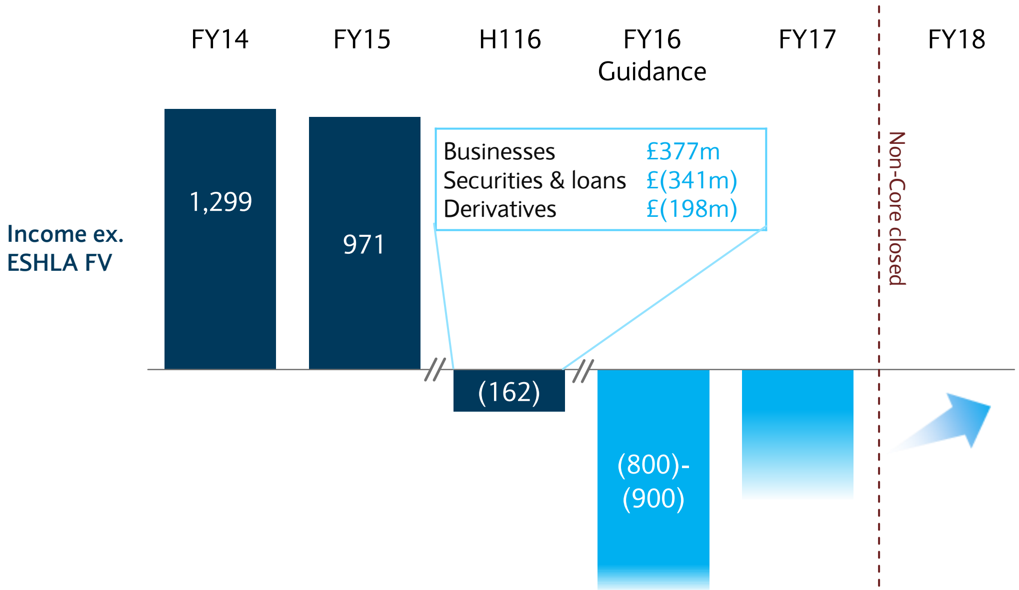
Cost guidance

- Non-Core top-up on 1 March added c.£600m of annualised costs
  - Majority expected to be removed in 2016
- Additional c.£400m one-time restructuring cost for 2016
- Total costs of £950m in H116, including £263m of restructuring costs
- Guiding to Non-Core costs in FY17 in the range of £400m-£500m[1]
- Expect costs to be significantly lower in 2018, reducing drag on Group returns after Non-Core is closed in 2017

[1] Excluding notable items. Based on current exchange rates |

Non-Core income guidance

Income (£m)



	FY14	FY15	H116	FY16 onwards
ESHLA FV	£(156)m	£(359)m	£(424m)	ESHLA FV volatility reduced following LOBO loan restructuring

Other net income/(expense)

	FY14	FY15	H116	FY16 onwards
Business disposals[1]	£(761)m	£(468)m	£(372)m	Guidance on quantum and timing of disposal profits/losses on a business by business basis

Income guidance

- Income from Non-Core top-up on 1 March expected to be eroded by end-2016 as business sales complete
- Guiding to negative income run-rate of £800m to £900m in 2016, excluding
  - ESHLA portfolio FV movements, and
  - Gains and losses on Business disposals (in other net income)
- Expect significantly lower negative income in 2017 and lower still in 2018

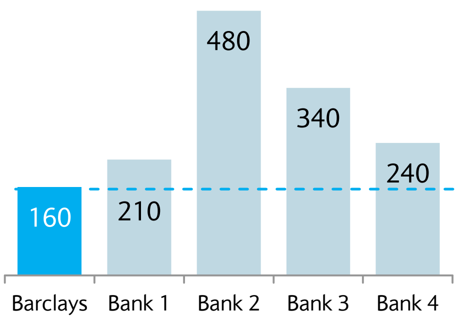
- c.£480m pre-tax gain on sale of Index business expected in Q316
- Gain on sale of Asia Wealth & Investment Management and Southern European cards expected in H216

[1] Included gains/(losses) on business disposals treated as notable items in FY14 and FY15 and an impairment charge relating to the assets of the French retail and Wealth and Investment Management businesses that are held for sales in Q216 |

Prudent and well managed risk appetite

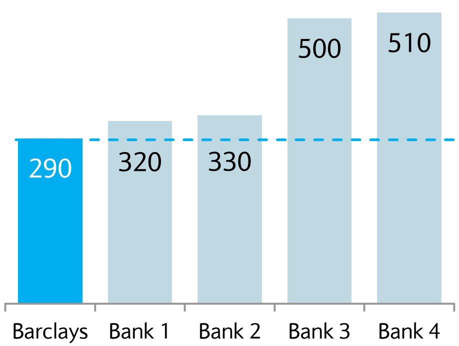
Bank of England stress tests – CET1 ratio drawdown[1] (bps)

2014



BoE Stress Test assumptions (peak stress)	2014
GDP growth	(2.4%)
Unemployment rate	11.8%
Inflation	6.6%
House Price Inflation	(35%)
Interest rate	4.2%

2015



BoE Stress Test assumptions (peak stress)	2015
GDP growth	(2.4%)
Unemployment rate	9.2%
Inflation	(0.9%)
House Price Inflation	(20%)
Interest rate	0%

Lowest stress loss in both 2014 and 2015 BoE stress tests post strategic management actions

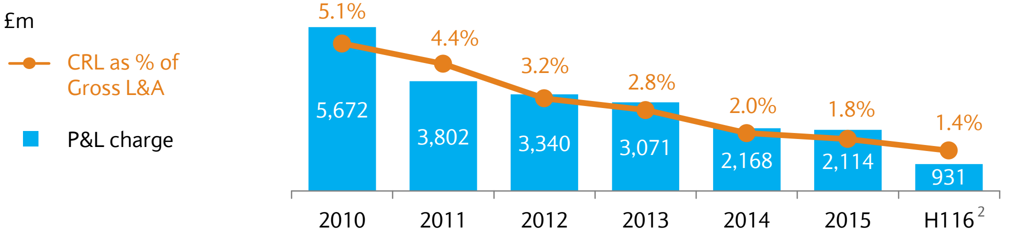
Evidence of conservative risk profile

- Maintained a consistently prudent risk appetite into and since the 2008 financial crisis
  - Remain conservatively positioned across all of our portfolios
- High quality, conservative UK mortgage portfolio, with low average LTV of c.47% and strong underwriting criteria which have not changed since the crisis
  - Intentionally low market share in higher risk segments including high LTV[2] (2%) and buy-to-let (9%) mortgages
  - Resilient under the house price declines in both the 2014 and 2015 Bank of England stress tests
- Careful and responsive risk management across UK and US credit card portfolios with history of improving delinquency trends
- Limited and stable exposure to UK Commercial Real Estate with conservative LTV profile and well collateralised

[1] Post strategic management actions | [2] High LTV mortgages refers to those with LTV in excess of 85% |

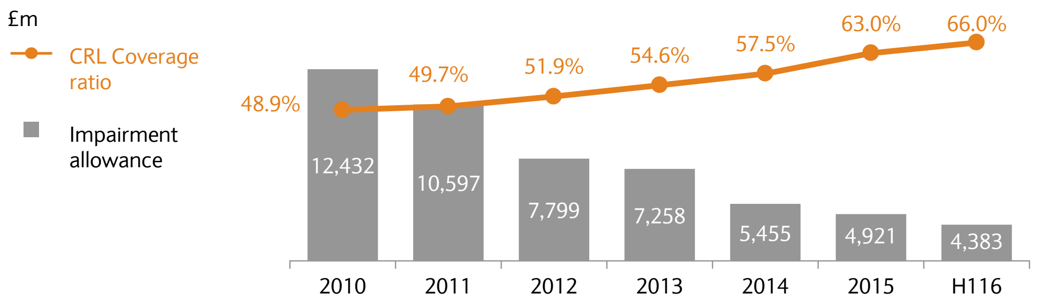
Asset quality trends remain favourable

Impairment charge and CRLs tracking downwards…



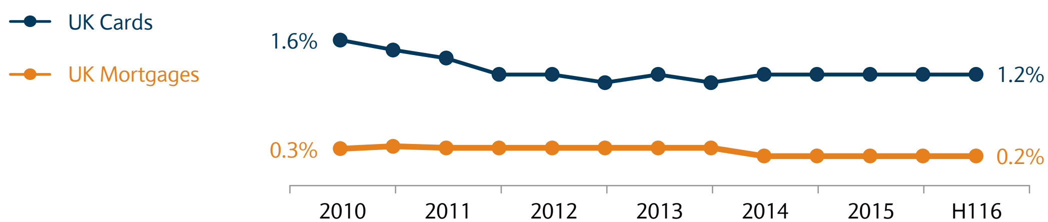
- Impairment charges have consistently declined since 2010
- Credit Risk Loans[1] as a percentage of Gross Loans and Advances have also consistently declined

…while CRL coverage ratio improved



- Coverage ratios have increased steadily as a result of consistent improvement in asset quality, although impairment allowances have fallen significantly since 2010

90-day delinquency trends improving or stable

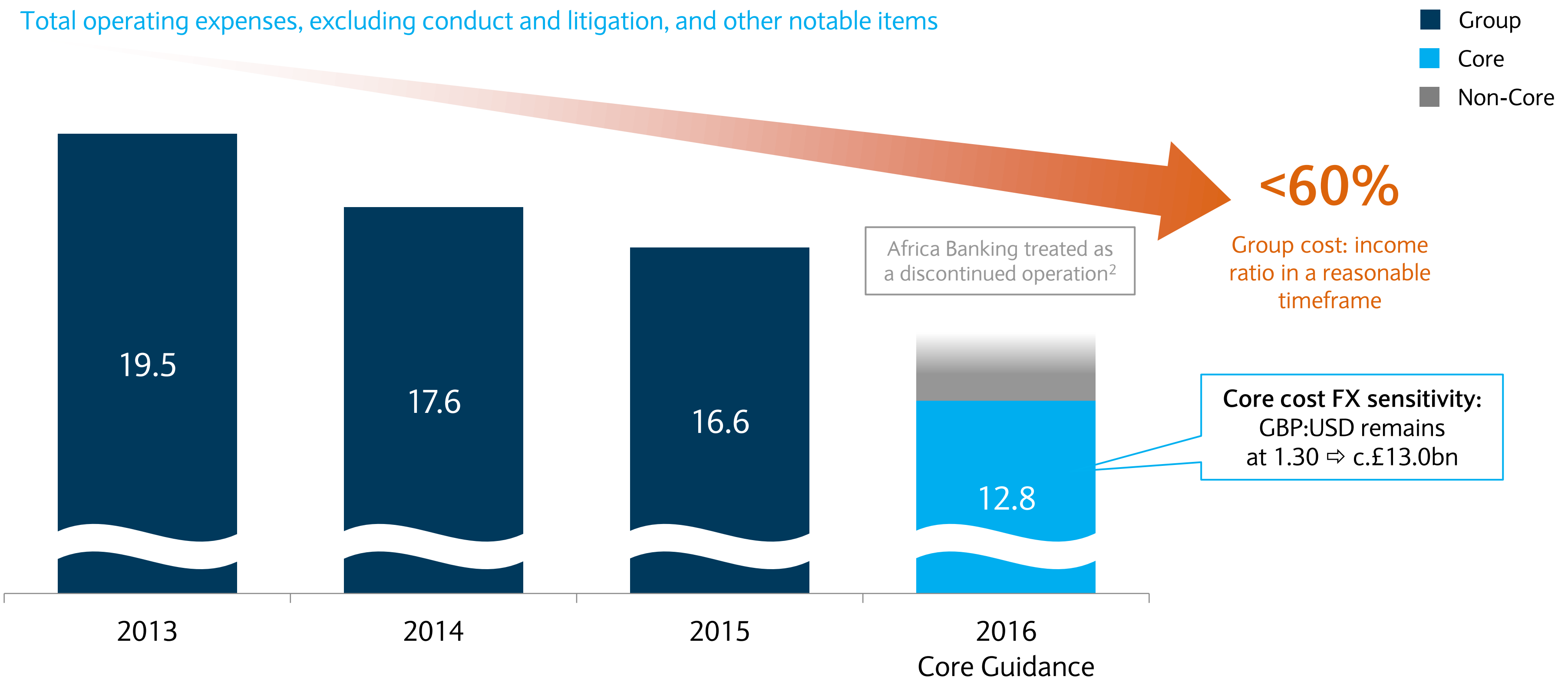


- Both UK Cards and UK Mortgages delinquency rates remain well controlled, reflecting the quality of the books

[1] A loan becomes a credit risk loan when evidence of deterioration has been observed, for example a missed payment or other breach of covenant. A loan may be reported in one of three categories: impaired loans, accruing past due 90 days or more, impaired or restructured loans. These may include loans which, while impaired, are still performing but have associated individual impairment allowances raised against them | [2] P&L charge for the half year |

Continued focus on cost discipline and efficiency

Group cost progression and Core guidance (£bn)

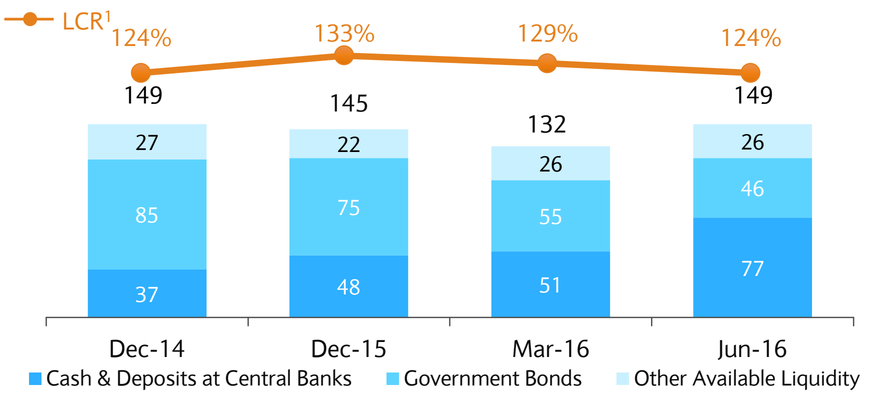


Core cost guidance for 2016 of £12.8bn reaffirmed[1], with further cost efficiencies expected over time

[1] The cost guidance of £12.8bn assumed an average USD exchange rate for 2016 of 1.42 | [2] Africa Banking meets the requirements for presentation as a discontinued operation, and as such, its results are presented on the face of the Group income statement representing profit after tax in respect of discontinued operation |

Maintaining a robust liquidity position and well diversified funding profile

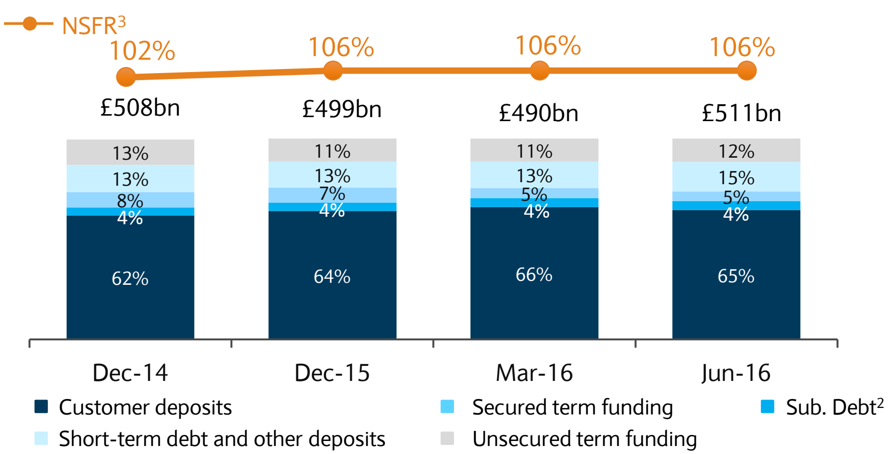
High quality liquidity pool (excluding BAGL) (£bn)



