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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, DC 20549

FORM 6-K

**Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934**

March 25, 2014

Barclays PLC
(Name of Registrant)

**1 Churchill Place
London E14 5HP
England**
(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F ☒ Form 40-F ☐

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1): _____

Indicate by check mark whether the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7): _____

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This Report is a Report on Form 6-K filed by Barclays PLC.

The Report comprises the following:

<u>Exhibit No.</u>	<u>Description</u>
1	Barclays PLC Annual Report 2013
2	Barclays PLC Strategic Report 2013
3	Barclays PLC Notice of AGM 2014
4	Barclays PLC – proxy cards

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Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorised.

BARCLAYS PLC
(Registrant)

Date: March 25, 2014

By: /s/ Patrick Gonsalves
Name: Patrick Gonsalves
Title: Deputy Secretary

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Building the 'Go-To' bank



Barclays PLC
Annual Report 2013

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Barclays PLC > Chairman's letter



Barclays is going through a major transition. Critical progress was made in 2013 in putting in place the foundations for sustainable long-term success. The journey is incomplete, with major cultural change well in train but still requiring time to be fully entrenched and, externally, a continuing unsettled economic and financial market environment, and a demanding and changing regulatory agenda.

We must focus not only on what we do but on how we do it, and we are committed to embedding a values-driven culture in Barclays. To deliver sustainable performance, we have to balance the needs of all our stakeholders across the short and long-term. You can read elsewhere in this Report how our values: Respect, Integrity, Service, Excellence and Stewardship, are being driven down into the organisation. In 2013 we introduced a balanced scorecard for Barclays which seeks to ensure that we are meeting the needs of all of our stakeholders by measuring performance against metrics in five key areas:

- Customer & Client
- Colleague
- Citizenship
- Conduct
- Company

We have set ourselves stretching but achievable goals in all of these areas which are designed to drive, and which are starting to deliver, mutually reinforcing outcomes. You can read more about the Balanced Scorecard in the following pages.

The Strategic Report was approved by the Board of Directors on 3 March 2014 and signed on its behalf by the Chairman.

There has been understandable concern and criticism of the increase in the incentive pool in a year in which the bank's profits were down. The immediate challenge for the Board Remuneration Committee and Board for 2013 was to find the right practical balance between the need to give shareholders a greater share of the income we generate, to bear down on costs, and to meet society's expectations without eroding the long-term competitiveness of the Investment Bank, and thus damaging the interests of our shareholders. Whilst the conclusion reached was an extremely difficult one, we believe that it was the right decision for shareholders in the long term. Looking forward, we remain committed to achieving a compensation to adjusted net operating income ratio in the mid 30s over the medium term. There is more detail on this in the Remuneration Report in the following pages.

There have been a number of changes to both the composition of the Board and to our governance structures during 2013. In particular, we created a new Board Conduct, Reputation and Operational Risk Committee to provide clear and dedicated focus on each of these major areas in complement to the role of the Board Financial Risk Committee. You can read more on these changes in my corporate governance report.

Elements in the global economic environment and prospects now seem more favourable than at the beginning of 2013, but financial markets face uncertainty created by structurally lower economic growth over a prolonged period and an uncertain political outlook in many of the areas in which we operate. And, while substantial progress has been made in strengthening the balance sheet, further regulation in prospect, including in particular retail ring-fencing in the UK and rules to be put in place under the Dodd Frank legislation in the United States, and the emerging business environment will inevitably call for rigorous review and adaptation of the mix and structure of the businesses of the Bank.

This year the Annual Report incorporates the Strategic Report in line with reporting requirements. The changes are intended to facilitate more effective communication with all our stakeholders, improve corporate accountability and to provide more concise and relevant narrative reports. These objectives are entirely in line with our aim to become more clear and transparent on our journey to be the 'Go-To' bank. We will continue to engage with stakeholders to identify ways in which we can further advance this agenda.

2014 will be a critical year for Barclays as we work toward meeting the needs and expectations of all our stakeholders in terms of both the business we do and how we do it. Your Board and the executive team led by Antony Jenkins are encouraged by what was accomplished in 2013 and are focused and determined to complete the Transform Programme, and we are confident of doing so.

Sir David Walker
Chairman

Notes

The term 'Barclays PLC Group' or the 'Group' means Barclays PLC together with its subsidiaries and the term 'Barclays Bank PLC Group' means Barclays Bank PLC together with its subsidiaries. 'Barclays' and 'Group' are terms which are used to refer to either of the preceding groups when the subject matter is identical. The term 'Company', 'Parent Company' or 'Parent' refers to Barclays PLC and the term 'Bank' refers to Barclays Bank PLC. In this report, the abbreviations '£m' and '£bn' represent millions and thousands of millions of pounds sterling respectively, the abbreviations '\$m' and '\$bn' represent millions and thousands of millions of US Dollars respectively, '€m' and '€bn' represent millions and thousands of millions of euros respectively and 'C\$m' and 'C\$bn' represent millions and thousands of millions of Canadian dollars respectively.

Unless otherwise stated, the income statement analyses compare the 12 months to 31 December 2013 to the corresponding 12 months of 2012 and balance sheet comparisons, relate to the corresponding position at 31 December 2012. Unless otherwise stated, all disclosed figures relate to continuing operations. Relevant terms that are used in this document but are not defined under applicable regulatory guidance or International Financial Reporting Standards (IFRS) are explained in the glossary online at www.barclays.com/annualreport. A hard copy can be provided on request by contacting Barclays Investor Relations, Barclays PLC, 1 Churchill Place, London E14 5HP.

Adjusted profit before tax and adjusted performance measures have been presented to provide a more consistent basis for comparing business performance between periods. Adjusted profit before tax is explained further on page 24 and defined in the online glossary at www.barclays.com/annualreport.

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 certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results 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 regarding the Group's future financial position, income growth, assets, impairment charges and

other regulatory ratios, payment of dividends (including dividend pay-out ratios), projected levels of growth in the banking and financial markets, projected costs, original and revised commitments and targets in connection with the Transform Programme, deleveraging actions, estimates of capital expenditures and plans and objectives for future operations 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 (IFRS), evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of civil and criminal legal proceedings and regulatory investigations, future levels of conduct provisions, 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, United States, 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 the Group; the potential for one or more countries exiting the Eurozone; the implementation of the Transform 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, and expectations set forth in the Group's forward-looking statements. Additional risks and factors are identified in our filings with the SEC including our Annual Report on Form 20-F for the fiscal year ended 31 December 2012, and in the Form 6-K (Film No. 131097818) dated 16 September 2013, both of which are available on the SEC's website at <http://www.sec.gov>.

Any forward-looking statements made herein speak only as of the date they are made and it should not be assumed that they have been revised or updated in the light of new information or future events. Except as required by the Prudential Regulation Authority, the Financial Conduct Authority, the London Stock Exchange plc (LSE) or applicable law, Barclays expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in Barclays' expectations with regard thereto or any change in events, conditions or circumstances which any such statement is based. The reader should, however, consult any additional disclosures that Barclays has made or may make in documents it has published or may publish via the Regulatory News Service of the LSE and/or has

provisions, business strategy, capital, leverage and

filed or may file with the SEC.

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‘We’ve made some changes to this year’s Strategic Report to give readers a clearer picture of how we operate, what our plans are and how they link to Barclays’ goal and purpose.’

In line with new regulatory reporting requirements and our commitment to transparent disclosures, this year’s Strategic Report gives greater information on the business model and strategy of the Group and its divisions.

The Strategic Report

An overview of our 2013 performance, a focus on our new strategic direction, and a review of the businesses underpinning our strategy

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Corporate website

We maintain a corporate website at



www.barclays.com containing a wide range of information of interest to institutional and private investors including:

- Latest news and press releases
- Annual reports and investor presentations



See further content for the 2013 Annual Report online at www.barclays.com/annualreport

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Group overview

Barclays is a major global financial services provider engaged in personal banking, credit cards, corporate and investment banking, and wealth and investment management with an extensive international presence in Europe, the Americas, Africa and Asia.

With over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs approximately 140,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide.

Adjusted profit before tax

£5,167m

Down 32% due to costs to achieve Transform and a 4% reduction in income. Statutory profit before tax was up from £797m to £2,868m

CRD IV fully loaded Common Equity Tier 1 Ratio

9.3%

Up from 8.4% in September 2013 principally due to the issuance of additional shares through the rights issue

Return on Equity

4.5%

Adjusted return on average shareholders' equity decreased from 9.0% principally reflecting the decrease in profit before tax, a £440m write down of deferred tax assets and the £5.8bn equity raised from the rights issue

Dividends per share

6.5p

Full year dividend of 6.5p maintained at same level as 2012

Gross new lending to UK

£88bn

We provided £88bn of Funding for Lending eligible gross new lending to UK households and businesses in 2013

Diverse employees

139,600

Of our 139,600 global workforce, 71,300 were female and 68,300 male

Key performance indicators (KPIs)

The KPIs presented below reflect the indicators management used during 2013 whilst transitioning to use of the Balance Scorecard (see page 10).

Following the announcement of the Transform programme, a number of additional metrics have been monitored against the financial commitments made. These can be seen on pages 238 to 240.

		Statutory			Adjusted		
	Measures	2013	2012	2011	2013	2012	2011
Capital	Core Tier 1 ratio	13.2%	10.8%	11.0%			
	Estimated PRA leverage ratio ^a	3.0%					
Returns	Return on average shareholders' equity (RoE)	1.0%	(1.2)%	5.9%	4.5%	9.0%	6.7%
	Return on average tangible shareholders' equity (RoTE)	1.2%	(1.4)%	7.1%	5.3%	10.6%	8.1%
	Profit before tax	2,868	797	5,770	5,167	7,599	5,482
	Cost: income ratio	79%	84%	65%	71%	63%	68%
	Loan loss rate	64bps	70bps	77bps			
	Dividend per share	6.5p	6.5p	6.0p			
Income growth	Total income	27,935	25,009	32,292	28,155	29,361	28,513
	Income by geography: UK	11,461	7,461	15,819	11,681	12,040	11,981
	Europe	4,019	4,457	4,207	4,019	4,457	4,207
	Americas	7,034	7,554	6,025	7,034	7,327	6,083
	Africa and Middle East	4,137	4,472	4,967	4,137	4,472	4,967
	Asia	1,284	1,065	1,274	1,284	1,065	1,274
Citizenship	Gross new lending to UK households and						

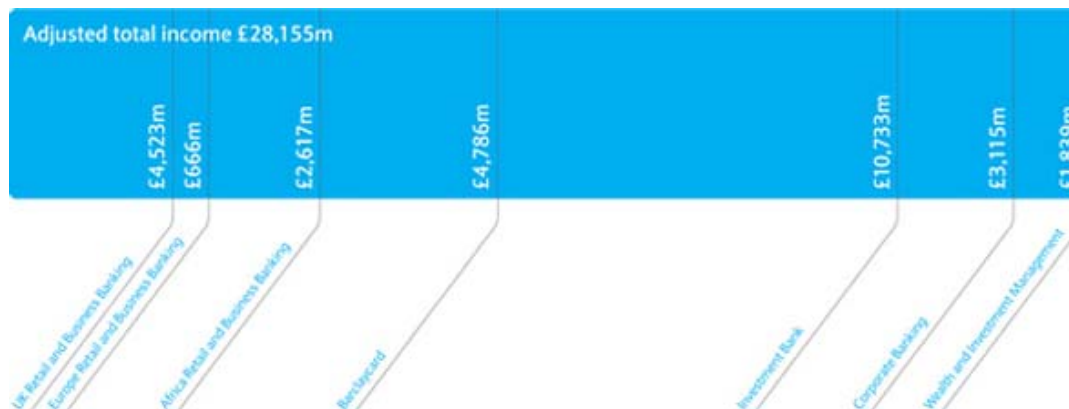
businesses ^b	£88bn	£44bn	£45bn
Global investment in our communities	£72m	£64.5m	£63.5m
Colleagues involved in volunteering, regular giving and fundraising initiatives	71,000	68,000	70,000
Group Employee Opinion Survey (EOS) – Proud to be Barclays ^c		78%	81%
Percentage of senior managers who are female ^d	23%	22%	21%

Notes

- a In 2013, the adjusted gross leverage metric was superseded by the estimated PRA leverage ratio as the primary leverage measure used by management. Refer to page 240 for further details.
- b In 2013, we tracked Funding for Lending Scheme eligible gross new lending, a new measure introduced in June 2012.
- c In 2013, the EOS was not undertaken, having been superseded by the Sustained engagement of colleagues score in the Balanced Scorecard.
- d Based upon percentage of females in the Director corporate grade.

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Barclays banking and financial service businesses work together to provide customers and clients the best offerings across our chosen markets.

UK Retail and Business Banking (UK RBB) £4,523m

A leading UK high street bank providing retail banking services and general insurance to individuals and business banking services to small and medium enterprises (SMEs)

Europe Retail and Business Banking (Europe RBB) £666m

A local presence for Barclays customers in Spain, Italy, Portugal and France, providing retail banking services to mass affluent individuals and business banking services to SMEs

Africa Retail and Business Banking (Africa RBB) £2,617m

A leading pan-African retail and business bank serving customers and clients in 12 countries with a range of banking and bancassurance solutions

Barclaycard £4,786m

A leading international payments business, offering payments and lending to individuals, and a range of business services including card issuing and payment acceptance services

Investment Bank £10,733m

A global investment bank serving large corporate clients, financial institutions, governments and institutional investors with financial advisory, capital-raising, financing and risk management services

Corporate Banking £3,115m

A leading provider of cash management, lending and trade financing to corporate clients in the UK and South Africa, and global businesses, financial institutions and international organisations

Wealth and Investment Management £1,839m

A leading global wealth manager and advisor, providing private and intermediary clients with international and private banking, investment management, fiduciary services and brokerage



For more detailed information on the performance of divisions please refer to pages 18 to 45

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Chief Executive's strategic review



'We have made good progress in 2013 and we start 2014 in a better position than for several years. While recognising there is much more to do, we have every reason to feel positive about our prospects and confident that we will become the 'Go-To' bank for all our stakeholders.'

2013 has been a year of significant change for Barclays. A year ago we set out the outcome of our strategic review and our Transform plan to make Barclays the 'Go-To' bank for all our stakeholders. We continue to take steps to de-risk the business, strengthen the balance sheet, increase the efficiency of our operations and are making good progress against our plan.

Our 2013 results clearly demonstrate the benefits of the diversity we enjoy in the Group, as well as the strength of our core franchises. While impacted by the restructuring and de-risking activity, underlying business performance has been resilient, with adjusted income of £28.2bn and adjusted profit before tax of £5.2bn. Our core franchises remain strong, with UK Retail and Business Banking, Barclaycard, UK Corporate Banking, and within the Investment Bank our Equities and Investment Banking businesses all delivering good performances in 2013. Important progress has also been made in repositioning our African, European and Wealth businesses, although further work is required to get returns to acceptable levels. Our Fixed Income, Currency and Commodities business in the Investment Bank saw revenues fall, in line with our European peers, as market conditions remained subdued.

We are making good headway across the financial commitments we set out as part of our Transform plan as well as on de-leveraging to meet the PRA's revised target. I am pleased by our progress on RWAs and leverage. We have been able to move more quickly than anticipated in managing down CRD IV RWAs, bringing us a little below our Transform target well ahead of the 2015 timeline. Through rigorous analysis and focus, we have also virtually achieved the PRA leverage target six months in advance of the June 2014 deadline.

We have invested considerably in transforming our businesses. In the months ahead we expect to see the benefits of this coming through. We narrowly missed our cost guidance for 2013, largely due to a £331m increase at year-end in certain litigation provisions, but the true operating performance of Barclays was on track. Costs are a key area of focus for us and we remain committed to our 2015 Transform cost target of £16.8bn. Compensation for key talent is one area that we were prepared to invest in strategically. Our aim is to deliver a greater share of the income we generate to shareholders while remaining competitive on pay. Although profits for 2013 were down, the 38% reduction in incentives in the previous two years had begun to cause demonstrable damage to our business through increased attrition, with a near doubling of resignations of senior staff in the US for example. We concluded that a 2013 incentive pool of £2,378m was appropriate. Whilst this is up 10% on the final 2012 incentive pool, before adjustment for risk and conduct events it is down 18% on 2012 and remains 32% below the pool level in 2010 when we started to reposition Barclays' remuneration. This was a difficult decision, but the right one for the long term interest of our shareholders.

We have also made progress against the two non-financial commitments we made last February. The first of these, culture change, and in particular the process of embedding our Purpose and Values throughout the

organisation, is going well. Every colleague has completed a mandatory training programme, and we have integrated our Purpose and Values into the day to day management processes of the Bank. We have developed and published our new Code of Conduct which every colleague must abide by and attest to annually.

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The recent publication of our Balanced Scorecard for the Group addressed the second non-financial commitment we made, establishing the critical final component in our leadership framework. The Balanced Scorecard sets out a clear description of what we want Barclays to be, with eight clear targets out to 2018 against which our progress can be assessed by all of our stakeholders. The scorecard, alongside our Purpose and Values, is now embedded in how we measure and reward individual and business performance. This is a unique and powerful tool that aligns the organisation behind our Transform goals.

We begin 2014 in a better position than for several years. 2013 showed the tremendous value of the breadth and diversity of Barclays' earnings profile, and we have seen continued evidence of the strong fundamentals which are essential for longer term growth. We have started to put our legacy issues behind us, and have greater clarity on what the future holds, particularly in terms of regulation. With my leadership team in place and building on the progress we have made on our Transform programme in 2013, we will continue to adapt and optimise our business, reaping the substantive benefits of our work in 2014, 2015 and beyond.

While we have much more to do and we expect the operating environment to remain challenging, we have every reason to feel positive about our prospects and confident that we will become the 'Go-To' bank for all our stakeholders.



Antony Jenkins
Group Chief Executive

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Our purpose

What is Barclays for?

Becoming the 'Go-To' bank will be realised with a renewed focus, fuelled by this common purpose. We exist for our clients and customers, for our shareholders, our colleagues, and other stakeholders – we exist for the purpose of helping people achieve their ambitions.

Helping people – in the right way – means how we do it becomes as important as what we do.

Our values

How will Barclays do that?

Respect means respecting and valuing those we work with – our colleagues and other stakeholders. It is about building trust and promoting collaboration.

Integrity demands we act fairly, ethically and honestly. This requires us to have the courage always to do the right thing, never tolerating the wrong thing, and to be accountable for our decisions.

Service means ensuring our clients and customers are always uppermost in our minds. We must strive to exceed their expectations so we automatically become their 'Go-To' bank.

Excellence calls on us to use all our energy, skills and resources to deliver great service for our customers and clients and outstanding sustainable results for shareholders.

Stewardship is about being determined to leave things better than we found them, so we constantly strive to improve the way we operate as an organisation and the impact we have on society.

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Strategy and operating environment

‘We will not be able to generate sustainable returns over the long term unless we act at all times with good values.’

The landscape for banks has fundamentally changed and will continue to evolve in the coming years. We believe these changes are not cyclical but represent a structural shift. Our Transform programme, launched in 2013, will reshape Barclays to generate sustainable returns and to meet the needs of all of our stakeholders.

Market and operating environment

Barclays is a global financial services provider with our home markets in UK, US, and South Africa, and distribution and operations in a further 47 countries.

Banks are invariably exposed to the economies and markets in which they operate. This exposure ranges from mortgage lending (dependent on the ability of borrowers to repay and house price valuations) to corporate advisory (which may reflect business confidence in the economy). Prior to the financial crisis, global growth was supportive with banks well-positioned to benefit from their exposure to the upward trajectory of the global economy.

Global economic growth has faltered in recent years. This has prompted unprecedented monetary policies across central banks, for example quantitative easing and near zero interest rates. This policy response has, in turn, posed new challenges for banks such as compressed interest margins.

While global economic growth remained below the long-term trend in 2013, we saw improved consumer confidence and business sentiment in both the UK and US. Even with these grass root recoveries emerging in two of our home markets, we remain cognisant that global economic growth is expected to be subdued for a prolonged period.

Financial regulatory frameworks are evolving, as global regulators continue to respond to the issues that emerged during the financial crisis. It is clear that intensive and intrusive regulation is here to stay. Prudential reforms ranging from the UK Banking Reform Act to the US Dodd Frank Act are fundamentally changing the way that banks manage their capital, liquidity and risk.

A further challenge to the banking industry, and indeed to Barclays, in recent years is one of poor conduct, damaging our reputation and causing a loss of trust amongst our customers, clients and stakeholders. We recognise the importance of rebuilding trust in Barclays as well as meeting, and bettering, the developing needs of our customers and clients.



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Barclays' sustainable success will be assured by becoming the 'Go-To' bank for all of our stakeholders. If we understand their needs and priorities and ensure that these are at the heart of our decision-making, we will be able to build a bank which is lower-risk, more predictable and higher-performing.

The strategic response

In 2013, we launched the Transform programme to deliver the recommendations of the Strategic Review. Transform is the plan that will help Barclays become the 'Go-To' bank. It has three overall goals: Turnaround, Return Acceptable Numbers, Sustain FORward Momentum.

Turnaround the business

Turnaround was the immediate task of stabilising the business and maintaining momentum. In the second half of 2012, we delivered our new goal, purpose, and values to unite Barclays with a shared sense of direction – how we will do business.

We have put in place a new Executive team which is focused on delivery. The vast majority of our 139,600 colleagues have participated in workshops and training in Barclays' values. To cement our cultural change, a guide for behaviour – The Barclays Way – has been published internally and externally.

Return Acceptable Numbers

In 2013, we turned our attention towards the longer-term transformation of Barclays. For our Return Acceptable Numbers phase, we are de-risking and de-leveraging the business to make it more sustainable for the long term.

We committed to consolidate to core lines of business, to generate £1.7bn of cost savings by 2015, to lower our RWAs, funding and liquidity, and to reach a Core Tier 1 capital ratio of 10.5%. See page 238 for further details on the Transform financial commitments.

In 2013, we:

- Completed a £5.8bn rights issue in October
- Issued £2.1bn of CRDIV and PRA-qualifying Additional Tier 1 (AT1) capital
- Reduced CRDIV leverage exposure by £196bn in H2 2013 to £1,363bn, of which an estimated £55bn related to foreign exchange
- Drove improvements in our loan-to-deposit ratio (to 101% at December 2013)

Additionally, we reduced legacy assets in our Exit Quadrant portfolios by £40bn through Investment Bank legacy asset reductions of £17bn and derivative efficiencies of £23bn.

Sustain Forward Momentum

Our journey to 'Go-To' depends on continuing to adapt

A strong culture is the first line of defence against repeating the mistakes of the past. To unite around Barclays' Values and Behaviours, we published 'The Barclays Way' to govern our way of working across our business globally. Colleagues are essential to embedding our Purpose and Values and, in 2013, all colleagues attended Values and Behaviours engagement sessions.

Reward and incentivisation is a critical enabler of behavioural change. As of 2014, colleague performance will be measured and rewarded not only on 'what' an employee delivers but also 'how' they achieve their objectives. As such, remuneration will align with Barclays' Purpose, Values and Behaviours as well as the Group Balanced Scorecard.

As of February 2013 control functions now have solid reporting lines into the Group CEO rather than business heads to avoid conflict of interest.

The Remuneration Committee will embed aggregate and individual incentive risk adjustments with additional Compliance and Risk input. Furthermore, our principal risk framework has been enhanced with the inclusion of conduct risk and reputation risk and a revised Enterprise-Wide Risk Committee will ensure adequate Board oversight.

To address the cost challenge, we have focused on creating the right level of financial analytics and on improving operational efficiencies. The key elements of our cost programme are right-sizing our businesses, industrialising handling of customer transactions and queries, and adopting innovative technology and automated processing.

Focus of efforts in 2014

In 2014, we will continue to build on the progress made in 2013. We will focus on delivering on our financial commitments and expect to see the benefits of our 2013 work on cost begin to crystallise.

We aim to respond positively to the evolving regulatory landscape. We have sought to constructively engage our regulators and improve our regulatory and public disclosures in order to improve transparency and consistency with society's expectations.

The new regulatory and emerging business environment will inevitably call for continued rigorous review and adaption of the mix and structure of the businesses of the Bank to ensure we generate sustainable returns.

However, care needs to be taken to ensure that regulation does not go too far. A healthy banking sector ensuring returns above the cost of equity is essential to economic growth. Vibrant economies need vibrant banks. It is therefore important to ensure that the rightly-increased focus by the regulator on conduct supervision does not inadvertently result in the withdrawal of services and the restriction of choice.

Another key focus over 2013 and the coming years is rebuilding the trust that customers, clients, and stakeholders have in our organisation. We have pledged

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Barclays for the future and ensuring that we do not return to a short-term bias as we execute our plans. In order to Sustain FORward Momentum, we have also set in place longer-term markers in four critical areas: Culture, Rewards, Control and Cost.

The Board-commissioned Salz Review also prompted us to review our conduct. We are committed to being open and transparent and to regaining the trust of all of Barclays' stakeholders. We have integrated our necessary behavioural transformation into our Transform programme. Full details on our response to the Salz Review can be found on pages 126 to 129.

to increase transparency and conduct our business in the right way, as set out in our values.

We need to better respond to the current needs and anticipate the future demands of our customers and clients. As they become increasingly technology savvy we have worked to embed technology across our product offering. This ranges from payment innovations such as PingIt to expanding our Investment Bank's electronic trading platform BARX.

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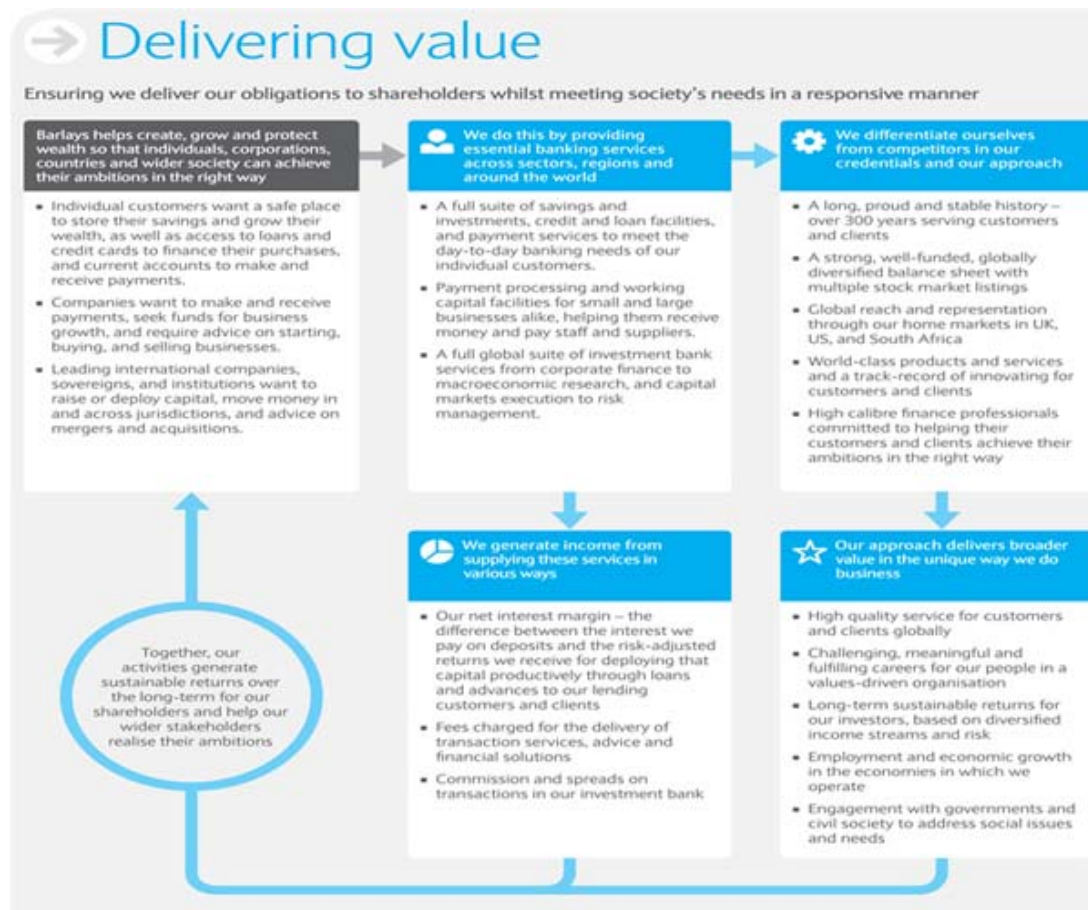
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Business model/Value creation

‘Our customers and clients are at the centre of our goal and purpose.’

Barclays is a globally diversified, universal bank – that is, we offer an integrated set of products and services across retail banking, wealth management, commercial and investment banking serving individuals, corporations, institutions, and governments.



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Group overview	02	Our business model is the mechanism for delivering our social purpose. As such, in this section, we outline how the Group delivers services to our customers, how we make money on those services, and how our model and approach differs from our competitors.
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Our business model

Barclays seeks to satisfy the needs of our customers and clients by offering a rounded value proposition – a full range of products and services – and thereby, we aim to achieve a smoother income stream and sustainable returns.

Barclays' competitive advantage is created by the scale and diversity of our businesses and the quality, character and relationships of our people.

Our Retail and Business Banking businesses operate through a regional model, focusing on delivering targeted solutions to individuals and small businesses. We operate retail banks in UK (UK RBB), Africa (Africa RBB), and Europe (Europe RBB).

Barclaycard, Investment Bank, Corporate Banking and Wealth and Investment Management operate in global models, leveraging their offerings to provide comprehensive solutions across borders.

We are increasingly operating a shared service model for Central Functions. Improved 'functionalisation' has allowed us to take advantage of synergies through the sharing of ideas and collaboration from cross-functional working groups.

The sum of the parts

Our business model enables us to maintain relevance to our customers and clients, whatever stage of life they are in. For example, this means being ready to help business owners launch a business, fund its growth, expand internationally, and protect against currency risk. For individuals, our model can provide a safe place to store savings, help a first-time buyer make their first steps onto the property ladder, create an investment portfolio as wealth grows, or provide cross-border advice for the affluent.

We seek to add value to our clients through our end-to-end network, for example an individual retail customer in the UK is able to access current and savings account balances along with Barclaycard data all on the same mobile banking app. Pingit, our peer to peer payments service, is seamlessly integrated within our retail banking offering, a further example of this joined up approach to the way we do business.

Our international reach and scale means we have the responsibility, indeed obligation following our designation as a Global Systemically Important Financial Institution, to work together with our regulators to de-risk the industry and provide a more sustainable banking landscape over the long term. We are actively engaging with UK, EU, and US banking supervisors to develop a new model for the industry and to ensure our business is sustainable and flexible – ready for the future.



→ Meeting customer and client needs

Our value proposition

Our customers and clients are at the centre of our goal and purpose and we seek to become their 'Go-To' bank both through the excellence of our products and services and also through the way in which we do business. As we continue to transform Barclays, we believe we can become the bank of choice for all of our stakeholders.

	Individuals	Small and Medium size businesses	Corporates	Financial Institutions and Banks	Sovereigns and Institutions
A safe place to save, invest, and manage cash	Current accounts and overdrafts	Savings, deposit and investment products	Mobile and digital payments	Stockbroking and trading services	Access to global financial markets
					Cash management, payment systems, and international trade services
Funds for purchases and growth	Residential mortgages, consumer loans and credit cards	Commercial mortgages and business loans	Asset and lease finance, trade and supplier finance and working capital solutions	Global capital markets	Large corporate and inter-bank lending
Management of business and financial risks	Foreign exchange rate hedging	Fixed rate loans	Inflation and interest rate hedging		
Financial and business support	Wealth Advisory and Private Banking services	Relationship managers and support	Business seminars and start-up accelerator space	Global investment research and advice on mergers & acquisitions	

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Balanced Scorecard

'The Balanced Scorecard is the final crucial piece of our plan – alongside our Purpose and Values – to embed the right culture in our business and become the 'Go-To' bank'

The Balanced Scorecard sets out eight specific commitments across our 5Cs (Customer & Client, Colleague, Citizenship, Conduct and Company) and defines what need to achieve over the next five years to be well on the way to becoming the 'Go-To' bank.

We are committed to monitoring and reporting on our progress annually so that stakeholders can hold us to account. The Balanced Scorecard is supported by strategic initiatives that will drive progress across the 5Cs.

The Balanced Scorecard gives clear strategic context for our colleagues around what becoming the 'Go-To' bank will look like and lays out Barclays' priorities. The Barclays Balanced Scorecard is cascaded into business unit and function scorecards. Together, these provide line of sight to employees to our organisational goal. They also provide a framework and starting point for all employees when they set their individual performance objectives across the 5Cs.



For more detailed information on the Balanced Scorecard, please see barclays.com/balanced-scorecard and the key performance indicators section on pages 243 and 244

→ Our Balanced Scorecard

Becoming the 'Go-To' bank for all our stakeholders

Balanced Scorecard: overview



Outcome Statements

We balance our stakeholders' needs across the short and long term.

Our activities drive mutually reinforcing outcomes across stakeholders.

Outcome Statements

	Customer & Client	■ We are 'Go-To' for our customers and clients
	Colleague	■ Our colleagues are fully engaged ■ We create a diverse and inclusive environment where colleagues can fulfill their potential
	Citizenship	■ We positively impact the communities in which we operate
	Conduct	■ Our products and services are designed and distributed to meet clients' needs ■ We act with integrity in everything we do
	Company	■ We create sustainable returns above the cost of equity ■ We understand and effectively manage our risks, and continuously improve control

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Group overview	02	The Balanced Scorecard defines what we need to achieve over the next five years to be well on the way to becoming the 'Go-To' bank. It clearly shows what success looks like across the 5Cs: Customer & Client, Colleague, Citizenship, Conduct, and Company.
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Metrics and targets

We have agreed eight key measures against which we and our stakeholders can hold us to account. We are committed to monitoring and reporting on our progress annually.

	Metric	Actual 2013	Target 2018
 Customer & Client	RBB, Barclaycard and W&IM: Weighted average ranking of Relationship Net Promoter Score ^{®a} vs. peer sets	4th	1st
	CIB Client Franchise Rank: Weighted average ranking of wallet share or customer satisfaction with priority clients	4th	Top 3
 Colleague	Sustained engagement of colleagues score	74%	87-91%
	% women in senior leadership ^b	21%	26%
 Citizenship	Citizenship Plan – initiatives on track or ahead	10/11	Plan Targets
 Conduct	Conduct Reputation (YouGov survey)	5.2/10	6.5/10
 Company	Return on Equity (Adjusted)	4.5%	> Cost of equity
	Fully Loaded CRD IV CET1 ratio	9.3%	>10.5%

 For further information on Balanced Scorecard Methodology and Data Sources please visit barclays.com/balanced-scorecard and see the 'Metrics and targets' page

A detailed view of performance against Citizenship Plan targets is available in the Citizenship Report 2013 at barclays.com/citizenshipreport

Delivering our strategic targets: Example Strategic initiatives

Here are some examples of strategic initiatives that will drive progress across the 5Cs and support our goal to become the 'Go-To' bank.