Maintained a robust liquidity position

- Group liquidity pool at £149bn, an increase on Q1, providing a surplus to internal and external minimum requirements
- Increased the cash contribution whilst reducing government bonds in the run-up to the EU referendum, in particular a larger USD cash position
- Quality of the pool remains high
  - 82% held in cash, deposits with central banks and high quality government bonds
  - All else being equal, no need to access term wholesale funding markets for the remainder of the year to maintain an expected LCR above 100%
  - Liquidity pool exceeded wholesale funding maturity in less than one year by £79bn

Total funding (excluding BAGL)



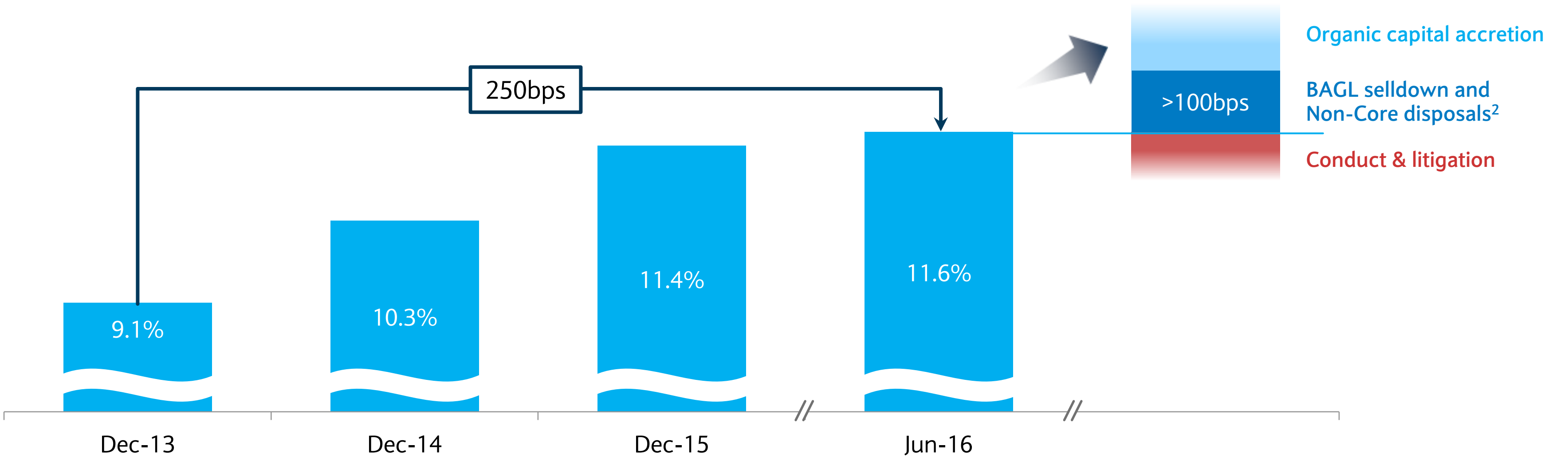
Well balanced funding profile

- Continued to optimise funding costs as we transition to HoldCo
  - £6.1bn of public operating company senior debt and capital instruments, including preference shares, have been bought back and called during H116
  - Successfully issued £5.7bn from the HoldCo in H116. Further issuance subject to market conditions and investor capacity
- Group and retail businesses Loan to Deposit Ratio (LDR) stable at 98% and 85% respectively

| [1] LCR estimated based on the CRD IV rules as implemented by the European Commission delegated act | [2] Excludes AT1 capital and preference shares | [3] Estimated based on the final BCBS rules published in October 2014 |

Strong CET1 ratio progression

Fully Loaded CET1 ratio[1]

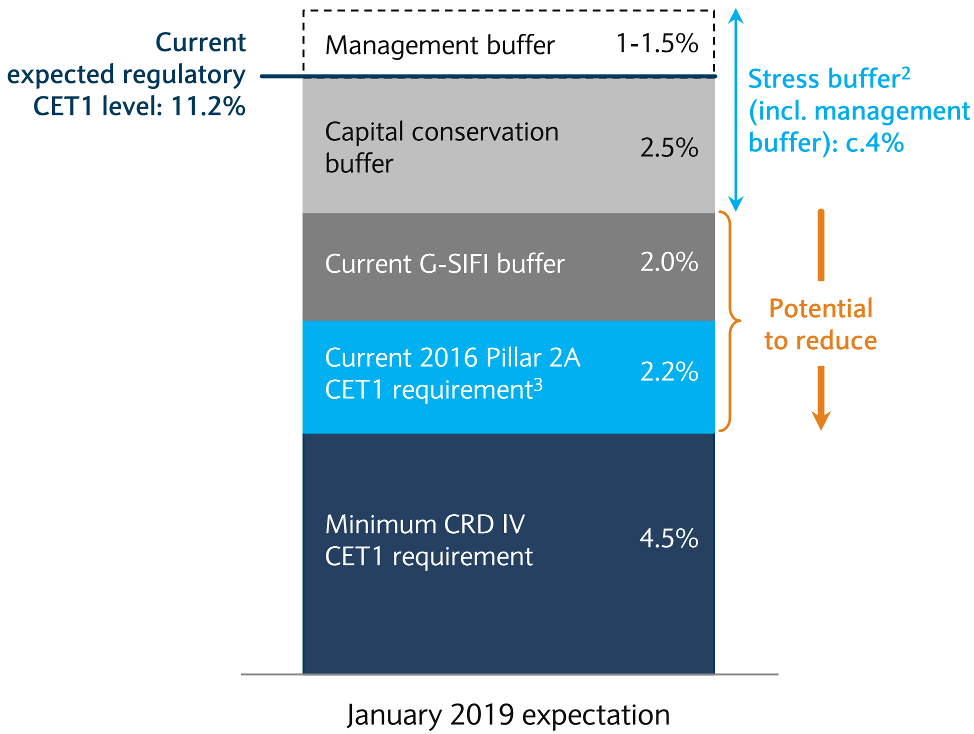


- CET1 ratio of 11.6% at 30 June, an improvement of 250bps since December 2013 despite absorbing conduct and litigation charges of c.160bps
- Selldown of BAGL to a level which achieves regulatory deconsolidation and Non-Core disposals expected to increase CET1 ratio by over 100bps[2]
- CET1 ratio accretion expected from further organic capital growth more than offsetting potential headwinds
- Confidence in our capital trajectory allows flexibility to balance capital accretion while driving returns
  - Flightpath will not be linear as we balance CET1 ratio accretion with driving improvements in RoTE
    - e.g. USD preference share redemption announced in May 2016

[1] Based on Barclays interpretation of the final CRD IV text and latest EBA technical standard | [2] Implementation of Barclays' intentions is subject to, amongst other things, regulatory approval. Implementation of these plans is also subject to significant execution risks and there can be no assurance the expected benefits will be realised on any proposed timescale or at all |

Confidence on capital trajectory allows flexibility to pursue RoTE accretive actions

Current expected capital requirements[1]



Future CET1 ratio target

- Managing capital position for 100-150bps management buffer above future regulatory CET1 levels
  - 11.2% with countercyclical buffer of 0.5% removed
  - 12.2-12.7%[1] including management buffer, based on current expectations

Expect capital buffers to evolve

- G-SIFI buffer may reduce with further simplification of the Group
- Pillar 2A reduction may offset potential increases to RWAs from Basel proposals

Prudent capital planning provides for ample buffers to minimum capital requirements and stress tests

[1] This illustration is based on Barclays' interpretation of current regulation and regulatory proposals, which are subject to change, and is not a forecast of Barclays' results of operations or capital position or otherwise. This illustration is also based on certain assumptions, which cannot be assured and are subject to change, including: holding constant the P2A at 2016 level despite it being subject to at least annual review; and assumed CRD IV buffers, which are subject to change | [2] Indication based on capital buffers that can be used in stress tests. This should not be interpreted as an indication of Barclays' 2016 Pillar 2B and/or future PRA buffer which remains confidential between the BoE and the respective banks it regulates | [3] Point in time assessment made at least annually by the PRA to reflect idiosyncratic risks not fully captured under Pillar 1. The 2016 total Pillar 2A requirement of 3.9% is split as follows: 2.2% in CET1 form (56% of total requirement), 0.7% in AT1 form (19% of total requirement), and 1.0% in T2 form (25% of total requirement) |

Conclusion

- Core business delivering double digit returns on a materially higher equity base
- Non-Core closure on track – provided clarity on 2017 costs
- Continued focus on costs in Core and Non-Core, progressing towards Group cost: income ratio target of <60%
- Resilience from very high asset quality across our portfolios and strong risk management plus benefits from business diversification
- Capital strength provides additional flexibility to drive Core returns and reduce Non-Core drag
- Expect Group RoTE to converge with Core RoTE

Barclays PLC

Q2 2016 Financial Results

29 July 2016

Appendices

Transatlantic Consumer, Corporate & Investment Bank

Barclays UK	Barclays Corporate & International	Non-Core	Africa Banking
UK consumer and business bank differentiated by scale and digital innovation	Diversified transatlantic wholesale and consumer bank		
Personal Banking Barclaycard Consumer UK Wealth, Entrepreneurs & Business Banking	Corporate & Investment Bank Consumer, Cards & Payments	Expect to close in 2017 with c.£20bn of RWAs and cost guidance of £400-500m[2]	Aim to achieve regulatory deconsolidation First selldown to 50.1% completed

Summary statutory financials – H116	
PBT: £1,080m	PBT: £2,753m
RoTE[1]: 13.6%	RoTE[1]: 14.3%

Group returns to converge with Core returns over a reasonable timeframe

[1] Annualised RoTE | [2] Excluding notable items. Based on current exchange rates |

Statutory Group financials – H116

Six months ended (£m)	Jun-16	Jun-15	% change
Income	11,013	12,111	(9%)
Impairment	(931)	(779)	(20%)
– *Operating expenses*	*(7,172)*	*(6,624)*	*(8%)*
– *Litigation and conduct*	*(525)*	*(1,966)*	*73%*
Total operating expenses	(7,697)	(8,590)	10%
Other net expenses	(322)	(140)	
Profit before tax	2,063	2,602	(21%)
Tax	(715)	(852)	16%
Profit after tax - continuing operations	1,348	1,750	(23%)
NCI – continuing operations	(186)	(173)	(8%)
Other equity holders	(208)	(159)	(31%)
Profit after tax – discontinued operation	311	358	(13%)
NCI – discontinued operation	(155)	(165)	6%
Attributable profit	1,110	1,611	(31%)

Performance measures		
Return on average tangible equity	4.8%	6.9%
Cost: income ratio	70%	71%
Loan loss rate (LLR)	39bps	35bps
Basic earnings per share	6.9p	9.9p

Notable items (£m)	Jun-16	Jun-15	
– *Own credit*	*183*	*410*	Income
– *Gain on disposal of Barclays' share of Visa Europe*	*615*	-	Income
– *Gains on US Lehman acquisition assets*	-	*496*	Income
– *Gain on valuation of a component of the defined retirement benefit liability*	-	*429*	Operating Expenses
– *Provisions for ongoing investigations and litigation including Foreign Exchange*	-	*(800)*	Litigation and conduct
– *Provisions for UK customer redress*	*(400)*	*(1,032)*	Litigation and conduct
– *Losses on sale relating to the Spanish business*	-	*(118)*	Other net income/(expenses)
Total	398	(615)	

Core – Six months ended (£m)	Jun-16	Jun-15	% change
Income	11,599	11,646	-
Impairment	(876)	(718)	(22%)
– *Operating expenses*	*(6,315)*	*(5,679)*	*(11%)*
– *Litigation and conduct*	*(432)*	*(1,834)*	*76%*
Total operating expenses	(6,747)	(7,513)	10%
Other net expenses/income	(9)	(68)	87%
Profit before tax	3,967	3,347	19%
Attributable profit	2,444	2,000	22%

Non-Core – Six months ended (£m)	Jun-16	Jun-15	% change
Income	(586)	465	
Impairment	(55)	(61)	10%
– *Operating expenses*	*(857)*	*(945)*	*9%*
– *Litigation and conduct*	*(93)*	*(132)*	*30%*
Total operating expenses	(950)	(1,077)	12%
Other net expenses/income	(313)	(72)	
Profit before tax	(1,904)	(745)	
Attributable profit	(1,490)	(582)	

Group financials excluding notable items – Q216

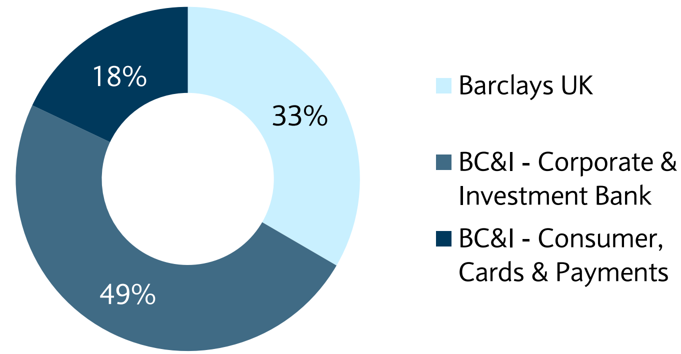
Performance excluding notable items

Three months ended (£m)	Jun-16	Jun-15	% change
Income	5,065	5,683	(11%)
Impairment	(488)	(393)	(24%)
– *Operating expenses*	*(3,425)*	*(3,557)*	*4%*
– *Litigation and conduct*	*(47)*	*(77)*	*39%*
Total operating expenses	(3,472)	(3,634)	4%
Other net expenses	(342)	(39)	
Profit before tax	763	1,617	(53%)
Tax	(357)	(472)	24%
Profit after tax – continuing operations	406	1,145	(65%)
NCI – continuing operations	(92)	(85)	(8%)
Other equity holders	(104)	(79)	(32%)
Profit after tax – discontinued operation	145	162	(10%)
NCI – discontinued operation	(75)	(73)	(3%)
Attributable profit	279	1,069	(74%)
Performance measures			
Return on average tangible equity	2.5%	9.1%	
Cost: income ratio	69%	64%	
Loan loss rate (LLR)	41bps	35bps	
Basic earnings per share	1.8p	6.5p	
	Jun-16	Mar-16	
Risk weighted assets	£366.3bn	£363.0bn	
Notable items (£m)[2]	Jun-16	Jun-15	
– *Own credit*	*292*	*282*	Income
– *Gain on disposal of Barclays' share of Visa* Europe	*615*	-	Income
– *Gains on US Lehman acquisition assets*	-	*496*	Income
– *Provisions for UK customer redress*	*(400)*	*(850)*	Litigation and conduct
Total	507	(72)	

[1] Excludes Head Office |

Diversified Consumer, Corporate & Investment Bank

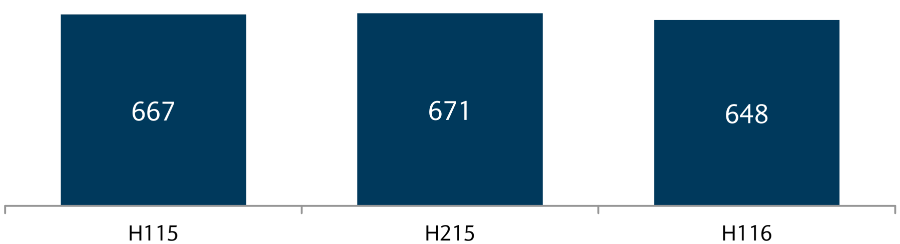
Q216 Core income by business[1] excluding notable items