 Customer & Client	■ We are using technology to improve our customers' and clients' experience and to be responsive to their changing needs, such as through Barclays Mobile Banking, BARX, PayTag and Barclays.Net
	■ We are making our most important customer and client interactions as simple and instant as possible – putting power in their hands to transact when, where and how they want to
	■ We are simplifying our products and services and improving what we offer to match customer needs with the right service model
 Colleague	■ We have launched our Purpose and Values, and we are embedding them into all our HR processes including recruitment, promotion and performance management
	■ We are developing and training leaders through the Barclays Leadership Academy and Barclays Global Curriculum
	■ We are driving a consistent global diversity and inclusion plan resulting in a more visibly diverse talent pipeline
 Citizenship	■ We are ensuring the way we do business reflects broader societal and environmental considerations
	■ We are contributing to growth through financing, supporting businesses and ensuring our products and services support sustainable progress
	■ We are supporting the communities where we operate by helping five million young people to develop enterprise, employability and financial skills
 Conduct	■ We are following a rigorous and transparent framework on conduct risk reporting and management
	■ We are using material conduct risk assessments to effectively identify, assess and manage conduct risk
	■ We are exercising sound judgements to avoid detriment to customers, clients and counterparties or to market integrity
 Company	■ We are delivering the initiatives across the strategic quadrants: Invest and grow, Reposition, Transition, and Exit

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- We are managing costs (rightsizing, industrializing, innovating) and delivering our leverage and capital commitments
- We are improving our controls through the roll-out of “The Barclays Guide”, which covers how we organise, manage and govern ourselves and includes a new risk management framework

Notes

- a Net Promoter, Net Promoter Score, and NPS are trademarks of Satmetrix Systems, Inc., Bain & Company, Inc., and Fred Reichheld.
- b Senior leadership represents the Managing Director and Director corporate grades combined, a population of over 8,000 employees. Under the Companies Act 2006 we are also required to report on the gender breakdown of our ‘senior managers’. For this purpose, we have 988 senior managers (179 female and 809 male) who include Officers of the Group, certain direct reports of the Chief Executive, heads of major business units, senior Managing Directors, and directors on the boards of subsidiary undertakings of the Company.

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Group Finance Director's review



'We have made quick progress on leverage, but focusing on balance sheet optimisation for sustainable returns is now the priority going forward.'

Reflecting on the 2013 financial results for Barclays, I believe progress has been made and momentum is building around the Transform Programme. This was the first year of the Programme, which necessitated a substantial investment in future cost reduction and repositioning of our balance sheet and capital base.

Financial review

Overview

Within the results, there are two areas that I felt were particularly noteworthy. First, the breadth and diversity of income in the Group, underpinned by our traditional consumer and commercial banking franchises. Similarly, within the Investment Bank, growth in Equities and Investment Banking income provided an offset to the market-led weakness in certain FICC businesses. Second, demonstration of strong financial fundamentals across funding and liquidity, capital, credit risk management and margins should stand the bank in good stead for generating sustainable returns going forward.

Income statement review

2013 profits were impacted by £1.2bn of costs to achieve Transform which drove a 32% reduction in adjusted profit before tax to £5.2bn, while statutory profit before tax improved from £0.8bn to £2.9bn due to a significant reduction in the own credit charge.

Adjusted income was down 4% to £28.2bn reflecting reductions in Investment Bank FICC, partially offset by impressive performances in Investment Bank Equities and Investment Banking and growth in UK RBB, Barclaycard and Corporate.

Impairment charges improved 8% to £3.1bn reflecting lower impairments in the wholesale businesses, with increases in UK RBB and Barclaycard due to business growth and non-recurrence of prior year releases.

Adjusted operating expenses increased £1.3bn to £19.9bn reflecting £1.2bn of costs to achieve Transform, £220m provisions for litigation and regulatory penalties in Q413 in the Investment Bank, mainly relating to the US residential mortgage-related business and UK bank levy of £504m (2012: £345m). The Group's cost target for 2015 remains at £16.8bn excluding costs to achieve Transform.

I am pleased by the strong results in UK RBB, Barclaycard and Corporate Banking, whilst noting 2013 was a tough year for Investment Bank income. Moreover, following restructuring and de-risking activity we completed during the year, Europe RBB, Africa RBB and Wealth and Investment Management now have clear paths to shareholder value creation in the medium term. Importantly, the resilience of the underlying customer and client franchises across the Group allowed us to maintain dividends of 6.5p per share for full year 2013 despite a 25% increase in the total number of shares following the rights issue.

Balance sheet review

In October, I began conducting a detailed balance sheet review, specifically focused on meeting leverage ratio requirements as a priority. We have made strong and quick progress on this. Our Prudential Regulation Authority (PRA) leverage exposure reduced by nearly £200bn from June 2013 which, combined with the £5.8bn rights issue and issuance of £2.1bn of AT1 securities, strengthened our PRA leverage ratio to just under 3%. Our focus on Risk Weighted Asset (RWA) management continued throughout the year, resulting in a 7%, or over £30bn, reduction in CRD IV RWAs. Looking ahead, the balance sheet review will continue but with increased focus on optimising the balance sheet, considering both risk weights and leverage, in order to generate improved returns.

Tushar Morzaria
Group Finance Director

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Revised Transform financial commitments				
	Original 2015 Targets		Revised Targets	Dates
Return on equity	> CoE	→	>CoE in 2016	2016
Operating Expenses	£16.8bn	→	£16.8bn	2015
Cost: Income Ratio	mid-50s	→	mid-50s	2015
CRD IV RWAs	£440bn	→	£440bn	2015
FL CET1 Ratio	Transitional >10.5%	→	Fully loaded >10.5%	2015
Dividend Payout Ratio	30%	→	40-50%	40% from 2014

What are the main financial issues in the year, and implications for the business?

What happened:

On 20 June 2013 the PRA announced the results of its review of capital adequacy of major UK banks and building societies. As part of its review, the PRA introduced a 3% Leverage Ratio target to be achieved by 30 June 2014. As at 30 June 2013, Barclays' PRA Leverage Ratio was 2.2%, representing a capital gap of £12.8bn.

Actions taken:

In order to achieve the PRA's 3% Leverage Ratio target by June 2014, we announced a series of actions including an underwritten rights issue, measures to reduce Barclays' CRD IV leverage exposure, and the continued execution of Barclays' capital plan with the issuance of CRD IV and PRA qualifying AT1 securities. In the second half of 2013, we increased our PRA Leverage Ratio from 2.2% to just shy of the 3.0% requirement through these actions.

A significant proportion of the capital gap was reduced through completion of a one for four rights issue which raised £5.8bn of capital for the Group. The rights issue completed on 4 October 2013 and, with a 94.63% acceptance rate of shareholder rights, we welcome the strong support shown by shareholders during what was a challenging period.

Outlook:

As a result of these actions, Barclays is now in a much stronger capital position and this has allowed us to increase the dividend payout ratio target from 30% to 40-50%, with a 40% payout ratio expected in 2014 to allow focus on capital accretion.

We remain committed to structurally reducing the cost base of the Group and we have reaffirmed our £16.8bn cost target with a mid-50s cost: income ratio for full year 2015. We will also continue to closely manage RWAs through rundown of the low returning Exit Quadrant and other balance sheet optimisation, and we target Group RWAs of £440bn by year-end 2015.

Regulation remains a key variable and, while we have gained clarity in certain areas, there remain a number of outstanding items which we will continue to anticipate as best we can. In particular, the Transform targets will allow us to achieve a fully loaded CRD IV Common Equity Tier (CET) 1 ratio of greater than 10.5% in 2015 with a fully loaded CRD IV leverage ratio of 3.5% by year-end 2015 with 3.5-4% targeted thereafter.

2014 will likely be another year of transition, with greater focus on balance sheet optimisation, particularly in the Investment Bank, combined with strict cost control in order to generate higher and more sustainable returns in the

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Through management actions we were also able to reduce the Group's CRD IV leverage exposure by nearly £200bn to £1,363bn. This was achieved through de-risking the business via actions such as improving legal netting agreements on derivatives and reducing low returning Exit Quadrant assets.

A highlight of 2013 was Barclays' issuance of £2.1bn equivalent of benchmark Euro and US Dollar AT1 securities. This represented the targeted issuance for the PRA leverage plan, and constitutes a key step in transitioning our capital base towards future regulatory capital requirements.

future. Ultimately, increasing the Group's RoE will help to reduce the market valuation discount and increase total shareholder returns.

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Strategic Risk overview



‘Although economic and market conditions remained challenging in 2013, our credit and market risk portfolios have continued to perform well’

Maintaining our risk profile at an acceptable and appropriate level is essential to ensure our continued performance. Barclays constantly reviews its exposures in a number of areas including asset quality, industry and geography.

2013 performance

While the economic environment in Barclays' main areas of business was marked by generally weak growth in 2013, the loan impairment charges reduced by 7% with the loan loss rate finishing the year 6bp lower at 64bps. The loan impairment charge for wholesale decreased by 27% principally reflecting a reduction in Corporate Banking due to lower exposure to the Spanish property and construction sector and lower charges in the UK. Impairment increased by 4% in retail mainly in UK RBB and Barclaycard as the two businesses grew and expanded their business portfolios and from the non-recurrence of releases in 2012.

Market risk remains at moderate levels and the daily value at risk reduced in 2013 from a combination of risk reduction and improved market conditions, notably, tightening of credit spreads.

The operational risk profile remained broadly steady while conduct risk relating to legacy issues was evidenced by additional provisions for PPI and interest rate hedging product redress.

Our funding profile continued to strengthen during 2013 as reliance on wholesale funding reduced as the loan to deposit ratio decreased to 101%. The Group's capital position was enhanced through the £5.8bn rights issue and £2.1bn AT1 securities as action was taken to move toward regulatory capital and leverage targets.

Risk was realigned in 2013 through two main programmes: Transform Programme

Under Transform, the risk profiles of businesses were adjusted as they were aligned with their revised strategies to meet the goal of becoming the 'Go-To' bank. This included a lowering of risk in Corporate Banking as Exit Quadrant assets were reduced in 2013. In Europe RBB, the risk profile is in line with the change of focus to mortgage lending and small business customers through its Premier proposition. The risk profile in Barclaycard remained broadly stable with growth within appetite and in line with ongoing strategy of recruiting quality prime customers, combined with a controlled testing into other open market areas of business.

Revised Risk Management Structure

In 2013, the Group also introduced the Enterprise Risk Management Framework (ERMF), which sets out a framework and approach that is applicable to the whole bank, all colleagues and to all types of risk. To strengthen the governance relating to conduct and reputation matters Conduct risk and Reputation risk were re-categorised as Principal Risks in 2013 with Executive Committee sponsorship from the Principal Risk Owner, the Head of Compliance. The Board Enterprise Wide Risk Committee was also created in 2013. It recommends to the Board the Group's overall risk appetite as well as evaluating and reporting details of the Group's overall risk profile and risk monitoring.

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Key influences on risk in 2013

In 2013, a number of risks were considered and dealt with in order to minimise impact on the Group's performance and ability to meet its goals and priorities. These included, but were not limited to:

- Uncertain economic environment, including GDP growth, inflation, property values and unemployment
- Political uncertainty in a number of countries which could have adversely impacted the Group's retail and institutional customers
- The risk of a Eurozone crisis whereby a sovereign may default and exit from the Eurozone. While this receded somewhat during 2013 it could have resulted in losses to the Group through, for example, redenomination risk
- Changes in both the level and volatility of prices, for example, interest rates, credit spreads, commodity prices, equity prices and foreign exchange rates, which could impact earnings or capital
- Potential operational risk of service disruption to customers as a result of failed systems or human errors, or increasing threat from cyber-attacks and breaches of security, with adverse effects on the Group's reputation, operations and financial condition
- Increased levels of legal proceedings in jurisdictions where it operates, and changing legal and regulatory environments, which could lead to fines, public reprimands and damage to reputation
- Changing and uncertain regulatory environment

Risk and business strategy

The risk function plays a significant role in review and challenge of risks inherent within business plans and strategy by verifying that they fall within financial volatility risk appetite and incur a level of risk that is individually and in aggregate acceptable to the Board, or be modified accordingly. The Group-wide stress testing process is similarly linked to the medium term planning process and also supports strategic planning and capital adequacy. Barclays manages human rights risk via our environmental and social risk procedures and guidance and our reputational risk framework and continues to work collaboratively with others in our sector on integration of human rights issues into business decision making. Risk management responsibilities are laid out in the ERMF, which covers the categories of risk in which Barclays has its most significant actual or potential risk exposures, which are known as Principal Risks (see table on the following pages).

Robert Le Blanc
Chief Risk Officer



Future priorities

At a time of significant internal and external change and uncertainty in the business environment, it is important that we continue to keep our customers at the forefront of our activities while meeting new regulatory requirements and improving effectiveness in the risk management process. Our priorities for 2014 reflect these aims and include:

- Providing our customers with faster decisions and enhancing support for those experiencing difficulties
- Closely managing funding and liquidity risk including redenomination risk
- Meeting regulatory expectations in relation to the PRA Leverage Ratio during 2014
- Implementing and embedding the ERMF across Risk including further enhancement of reputation and conduct risk management
- Continuing to manage and control impairment across the firm
- Continuing to enhance and strengthen our operational risk management processes
- Further enhancing Recovery and Resolution Planning and responding to regulatory requirements for structural reform (e.g. UK Retail Ring Fence)

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Example of a related strategic objective and associated risks

Principal Risk	Objective	Example of a significant risk taken in pursuit of the objective
Credit risk		
The suffering of financial loss should any of our customers not fulfil their contractual obligations to the Group.	We are committed to supporting all our customers, counterparties and clients in their day-to-day banking needs and to tailoring our products to meet their requirements.	The credit risk that the Group faces from providing services to customers mainly arises from the default of wholesale and retail loans and advances particularly in a deteriorating credit environment.
Market risk		
The reduction to earnings or capital due to volatility of trading book positions or an inability to hedge the banking book balance sheet.	To provide a range of execution and risk management services across all the major traded product classes.	Extreme market events have the potential to create large losses.
Funding risk		
Failure to maintain capital ratios and liquidity obligations could lead to an inability to support normal business activity and meet liquidity regulatory requirements.	To maintain high levels of quality capital to ensure we have the financial strength to continue supporting customers and clients, be it lending to creditworthy small businesses or arranging the financing of large cross-border projects.	If we cannot forecast our future capital needs accurately, for instance because of unforeseen regulatory actions or unexpected losses, a funding shortfall may occur.
Operational risk		
Losses or costs resulting from human factors, inadequate or failed internal processes and systems or external events.	To provide our personal customers with 24/7 access to the widest range of account facilities to enable them to pursue their financial goals, whenever they want and wherever.	Criminals are constantly searching for ways to perpetrate fraud against Barclays and its customers.
Conduct risk		
Detriment caused to our customers, clients, counterparties, or the Bank and its employees because of inappropriate judgement in the execution of our business activities.	We seek to provide customers with products that are tailored to their changing needs and the evolving financial landscape.	In pursuit of business, products may be sold to customers and clients that are unsuitable because of inadequate complexity, liquidity or other factors.
Reputation risk		
Damage to Barclays brand arising from any association, action or inaction which is	We aim to become the 'Go-To' bank for customers and all stakeholders.	The negative events that have beset Barclays and the banking industry in past years could recur if we failed to identify

perceived by stakeholders to be inappropriate or unethical.

and pro-actively mitigate the risk of failure to act in accordance with our purpose and values.

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Examples of how Barclays mitigates the risk...	...and how this primarily contributes to our scorecard
The Group sets out the level of risk it is prepared to accept through the risk appetite agreed by the Board and closely monitors and manages the risk during the year through, for example, the application of mandate and scale limits. When a customer does experience financial difficulties the Group may assist by offering a forbearance programme which is structured to be appropriate to the nature and expected duration of the their distress. It aims to provide the customer with a sustainable programme to help return them to good financial health.	 Customers & Clients  Citizenship  Company
We have built a business centred on client needs as opposed to the pursuit of profits from price changes and our well embedded stress testing framework helps ensure our portfolio is not overly exposed to extreme market events.	 Customers & Clients  Company
Capital planning is a significant component of our stress testing framework. The adequacy of all categories of capital are tested under severe economic and market scenarios, including consideration of business losses, and the availability of funds in the market according to different scenarios. Mitigation plans are developed based on this analysis.	 Customers & Clients  Citizenship  Company
Our Fraud Risk management team works to ensure we keep ahead of fraudsters by investing in technology, and ensuring we support clients where incidents may occur.	 Customers & Clients  Citizenship
We have developed a suitability framework that clarifies the criteria that must be followed before a product is considered suitable for a customer or client. It ensures that management and their teams consider how customers' needs may change in the future under various scenarios.	 Customers & Clients  Colleague  Conduct
As part of our plan to become the 'Go-To' bank, the Transform Programme places significant emphasis on values. All members of staff have received extensive training and senior management aim	 Customers & Clients

to embody our new values in everything they do. These values are being embedded in all of the bank's activities.



Citizenship



Conduct

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UK Retail and Business Banking (UK RBB)

‘We are determined to go out of our way to make our customer’s lives much easier, which is how we will continue to achieve sustainable long-term results.’



Ashok Vaswani
CEO, Retail and Business Banking

The UK Retail and Business Banking business model

Our social purpose

Basic banking services fulfil the need for transactions that people and business have: storing, receiving and paying monies. Modern life would seem very difficult without access to these fundamental activities.

As a leading UK retail bank, UK RBB successfully provides these basic banking services in a safe, reliable and regulated manner.

Our customers are those

We seek to support the day-to-day banking needs of UK customers. Our customers can be categorised as:

- Personal and Premier
- Small businesses

For them we provide

We focus on providing core banking through a network of branches, telephony and digital channels, enabling customers to be serviced in ways that best suit their lives:

- Personal and Business banking (including current accounts, savings and payments)
- Lending (secured and unsecured) – mortgages, loans and overdrafts

Uniquely providing value through

Our value propositions...

- Accessibility for all customers to simple, transparent and speedy products and services
- Faster or instant decision making and processing
- A focus on providing suitable services for customers’ key life moments
- Relationship propositions tailored for different segments
- Support of Government (access to) lending schemes
- The safe use of data to improve and tailor offers to customers

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Our overriding goal is to provide our customers with simple products and to invest heavily in the customer experience, through both technology and people. This should result in customers consolidating their relationships with us and provide us with balance sheet and income growth.

Market and operating environment

UK RBB is performing well and continues to support the UK economy.

There is an opportunity to embrace the technological innovation and changing competitive landscape to enable our existing customers to do more with us, while protecting our market share and particularly driving income growth in Business Banking and mortgages.

We are reshaping the way we interact with our customers in a way that will drive customer satisfaction and deepen customer engagement, whilst simultaneously reducing the costs that customers do not value and growing our franchise.

Business model risks

While executing our strategy with speed and without compromising quality, we need to be cognisant of the emerging regulatory changes and adapt accordingly. As we continue to focus on rebuilding trust and reputation through improving customer experience, we also need to ensure operational risks are appropriately addressed in the business.

Any deterioration in the economic environment in the UK could adversely impact customers ability to keep up repayments and consequently, we will continue to manage risk appropriately. The UK remains a competitive environment with specialised providers offering web-based services, however our continued investment in technology and processing will help significantly improve and differentiate our customer experience.

Balanced Scorecard



Customer and client

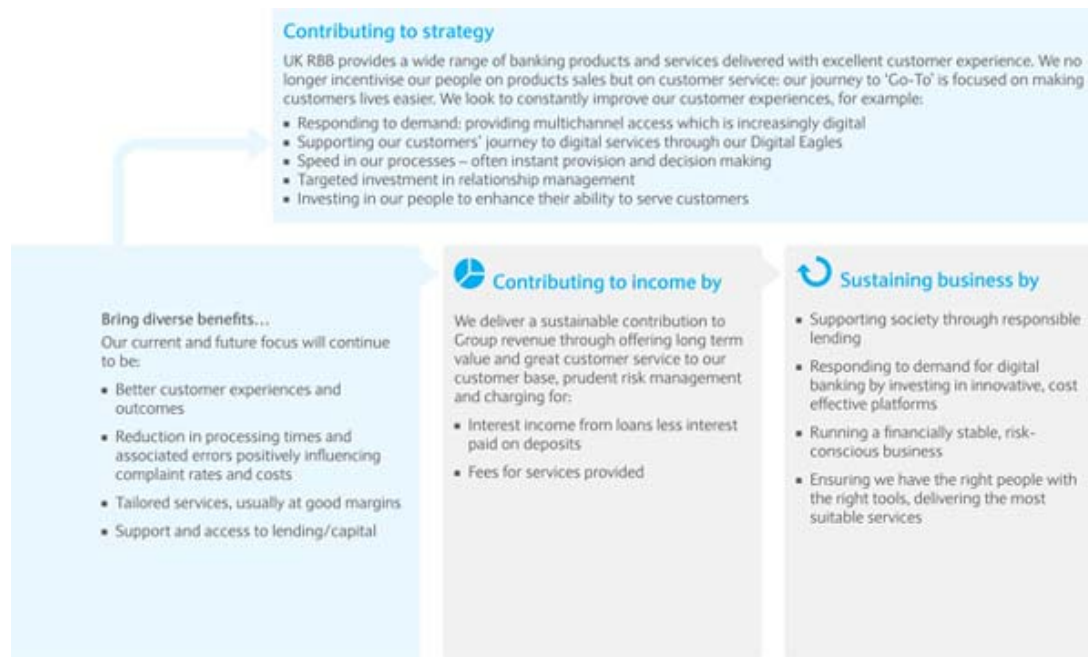
Our aim is to become the 'Go-To' bank for all of our customers. That means we want all of our customers to be advocates of Barclays. We have a lot of work to do.

We will achieve this by significantly improving and differentiating customers' experience of banking with Barclays – through routine transactions and at the vital moments in their life.

We will measure progress through our Net Promoter Score® – a widely used measure of customer advocacy.

Our external complaints reporting has also been enhanced in the UK with reporting beyond the FCA requirements and the launch of externally published 'Spotlight' reports that focus on the key areas of customer complaints and how we are tackling them.

Through regular and rigorous review of our customers' feedback we will identify where and how we will invest to make customer's interactions with us simpler, more intuitive and more personalised.



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UK Retail and Business Banking (UK RBB) > continued

This will ensure we will deliver the right outcomes for customers, quickly and transparently and keep them informed along the way.

It will also help our colleagues better understand what we need do differently to become 'Go-To' for our customers across Barclays' retail operations.

In 2013 we implemented a number of initiatives to affect this ambition:

- We made significant progress in our core processes satisfaction scores
- We asked customers how we can make banking better through the Your Bank campaign and we're using their ideas to make some real improvements
- We are also evolving the way we operate to meet customers' changing needs. The pilot we've recently announced with Asda, bringing us closer to offering services where and when our customers want them, and SkyBranch, which transforms how our telephony business connects with customers, are great examples of this

Colleague

We will continue to invest in our colleagues and create a diverse and inclusive environment allowing colleagues to fulfil their potential. This will ensure that our colleagues are fully engaged allowing them to provide excellent end-to-end customer service.

We also have an ambition to create the most digitally savvy workforce to help our customers become confident with digital banking.

During 2013 we started our search for 'Digital Eagles' – colleagues across the business to support digital awareness and understanding in the UK. With over 5,000 Digital Eagle colleagues across the UK we are well placed to achieve this ambition.

Citizenship

UK RBB continued to embed and contribute to the Barclays' 2015 Citizenship Plan. We have been focusing on the way we do business, listening more to our customers and showing them we've acted. We launched the Your Bank site where everyone (not just Barclays customers) can tell us what products and services will make their lives easier.

Company

Contribution to total income

£4,523m



	2013	2012	2011
Income (£m)	4,523	4,384	4,621
Adjusted profit before tax (£m)	1,195	1,225	1,222
Adjusted ROE (%)	11.5	12.3	12
Loan loss rate (bps)	25	21	44
Loans and advances to customers (£bn)	136.5	128.1	121.2
Customer deposits (£bn)	135.5	116.0	111.8
Distribution points	1,560	1,593	1,625

UK RBB performed well in 2013, growing at a faster rate than the market in key products, including increasing its stock share of mortgages. Income increased 3% to £4,523m driven by strong mortgage growth and contribution from Barclays Direct (previously ING Direct UK, acquired during Q113).

UK RBB continued to restructure and invest in the business as part of the Transform strategy. Adjusted operating expenses increased 4% to £3,008m due to costs to achieve Transform of £175m.

Adjusted profit before tax decreased 2% to £1,195m.

Loans and advances to customers increased 7% to £136.5bn due to Barclays Direct, which added £4.4bn, and other mortgage growth.



For more information on performance, please see pages 237 to 268

UK RBB continued to support the UK economy; advancing £1.8bn of gross new term lending to small businesses and helping over 120,000 start-ups. We also organise small business seminars, tools and trainings, which were attended by over 20,000 people in 2013.

We are supporting our community through activities such as LifeSkills, our free, curriculum-linked programme designed to give young people in the UK access to the skills, information and opportunities they need to help them towards getting the jobs they want. The programme has so far reached out to 276,000 young people.

Conduct

We continue to de-risk our portfolio ensuring everything that we do is open and transparent, this includes the way we're managing the PPI complaints process.

We are committed to building a culture based on Barclays' Values. We will continue to focus on the right outcomes for our customers delivered by empowered colleagues who act with integrity at all times. We have conducted business-wide risk assessments to identify conduct risk issues. We will use this process to measure and control these risks and in so doing eliminate the gaps between what our customers expect from us and what we deliver to them. We intend to lead the way in restoring trust and pride in our industry and becoming the 'Go-To' Bank

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Future priorities

- Revolutionising our product set; offering simple products which are supported by industrial strength engines
- Investing in the customer experience; instant, transparent services with seamless multichannel access
- Selective balance sheet growth; opportunity with 'customers we know' in consumer lending and mortgages
- Cost reduction; delivery of straight through processing, reduction in paper and infrastructure

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‘Your Bank’ – learning from our customers



We are determined to rebuild trust in Barclays and demonstrate day-in day-out that we are changing, and doing the right thing for customers. In September, we launched Your Bank – the online platform that allows us to continually listen, respond, anticipate and learn from our customers.

As well as getting feedback and sense-checking our ideas, we have created a place where customers can share their ideas and suggestions for how Barclays can be better shaped around their needs and individual life stages, putting them at the heart of everything we do.

In the first week we received over 370,000 interactions on the Your Bank site and 2,226 ideas.

With all of the ideas that we receive, we are taking a ‘you said, we did’ approach and have made 8 commitments to making real change for our customers.

1. We are undertaking a formal review of our overdraft charges in 2014, with a view to making them simpler and more transparent. We have already started pilots with the launch of text alerts in June to customers who had gone over their overdraft limit and into their personal reserve, which would mean they would traditionally incur a £22 charge. The alerts tell them they have a day’s grace to add cleared funds and avoid the charge. In the first three months, over 65,000 customers avoided charges totalling

now looking at where else we can roll out text alerts as a next step. Yes it’s a cost to us, but it’s the right thing to do.

2. We have launched CloudIt through online and mobile banking as a result of customer feedback. Being able to access your secure documents whilst on the move will really make our customer’s lives much easier.

3. Contactless payments have been very well received by customers, so we’re now looking at alternative contactless methods of payments which we’ll be testing with customers.

4. We’re looking to pilot paying in coin machines in our branches. Our customers told us they’d welcome something that can automatically count coins and credit their account.

5. We will extend our free Barclays Pingit app to the under 16’s, subject to developing proper parental controls. Younger customers, being tech savvy, will benefit from the app allowing them to send and receive money simply using their mobile phone number.

6. We are going to allow our mobile banking customers to set up new payees on their mobiles. This will extend the app meaning that customers can really do much more on the move.

7. To further extend our services to a wider range of customers we’ve made our mobile banking app available on Windows platform and are planning to do the same for Pingit.

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over £1.4m, a response rate of 27 per cent. We are

8. We have expanded our mobile banking services to include mortgage accounts, so customers can view their mortgage arrangements wherever they are.

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Europe Retail and Business Banking (Europe RBB)

‘In 2013 we restructured our business and are now on track to deliver the ‘Go-To’ Premier bank in Europe.’



Curt Hess
Chief Executive Officer, Europe RBB

The Europe Retail and Business Banking business model

Our social purpose

In the current challenging macroeconomic environment, we continue to support our customers helping them to achieve their financial goals and ambitions.

As a retail bank Europe RBB provides banking services and investment advice to over 1.8 million customers in Spain, Portugal, Italy and France in a safe, reliable and regulated manner.

Our customers

Our focus is on growing mass affluent and small business customers via our Premier proposition.

We will continue to support our existing mass market customers.

For them we provide

We offer a full range of banking, investment and insurance products tailored to meet our customers' needs. These include:

- Day-to-day transactional banking (e.g. current accounts, debit/deferred debit cards)
- Lending (e.g. lines of credit, personal loans, mortgages)
- Savings and investments (e.g. deposits, investment advice)
- Insurance (e.g. protection and long term savings)

Uniquely providing value through

Our value propositions...

- International strength
- Risk diversity
- Long heritage
- Relevant products and services tailored to individuals' financial goals and risk appetite
- Skilled relationship managers delivering investment advice and creating strong customer relationships
- Innovation in products and technology

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In 2013 we made significant progress in transforming ourselves to become the 'Go-To' bank for mass affluent customers in Spain, Portugal, Italy and France

Market and operating environment

In 2013 the macroeconomic environment remained challenging – economic contraction, unemployment and political and regulatory uncertainty impacted both us and our competitors. Against these uncertainties we successfully reduced headcount and branch operations while taking steps to de-risk the business.

Going forward we will grow mass affluent customers, leveraging strong relationship management capabilities and a comprehensive product range, while capitalising on our global brand and investment services expertise. This focused strategy will enable us to compete successfully with local and international competitors. At the same time we will continue to support our existing mass market customers through a lower cost platform.

Business Model risks

Further deterioration in macroeconomic conditions in Europe could adversely impact credit risk through the deterioration in asset prices or a customer's ability to service repayment obligations.

The business continues to proactively work to identify and mitigate any operational risk of pending regulatory change without compromising customer service and minimise disruption to the progress of our business.

In executing our strategy, we need to ensure we can manage operational risk and grow the business without compromising on quality or control.

Balanced Scorecard



Customer and client

Our aim is to become the 'Go-To' bank for mass affluent customers. We will do this by providing customers with top quality service and a differentiated proposition based on relationship management and investment services.

We will measure our progress through our Net Promoter Score®. By reviewing our customers' feedback we will know whether we are achieving the positive customer experiences critical to our goal of growing mass affluent relationships.

In 2013 we launched initiatives to improve customer experience, including:

- A new Premier value proposition which provides customers with an experience tailored to their needs and ambitions
- Issuing iPads to our colleagues to speed up customer service and allow us to serve them where they are
- Faster credit approvals – in Spain 98% of customers get a decision within 2 hours
- Enhanced online capabilities which allow customers to customise the banking alerts and updates they receive from us

Contributing to strategy

Our international footprint and brand, investment services and advice, and skilled relationship managers differentiate Barclays in our European retail banking markets. In tough economic times, transforming our cost base whilst capitalising on these aspects will drive our journey to become the 'Go-To' bank for mass affluent customers.

Bring diverse benefits...

- Customers are helped to achieve their financial goals and ambitions
- Long-term relationships improve customer outcomes and generate sustainable revenue
- Improved profitability from focus on mass affluent customers
- Economies of scale from cost synergies across multiple geographies



Contributing to income by

We charge for our services and raise Group revenue through:

- Interest income from loans less interest paid on deposits
- Regular fees (account fees, advice, service and investment advice)
- Specific product sale and transaction fees



Sustaining business by

Returning the business to strength by:

- Growing income from affluent customers while retaining income from mass market customers
- Repositioning the business for the future
- Managing down our less attractive Exit Quadrant assets

Going forward, we place long-term relationships at the heart of our offer and will help customers achieve their ambitions by supporting their evolving banking needs. In doing so we will provide long-term stable income generation.

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Europe Retail and Business Banking (Europe RBB) > continued

These contributed to strong customer satisfaction and high customer advocacy scores – in Portugal we ranked #1 for service quality in a recent mystery shopping survey and in Spain we ranked the #2 'most loved' bank in a recent survey, well ahead of our mass affluent segment competitors.

Colleague

We are committed to investing in our colleagues and encouraging the right values and behaviours from them.

In 2013 we launched the 'Premier Way', a training program that enables relationship managers to have confident, professional discussions with clients about their holistic financial needs.

In 2014 this programme will expand to include financial planning as well as giving colleagues access to externally recognised professional qualifications.

Citizenship

We are implementing mechanisms to make citizenship part of what we do every day, as well as inspiring our colleagues, clients and other stakeholders to do the same.

In 2013 we implemented the Citizenship Lens into our processes for approving new products.

We continued our commitment to local communities by investing in employability programs for young people – Europe RBB colleagues have contributed over 11,000 hours to help their local communities.

Conduct

We are dedicated to delivering the right outcomes for our customers.

In 2013 we raised awareness of conduct as a principal risk across the business and launched a Code of Conduct to guide how we all should work each day. We also commenced a programme to review critical end-to-end processes and identify possible conduct issues – in doing so identify potential mitigants to eliminate the gap between what our customers expect from us and what we deliver to them.

Company

Contribution to total income

£666m



	2013	2012	2011
Income (£m)	666	708	1,004
Loss before tax (£m)	(996)	(343)	(767)
Adjusted ROE (%)	(45.2)	(12.9)	(9.7)
Loan loss rate (bps)	75	64	43
Loans and advances to customers (£bn)	37.0	39.2	42.7
Customer deposits (£bn)	45.0	46.1	50.2
Distribution points	633	1,142	1,228

Europe RBB continued to focus on restructuring the cost base of its business in 2013, as part of the Transform strategy. Income declined 6% to £666m, reflecting actions taken to reduce assets, particularly in Spain and Italy, to address the continuing economic challenges across Europe.

During the year the business reduced full time equivalent employees by 1,600 and closed over 500 distribution points. Operating expenses increased by £435m to £1,242m, almost entirely reflecting costs to achieve Transform of £403m.

Loss before tax increased £653m to £996m, including costs to achieve Transform of £403m and an increase in other net expenses.

Europe RBB also rolled out a new Premier customer proposition, targeting profitable growth from the mass affluent segment, in a drive to increase margins.

Loans and advances to customers fell by 6% to £37.0bn, driven by asset reduction activity as part of the Transform strategy.