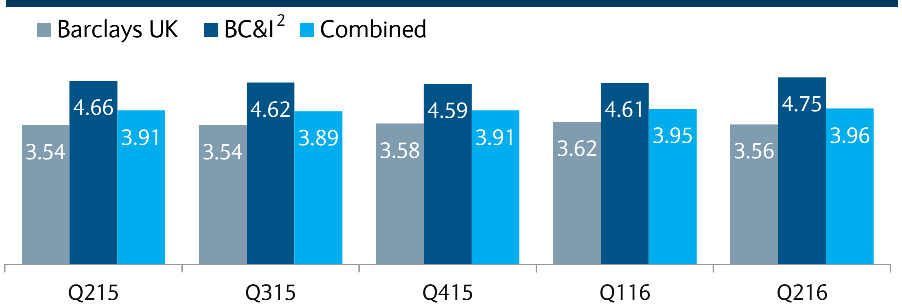
Core income and margins – Q216

Income[1] (£m) – Three months ended	Jun-16	Jun-15	% change
– *Barclays UK*	*1,476*	*1,479*	-
– *Barclays Corporate & International*[2]	*1,000*	*942*	*6%*
– *Other*[3]	15	89	(83%)
Net interest income	2,491	2,510	(1%)
Non-interest income	2,918	2,931	-
Total Core income	5,409	5,441	(1%)

Structural Hedge contribution (£m)

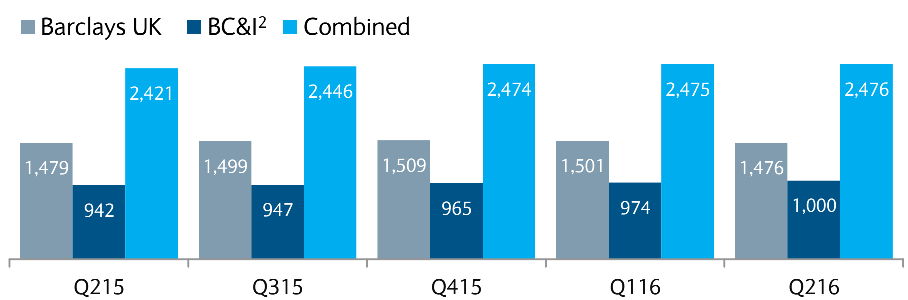


Net Interest Margin (%)



- Barclays UK net interest income remained broadly stable at £1.5bn
  - NIM also relatively stable in recent quarters, as deposit repricing initiatives offset continued mortgage margin pressure
  - Expect to broadly maintain FY16 NIM at current levels, assuming a 25bps rate cut
- Barclays Corporate & International net interest income increased 6% due to balance growth in CC&P
  - NIM increased to 4.75%
- Combined NIM increased to 3.96%
- Net structural hedge contribution remained stable over the last 18 months despite the yield curve lowering
  - Impact on structural hedge income transitions in over time, as only a portion of the hedges roll each year into the lower yield curve
  - Stability also reflects increased deposit balances and higher structural hedge notional
- Non-interest income was flat at £2.9bn with Barclaycard Consumer UK impacted by EU interchange fee regulation

Net Interest Income (£m)

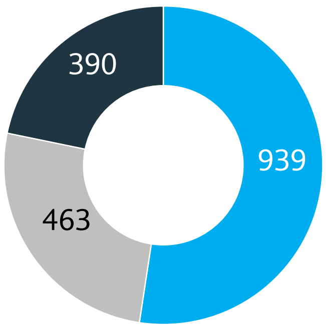


[1] Excluding notable items | [2] Excludes investment banking related balances | [3] Other includes Investment Banking related balances and Head Office |

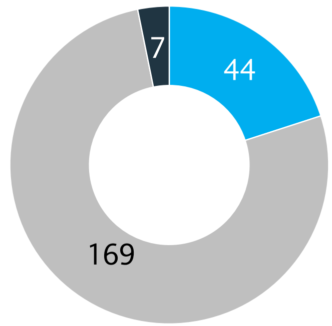
Business level analysis of Barclays UK and Barclays Corporate & International

Barclays UK – Q216

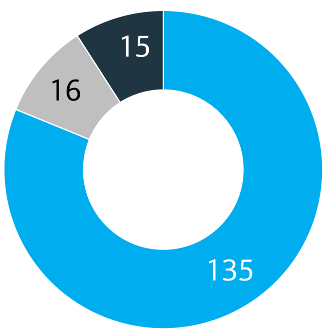
Income by business (£m) [1]



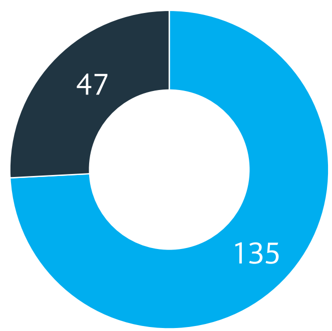
Impairment by business (£m)



Loans and advances to customers by business (£bn)



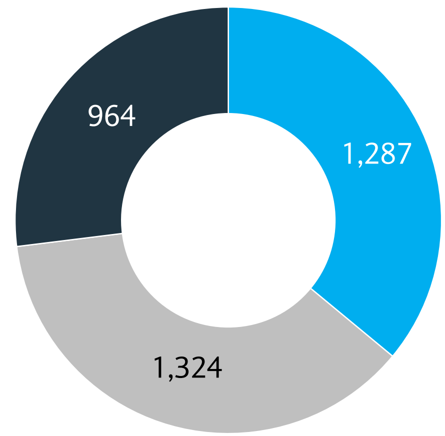
Customer deposits by business (£bn)



■ Personal Banking ■ Barclaycard Consumer UK ■ Wealth, Entrepreneurs & Business Banking

Barclays Corporate & International – Q216

Income by business (£m) [1]



■ Consumer, Cards & Payments ■ Markets ■ Banking

[1] Excluding notable items |

Head Office and Africa Banking summary financials

Business performance excluding notable items		
Head Office –Three months ended (£m)	**Jun-16**	**Jun-15**
Income	42	30
Impairment	(2)	(1)
– *Operating expenses*	*(36)*	*(64)*
– *Litigation and conduct*	*(11)*	*(6)*
Total operating expenses	(47)	(70)
(Loss)/profit before tax	(35)	(40)
Attributable profit	(27)	(102)
Performance measures excluding notable items		
Average allocated tangible equity[1,2]	£6.9bn	£2.3bn
	Jun-16	**Mar-16**
Risk weighted assets[2]	£43.2bn	£40.3bn
Notable items – Three months ended (£m)	**Jun-16**	**Jun-15**
– *Own credit*	*292*	*282*

Africa Banking – Three months ended (£m)	Jun-16	Jun-15	% change
Income	879	870	1%
Impairment	(133)	(103)	(29%)
Total operating expenses	(543)	(536)	(1%)
Profit before tax	204	232	(12%)
Profit after tax[3]	145	161	(10%)
Non-controlling interests[3]	(75)	(73)	(3%)
Attributable profit	70	88	(20%)

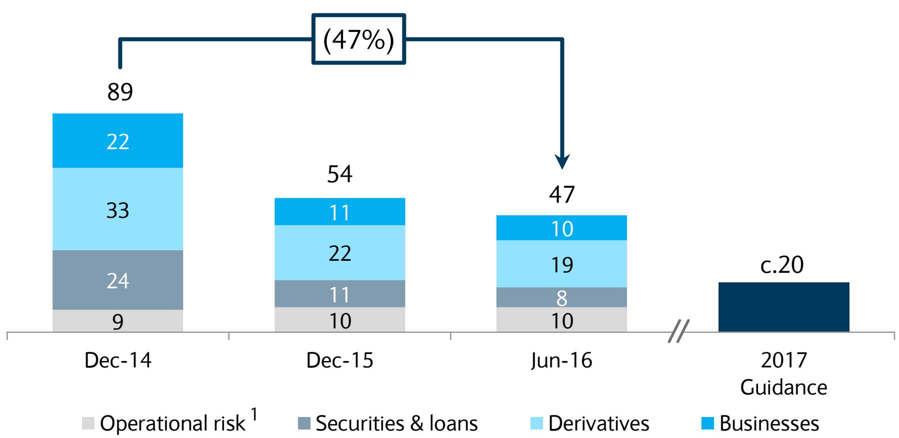
	Jun-16	Mar-16
Risk weighted assets	£36.1bn	£33.9bn

- Africa Banking profit after tax and non-controlling interests presented in the Group income statement as a discontinued operation
- Tangible equity and risk weighted assets of Africa Banking included within Head Office

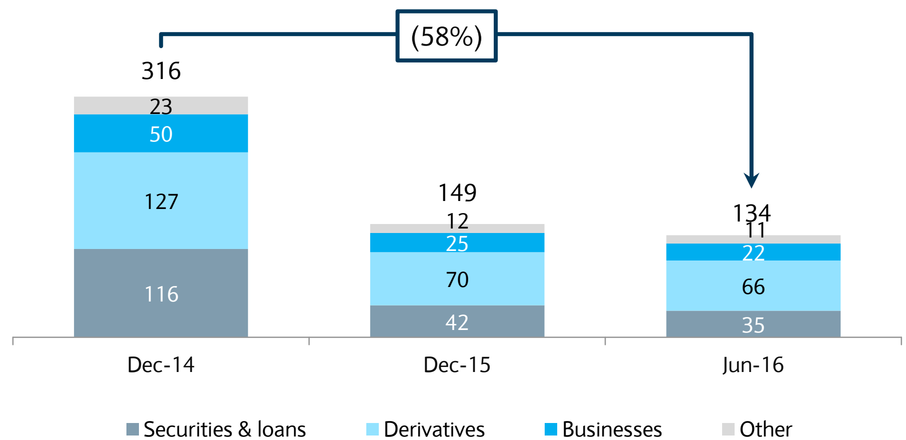
[1] Based on risk weighted assets and capital deductions in Head Office plus the residual balance of average tangible ordinary shareholders' equity | [2] Includes Africa Banking tangible equity and risk weighted assets | [3] Included in Group income statement as profit after tax in respect of discontinued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

Continued Non-Core rundown momentum

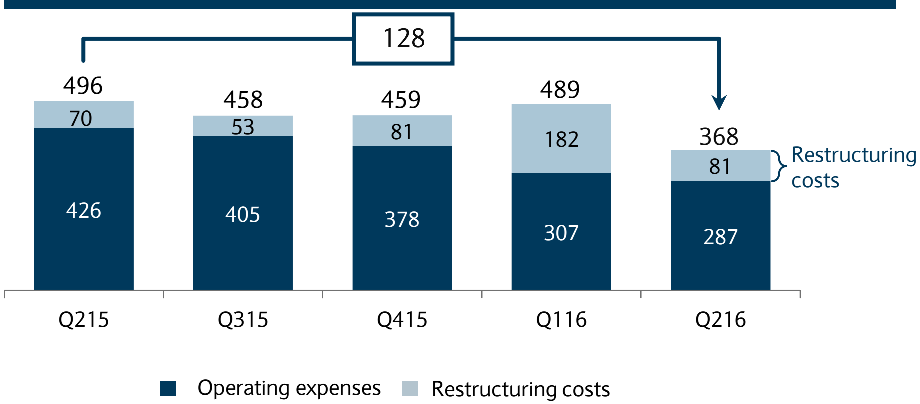
RWAs by type (£bn)



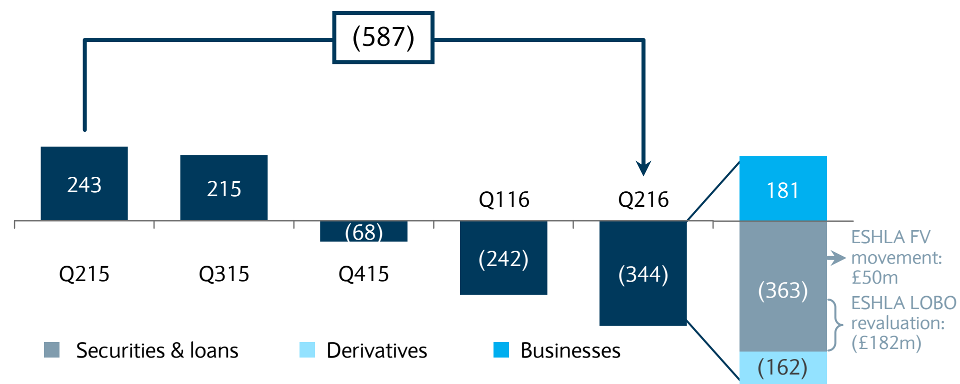
Leverage exposure by type (£bn)



Quarterly costs[2] (£m)



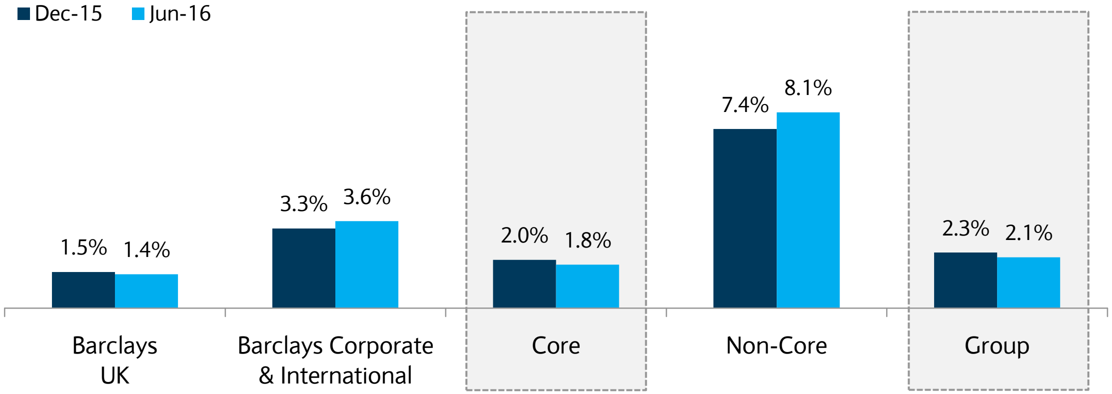
Quarterly income (£m)



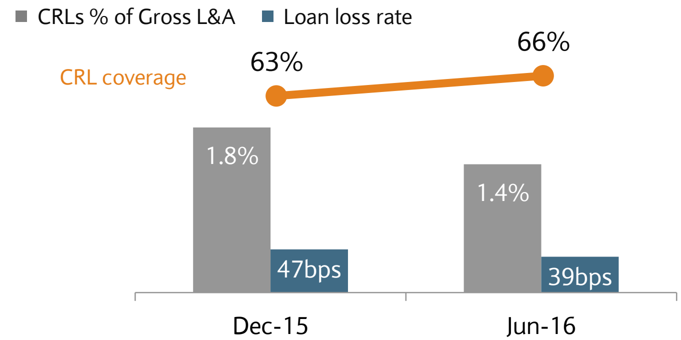
[1] Operational risk plus DTAs | [2] Excluding notable items, conduct and litigation and UK bank levy |

Stable CRLs in proportion to gross L&A reflecting Barclays prudent approach to credit risk management