For more information on performance, please see pages 237 to 268



Future priorities

In 2014 we will:

- Grow Premier customers
 - Acquire new mass affluent customers
 - Deepen relationships with existing customers

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Happy customers and healthy relationships

- Continue to control costs by transitioning mass market customers to lower cost channels over time
- Optimise the performance and accelerate the run-off of our less attractive Exit Quadrant assets



For one Italian customer Barclays has provided investment management and advice for three years and over that period developed a healthy and profitable relationship.

During this time we have worked to provide the customer with bank-assurance products, mutual funds, structured products, asset under custody and liquidity products. In doing so we have successfully deepened our relationship with the customer by more than doubling his assets under management over a two year period.

This customer is a strong advocate for Barclays and has been extremely satisfied with his Premier relationship manager – highlighting the professionalism, proactivity and transparency of the services his relationship manager provided as the reasons for the customer's high satisfaction.

In addition to the high quality day-to-day relationship, we were also able to leverage some of the benefits we get from being part of a UK based global bank by giving this customer the opportunity to attend exclusive events that the customer greatly appreciated. These have helped us enhance our relationship.

Going forward we will continue to work closely with this customer to meet their personal banking and investment needs.

But we're not stopping there! We know this customer

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owns a successful SME business and we want to further deepen our relationship by providing products and services to that business – in doing so help our client achieve his ambitions across both his professional and personal life.

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‘We offer our clients deep local knowledge and presence and the expertise and support of a global bank.’



Maria Ramos
Chief Executive, Africa

Africa business model

Our social purpose

Customers and clients from individuals to multinational corporates have specific banking and insurance needs that are driven by their ambitions. These range from local and cross border payments, financing their plans through loans, gaining access to capital markets receiving specialised advice or securing protection through insurance. By providing these fundamental financial activities we play a key role in empowering Africa.

Our customers and clients are those

- Retail customers across the mass, middle market and affluent markets
- Business customers including small and medium enterprises and commercial ventures
- Large corporates, public sector bodies and financial institutions
- Retail, commercial and corporate customers and clients seeking wealth, investment management and insurance solutions

For them we provide

- Full suite of retail banking products and services
- Full range of commercial- transactional, investment and lending products
- Specialist investment banking, corporate banking, financing, risk management and advisory solutions
- Insurance, fiduciary and non-banking related investment products and services to retail, commercial and corporate clients
- Wealth management services for high net-worth individuals

Uniquely providing value through

Our value propositions...

- Deep local knowledge and presence
- Expertise and support of a global bank
- Providing and enhancing access to the continent by being the bridge between local and global markets
- New and innovative solutions across the banking and insurance spectrum
- Reduced costs of doing business
- Contributing to Africa's growth and development

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The African continent provides an excellent growth opportunity for the Group. With our strategy for Africa, we are well-positioned to benefit from this emerging market opportunity.

Market and operating environment

Emerging markets' growth eased somewhat in 2013 whilst developed country central banks maintained their accommodative monetary policy stance, with some cutting interest rates and others injecting liquidity into the financial system. South Africa's economic growth remained muted and we faced increasingly strong competition. In our rest of Africa markets, economic growth remained resilient. Our regulatory environment continues to evolve and rising customer and client expectations as well as new technologies are challenging how we do business.

Business Model risks

Current economic conditions in South Africa bring increased financial pressure on customers and clients, some of whom may already be struggling to fulfil their payment obligations when faced with subdued economic activity and potentially rising interest rates. Rest of Africa challenges such as infrastructure constraints, lower commodity prices, and fiscal and current account imbalances in some markets have led to modest declines in our economic growth forecasts for some of the economies.

Intensified regulatory and government intervention ensures a sound operating environment; however, it does lead to increased cost of compliance and complexity of doing business.

We continue to see a host of emerging and non-traditional competitors as well as increasing consumer expectations for traditional banks to meet new service standards.

Balanced Scorecard



Customer and client

Barclays is a powerful local bank, a powerful regional bank and a powerful global player. We use this unique advantage to the benefit of our customers and clients.

In Retail and Business Banking (RBB), we have focused on enhancing the customer experience. In South Africa this began with simplifying transactional product offerings, expanding the digital experience through the launch of our banking app, and rolling out a fully integrated online insurance platform. In our rest of Africa markets, customers are benefiting from revised Premier and Prestige banking proposition, Barclays Direct, Worldmiles Platinum credit / debit card as well as CashSend money transfer. It is our goal to simplify processes and improve customer experience.

We will measure our progress in our RBB businesses through our Net Promoter Score® a widely used measure of customer advocacy. Through regular and rigorous review of our customers' and clients' feedback we will identify where and how we need to invest to make the customer journeys simpler, more intuitive and more personalised.

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For our Corporate and Investment Banking clients we continue to bring African clients to the global financial markets and give our global clients access to Africa. For example, we are leveraging our leading foreign exchange platform BARX Africa to trade 40 currencies across our key African markets. We have completed a pilot for Barclays Net – a streamlined and full-featured cash management platform for our corporate and commercial clients with full roll-out in South Africa in 2014.

In 2013, we were named Best Debt House in Africa for the fourth consecutive year by EuroMoney, Best Bond House and Best FX House at the Spire Awards and we were voted best Overall Bank by Risk South Africa.

We have a strong plan in place to continue capturing the opportunities before us by improving customer and client experience, driving process simplification as well as innovative products and systems.

Colleague

We have made notable progress in building a talent pipeline that supports our ambitions and our expanded African footprint provides a unique opportunity for talented people to advance their careers. We want to be known for our leadership bench strength and we have embarked on a number of transformational leadership and values based programmes which are designed to support our leaders in delivering on a demanding performance agenda.

Citizenship

Our ambition is to help facilitate greater, more inclusive prosperity in Africa. In 2013, we consolidated our citizenship structures thus strengthening our ability to deliver our African plan. Over the year our activities ranged from funding renewable energy projects to increasing access to financial services for individuals and small businesses. We continued to invest our community investment spend in targeted skills development programmes with proven job creation capabilities. Our colleagues continued to participate in a range of volunteering events such as the Nelson Mandela Day in South Africa and Barclays global Make a Difference Day campaign.

Conduct

Our values underpin the way we behave and form the backbone of our reputation as a trusted financial services provider. Our ongoing programme to bring our revised values alive culminated with the launch of the Barclays Way – a global Code of Conduct – to embed clear and consistent expectations of behaviours across the Group.

In addition to our underlying values, we believe that laws, regulations and codes are an enabler to our business – ensuring that we make informed decisions in how we manage our business and sustain ourselves into the future.

As with many other jurisdictions, we are managing regulatory change as well as increasing expectations from stakeholders, and our response supports our commitment to treat our customers fairly and operate with integrity.

Basis of Company reporting

Barclays Group reports Africa RBB separately and the following information relates specifically to the Africa RBB reporting segment. Results from other global businesses operating in Africa are integrated within each respective business' results.

Company

Contribution to total income

£2,617m



Africa RBB	2013	2012	2011
Income (£m)	2,617	2,928	3,364
Profit before tax (£m)	404	322	730
Adjusted ROE (%)	0.4	(0.1)	7.4
Loan loss rate (bps)	128	202	136
Loans and advances to customers (£bn)	24.2	29.9	32.5
Customer deposits (£bn)	16.9	19.5	20.3
Distribution points	1,396	1,451	1,493

2013 was affected by increased competition, a changing regulatory environment and foreign exchange movements, as average ZAR depreciated 16% against GBP. Income declined 11% to £2,617m driven by foreign currency movements, partially offset by the non-recurrence of fair value adjustments in the commercial property finance portfolio in the prior year. On a constant currency basis, income improved 5%, despite continued pressure on transaction volumes in a competitive environment.

The business incurred £26m of costs to achieve Transform which supported the re-shaping of the branch network and ongoing work on digitalisation of customer channels and products. Operating expenses decreased 4% to £1,896m. On a constant currency basis, costs increased 11% driven by a combination of increased investment spend on infrastructure and inflation increases in South Africa.

Profit before tax increased 25% to £404m. On a constant currency basis, profit before tax was up 57%, largely as a result of lower impairment provisions on the South African home loans recovery book.

Loans and advances to customers decreased 19% to £24.2bn as foreign currency movements offset growth of 2%, particularly in vehicle and asset finance.



For more information on performance, please see pages 237 to 268



Future priorities

We have articulated very clear priorities for 2014:

- Continuing the turnaround programme for our RBB franchise in South Africa, and the build out across the continent;
- Investing in Corporate Banking across the continent;
- Capturing the growth opportunity in our Wealth, Investment Management and Insurance franchise;
- Continuing to invest in and develop the talent we have across the business; and

- These priorities are underpinned by an investment programme of over ZAR 3bn that will be invested into several large projects such as transforming our branches, integrating and standardising IT, investing in our digital capabilities and creating efficient processing hubs in the right locations.

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Working together to serve global and regional clients and local customers



We are bringing together the best of our African businesses with the best of our global franchise to the benefit of our customers and clients.

During 2013, we worked closely between our operations across Africa and with our global colleagues to meet the needs of our customers and clients. We have been the bridge between local and global markets, we have helped our African clients achieve their regional growth ambitions and we have brought new products and solutions to our customers, clients and the communities in which we operate.

Local going global

Acting as a joint-lead arranger we have raised \$1bn for South African state-owned power utility Eskom through a 10-year bond offering. The transaction achieved \$4bn in investor demand and represented Eskom's second US Dollar issuance. We are the only institution to have acted as joint-lead manager on both issuances.

Global going local

Acting as the sole sponsor and joint financial advisor, we helped Glencore Xstrata, a global diversified natural resource company to access Africa with a listing on the Johannesburg Stock Exchange. This listing makes investment in Glencore more accessible to South African investors through its classification as a 'domestic' equity.

Local going regional

South African companies are looking at the rest of the continent for growth and we continue to help the expansion of corporates on the continent. We are supporting a clothing retailer's expansion into Ghana and won the tender to provide services to a major food retailer across six countries – Botswana, Ghana, Mauritius, Tanzania, Uganda and Zambia.

Access to global products and services

With Barclaycard, we have rolled out a Worldmiles Platinum credit card in Botswana, Egypt, Kenya and Mauritius and the debit card version in Egypt, Ghana, Tanzania, Uganda and Zambia providing local customers with access to a leading global product. We have also worked closely with Barclaycard to launch the Pebble – a mobile payment device – in South Africa.

Leveraging the Barclays Social Innovation Facility for product and services that drive social and commercial value

With GlaxoSmithKline, we are investing up to £7m over three years, to help remove financial barriers to healthcare access while supporting small business development and job creation in Zambia. By combining our skills, expertise and resources, we hope to tackle the challenges of last mile delivery and create a model that could be scaled across Africa to help more people gain access to affordable healthcare.

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‘Barclaycard is one of the few global leaders in payments that provides ‘Go-To’ solutions to both buyers and sellers, enabling us to deliver consistent growth and welcome close to 14m new customers in the past three years.’



Valerie Soranno Keating
CEO, Barclaycard

The Barclaycard business model

Our social purpose

The ability to buy and sell goods or services easily and securely is an important human need – and essential to create the right environment for economic growth. Barclaycard is an international payments company, enabling consumers and businesses to make and take payments. We provide the ability to fund these payments with credit.

Our customers are those

Barclaycard supports consumers and businesses making payments for goods and services – and the parties taking those payments. We operate in nine countries – United Kingdom, United States, Germany, Spain, Portugal, South Africa through Absa Card and Norway, Sweden and Denmark through the EnterCard joint venture.

We support UK RBB and Absa in offering credit cards as part of an offering to consumers who are looking for a holistic relationship with their retail bank, and support Corporate Banking in providing a suite of payment services for businesses.

For them we provide

We enable consumers and businesses to make payments quickly, securely and internationally, facilitating the flow of funds for those wanting to make payments in-store and digitally.

We provide flexible credit solutions to consumers and small businesses via consumer and corporate credit cards, underwriting the credit risk.

We enable consumers and businesses to take payments, facilitating purchases in-store and digitally, while offering solutions for point of sale finance and merchant offers.

Uniquely providing value through

Our value propositions...

- Support the requirements of both the buyers and sellers in the payment process
- Use diverse distribution channels to reach a broader set of customers
- Utilise scale and international reach to enable sharing of analytics, costs and best practice, and ultimately better meet consumer needs
- Facilitate the launch and use of innovative products
- Support economies of scale and reduced costs

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Barclaycard operates in the fast-growing consumer payments space, supporting buyers and sellers by enabling consumers and businesses to make and take payments. We provide the ability for consumers and businesses to fund these payments with credit.

Market and Operating environment

The consumer payments sector is growing rapidly as a result of changing customer behaviour, based on the growth of electronic and mobile commerce and changing payment preferences as key factors. New technology, competition and regulations all present opportunities, but also the need to adjust our business model. Our customers and clients want us to do more for them, and to do it better, faster and cheaper, and digitally. This presents many opportunities for Barclaycard and also presents challenges.

Business Model risks

This changing marketplace could create risks to the Barclaycard business model. The emerging competitive landscape in consumer payments is seeing new players enter the payment value chain, and new use of technology generating the need for continuous innovation and technology investment. Our unique ability of supporting both buyers and sellers, diverse distribution channels, and the scale of our business in multiple countries helps to mitigate the impact of this risk.

Other potential risks come from macroeconomic headwinds creating further credit risk for our customers and reducing income through potential margin compression, impacts of further regulatory change or increased operational risk. Our diversified business model and commitment to leading standards for business practice should help limit the potential impact from these.

Balanced Scorecard



Customer and client

Barclaycard serves 35.5m customers, an 8% increase on prior year and 350k business clients, an 11% increase. We have focused on offering customers simple, innovative products as part of our objective of moving from satisfied customers to customers who are strong advocates of our business. We have implemented Net Promoter Score® as our key customer metric to measure this.

We have continued to build on a heritage of innovation, supporting more than 1m payments enabled devices across three continents and working with Transport for London on acceptance of contactless cards for over 6.5m bus journeys in the UK. We have launched bFlex, a revolutionary, flexible finance product designed for online purchases. Our tailored offers engine for UK customers, 'bespoke', has reached over 800k registered users, of whom over half are new to Barclays.

We have also worked with other areas of Barclays to better serve our customers, such as through the 'Better Together' initiative, which combines current accounts and Barclaycard Freedom Rewards to provide customers with access to credit and the launch of Absa Pebble, Africa's first mobile payment acceptance device.

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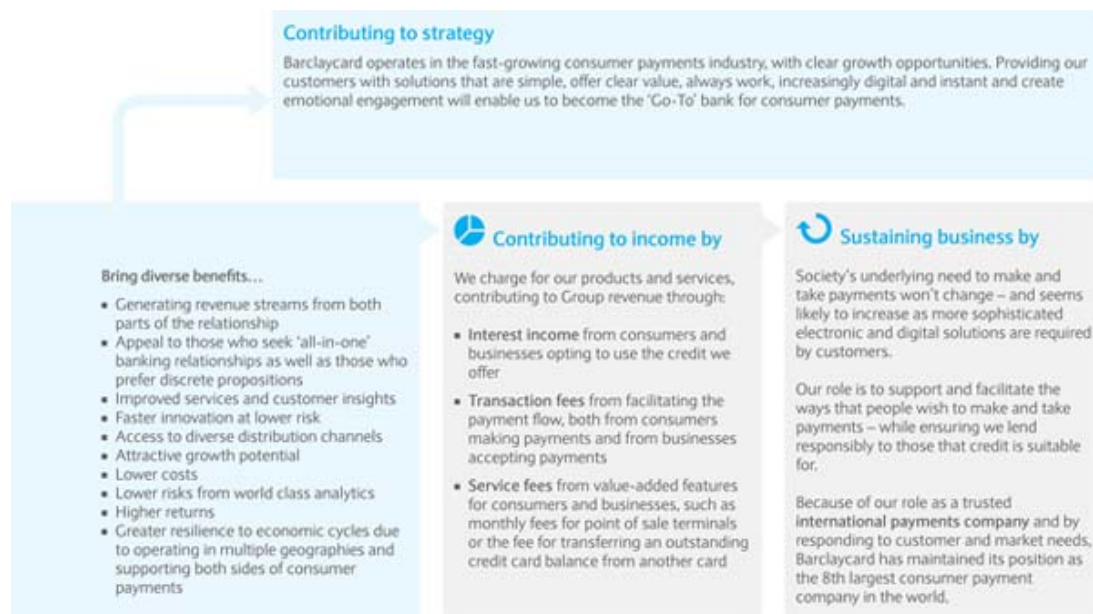
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Through our customer focus, we have seen a 39% reduction in complaints to a level of 3.12 per 1,000 accounts in 2013 and zero high-rated Regulatory Compliance monitoring reviews.

Our leading products have received numerous industry awards, including the Moneyfacts award for 'Best Card Provider' for both our Balance Transfer rate (3rd year in a row) and Standard rate products in the UK, being ranked 2nd among Visa/MasterCard issuers in the 2013 JD Power industry customer service rankings in the US and winning the 'Best Corporate Card Provider' at the Business Travel Awards.

Colleague

We are committed to attracting, developing and retaining colleagues of the highest calibre and integrity. We continue to bring in the best talent from diverse backgrounds, while developing our existing talent. We ensure progression and rotation at all levels of the organisation and follow a structured learning and leadership development programme to develop our colleagues.

In 2013, we continued to make progress with our diversity agenda, with 34% women in senior leadership. We have also sustained high levels of colleague engagement to ensure talent retention, with 95% of high performers retained.

We have moved our Absa Card office to a new, world-class site in Pretoria and won the Customer Service Training Network 'Training Programme of the Year' award for our UK contact centres.