Retail CRL % of Gross L&A

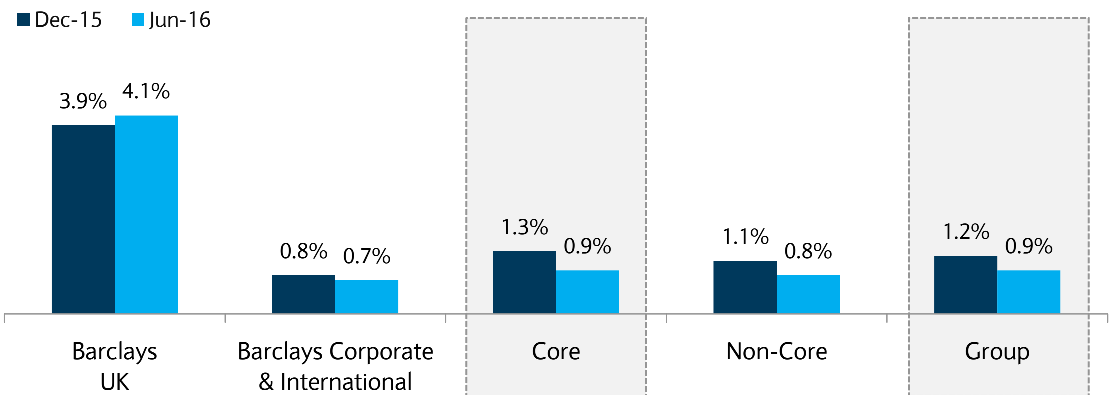


Strong coverage of Group Credit Risk Loans (CRLs) and stable Loan Loss Rate (LLR)



	Dec-15	Jun-16
CRLs	7,817	6,639
L&As[1]	445,487	477,826

Wholesale CRL % Gross L&A



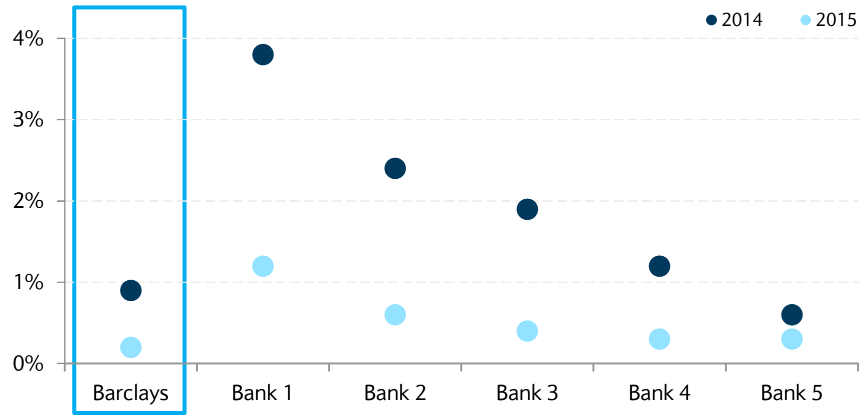
Definitions

- A loan becomes a CRL when evidence of deterioration has been observed. A loan may be reported in one of three categories: impaired loans; accruing loans which are contractually overdue 90 days or more as to principal or interest; impaired and restructured loans. These may include loans which, while impaired, are still performing but have associated individual impairment allowances raised against them
- LLR is the impairment charge (annualised) as a proportion of gross loans and advances

[1] Loans and advances at amortised cost |

UK Mortgages – High quality, conservative portfolio

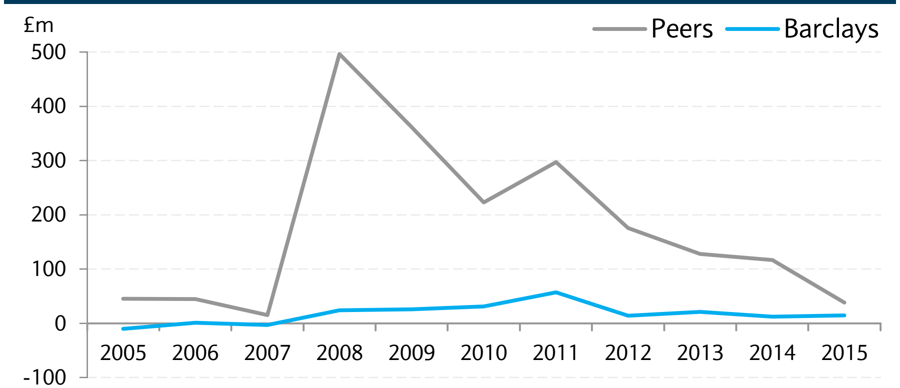
BoE Stress Tests UK Mortgage Cumulative Impairment Charge Rates[1]



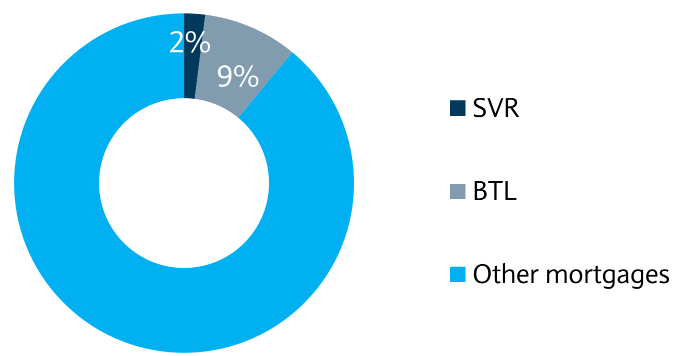
Key Messages

- High quality, conservative £127bn mortgage portfolio
  - Average LTV[3] of 47%
  - >90 day arrears of 0.2%
  - UK mortgage LLR remains negligible
- Consistently strong underwriting criteria – limited high LTV[4] and buy-to-let (2% and 9% of the portfolio, respectively)
  - Average LTV[3] of 52% for buy-to-let
  - Average LTV[3] for London of 36% and South East of 45%

Mortgages Impairment vs. Peer Average[2]



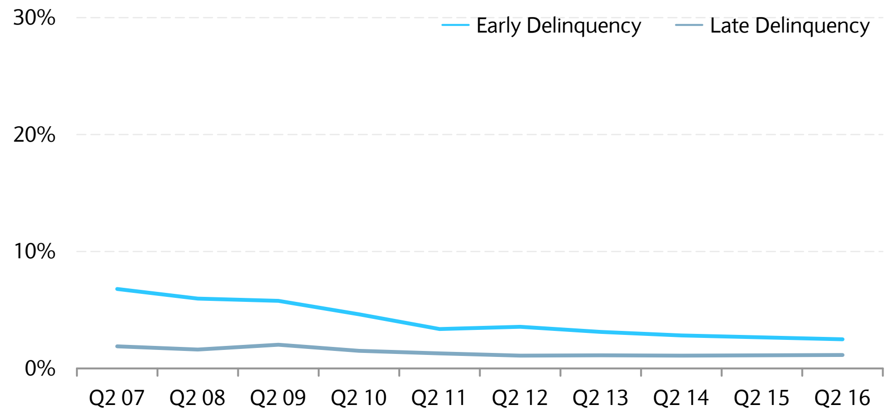
Low proportion of BTL and SVR mortgages



[1] Source: Bank of England 2014 and 2015 stress test results (http://www.bankofengland.co.uk/financialstability/Pages/fpc/stresstest.aspx).Cumulative impairment charge rates refers to total impairment charge (over three years for the 2014 stress test and over five years for the 2015 stress test) / average gross on balance sheet exposure over the period | [2] Peer data is based on the average of three comparative banks results. | [3] Balance weighted LTV is derived by calculating individual LTVs at account level and weighting it by the balances to arrive at the average position. | [4] High LTV is >85%. |

UK and US Cards – Seasoned, diversified and resilient portfolios

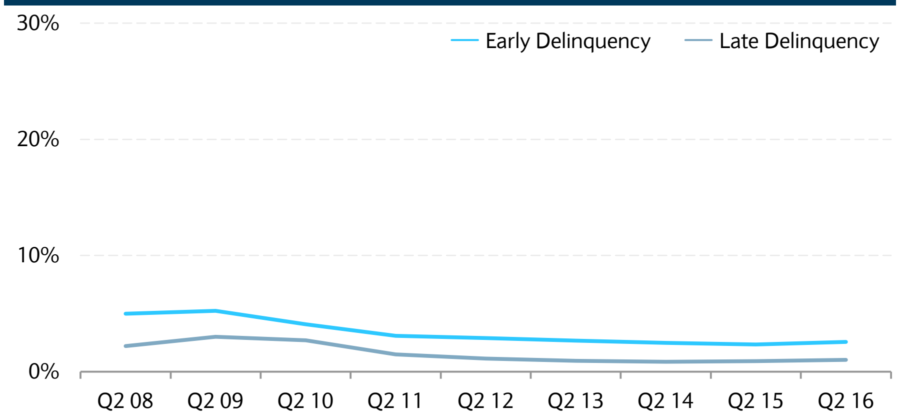
Breakdown by Delinquency Bucket – UK



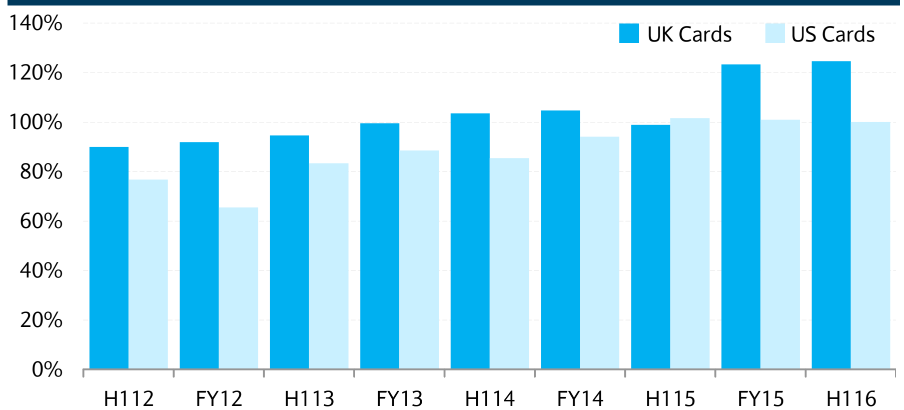
Key Messages

- History of strong and improving delinquency trends across both portfolios
- Portfolios have been built to be resilient; credit criteria is regularly updated as the macroeconomic environment changes and credit trends improve or deteriorate
- Strong CRL Coverage Ratios provide significant protection and have increased in recent years
  - UK cards CRL Coverage Ratio increased from 90% to 125% between 2012 and H1 2016
- Barclaycard remained profitable throughout the stress period for both the Bank of England stress tests in 2014 and 2015[1]

Breakdown by Delinquency Bucket – US



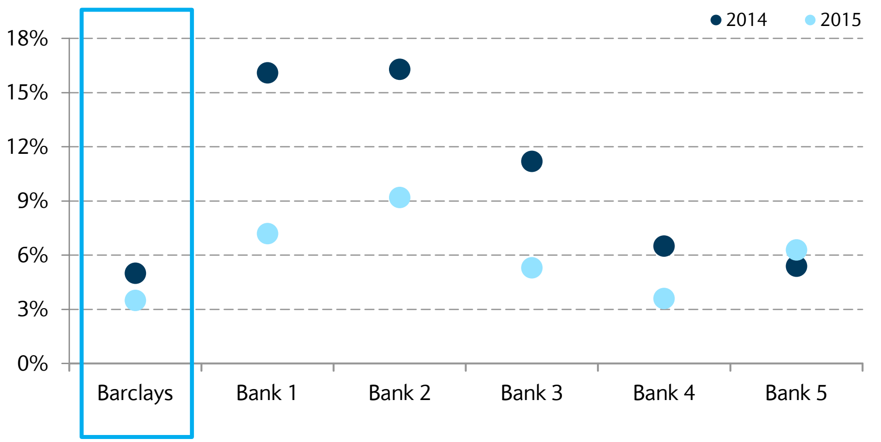
CRL Coverage Ratio



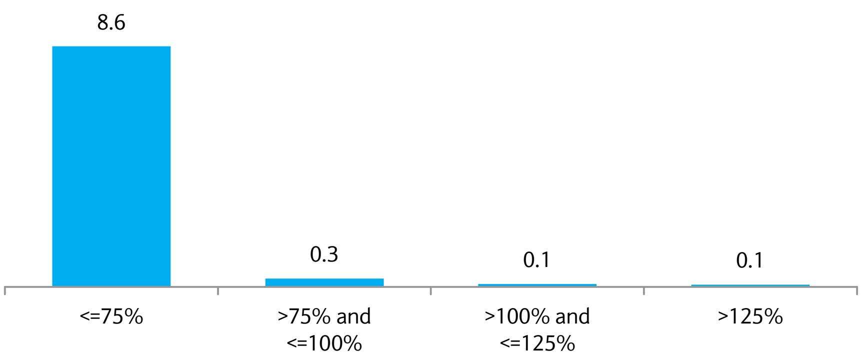
[1] Based on Barclays assessment |

UK Commercial Real Estate – Stable and limited exposure

BoE Stress Tests UK CRE Cumulative Impairment Charge Rates[1]



UK Commercial Real Estate LTV Distribution[2]



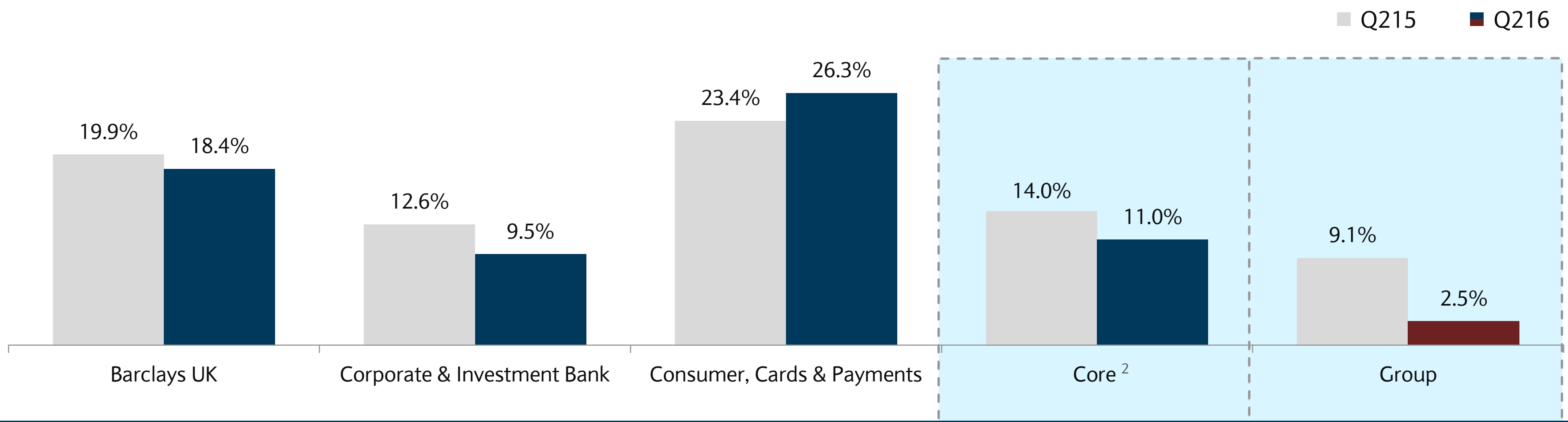
Key messages

- Stable and limited exposure to UK Commercial Real Estate with strict adherence to conservative underwriting criteria over time
  - Total UK CRE exposure of £12.3bn representing just 2.6% of total Loans & Advances
  - Total collateral balances of £26bn
- Impairment release for H116 of £1m
- Past due balances stood at £174m, representing 1.4% of the portfolio, of which 50% is covered by impairment allowances
- Over 70% of exposure has a contractual maturity of less than five years
- Commercial development lending is less than 2% of the CRE book