Citizenship

Barclaycard has continued to embed and contribute to the Barclays' 2015 Citizenship Plan.

We have continued to focus on 'the way we do business' to ensure we are fair and transparent. We have simplified the Terms & Conditions of many of our products.

We have ensured we are supporting the economy and contributing to growth, including offering £15.8bn in new lending to businesses and households in 2013, and adding a charity redemption category for Freedom Rewards customers in the UK who want to donate their collected points.

We are supporting our community through activities such as Royal British Legion London Poppy Day, supporting poppy sales with our colleagues and contactless terminals.

Conduct

We continue to rollout the Barclays Values and Behaviours, empowering our Values Leaders to embed them with their colleagues.

Barclaycard continues to review policies and practices to identify and proactively ensure that they continue to be simple, leading, innovative and transparent, including those associated with handling PPI complaints. We are committed to ensuring that we adhere to the highest standards of conduct, proactively driving cultural change through developing best-in-class conduct risk awareness training.

Company

Contribution to total income

£4,786m



	2013	2012	2011
Income (£m)	4,786	4,344	4,305
Adjusted profit before tax (£m)	1,507	1,482	1,212
Adjusted ROE (%)	18.4	19.8	16.1
Loan loss rate (bps)	337	294	394
Loans and advances to customers (£bn)	35.6	33.8	31.0
Customer deposits (£bn)	38.9	38.2	34.8

Barclaycard continued to grow in all markets, with a net increase of nearly three million new customers in 2013. Income improved 10% to £4,786m reflecting continued net lending growth and contributions from 2012 portfolio acquisitions.

The business incurred £49m of costs to achieve Transform, as it continued to seek to become the 'Go-To' bank for consumer payments. Adjusted operating expenses increased 11% to £2,048m reflecting increased costs from 2012 portfolio acquisitions, net lending growth, higher operating losses and costs to achieve Transform.

Barclaycard continued to deliver adjusted profit growth, improving 2% to £1,507m driven by the US and UK card portfolios.

Total assets increased 2% to £38.9bn primarily driven by the increase in loans and advances to customers across the UK and international businesses.



For more information on performance, please see pages 237 to 268



Future priorities

Barclaycard will become the 'Go-To' bank for consumer payments through:

- Delivering simple, leading and innovative products to our retail consumers and business clients that help them achieve their ambitions – in the right way.
- Maintaining our track record of delivering strong financial performance, and delivering against the Transform targets through continued efficiencies, realising economies of scale, diversifying our business model and using world class analytics.
- Attracting, developing and retaining colleagues of the highest calibre and integrity.
- Continuing to have a positive impact in local communities by creating sustainable relationships and using the skills of the business and our colleagues to support these communities.

- Focusing on 'the way we do business' to ensure that our products and services are industry-leading in transparency.

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Payment flexibility



Marco Tripoli is a charismatic ladies' fashion designer and boutique owner in South-West London. He uses a Barclaycard ePDQ terminal in his shop to take payment by credit or debit card.

Marco's tiny shop in Barnes is bursting at the seams with unique handbags, jewellery and clothes – around half of which Marco designs himself, the rest arriving twice weekly from all over Europe. His brand is built on a few key selling points: commitment to quality, sustainability and affordability, and a unique approach to customer service.

When women fall in love with a bag or dress at Tripoli's, they're not constrained to a quick decision in a cramped fitting room. Thanks to his Barclaycard ePDQ terminal, Marco can give his customer the option to try before she buys, in the comfort of her own home.

"Many of my customers pop in on their way back from dropping the kids at school and if they like something, they'll take it with them to try on at home," says Marco. "That way, they can see how a dress looks with their own shoes and accessories – or how one of my handbags complements an outfit."

After closing for the day, Marco calls personally at each of his prospective customers' homes. If they've decided against an item, it goes back to the shop with him. And if they've decided to buy, Marco simply uses his ePDQ terminal to take payment by credit or debit card.

"This works really well for people who have children and can't come back to the shop in the afternoon. It's convenient for them and a much friendlier way to do business. In fact, technology, often considered to be faceless and impersonal, actually allows me to have a far more personal service with my customers."

Marco also uses his flexible payment machine at events all over London. At a recent local fair, ePDQ helped him sell 45 tote bags - purely thanks to the convenience of paying by card.

Marco is proud of his service-led, community-centric approach. 5% of his net profits go to a local charity that helps the elderly and disabled - and many of the small businesses in Barnes promote each other's services whenever they can.

These traditional, ethical business values are reflected in the high level of personalised support that Marco's had from his dedicated Barclaycard account manager, Andy.

"He's extremely proactive and offers advice whenever he can. He recently recommended that I use an accounting package to manage my daily expenditure and it's saved me £200 a month in accountancy fees. He really does go over and above what you'd expect."

When Marco's machine broke down the night before a big event in Wimbledon, he simply called Andy and another one was flown immediately from Scotland to London. "It arrived 15 minutes before the event started," says Marco, "You just can't put a value on service like that."

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[Table of Contents](#)**Investment Bank**

‘From our unique position with dual home markets and truly global reach, we are transforming the Investment Bank so that we can continue to help our target clients achieve their ambitions.’



Eric Bommensath
Co-Chief Executive, Corporate
and Investment Banking



Thomas King
Co-Chief Executive, Corporate
and Investment Banking

The Investment Bank business model

Our social purpose

We help companies, institutions and sovereigns around the world to grow, and through them help millions of people to achieve their ambitions. We facilitate the movement of capital between those who need it to grow their company or build new infrastructure, for example, and those who are looking to generate a return from investment.

In doing so, we fund and facilitate economic growth around the world.

Our clients are those

- **Corporates** seeking to maximise value for their owners and shareholders, for example, through organic business growth, M&A activity and investing excess capital
- **Institutions** such as Pension funds and Hedge funds that seek to manage assets on behalf of clients, to meet the their long-term investment needs
- **Sovereigns** such as Countries or Government departments that seek to deliver their growth plans, and improve living standards for their citizens

For them we provide

- **Long term strategic advice** on mergers and acquisitions, corporate finance and strategic risk management solutions
- **Execution and risk management services** across the full range of asset classes including equity and fixed income, currency and commodity products
- **Prime brokerage services** including financing, clearing and settlement of transactions and account servicing and reporting
- **Multi-asset class and macroeconomic research** delivering actionable ideas to help our clients make informed investment decisions

Uniquely providing value through

Our value propositions...

- Global footprint with unique dual home markets in the UK and US
- A market leading flow franchise across all core Fixed Income, Currency and Commodities (FICC) products
- Established and growing Equities and Banking businesses
- World-class research capabilities

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The Investment Bank is a leading provider of advice, financing and risk management solutions to companies, governments and institutions around the world.

Market and operating environment

Market conditions and the wider operating environment have remained challenging in 2013. While equity markets, advisory and underwriting all saw gains, continued macroeconomic uncertainty over the future of central bank bond buying programmes led to reduced volumes in Fixed Income markets. At the same time, the implementation of Basel III and new leverage ratios is increasing the constraints on capital allocation across the industry, thereby limiting opportunities for business growth.

Business Model risks

A rapidly evolving regulatory environment combined with a subdued macroeconomic environment has impacted the profitability of capital intensive business lines.

To help mitigate this impact we have been actively rebalancing our business model through growth in Equities and Investment Banking and further intensifying focus on capital management, leverage and the reduction of our Exit Quadrant assets. We continue to keep our business model under review.

The Investment Bank still faces litigation risk and we continue to invest time and resources in strengthening our control environment, evolving our culture and simplifying and de-risking products.

Our business relies on the quality of our people, and so we also continue to reinforce our employee value proposition through a focus on learning and development and, in light of global compensation legislation, reiterating our commitment to pay for performance.

Balanced Scorecard

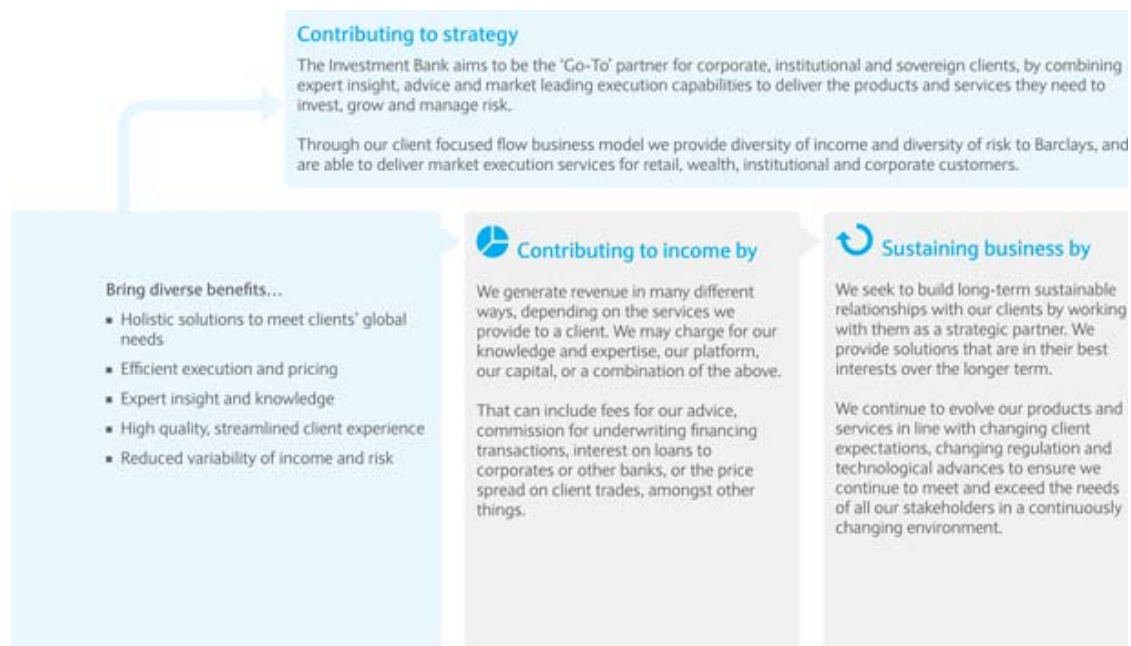


Customer and client

Becoming the 'Go To' partner for our clients is about building strong and deep relationships which enable us to support them in achieving their ambitions. To attain this aim we are focused on:

- Building strategic relationships with our clients by providing long-term solutions
- Providing a world-class client experience through the calibre of our people
- Offering seamless and efficient execution of transactions
- Developing the highest standards of client conduct through an enhanced product suitability framework

In 2013, we were named the best Flow House in Western Europe, the Best Flow House in North America and the best UK investment Bank by Euromoney.



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Investment Bank > continued

Colleague

Our people are fundamental to the performance of our business. We aim to support our colleagues to achieve their ambitions by:

- Providing world-class opportunities for career progression and global mobility
- Delivering industry leading solutions for clients
- Embracing diversity and inclusion
- Rewarding competitively for performance

2013 saw the launch of our Purpose and Values agenda, embedding them into all our HR processes including recruiting, promotion and performance management. Employee engagement was a key theme during the year with increased focus on Talent Management and Succession Planning; initiatives which saw a number of senior management moves across the Investment Bank. We continue to place Diversity & Inclusion to the forefront of our Talent agenda, because it is the right thing to do and because our clients are becoming increasingly diverse.

Citizenship

The Investment Bank contributes to the 2015 Citizenship Plan across our business.

In 2013 we supported a wide range of transactions that make a direct difference to our communities. We did this across our core competencies of capital raising, lending and distribution across various sectors including public finance (governments, supranationals, development banks and other public sector entities), alternative energy and life sciences sectors.

In addition, we provided employment and training opportunities for over 650 graduates, and our staff contributed over 48,000 volunteer hours in 2013 to worthwhile causes around the globe.

Conduct

Conduct is about ensuring that our products and services are designed and distributed to meet the needs of our clients and that we act with integrity in everything we do. In 2013 we have continued to invest heavily in this area through focus on the following:

- Culture and Organisation: Embedding our culture by completing values and behaviour training for all our staff and re-balancing how we assess and reward our people to place increased focus on conduct, risk and control
- Frameworks: Developing a comprehensive conduct risk framework and developing tools that support the consistent delivery of controls
- Governance: Putting in place an enhanced governance model including the introduction of a Chief Controls Officer, Reputation Risk Committee and Conduct Risk Steering Committee
- Control Initiatives: Strengthening control design around the trade lifecycle including with relation to unauthorised trading and key benchmark submissions

Company

Contribution to total income

£10,733m



	2013	2012	2011
Income (£m)	10,733	11,775	10,222
Profit before tax (£m)	2,523	3,990	2,415
ROE (%)	8.2	12.7	7.7
Cost: income ratio (%)	75.0	65.0	76.0
Compensation: income ratio (%)	43.2	39.6	48.4

While industry FICC revenues reduced in 2013, strong growth was seen in the Equities franchise, which continued to outperform the market. Total income decreased 9% to £10,733m, including a reduction of £309m relating to the Exit Quadrant. FICC income decreased 17% to £5,537m. Equities and Prime Services income increased 22% to £2,672m reflecting higher commission income and increased client volumes. Investment Banking income increased 3% to £2,200m driven by increased equity underwriting fees, partly offset by declines in financial advisory activity.

The Investment Bank continued to make progress in delivering part of the Transform strategy in 2013. The business incurred costs to achieve Transform of £262m, primarily related to restructuring across Europe, Asia and America. Operating expenses increased 5% to £8,012m, driven by costs to achieve Transform, UK bank levy which increased 62% to £333m, cost increases related to infrastructure improvement, and provisions for litigation and regulatory penalties of £220m in Q413, mainly related to US residential mortgage-related business.

Profit before tax decreased 37% to £2,523m.

Total assets decreased £209.9bn to £863.8bn, primarily reflecting decreases in derivative financial instruments, cash and balances at central banks, and trading portfolio assets.

CRD IV RWAs reduced to £221.6bn (30 June 2013: £254.1bn) through accelerated sell down of the Exit Quadrant assets and continued focus on driving efficiency in the ongoing business.



For more information on performance, please see pages 237 to 268

 Future priorities

Our priorities to become the 'Go-To' Investment Bank are to:

- Focus our people and resources on building the deepest relationships possible with our target clients so we become a first call
- Invest in market-leading talent and technology to deliver the best client experience and remain responsive to clients' changing needs
- Make efficiency and control a competitive advantage by increasing standardisation and automation across the platform to reduce cost to serve and strengthen controls

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Advising on one of the largest mergers & acquisition deals in history



Verizon is one of the world's largest telecommunications companies, and its mobile subsidiary, Verizon Wireless, is the number one and most profitable wireless business in the United States.

Barclays has had a longstanding inner-circle strategic and financing relationship with Verizon, dating back to 2003. When Verizon decided to acquire Vodafone's 45% stake in Verizon Wireless for \$130bn, in the third largest M&A deal ever, Verizon turned to Barclays to act as a financial advisor and joint lead arranger for the largest acquisition finance bridge facility in history. Barclays also served as a main underwriter and lead manager on Verizon's subsequent record breaking \$49bn bond offering.

This landmark transaction will help Verizon achieve its long-term ambition of owning 100% of Verizon Wireless, and it will position Verizon to provide more efficient, industry leading products and solutions to its customers.

It also serves as a clear demonstration of what we mean by 'Go-To': building long term client relationships and combining strategic advice and deep financing expertise to help our clients achieve their business goals.

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Corporate Banking

‘Corporate Banking continues to support businesses both in the UK and internationally, and in 2013 delivered the best results since its creation in 2010.’



John Winter
Chief Executive Officer

The Corporate Banking business model

Our social purpose

Small and large businesses of all types have specific day-to-day banking needs that enable them to achieve their commercial ambitions. These range from the simpler operational necessities such as paying staff and receiving payments to cross-border transactions in Europe and global markets. We are open for business and ready to increase lending to viable businesses.

Barclays Corporate Banking supports over 40,000 businesses to achieve their goals in 27 countries across Europe, Africa, Middle East, North America and Asia. In doing so Corporate Banking enables domestic and global trade, job creation and economic growth.

Our clients are those

In our key domestic markets of UK and South Africa we bank and provide services to businesses, except for the smallest firms (served by RBB Business Banking). Corporate Banking is also one of the largest long-term lenders to the public sector in the UK, supporting Local Councils, Colleges and Universities and Social Housing projects.

Outside of these geographies we focus on meeting the international needs of global businesses, Financial Institutions, Non-bank Financial Institutions and international organisations.

For them we provide

- Lending to firms, supporting operations and fuelling growth
- Safeguarding clients' deposits and enabling them to manage their cash
- Facilitating clients' payments and receipts
- Financing global trade and providing foreign exchange
- Protecting larger companies from the risk of adverse market changes
- Introducing products and services from other parts of the group, such as Barclaycard, Wealth, Investment Management and Investment Bank

Uniquely providing value through

Our value propositions...

- Deep understanding of clients' sectors and their individual business through long-lasting relationships
- Global trade expertise and access through the European, African, US and Asian corridors
- Innovative products and services to suit clients' changing needs
- Access to world-leading experts across Barclays Group for specialist financial needs
- Assisting clients to come back to financial strength

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Corporate Banking remains an attractive business, with companies searching for strong banking partners. However, the economic and regulatory environment continues to be challenging.

The global corporate banking market is still growing and profitable although with significant differences across geographies, customer segments and sectors.

- UK economic recovery is gathering pace
- Signs of improvement in the European economy
- The multinational corporates segment will grow faster than large/mid-Corporates segment. However, top clients in this segment are targeted by both global and specialised local competitors

Risks to our business model

The corporate banking industry is facing a number of risks that we have anticipated and are planning to mitigate:

- Some sectors and geographies will likely remain challenging particularly if interest rates rise. This could trigger increases in loan loss rates particularly in the UK where loan loss rates are at a Corporate Banking historical low. We proactively review and manage our exposure to all clients. We have a proven record of supporting businesses through their difficulties and minimising credit losses.
- In contrast, low interest rates may cause margins to compress. We continue to strengthen our market position by expanding our cash management product offering.
- Cybercrime and technology disruptions remain a risk. Barclays actively works to increase the resilience and enhance the security of its banking systems by fully supporting UK government and other banks' initiatives to increase system availability and reduce industry risks.

- Corporates increasingly use debt markets and other alternative sources of finance and non-UK banks have increased competition. To strengthen our market position we continue to expand our financing product capabilities, as well as to deepen existing, and acquiring new, client relationships.

Balanced Scorecard



Customer and client

Corporate Banking is focused on becoming the 'Go-To' bank for business, corporate and institutional clients.

We work closely with clients to fully understand their business and continuously strive for better client service. As a result, no other bank achieved a higher rating from their Corporate Banking clients in the UK for overall satisfaction in 2013.^a

Note

^a Source: Charterhouse Research based on 2,200 interviews with companies turning over between £5m and £1bn carried out in YE Q4 2013. Survey data is weighted by turnover and region to be representative of the total market in Great Britain. Sum of top two box responses – Excellent and Very Good.

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Corporate Banking > continued

We are committed to helping businesses succeed and achieve their ambitions, no matter how complex or challenging. Our clients benefit from in-depth sector expertise – over 45 sector teams, and tailored industry research.

Our products and services are regularly recognised through industry awards, e.g. in 2013:

- Best Trade Bank in the UK – Global Trade Review
- Best Domestic Cash Manager in the UK – Euromoney
- Best Trade Bank in Africa – Treasury Management International
- UK Education Lender of The Year – for the fourth year running

We are constantly looking for ways to make our client interactions as simple and instant as possible – whether that is reducing time to set-up new client accounts or providing our front-line teams with iPads to deliver more insight directly to clients.

We see technology as a key means of responding proactively to clients' changing needs. We continue to roll-out Barclays.net (our internet-based cash management service) and Pingit for Corporates, which now allows clients to complete a full spectrum of payment options via their smartphone.

Colleague

Corporate Banking continues to invest in our colleagues to ensure they are fully engaged, motivated and supported to provide excellent client service.

We continue to promote a globally diverse and inclusive environment where all colleagues can fulfil their potential.

Priorities include driving sustainable engagement, gender diversity and developing the potential of our workforce.

Citizenship

Every day Corporate Banking employees make a real difference; helping individuals, communities and businesses grow.

Primarily, we support businesses by lending money prudently. In 2013, we provided loans and advances of £61.1bn. Over 1,600 SME clients benefitted from the Cashback for Business scheme.^a We paid £24m in cashback and have committed a further £6m. We have also continued to support the Business Growth Fund^b – with a commitment of £500m in equity.

In addition, our colleagues contributed almost 30,000 hours volunteering in their local communities.

Conduct

We are focused on delivering the right outcomes for our clients.

Managing the conduct risks that arise in our business is fundamental to our success in becoming the 'Go-To' bank. This means proactively looking out for our client's best interests and acting with integrity at all times.

In advancing our Interest Rate Hedging Products redress, 32% of the in-scope population now have review outcomes. We are progressing well and are on track to meet our commitments to the FCA. We expect to have a substantial majority of all customers at the redress offer stage by mid-year.

In line with other Barclays divisions, we are in the process of formalising our Conduct Risk reporting and management framework. This framework will ensure that client interests are being taken into account appropriately in all our business decisions. It includes

Company

Contribution to total income

£3,115m



	2013	2012	2011
Income (£m)	3,115	3,046	3,315
Profit/(loss) before tax (£m)	151	(390)	(5)
Adjusted ROE (%)	3.1	2.9	0.4
Loan loss rate (bps)	77	127	153
Loans and advances to customers (£bn)	61.1	64.3	68.3
Customer deposits (£bn)	108.7	99.6	87.5

Corporate Banking continued to make good progress in pursuing its turnaround strategy, which increased momentum in 2013. Total income increased 2% to £3,115m reflecting an increase in UK income, partially offset by non-recurring income from a reduction from Exit Quadrant assets in Europe and previously exited businesses.

Credit impairment charges declined 42% to £510m largely driven by Europe, which saw charges reduce by £224m to £318m following ongoing action to reduce exposure to the property and construction sector in Spain. Charges were also lower against large corporate clients in the UK.

Costs to achieve Transform were incurred to further invest in the ongoing client business, as well as rationalise the offering within Europe and Rest of World. Adjusted operating expenses increased 6% to £1,806m including costs to achieve Transform of £114m.

Performance improved across all regions in 2013, with the UK franchise continuing to deliver strong results. Adjusted profit before tax improved 74% to £801m. UK adjusted profit before tax improved 14% to £948m.

Loans and advances to customers decreased 5% to £61.1bn driven by the rundown of Exit Quadrant portfolios in Europe and a reduction in client demand as working capital deposits increased in the UK.



For more information on performance, please see pages 237 to 268



Future priorities

Become the 'Go-To' bank for domestic corporations in the UK and South Africa and multinational corporations and financial institutions globally by satisfying their financing and servicing needs.

- Maintain market-leading rating for client satisfaction in the UK
- Continue to provide responsible lending to support growth for viable businesses
- Continue to strengthen our cross-border product offerings in Cash Management and Trade Finance
- Continue to improve profitability, supported by helping clients to

everything from our business model and strategy through to ensuring our products are designed and sold in the right way.

Notes

a Cashback for Business offers 2% cashback to SMEs who take out a loan under the scheme.

b Business Growth Fund provides equity to businesses with a turnover of £5-100m

access banking solutions from the Investment Bank, Barclaycard and Wealth

- Drive cost efficiencies and actively managing our balance sheet
- Further strengthen our strong culture standards and controls to help clients achieve their commercial ambitions in the right way

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Helping UK businesses with global growth ambitions



"We are currently a mattress manufacturer that makes spring components. With Barclays' continuing support, we can evolve confidently to become a global components manufacturer that makes mattresses."

Simon Spinks, Managing Director, Harrison Spinks

New Market Expansion

Harrison Spinks is a luxury bed and mattress manufacturer based in Leeds, with ambitious plans for growth. They wanted to take their spring technology to new products and markets. Barclays was their partner of choice to help them achieve their ambition.

With turnover increasing year-on-year, Harrison Spinks is thriving despite the challenging economy by innovating and seeking out new markets. They are expanding into North America by applying their innovative spring technology to new products such as baby mattresses, footwear and automotive seating.

Having supported them for eight years, Barclays is helping them to expand by meeting their corporate banking needs and foreign exchange requirements. Harrison Spinks is benefiting from our international scale and is tapping into our knowledge of the manufacturing industry.

As Simon Spinks, MD, says, "It's good to have someone who knows your business and where you're trying to go... Barclays actually allows you to move forward."

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Wealth and Investment Management

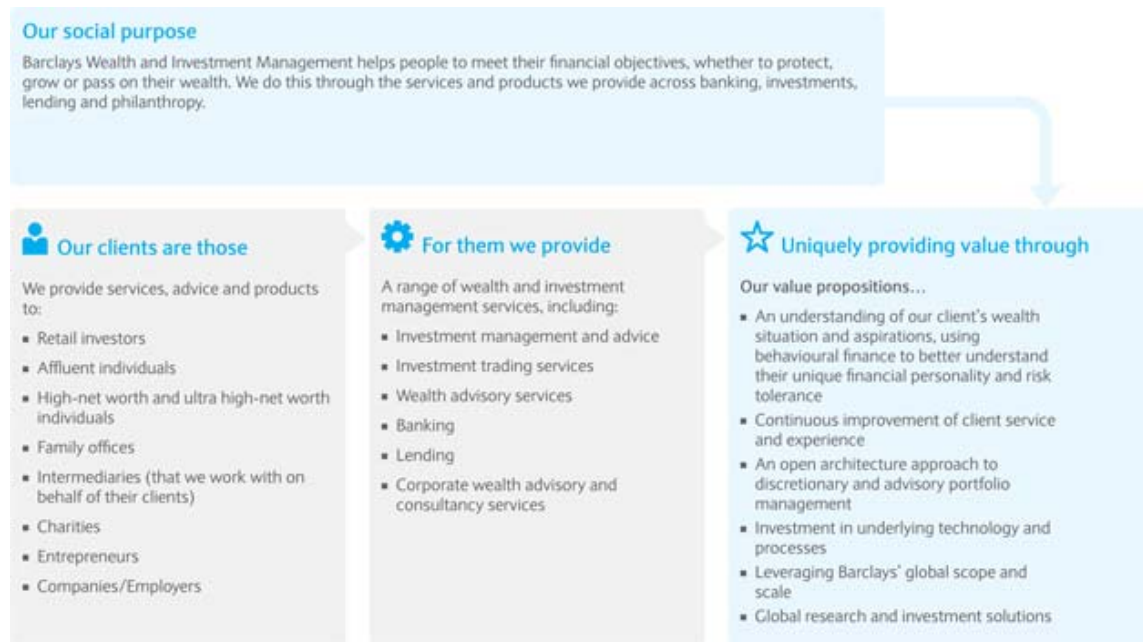
‘We are raising industry standards through our investment philosophy encompassing client profiling, investment strategies and portfolio construction.’



Peter Horrell

Chief Executive Officer, Wealth and Investment Management

The Wealth and Investment Management business model



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We are one of the world's leading wealth managers and we offer clients a gateway to the full range of Barclays' capabilities. Wealth and Investment Management continues to focus on and invest in delivering an excellent client experience, while helping clients protect, grow and pass on wealth.

Market and operating environment

We serve clients around the world: in the UK, where we are headquartered; in the US, which is the world's largest wealth market; in major hubs in Europe and in the fast growing markets of Asia, the Middle East and Africa.

We have a clear segmentation strategy across high net worth, affluent, retail and corporate clients which defines our services based on client need and value.

Risks to our business model

Major changes in the wealth management industry in recent years have been driven by regulation, changing demographics, new sources of wealth, and evolving client needs, particularly around digitalisation.

We are making good progress in implementing our strategy, which builds on our strengths, focuses on competing where we can win and simplifies how we operate.

Our investment in the business means that we meet or exceed regulatory standards in all the markets in which we operate. We have limited the number of markets we operate in specifically to reduce business risk and position ourselves to capture emerging wealth.

Balanced Scorecard



Customer and client

We are building centres of excellence within Barclays for investment management and managing offshore banking relationships, as well as an online investment proposition for self-directed clients, which will significantly enhance our capabilities in this space.

We are making great strides in digital innovation, as evidenced by our voice biometrics programme, launched in 2013, and the continuing success of the online marketing service (Little Book of Wonders) for our high net worth clients.

We will measure success in serving clients through our Net Promoter Score®.

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Wealth and Investment Management > continued

Colleague

We are committed to engaging our colleagues and creating a diverse and inclusive environment where they can fulfil their potential. Following the launch of the Barclays Values and Behaviours, 96% of Wealth and Investment Management employees had attended a Values Workshop by June 2013, and we are making great progress in embedding the Values and Behaviours into our business and decision making. In September 2013, colleagues had the opportunity to reflect on and absorb the strategy for Wealth and Investment Management: 2,200 colleagues in 26 locations around the world attended town halls and strategy conversations. The Wealth and Investment Management Global Diversity & Inclusion Council was established in 2013 with the purpose of attracting and developing the most talented people from all backgrounds.

Citizenship

Wealth and Investment Management contributes to the Barclays 2015 Citizenship Plan by embedding a citizenship ethos into the way we do business, through our strategy, decision-making and investment management approach. We will also contribute to growth by supporting the development of social impact investing and managing charity investments and support our communities through community investment and client philanthropy.

Our colleagues contributed over 9,000 hours to support our communities around the world in 2013.

Conduct

Effectively managing Conduct Risk is essential in building a sustainable wealth management business. We are introducing a rigorous and transparent Conduct Risk reporting and management framework which ensures that the interests of clients and other stakeholders are appropriately considered in all business decisions. In 2013 we developed specific internal communications programmes to drive awareness of this important risk and help employees understand how their behaviours and decision making can specifically contribute to or mitigate client harm. We are also embedding conduct risk discipline into our business through a series of Material Risk

Company

Contribution to total income

£1,839m



	2013	2012	2011
Income (£m)	1,839	1,820	1,770
Adjusted (loss)/profit before tax (£m)	(19)	274	188
Adjusted ROE (%)	(1.0)	11.2	9.5
Loan loss rate (bps)	51	17	21
Loans and advances to customers (£bn)	23.1	21.3	18.8
Customer deposits (£bn)	63.4	53.8	46.5

Total income of £1,839m remained broadly in line with the prior year, as growth in deposit and lending balances, primarily in the High Net Worth business, offset a lower net interest margin reflecting a change in product mix and reduced contributions from structural hedges.

Credit impairment charges increased £83m to £121m, largely reflecting the impact of deterioration in recovery values from property held as security, primarily in Europe.

The business continued to implement its strategic programme to build on its strengths, focus on target markets and simplify how it operates. Adjusted operating expenses increased £241m to £1,750m largely reflecting costs to achieve Transform of £158m.

Business growth remained robust with strong growth in client assets, customer deposits and loans and advances to customers, which

Assessments intended to prevent potential client issues before they occur.

increased 8% to £23.1bn primarily driven by growth in the High Net Worth business.

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 For more information on performance, please see pages 237 to 268

Future priorities

Wealth and Investment Management continues to be a key area of growth within Barclays. Examples of how we will achieve our strategy:

- Building on our strengths : a new direct to consumer offering for 'DIY' Buy and Hold investors – a growing and significant part of the investor market. We are on track to develop this direct to consumer offering, to be rolled out initially in the UK in 2015.
- Focus on competing where we can win: the strategic focus areas for our business continue to be the UK, US and global high-net worth hubs. In order to ensure that we are building a sustainable business and managing risks effectively, we are reducing the number of countries which we serve, taking into account the impact on clients, colleagues and local markets.
- Simplifying how we operate: we are making changes to the way we service our affluent clients in the UK with existing clients with assets of less than £500,000 managed by a new team called Private Clients.

Innovating security and simplicity with voice biometrics



Barclays Wealth and Investment Management is the first wealth manager to introduce a pioneering 'voice security' service which stores the unique biometric (with more characteristics than a fingerprint) of an individual's voice print to securely and quickly confirm a client's identity.

Last year, Barclays Wealth and Investment Management successfully rolled out a cutting-edge service enhancement which is used to identify customers by the sound of their voice, greatly improving the client experience.

When a customer calls Barclays Wealth and Investment Management to access their account and completes the traditional knowledge based identification process their voice print is captured and they are asked if they would like to enrol in the service.

The next time they call Barclays, the customer engages in

a few seconds of natural conversation with a customer service agent. During that time, the voice biometrics technology is used to compare the customer's voice to their unique voiceprint on file, and silently signals to the Barclays representative when the customer's identity has been verified.

This approach has been welcomed by customers who have seen the time taken to verify their identity fall from 1.5 minutes to less than 10 seconds.

94% of clients scored at least nine out of 10 for the speed, ease of use and security of voice authentication.

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Chairman's governance overview



'Key for the Board is ensuring that we have in place the right strategy, a robust and appropriate risk management and control framework and the right people to create long-term value for shareholders.'

The UK Corporate Governance Code makes clear the principle that the Board should set the company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives and review management performance.

The right strategy

As a Board, we set direction and risk appetite and provide oversight and control of management in the day-to-day running of the business. As Chairman, I seek to ensure that adequate time is set aside at Board meetings for the open and collective discussion and debate of significant issues, most importantly, strategy. Once a well-informed decision is reached, we empower management to then execute that decision, with our ongoing oversight and support. This established process underpinned our endorsement of the Transform programme in early 2013 and the decision we made in July 2013 to undertake a rights issue.

The right risks and controls

It is essential that our risk culture supports our risk profile and that we have visible and dedicated risk management leadership, both in the Boardroom and in executive management. In 2013 we enhanced our internal control and risk management framework by creating a new Board-level committee charged with specific oversight of operational and conduct risks, reputational matters and our citizenship strategy. We also created a Board Enterprise Wide Risk Committee, whose role is to focus on a holistic view of our risk appetite and risk profile and to seek to identify potential future risk.

The right people

Talent development and succession planning are critical components of sustainable success and this starts at the very top, in the Boardroom. It is vital that we have on the Board the right balance and diversity of expertise, skills, experience, perspectives and, most crucially, independence of thought and action.