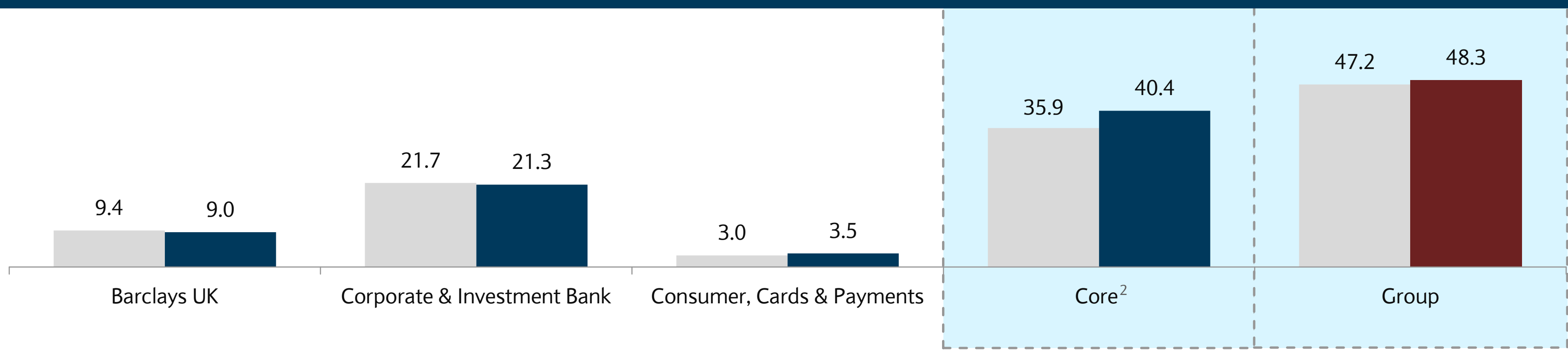
[1] Source: Bank of England 2014 and 2015 stress test results (http://www.bankofengland.co.uk/financialstability/Pages/fpc/stresstest.aspx).Cumulative impairment charge rates refers to total impairment charge (over three years for the 2014 stress test and over five years for the 2015 stress test) / average gross on balance sheet exposure over the period I [2] LTV distribution of CRE portfolio does not include unsecured or unassessed balances I

RoTE by business

Return on average tangible equity (%)[1]



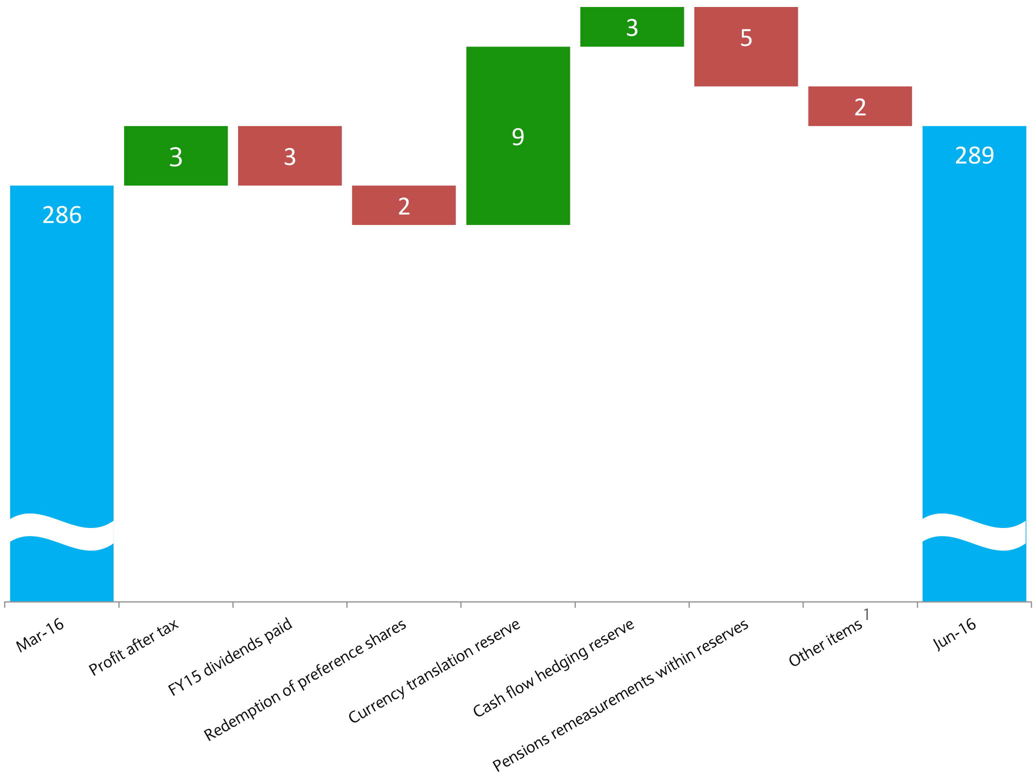
Average allocated tangible equity (£bn)



[1] Excluding notable items | [2] Including Head Office |

Tangible Net Asset Value

TNAV (pence per share) – Mar-16 to Jun-16



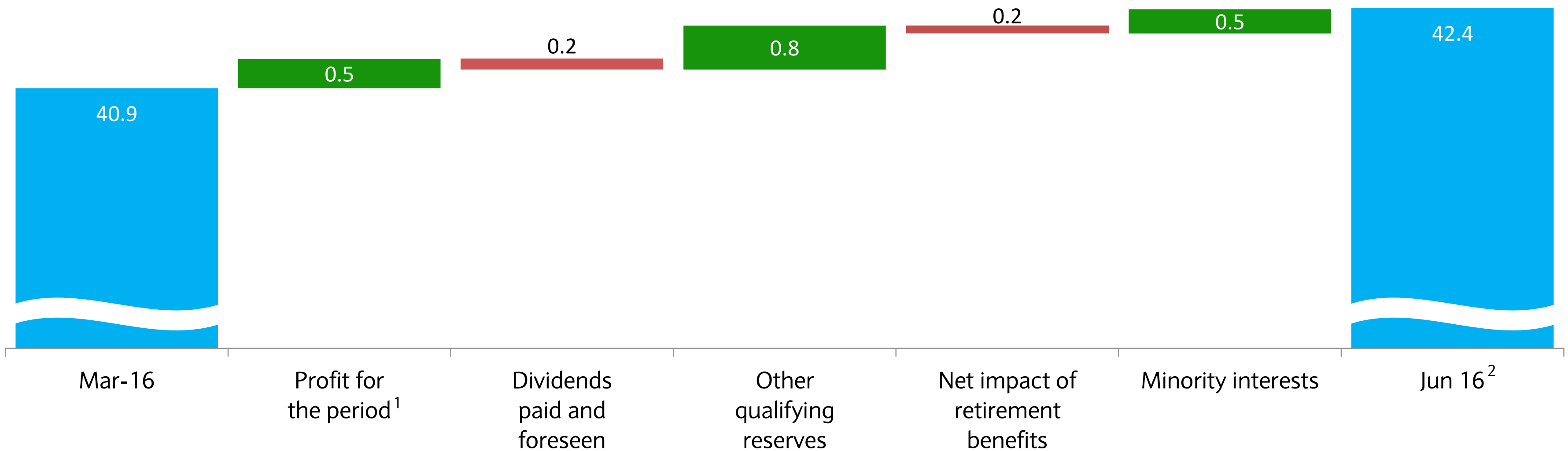
Q216 highlights

TNAV per share increased 3p in the quarter to 289p

- £0.7bn profits generated contributed 3p per share
- Payment of the FY15 dividend of 3.5p reduced TNAV by 3p
- Redemption of preference shares had a negative 2p impact
- The depreciation of GBP against all major currencies, especially the USD, led to a 9p per share improvement through the currency translation reserve
- A 3p per share improvement in TNAV resulted from a £0.6bn increase in the cash flow hedging reserve, driven by gains in the fair value of interest rate swaps held for hedging purposes
- Pension remeasurements had a 5p negative impact
- Net impact of other items[1] had a negative 2p impact

[1] Other items include the net impact of employee share schemes, intangible assets and other reserve movements |

Movement in Common Equity Tier 1 capital



Q216 CET1 capital movement (£bn) – positives

CET1 capital increased £1.5bn to £42.4bn, key positive movements being:

- £0.5bn of profits generated during the period
- £1.5bn increase in the currency translation reserve
- £0.5bn increase in minority interests

Q216 CET1 capital movement (£bn) – negatives

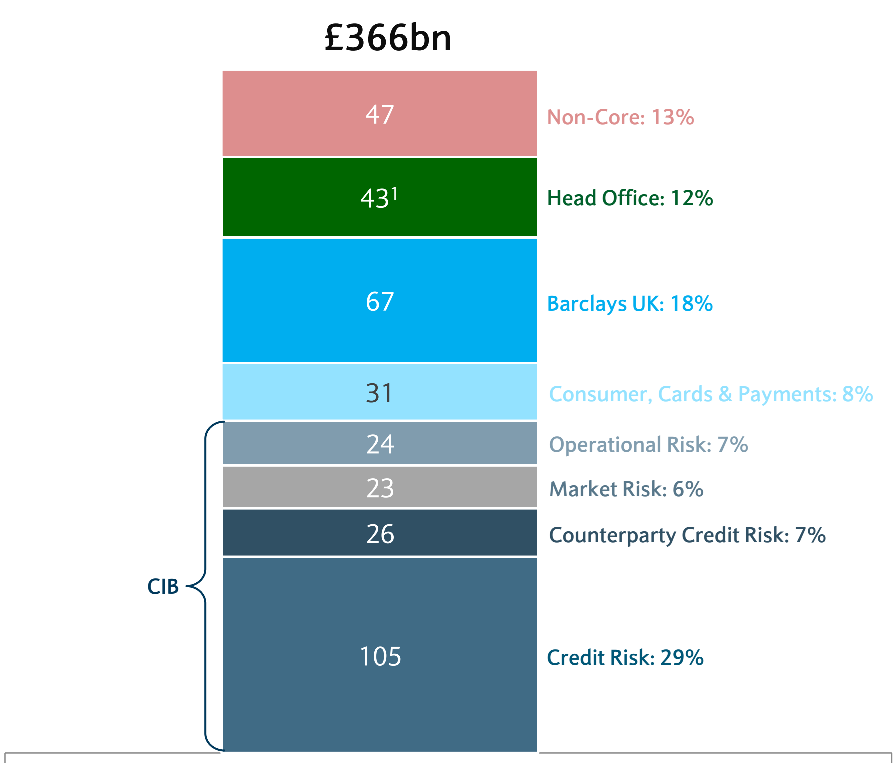
Partially offset by:

- £0.2bn reduction in the AFS reserve
- £0.2bn of dividends paid and foreseen
- £0.2bn due to the net impact of retirement benefits
- £0.1bn increase in the goodwill and intangibles deduction

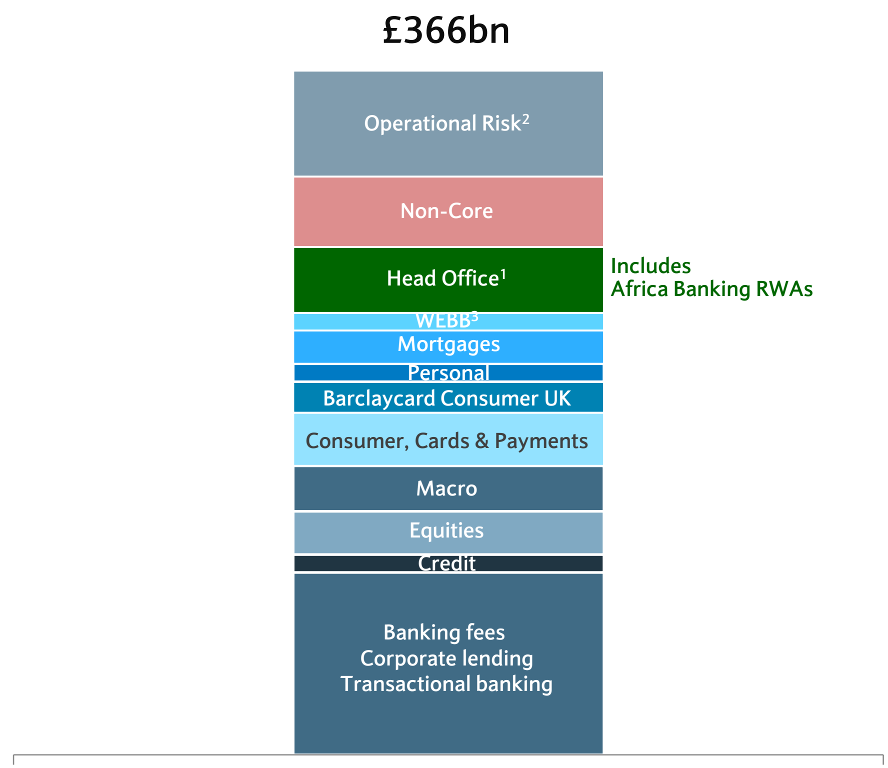
[1] Net of movements in own credit | [2] Bridge does not cast across due to rounding differences |

Capital allocation balanced and diversified across the Group

Group RWAs (£bn) by division – Jun-16



Group RWAs (£bn) by product – Jun-16

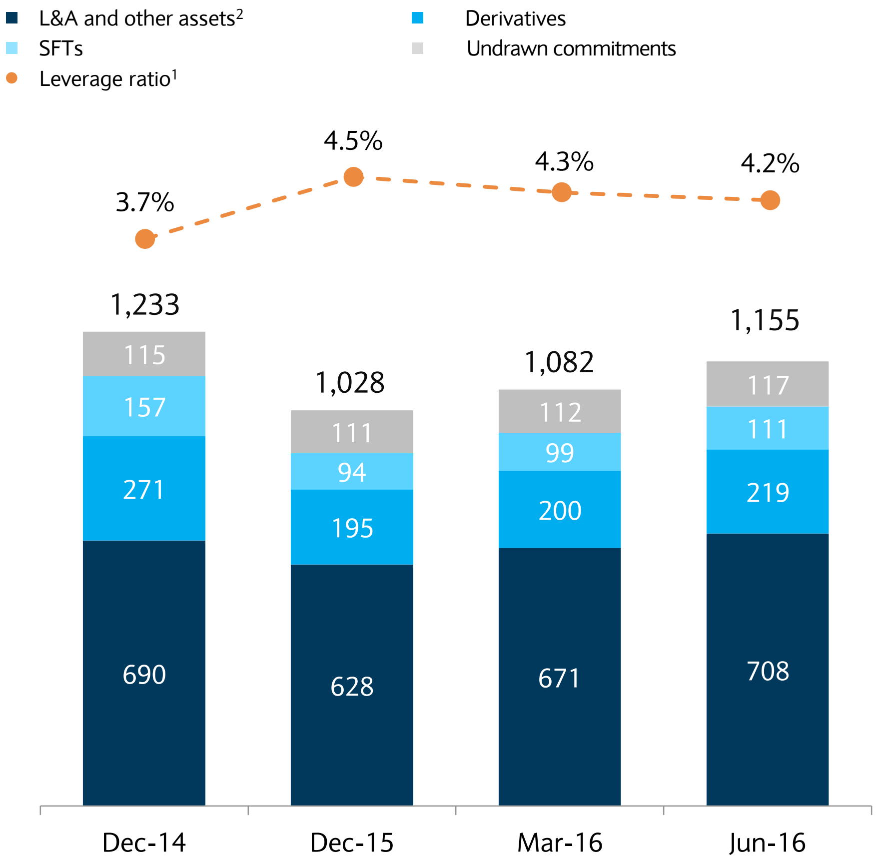


Markets businesses (Credit, Equities and Macro) represent c.15% of Group RWAs[4]

[1] Including Africa Banking discontinued operation | [2] Operational risk not allocated at a product level | [3] Wealth, Entrepreneurs & Business Banking | [4] Excluding Markets operational risk RWAs |

Continued strong leverage position

Leverage exposure[1] (£bn)



Highlights

Q216

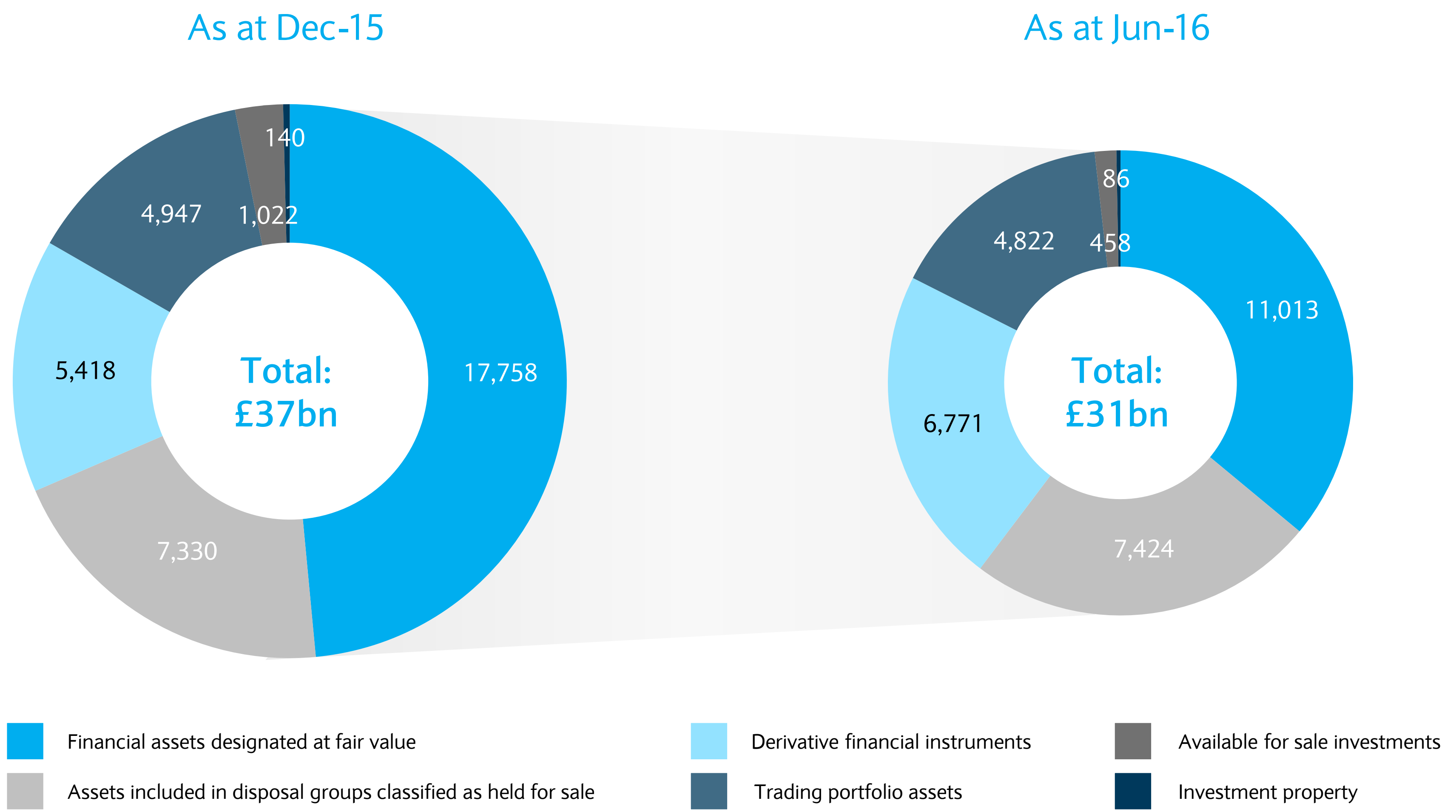
- Decrease in leverage ratio to 4.2% primarily driven by an increase in leverage exposure, offsetting the £1.6bn increase in Tier 1 capital
- The £73bn increase in leverage exposure mainly reflects market movements, including FX, impacting a number of line items, and an increase in the cash contribution to the Group liquidity pool
- Core drove £76bn of the increase which was partially offset by a small decrease of £3bn in Non-Core, although this would have been larger excluding currency impacts

Regulatory developments

- From 1 January 2016, Barclays is required to also calculate an average leverage ratio based on the average capital measure divided by the average exposure measure for the quarter. As at 30 June 2016, the average leverage ratio was 4.1%[3]
- The average leverage ratio remains well in excess of the expected minimum end-state requirement for Barclays, expected to be below 4%

[1] Dec-15 onward based on end-point CRR definition of Tier 1 capital for the numerator and the CRR definition of leverage exposure. This is broadly consistent with the BCBS 270 definition, which was the basis of the Dec-14 comparative | [2] Loans and advances and other assets net of regulatory deductions and other adjustments | [3] For further detail on calculation, see page 39 in the Barclays PLC H1 2016 Results Announcement |

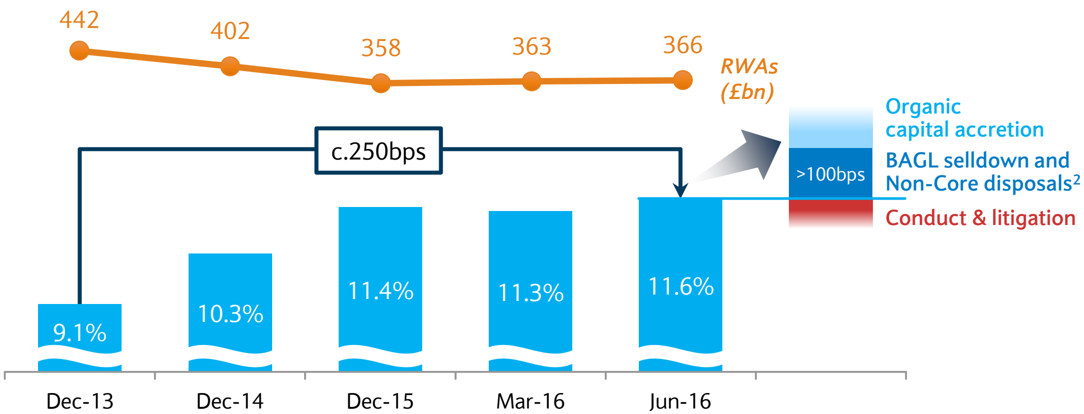
Level 3 assets



Fixed Income Investor Call Presentation

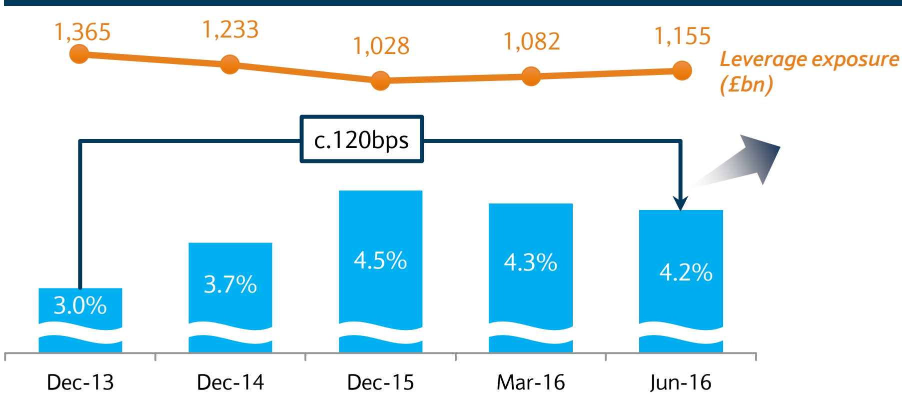
Strong CET1and leverage ratio progression

Fully Loaded CET1 ratio[1]



- CET1 ratio of 11.6% as at 30 June 2016, an improvement of c.250bps since December 2013 despite absorbing conduct and litigation charges of c.160bps
- The 30bps Q2 increase was driven by a £1.5bn increase in CET1 capital while RWAs increased by £3bn
  - CET1 capital up mainly due to profits, the impact of the sale of 12.2% in BAGL, and reserve movements including FX
  - GBP depreciation drove most of the RWA increase, partially offset by underlying reductions in Non-Core
- Further sell-down of BAGL to a level that achieves regulatory deconsolidation[2], Non-Core disposals and CET1 accretion expected to more than offset potential headwinds

Leverage ratio[3]

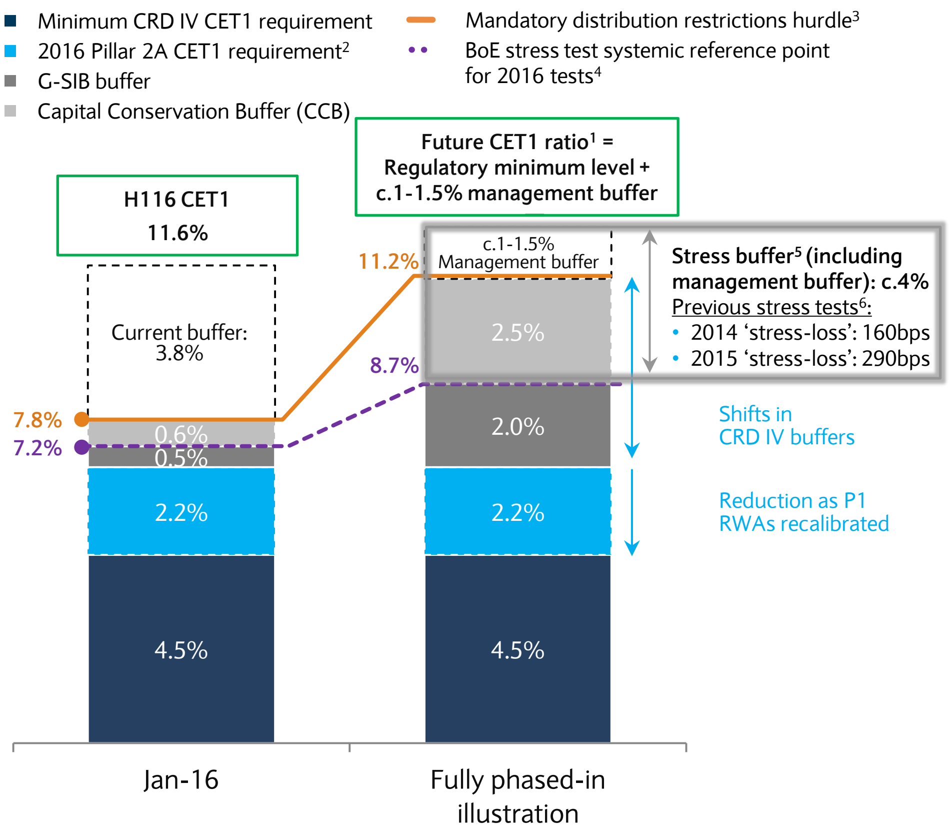


- Leverage ratio of 4.2% as at 30 June 2016, an improvement of c.120bps since December 2013
- The 10bps Q2 reduction was mainly due to a £73bn increase in leverage exposure, offsetting the £1.6bn increase in T1 capital
- The increase in leverage exposure mainly reflects market movements, including FX, impacting a number of line items, and an increase in the cash contribution to the Group liquidity pool
- Expect to grow the leverage ratio further over time, maintaining the ratio comfortably above future minimum requirements

[1] Based on Barclays interpretation of the final CRD IV text and latest EBA technical standard | [2] Implementation of Barclays' intentions is subject to, amongst other things, shareholder and regulatory approval. Implementation of these plans is also subject to significant execution risks and there can be no assurance the expected benefits will be realised on the proposed timescale or at all | [3] The leverage ratio has been calculated in accordance with the requirements of CRR which was amended effective from Jan 2015. The leverage calculation uses the end-point CRR definition of Tier 1 capital for the numerator and the CRR definition of leverage exposure. This is broadly consistent with the BCBS 270 definition, which was the basis of Dec-14 comparatives. Dec-13 not comparable to the estimates as of Dec-14 onwards due to different basis of preparation

Managing evolving future minimum CET1 levels

Illustrative evolution of minimum CET1 requirements and buffers[1]



CET1 minimum levels and internal management buffer

- As capital buffers and RWAs will evolve over time, we manage our CET1 position to maintain a prudent internal management buffer over future minimum levels to guard against mandatory distribution restrictions[3]
- The management buffer is prudently calibrated, intended to absorb fluctuations in the CET1 ratio, cover against event risk and stress, and to ensure management actions can be taken in sufficient time to avoid breaching mandatory distribution restrictions in stress event

Key regulatory variables potentially impacting future minimum CET1 levels

CRD IV buffers

- ↓ De-risking and management actions with aim to reduce the G-SIB buffer
- ↑ Potential future introductions of or variations in country-specific countercyclical buffers (CCyBs)

Pillar 2A requirements[2]

- Barclays' 2016 P2A requirement as per the PRA's Individual Capital Guidance (ICG) is 3.9%, of which 2.2% is required to be held in CET1 form
- ↓ Despite 2016 increase, expect partial shift into Pillar 1 over time

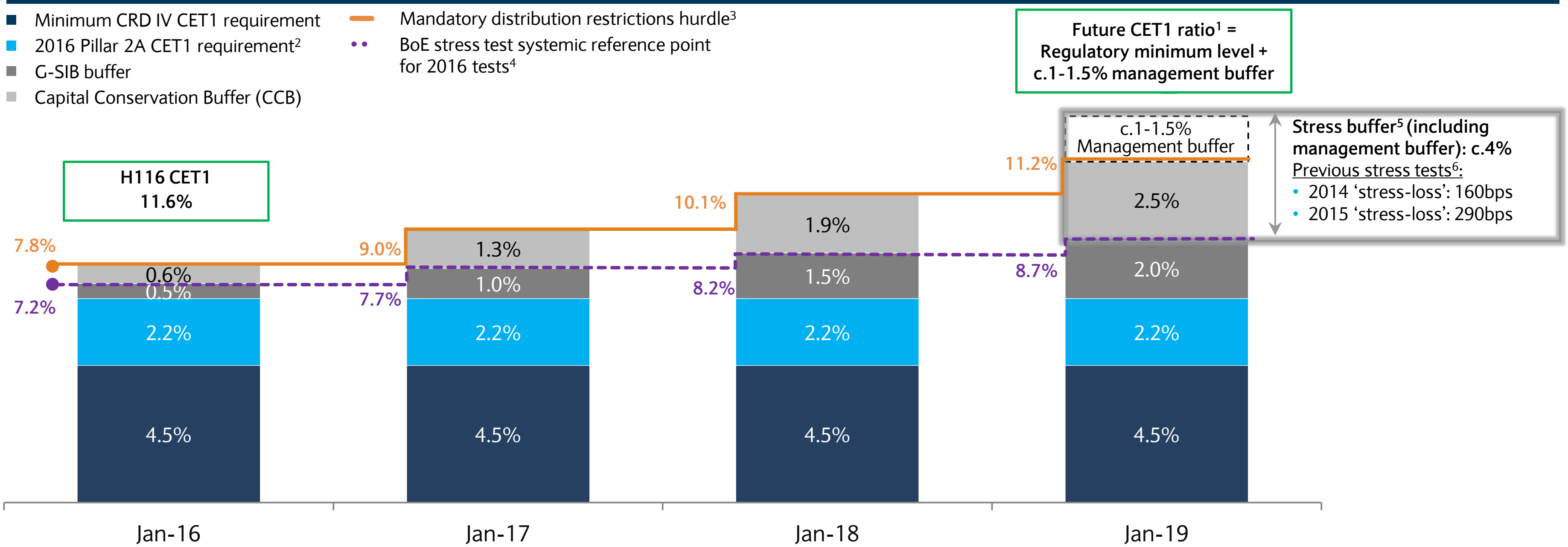
RWA developments

- ↓ Expect further RWA reduction pre any Basel recalibration. Full deconsolidation of BAGL on a regulatory and accounting basis and further BNC reductions towards 2017 target implies RWAs in low 300s[7]
- While RWAs might increase due to Basel driven rule changes, this should be at least partially offset by reductions in Pillar 2A requirements

| [1] This illustration is based on Barclays' interpretation of current regulation and regulatory proposals, which are subject to change, and is not a forecast of Barclays' results of operations or capital position or otherwise. This illustration is also based on certain assumptions, which cannot be assured and are subject to change, including: holding constant the P2A at 2016 level despite it being subject to at least annual review; and assumed CRD IV buffers, which are subject to change | [2] Point in time assessment made at least annually by the PRA to reflect idiosyncratic risks not fully captured under Pillar 1. The 2016 total Pillar 2A requirement of 3.9% is split as follows: 2.2% in CET1 form (56% of total requirement), 0.7% in AT1 form (19% of total requirement), and 1.0% in T2 form (25% of total requirement) | [3] CRD IV rules on mandatory distribution restrictions apply from 1 January 2016 onwards based on transitional CET1 requirements. As per CRD Art. 141, restrictions on discretionary distributions would apply in case of a breach of the Combined Buffer Requirement as defined in CRD Art 128(6) | [4] Based on Barclays' understanding of "The Bank of England's approach to stress testing the UK banking system" published in October 2015 , which is subject to change, and "Stress testing the UK banking system: key elements of the 2016 stress test", published March 2016. Stress test hurdle rates for 2016 tests comprise the minimum CRD IV CET1 requirement and the CET1 component of Pillar 2A. For G-SIBs, the 'systemic reference point' also includes the applicable phased-in G-SIB buffer. Thereafter, the hurdle rates are subject to changes in Pillar 2A which is a point in time assessment updated annually | [5] Indication based on capital buffers that can be used in stress tests. This should not be interpreted as an indication of Barclays' 2016 Pillar 2B and/or future PRA buffer which remains confidential between the BoE and the respective banks it regulates | [6] Market derived stress-losses based on applicable year-end CET1 ratios against low-point stress outcomes | [7] Implementation of Barclays' intentions is subject to, amongst other things, internal and regulatory approval. Implementation of these plans is also subject to significant execution risks and there can be no assurance the expected benefits will be realised on the proposed timescale or at all

Managing capital position for regulatory minimum levels and stress testing

Barclays' expected systemic reference points for 2016 BoE stress test[1,4]

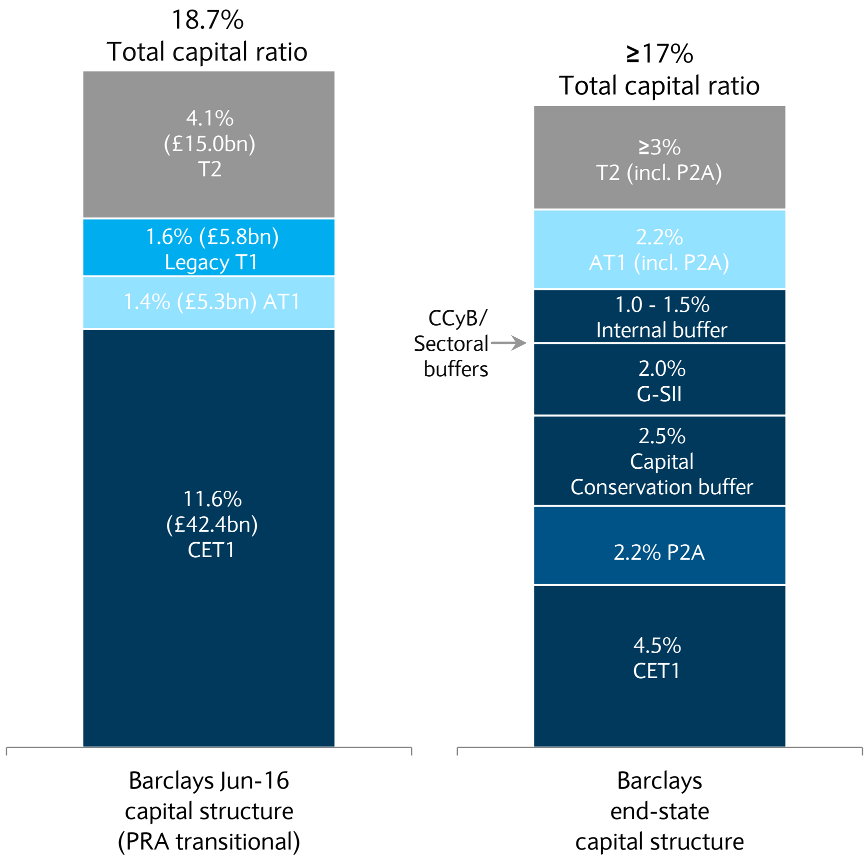


- For the 2016 BoE stress tests, the stress test systemic reference point will include the minimum CRD IV CET 1 requirement, P2A, and a phased-in G-SIB buffer
- The stressed capital ratio for each year over the stress test horizon will be measured against the respective applicable stress test systemic reference point
- Barclays' fully phased-in stress buffer is expected to be c.4% when including the management buffer, providing ample headroom should future stress losses be higher than experienced to date

| [1] This illustration is based on Barclays' interpretation of current regulation and regulatory proposals, which are subject to change, and is not a forecast of Barclays' results of operations or capital position or otherwise. This illustration is also based on certain assumptions, which cannot be assured and are subject to change, including: holding constant the P2A at 2016 level despite it being subject to at least annual review; and assumed CRD IV buffers, which are subject to change | [2] Point in time assessment made at least annually by the PRA to reflect idiosyncratic risks not fully captured under Pillar 1. The 2016 total Pillar 2A requirement of 3.9% is split as follows: 2.2% in CET1 form (56% of total requirement), 0.7% in AT1 form (19% of total requirement), and 1.0% in T2 form (25% of total requirement) | [3] CRD IV rules on mandatory distribution restrictions apply from 1 January 2016 onwards based on transitional CET1 requirements. As per CRD Art. 141, restrictions on discretionary distributions would apply in case of a breach of the Combined Buffer Requirement as defined in CRD Art 128(6) | [4] Based on Barclays' understanding of "The Bank of England's approach to stress testing the UK banking system" published in October 2015 , which is subject to change, and "Stress testing the UK banking system: key elements of the 2016 stress test", published March 2016. Stress test hurdle rates for 2016 tests comprise the minimum CRD IV CET1 requirement and the CET1 component of Pillar 2A. For G-SIBs, the 'systemic reference point' also includes the applicable phased-in G-SIB buffer. Thereafter, the hurdle rates are subject to changes in Pillar 2A which is a point in time assessment updated annually | [5] Indication based on capital buffers that can be used in stress tests. This should not be interpreted as an indication of Barclays' 2016 Pillar 2B and/or future PRA buffer which remains confidential between the BoE and the respective banks it regulates | [6] Market derived stress-losses based on applicable year-end CET1 ratios against low-point stress outcomes |

Evolving CRD IV capital structure transitioning to HoldCo over time

Illustrative evolution of CRD IV capital structure[1]



Well managed and balanced total capital structure

- Transitional and fully-loaded total capital ratios increased by 50 and 40bps respectively to 18.7% (Mar-16: 18.2%) and 17.6% (Mar-16: 17.2%), mainly driven by CET1 accretion
- Capital efficient CRD IV grandfathering transition supported by recent LMEs
  - Most OpCo capital is expected to remain eligible CRD IV capital during and to the extent outstanding after grandfathering period, and is currently expected to qualify as MREL/TLAC until 1 Jan 2022[2]
- We aim to manage our capital structure in an efficient manner:
  - Expect to build an additional c.80bps of AT1 to reach c.2.2%[3] in end-state through measured issuance over time
  - Quantum of Tier 2 capital will be informed by MREL rules which are yet to be finalised, as well as relative pricing of Tier 2 and senior unsecured debt and investor appetite

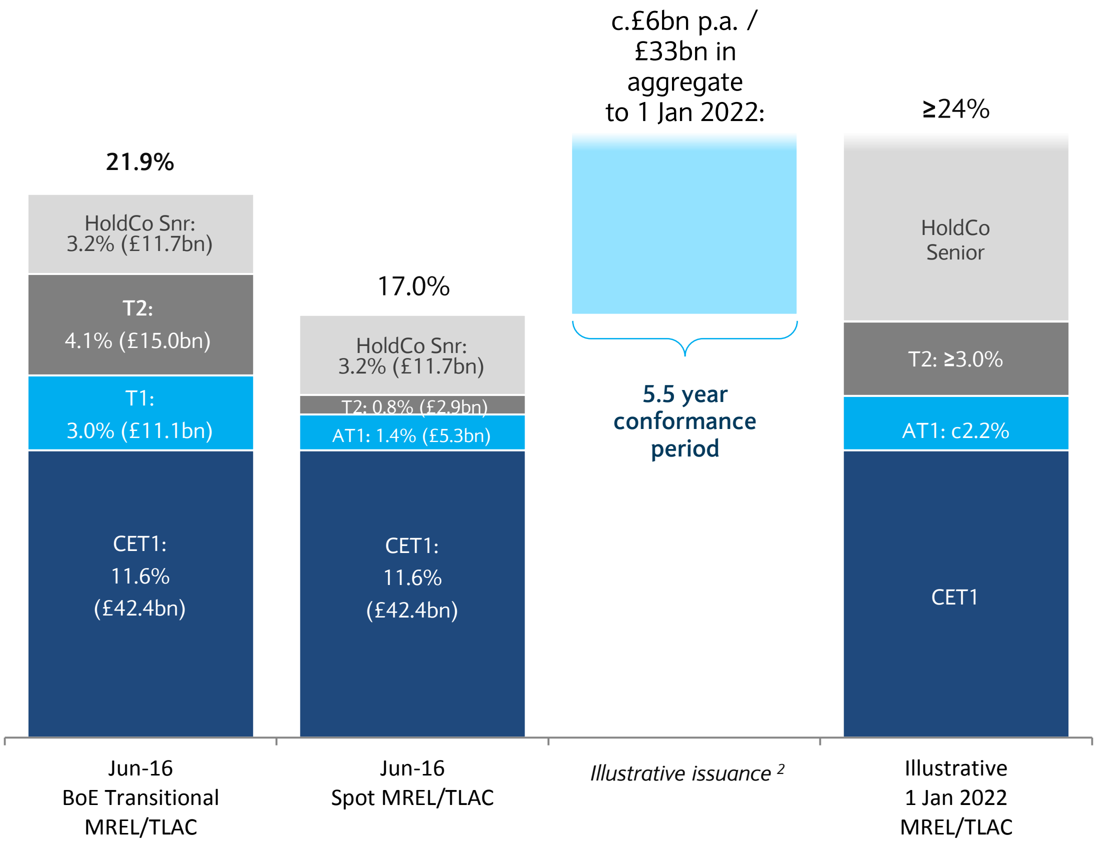
Pillar 2A requirement[3]

- Barclays 2016 Pillar 2A requirement as per the PRA's Individual Capital Guidance (ICG) is 3.9%. The ICG is subject to at least annual review
  - CET1 of 2.2% (assuming 56% of total P2A requirement)
  - AT1 of 0.7% (assuming 19% of total P2A requirement)
  - T2 of 1.0% (assuming 25% of total P2A requirement)
- Basel Committee consultations and reviews of approaches to Pillar 1 and Pillar 2 risk might further impact the Pillar 2A requirement in the future

[1] Based on Barclays' understanding of current regulatory requirements which are subject to change | [2] Based on Barclays' understanding of current regulatory proposals which are subject to change including (i)"FSB's Total Loss-absorbing Capacity (TLAC) Term Sheet", published on 9 November 2015, (ii)"The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities – consultation on a proposed Statement of Policy" published on 11 December 2015 , and (iii) "The minimum requirement for own funds and eligible liabilities (MREL) – buffers and Threshold Conditions" consultation published by the Bank of England on 11 December 2015. Actual future MREL/TLAC requirements will depend on the Bank of England's implementation of the final rules | [3] Point in time assessment made at least annually by the PRA to reflect idiosyncratic risks not fully captured under Pillar 1 |

Illustrative MREL/TLAC requirements

Illustrative MREL/TLAC needs to meet future requirements[1]



- Proactive refinancing from HoldCo and liability management exercises executed to date position us well for future requirements
- While our full MREL requirement might apply earlier, we currently expect the 1 January 2022 requirement to be our binding constraint due to the potential disqualification of OpCo legacy T1 and T2 capital from this point onwards
- At a minimum, we expect to need to meet at least the Pillar 1 minimum TLAC requirement of 18%, plus an assumed CBR of c.4.5% by 1 January 2022, on top of which we expect to hold a prudent management buffer
- This would drive manageable illustrative issuance volumes across AT1, T2 and HoldCo senior debt, subject to market conditions and capacity
- Actual issuance may differ from illustration and will depend on future MREL/TLAC requirements, future RWA levels, CET1 accretion, investor appetite and market conditions
- Precise composition of future MREL/TLAC stack remains subject to our final MREL/TLAC requirement, shifts in the various components of our future total capital requirements, and the relative pricing of – and investor appetite for – various HoldCo debt classes

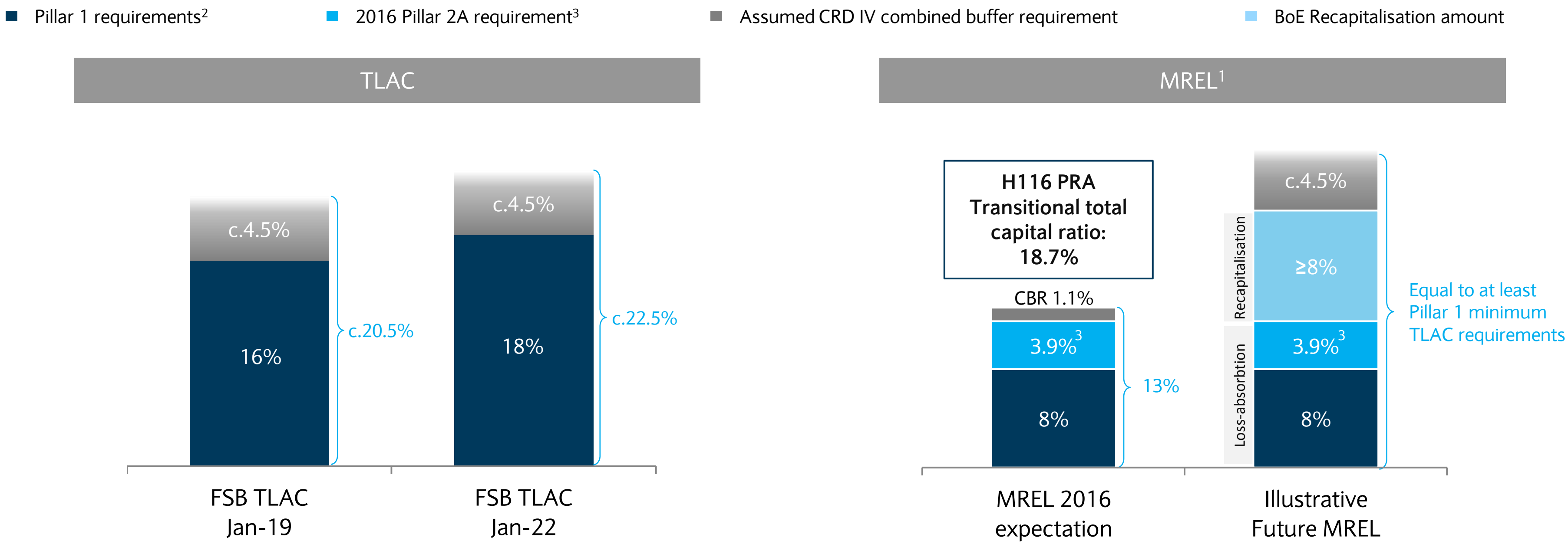
Key assumptions (all subject to change):

- End requirement based on our current understanding of TLAC pillar 1 requirement[1] plus buffers
- Spot RWAs of £366bn
- CET1 resources held constant

[1] Illustration based on Barclays' understanding of current regulatory proposals which are subject to change including (i)"FSB's Total Loss-absorbing Capacity (TLAC) Term Sheet", published on 9 November 2015, (ii)"The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities – consultation on a proposed Statement of Policy" published on 11 December 2015 , and (iii) "The minimum requirement for own funds and eligible liabilities (MREL) – buffers and Threshold Conditions" consultation published by the Bank of England on 11 December 2015. Actual future MREL/TLAC requirements will depend on the Bank of England's implementation of the final rules and calibration for Barclays could differ from illustration | [2] The illustrative issuance volume represents the difference between 24%, and our Jun-16 FL CET1 capital and HoldCo issued capital and senior debt, reduced for HoldCo senior maturities over 2016-22, and HoldCo securities with a remaining contractual maturity of <12 months as at 1 January 2022 (£5.2bn in total). Actual issuance plans are subject to, amongst other things, market conditions and regulatory expectations, which are subject to change and may differ from the illustration |

TLAC and MREL requirement expectations

Pillar 1 TLAC minimum requirements and illustrative MREL expectations[1]



- Compliant with 1 January 2016 MREL, as set at applicable regulatory minimum capital levels, including Pillar 2A, as indicated by the Bank of England
- MREL expected to equal applicable minimum capital requirement until 1 January 2020. Ahead of that, G-SIBs are expected to be required to meet at least FSB's Pillar 1 minimum TLAC requirement as of 1 January 2019. This provides UK banks ample time and flexibility to manage the transition period
- However, as rules are not yet finalised, uncertainty remains both as to the requirement and its calibration

[1] Illustration based on Barclays' current understanding of (i)"FSB's Total Loss-absorbing Capacity (TLAC) Term Sheet", published on 9 November 2015, (ii)"The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities – consultation on a proposed Statement of Policy" published on 11 December 2015 , and (iii) "The minimum requirement for own funds and eligible liabilities (MREL) – buffers and Threshold Conditions" consultation published by the Bank of England on 11 December 2015. Actual future MREL/TLAC requirements will depend on the Bank of England's implementation of the final rules and calibration for Barclays could differ from illustration |[2] Current Pillar 1 minimum applicable regulatory capital requirements including phase-in of CRD IV buffers as applicable from 2016 |[3] Point in time assessment made at least annually by the PRA to reflect idiosyncratic risks not fully captured under Pillar 1. The 2016 total Pillar 2A requirement of 3.9% is split as follows: 2.2% in CET1 form (56% of total requirement), 0.7% in AT1 form (19% of total requirement), and 1.0% in T2 form (25% of total requirement)

Continued progress on transition to HoldCo capital and funding model

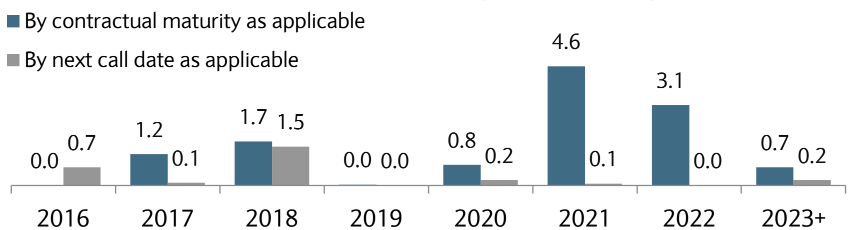
PRA transitional regulatory capital

(£bn)	Dec-15	Jun-16
PRA transitional Common Equity Tier 1 capital	**40.7**	**42.4**
PRA transitional Additional Tier 1 regulatory capital	**11.9**	**11.1**
– *Barclays PLC (HoldCo)*	*5.3*	*5.3*
– *Barclays Bank PLC (OpCo)*	*6.6*	*5.8*
PRA transitional Tier 2 regulatory capital	**13.8**	**15.0**
– *Barclays PLC (HoldCo)*	*1.8*	*2.9*
– *Barclays Bank PLC (OpCo)*	*12.0*	*12.1*
PRA transitional total regulatory capital	**66.5**	**68.4**

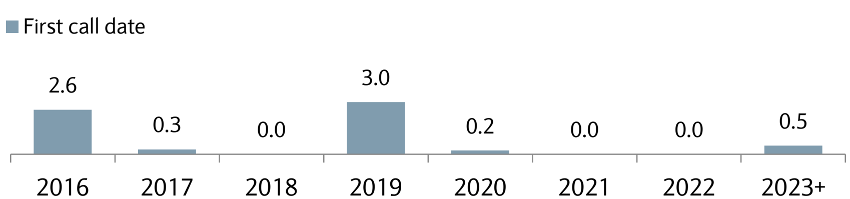
Outstanding term vanilla senior unsecured debt

(£bn)	Dec-15	Jun-16
Barclays PLC (HoldCo) term vanilla senior unsecured debt	**6.2**	**11.7**
Barclays Bank PLC (OpCo) term vanilla senior unsecured debt[1]	**22.8**	**17.6**
Total term vanilla senior unsecured debt	**29.0**	**29.3**

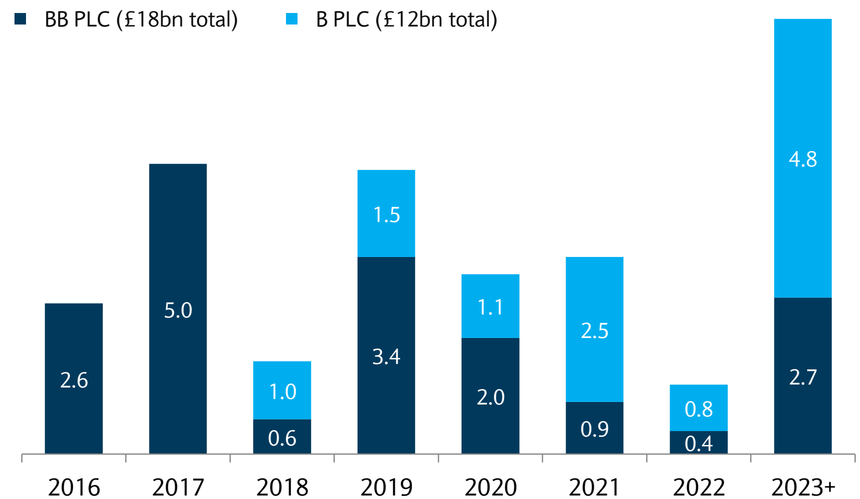
BB PLC Tier 2 capital as at 30 June 2016 (nominal basis)[2,3]



BB PLC Tier 1 capital as at 30 June 2016 (nominal basis)[2]



Term vanilla senior unsecured debt maturities as at 30 June 2016



| [1] Comprises all outstanding Barclays Bank PLC issued public and private term vanilla senior unsecured debt, regardless of residual maturity. This excludes £28bn of notes issued under the structured notes programmes | [2] Nominal basis will not reconcile with the regulatory basis due to regulatory adjustments. Includes BAGL | [3] The two categories of "by contractual maturity as applicable" and "by next call date as applicable" are not mutually exclusive. The former includes all dated tier 2 instruments whilst the latter includes all non-bullet tier 2 instruments, thereby any dated instrument with an issuer call option will be included in both categories

Barclays PLC parent company accounts

Barclays PLC parent company balance sheet

Balance sheet

	As at 31 Dec-15 £m	As at 30 Jun-16 £m
Assets		
Investment in subsidiary	35,303	35,417
Loans and advances to subsidiary	7,990	14,687
Derivative financial instrument	210	255
Other assets	133	62
Total assets	**43,636**	**50,421**
Liabilities		
Deposits from banks	494	496
Subordinated liabilities	1,766	2,917
Debt securities in issue	6,224	11,770
Other liabilities	-	-
Total liabilities	**8,484**	**15,183**
Shareholders' equity		
Called up share capital	4,201	4,228
Share premium account	17,385	17,535
Other equity instruments	5,321	5,321
Capital redemption reserve	394	394
Retained earnings	7,851	7,760
Total shareholders' equity	**35,152**	**35,328**
Total liabilities and shareholders' equity	**43,636**	**50,421**

Key notes

- Barclays PLC is the holding company of the Barclays Group
- The HoldCo's primary assets currently are its investments in, and loans and advances made to, its sole direct subsidiary, Barclays Bank PLC, the operating company
- As Barclays continues to be committed to issuing most capital and term vanilla senior unsecured debt out of the HoldCo going forward, the HoldCo balance sheet is expected to increase
- As at 31 December 2015, the distributable reserves of Barclays PLC were £7.1bn

Notes to the parent company balance sheet as at 30 June 2016

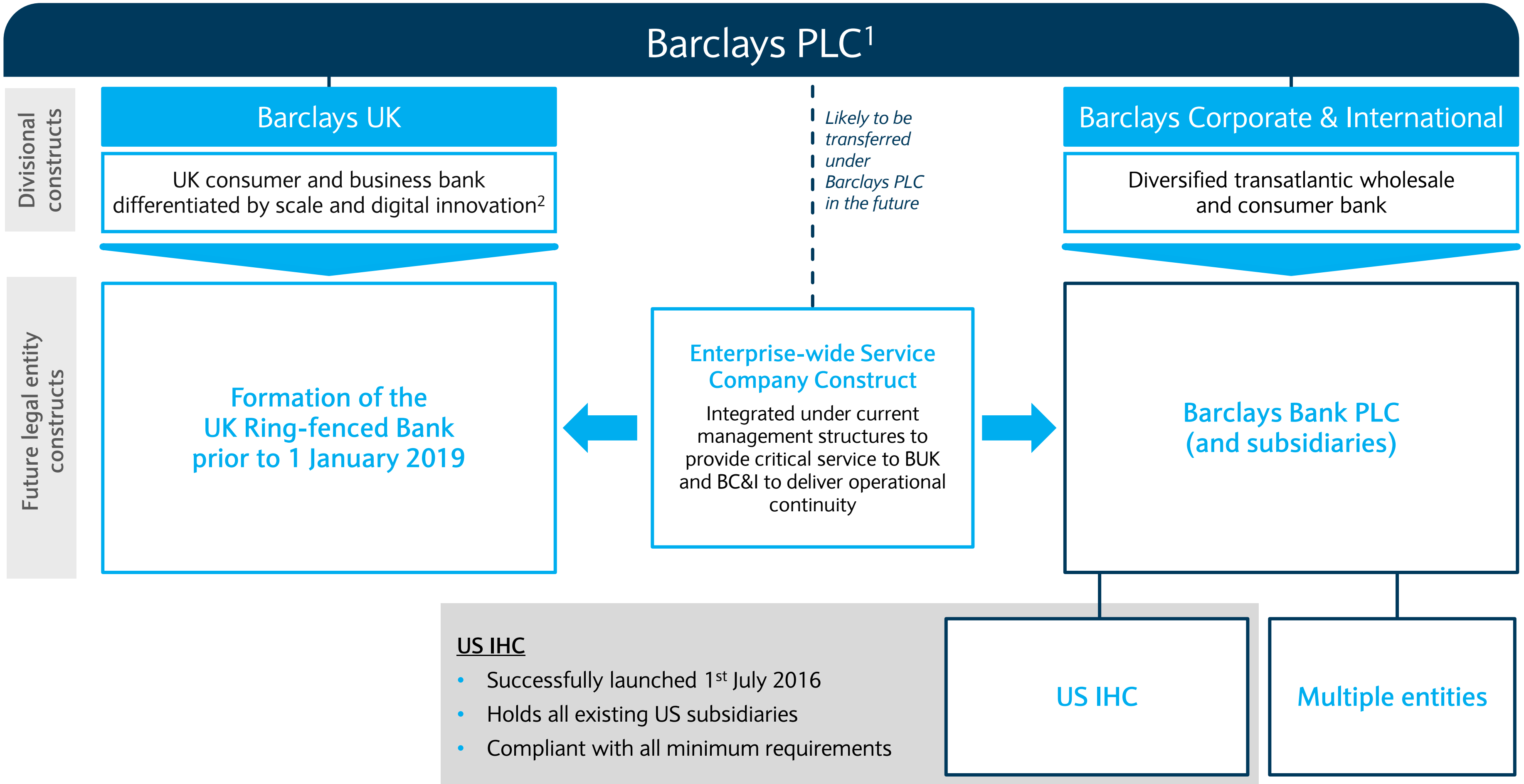
Investment in subsidiary

The investment in subsidiary of £35,417m (2015: £35,303m) represents investments made into Barclays Bank PLC, including £5,321m (2015: £5,321m) of Additional Tier 1 (AT1) securities. The increase of £114m during the period was due to a cash contribution made to Barclays Bank PLC.

Loans and advances to subsidiary, subordinated liabilities and debt securities in issue

During H1 2016, Barclays PLC issued $1.25bn of Fixed Rate Subordinated Notes included within the subordinated liabilities balance of £2,917m (2015: £1,766m), $4.3bn of Fixed Rate Senior Notes, Yen 20bn of Fixed Rate Senior Notes, €1.7bn Fixed and Floating Rate Senior Notes, and AUD 0.1bn of Fixed Rate Senior Notes included within the debit securities in issue balance of £11,770m (2015: £6,224m). The proceeds raised through these transactions were used to invest in Barclays Bank PLC in each case with a ranking corresponding to the notes issued by Barclays PLC and included within the loans and advances to subsidiary balance of £14,687m (2015: £7,990m).

Progress on Group legal structure



| [1] Illustration of Barclays business divisions in preparation for regulatory ring-fencing. Plans are subject to internal and regulatory approvals and may change | [2] Including corporates with less than or equal to £6.5m equivalent turnover, subject to some specific exceptions |

Ratings a key strategic priority

Senior Long Term/ Short Term ratings	Standard & Poor's	Moody's	Fitch
Barclays PLC (B PLC - HoldCo)	BBB A-2	Baa3 P-3	A F1
Barclays Bank PLC (BB PLC - OpCo)	A- A-2	A2 CRA: A1[1] P-1	A F1
Outlook			
Pre-referendum	STABLE	STABLE	STABLE
Post-referendum	NEGATIVE	NEGATIVE	STABLE

- Barclays is committed to maintaining strong investment grade ratings
- Pre-referendum, all 3 rating agencies affirmed Barclays ratings during H116 with stable outlooks

Rating actions post-referendum

- All rating agencies took action on UK sovereign ratings
  - S&P and Moody's placed several UK banks on negative outlooks including Barclays, whilst affirming the ratings
  - Ratings and outlooks for Barclays have remained unchanged with Fitch after the UK referendum

HoldCo and OpCo ratings

- Punitive HoldCo vs. OpCo differentials remain under S&P and Moody's due to:
  - No HoldCo uplift for junior debt cushion (S&P)
  - Expected increase in thickness of the senior HoldCo layer which will benefit LGF over time not taken into account (Moody's)

[1] A1 rating refers to the Counterparty Risk Assessment |

Disclaimer

Important Notice

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

Forward-looking Statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Examples of forward-looking statements include, among others, statements or guidance regarding the Group's future financial position, income growth, assets, impairment charges, provisions, notable items, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the strategic cost programme and the Group Strategy Update, rundown of assets and businesses within Barclays Non-Core, sell down of the Group's interest in Barclays Africa Group Limited, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards, evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, future levels of notable items, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; UK, US, Africa, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; the implications of the results of the 23 June 2016 referendum in the United Kingdom and the disruption that may result in the UK and globally from the withdrawal of the United Kingdom from the European Union; the implementation of the strategic cost programme; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in our filings with the SEC (including, without limitation, our annual report on form 20-F for the fiscal year ended 31 December 2015), which are available on the SEC's website at www.sec.gov.

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