All Board appointments are made on merit, in the context of the diversity required for an effective Board, including diversity of skills, experience, background and gender. The aims set out in our Board Diversity Policy, published in April 2012, were to have 20% of the Board made up of women by the end of 2013, and for that position to have exceeded 25% by the end of 2015. There were three women on the Barclays Board at the end of 2013 (20%), compared to one woman at the end of 2012 (8%). Our Board Diversity Policy can be found on our website, Barclays.com

Sir David Walker
Chairman

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Board Gender Balance



Group overview	02	Good governance is vital in supporting the delivery of our strategic priorities. More information on the role of the Board and its Committees can be found in 'Corporate Governance in Barclays' which is available online at Barclays.com
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Our Board

Sir David Walker (74) Group Chairman
Antony Jenkins (52) Group Chief Executive; Executive Director
Mike Ashley (59) Non-executive Director
Tim Breedon (56) Non-executive Director
Fulvio Conti (66) Non-executive Director
Simon Fraser (54) Non-executive Director
Reuben Jeffery (61) Non-executive Director
Wendy Lucas-Bull (60) Non-executive Director
Tushar Morzaria (45) Group Finance Director; Executive Director

Dambisa Moyo (45) Non-executive Director
Frits van Paasschen (52) Non-executive Director
Sir Michael Rake (66) Deputy Chairman and Senior Independent Director
Diane de Saint Victor (59) Non-executive Director
Sir John Sunderland (68) Non-executive Director
Steve Thieke (68) Non-executive Director

 Detailed biographies can be found on pages 83 to 85

Board Governance Framework



Our Board Committees

Board Committee	Role
Board Enterprise Wide Risk Committee	Chaired by Sir David Walker It takes an enterprise-wide view of risks and controls and brings together the overall risk appetite and risk profile of the business
Board Audit Committee	Chaired by Mike Ashley It takes a largely backward-looking view, focused on financial reporting and control issues, including overseeing any control issue remediation plans
Board Conduct, Reputation and Operational Risk Committee	Chaired by Sir David Walker It takes a largely forward-looking view of conduct risk, operational risk and reputation risk, including recommending the level of risk Barclays is prepared to take
Board Financial Risk Committee	Chaired by Tim Breedon It takes a largely forward-looking

Governance in action

Our Board Committees continued to support the delivery of our strategic priorities during 2013:

- **Board Audit Committee:** estimating customer redress provisions, in particular PPI redress provisions, was an area of focus for the Board Audit Committee in 2013. The Committee played a key role in evaluating and challenging the assumptions underlying the provisions made.
- **Board Conduct, Reputation and Operational Risk Committee:** during 2013 the Board Conduct, Reputation and Operational Risk Committee spent time on developing Barclays' approach to Conduct Risk, establishing what it means for Barclays and how we will manage it in a way that ensures positive outcomes for our customers and clients.
- **Board Financial Risk Committee:** the possibility of a Eurozone crisis remained during 2013, as the weak growth outlook continued to raise concerns about sovereign creditworthiness in some countries. The Board Financial Risk Committee's focus was on continuing to reduce Barclays' exposure to redenomination risk.

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view of financial risk appetite and financial risk profile (credit, market, liquidity and funding risk) across Barclays

Board Remuneration Committee**Chaired by Sir John Sunderland**

It sets the overarching principles and parameters of remuneration policy across Barclays and approves remuneration arrangements for executive directors, senior executives and individual remuneration awards

Board Corporate Governance and Nominations Committee**Chaired by Sir David Walker**

It makes recommendations on Board and Board Committee composition and effectiveness, Board and executive succession plans, talent management strategy and corporate governance

- Board Corporate Governance and Nominations Committee: executive succession and talent management are a critical component of long-term success. 2013 saw the Board Corporate Governance and Nominations Committee increase its focus on talent management.



You can read more about Governance in Action in the Corporate governance report, which is available on pages 52 to 77

The activity of the Board Remuneration Committee during 2013 is described in the Remuneration report.

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Summary remuneration report



'Our aim is to deliver a greater share of the income we generate to shareholders while remaining competitive on pay. Although profits for 2013 were down, the 38% reduction in incentives in the previous two years had begun to cause demonstrable damage to our business. The difficult decision to address this by increasing incentives in certain key areas is in the long term interest of shareholders. We remain fully committed to reducing the ratio of compensation to adjusted net operating income over time.'

Dear Shareholders

The Committee's objective is to maximise long term value for shareholders by ensuring that we do not pay more than is necessary while remaining competitive.

Remuneration Committee work in 2013

Determining the 2013 incentive pool was an extremely difficult decision for the Committee. We were acutely aware of public sentiment and of the challenge of presenting shareholders with an increased pool in a year where profits have fallen. The Committee concluded that a 2013 incentive pool of £2,378m was warranted. This was up 10% on the final 2012 incentive pool but it remains 32% below pool levels in 2010 when we started to reposition Barclays' remuneration. Before adjustment for risk and conduct events the incentive pool was down 18% on 2012.

Significant progress has been made since 2010 in addressing imbalances in remuneration. The Barclays' incentive pool reduced by 38% between 2010 and 2012 (48% for the Investment Bank) and bonuses for Managing Directors in the Investment Bank are fully deferred. The dilemma faced by the Committee in 2013 was that these actions were not matched by our peers, most notably the major US banks who are among our primary competitors. As a result, our lack of pay competitiveness was beginning to cause demonstrable damage to our business, especially outside the UK. The global resignation rate for senior staff in 2013 was significantly above that in 2012. This was particularly marked in the Investment Bank with a near doubling of resignations of senior staff in the US. In making our 2013 decisions on incentives, the Committee sought to ensure the health of the franchise in the long term interest of shareholders.

As in 2012, consideration of risk and conduct events was an important aspect of the Committee's work during 2013. We made total

2013 compensation and incentive headlines

- Total compensation costs decreased 1% to £9,616m. Total compensation costs in the Investment Bank were slightly down at £4,634m (2012: £4,667m)
- This reduction in compensation costs in part offset the reduction in adjusted net operating income and meant that the Group compensation to adjusted net operating income ratio increased slightly to 38.3% (2012: 37.5%)
- There has been strong differentiation on the basis of individual performance to allow the Group to more effectively manage compensation costs
- While the final incentive pool is up on 2012, it is £1,106m or 32% below the 2010 outcome from when the Committee started its repositioning journey to reduce compensation. In the Investment Bank, incentive awards granted were 41% (£1,086m) below 2010 levels
- Before making adjustments for risk and conduct events, the 2013 incentive awards of £2,492m had been reduced 18% from 2012. After adjustments for risk and conduct, total incentive awards granted were £2,378m, up 10% on 2012
- Levels of deferral continue to significantly exceed the PRA Remuneration Code's minimum requirements and are expected to remain among the highest deferral levels globally. 2013 bonuses awarded to Managing Directors in the Investment Bank were 100% deferred.

When determining the incentive pool we looked at it on a pre- and post-adjustment basis for risk and conduct events. The Committee concluded that an incentive pool for 2013 of £2,492m on a pre-adjustment basis was appropriate. This is 18% down on the equivalent pre-adjustment pool in 2012. After applying an adjustment for risk and conduct events of £114m, the final 2013 incentive pool is £2,378m, up 10% on 2012, reflecting the lower level of risk and conduct adjustment for 2013.

A significant part of the Committee's work in 2013 was reviewing how to restructure executive Director and senior executive remuneration for compliance with new EU regulation, the Capital Requirements Directive IV and, in particular, the capped ratio of variable to fixed pay. Our approach is based on a new class of fixed pay called Role Based Pay. We are seeking shareholder approval at the 2014 AGM for a maximum ratio of variable to fixed pay of 2:1. For executive Directors, the level of Role Based Pay will be capped for the term of the policy and will be delivered in shares which will be subject to a holding period of up to five years to ensure alignment with shareholders. The Committee has recognised that in return for greater certainty there should be a reduced total remuneration opportunity.

Focus in 2014

The Committee will continue to focus on the need to pay at levels required to attract, retain and motivate our people. While not paying more than we judge to be necessary, we will ensure that we can continue to pay our people competitively and simultaneously seek to deliver a greater share of the income we generate to shareholders. We will be informed in this work by a continuing constructive engagement and dialogue with our shareholders and our other stakeholders.

I encourage you to read our full Remuneration report on pages 89 to 125 of the 2013 Annual Report or at www.barclays.com/annualreport.

On behalf of the Board

reductions of £290m to incentives for PPI, Interest Rate Hedging Products and other events. Of this, £176m of adjustments were made through reductions in LTIP awards that were granted in previous years and £114m of reductions were made to the 2013 incentive pool. This contrasts with risk and conduct adjustments to the incentive pool of £860m in 2012 for events including the investigation into the setting of inter-bank offered rates.



Sir John Sunderland
Chairman, Board Remuneration Committee

3 March 2014

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Single total figure for 2013 remuneration

The following table shows a single total figure of remuneration in respect of qualifying service for each executive Director together with comparative figures for 2012.

Executive Directors: Single total figure for 2013 remuneration (audited)

	Salary £000		Taxable benefits £000		Bonus £000		LTIP £000		Pension £000		Total £000	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Antony Jenkins ^a	1,100	373	138	19	0	0	0	0	364	137	1,602	529
Tushar Morzaria ^b	171	—	14	—	1,200	—	0	—	43	—	1,428	—
Chris Lucas ^c	501	800	47	34	500	0	985	643	125	200	2,158	1,677

a Antony Jenkins joined the Board with effect from 30 August 2012.

b Tushar Morzaria joined the Board with effect from 15 October 2013.

c Chris Lucas stepped down from the Board with effect from 16 August 2013 due to ill health.

Additional information in respect of each element of pay for the executive Directors (audited):

Base salary

Antony Jenkins has been paid a salary of £1,100,000 per annum as Group Chief Executive since his appointment to the role. Tushar Morzaria commenced employment on 15 October 2013 on a salary of £800,000 per annum. Chris Lucas was paid a salary of £800,000 per annum.

Taxable benefits

Taxable benefits include private medical cover, life and ill health income protection, tax advice, home leave related costs, car allowance and the use of a company vehicle and driver when required for business purposes. The figure in the above table for Tushar Morzaria includes £4,576 of non-taxable relocation expenses. Further relocation expenses will be incurred for Tushar Morzaria.

Pension

Executive directors are contractually entitled to cash in lieu of pension contributions which reflects market practice for senior executives in comparable roles.

Annual bonus

Bonuses are earned by reference to the financial year and awarded in the following February. The Committee considered the performance of each of the executive Directors during their respective periods of office during the year. Their performance was assessed against their objectives agreed at the start of the year and comprised both Group and personal, financial and non-financial measures. Information on the Group measures is set out in the table below.

The executive Directors share collective responsibility for progress, as at the year end, against the Transform commitments set out at the start of 2013 and in the Rights Issue prospectus.

Objective	Targets / measures for 2013	Progress in 2013
Strategic progress: the Transform programme	Performance is assessed against the Transform commitments of 2013 Financial measures in the Transform commitments included return on equity, cost to income ratio, core capital ratio, dividend payouts and risk weighted assets. Non-financial measures include progress on cultural change, the development of the Balanced Scorecard and the reputation of and trust in Barclays.	Financial - Underlying performance has been resilient and momentum is building - CRD IV Risk Weighted Assets within the £440bn target for 2015 - Fully loaded Common Equity Tier 1 capital ratio at 9.3% is on track to meet the target of 10.5% during 2015 - Cost reduction plans on target for expenses of £16.8bn in 2015 excluding costs to achieve Transform - Adverse movement in cost to income ratio in 2013 mainly as a consequence of reduced income - Work done in 2013 to target a 40% dividend payout ratio from 2014, achieving a payout ratio of 40-50% over time Non-financial - Barclays Purpose, Values and Behaviours published and cascaded throughout organisation, now integrated into day to day management processes. Data shows that the culture is changing at Barclays. - Balanced Scorecard published shortly after the year end. Data shows reputation of and trust in Barclays is improving.
2013 Financial and risk measures	The executive Directors lead delivery of overall performance measured	Strength in the diversity of the Group's income, underpinned by our traditional consumer and commercial banking franchises, and growth in Equities and Investment Banking in the Investment Bank

by reference to income, profitability, risk weighted assets and return on equity

- But income in the Investment Bank overall was down 9% driven by a decrease in FICC
 - Adjusted profit before tax was down 32% year on year due to reduced income and costs to achieve Transform
 - Successful execution of Rights Issue
 - Strong financial fundamentals across funding and liquidity, capital, credit risk management and margins
 - Adjusted return on average shareholders' equity decreased to 4.5% principally reflecting the decrease in profit before tax.
-

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Summary remuneration report > continued

The Committee and Board agreed that Antony Jenkins had performed strongly in his first full year as Chief Executive. However, on 3 February 2014 Antony Jenkins announced that he would decline any 2013 bonus offered to him by the Committee, citing the Rights Issue, restructuring costs and costs associated with legacy issues as his reasons.

60% of Tushar Morzaria's 2013 bonus of £1.2m will be deferred through a Share Value Plan award vesting over three years. 20% will be paid in cash and 20% in shares. All shares are subject to a six month holding period from the point of release. The bonus reflects both Tushar's performance at Barclays and his forfeited bonus opportunity when he left his previous employer to join Barclays.

The Committee decided to award Chris Lucas a 2013 bonus at a level of 40% of the maximum (the maximum being 250% of salary), pro-rating the resulting amount to reflect his service during 2013. The resulting award of £500,000 will be 100% deferred through a Share Value Plan award vesting over three years, each annual release of shares being subject to an additional six month holding period.

LTIP

The LTIP amount included in the 2013 single total figure of remuneration is the value of vesting amounts in 2013 in relation to the LTIP award granted in 2011. Chris Lucas was the only executive Director participant in this cycle. Accordingly, as Antony Jenkins and Tushar Morzaria were not participants in this cycle, the LTIP figure in the single figure table is shown as zero for both of them. Vesting was dependent on the performance period ending in 2013. The performance achieved against the performance targets is shown below.

Performance measure	Weighting	Threshold	Maximum 100% vesting	Actual	% of maximum achieved
Return on Risk Weighted Assets ('RoRWA')	60%	23% of award vests for average annual RoRWA of 1%	Average annual RoRWA of 1.5%	0.4%	0%
Loan loss rate	30%	10% of award vests for average annual loan loss rate of 95 bps	Average annual loan loss rate of 81 bps or below	71 bps	30%
Sustainability metrics	10%	Performance against the sustainability metrics is assessed by the Committee to determine the % of the award that may vest between 0% and 10%		0%	0%

The award was also subject to a discretionary underpin by which the Committee must be satisfied with the underlying financial health of the Group. The Committee was satisfied that this underpin was met, and accordingly determined that the award should vest to the extent of 30% of the maximum number of shares under the total award. The shares are scheduled to be released in March 2014.

Chairman and non-executive Directors

Remuneration for non-executive Directors reflects their responsibility and time commitment and the level of fees paid to non-executive directors of comparable major UK companies.

Chairman and non-executive Directors: Single total figure for 2013 fees (audited)

	Fees		Benefits		Total	
	2013 £000	2012 £000	2013 £000	2012 £000	2013 £000	2012 £000
Chairman						
Sir David Walker ^a	750	167	17	6	767	173
Non-executive Directors						
Michael Ashley ^b	39	—	—	—	39	—
David Booth ^c	185	170	—	—	185	170
Tim Breedon ^d	183	18	—	—	183	18
Fulvio Conti	110	110	—	—	110	110
Simon Fraser	140	140	—	—	140	140
Reuben Jeffery III	124	105	—	—	124	105
Sir Andrew Likierman ^e	45	135	—	—	45	135
Wendy Lucas-Bull ^f	25	—	—	—	25	—
Dambisa Moyo	129	120	—	—	129	120
Frits van Paasschen ^g	33	—	—	—	33	—
Sir Michael Rake	220	220	—	—	220	220
Diane de Saint Victor ^h	90	—	—	—	90	—
Sir John Sunderland	189	161	—	—	189	161
Alison Carnwath ⁱ	—	114	—	—	—	114
Marcus Agius ^j	—	750	—	1	—	751
Total	2,262	2,210	17	7	2,279	2,217

Notes

- a Sir David Walker joined the Board as a non-executive Director with effect from 1 September 2012 and as Chairman from 1 November 2012.
- b Michael Ashley joined the Board as a non-executive Director with effect from 18 September 2013.
- c David Booth retired from the Board as a non-executive Director with effect from 31 December 2013.
- d Tim Breedon joined the Board as a non-executive Director with effect from 1 November 2012.
- e Sir Andrew Likiernan retired from the Board as a non-executive Director with effect from 25 April 2013.
- f Wendy Lucas-Bull joined the Board as a non-executive Director with effect from 19 September 2013.
- g Frits van Paasschen joined the Board as a non-executive Director with effect from 1 August 2013.
- h Diane de Saint Victor joined the Board as a non-executive Director with effect from 1 March 2013.
- i Alison Carnwath resigned from the Board as a non-executive Director with effect from 24 July 2012.
- j Marcus Agius stepped down as Chairman and as a non-executive Director on 2 July 2012.

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Governance

The governance process of Barclays and reports from each of the Board Committees presenting how the Board support the delivery of the strategy.

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Corporate governance report



‘Key for the Board is ensuring that we have the right strategy, a robust and appropriate risk management and control framework and the right people in place to create long-term value for shareholders.’

Dear Shareholders

Last year, in my first report as Chairman, I outlined the important ways in which Barclays was changing, in terms of its culture and values, its leadership and its risk management and control framework. I look back on my first full year as Chairman and can say with some confidence that substantial progress has been made in implementing these necessary changes.

Doing business in the right way

We recognised that to embed cultural change we had to change how our people behave, including challenging established mindsets and attitudes. As part of our Transform programme, we have set a simple goal – to make Barclays the ‘Go-To’ bank for all our stakeholders. We have defined a common purpose to assist us in reaching that goal, which is to help people achieve their ambitions in the right way. And we have clearly set out the values – respect, integrity, service, excellence and stewardship – that we expect everyone in Barclays to demonstrate in achieving that purpose. To reinforce these values and drive good behaviours, 2013 saw the launch of The Barclays Way, a single code of conduct, which is fully endorsed by the Board and applies across Barclays. It sets out how the values should be put into practice by each of us in our interactions with Barclays’ colleagues, customers and clients, governments and regulators, business partners, suppliers, competitors and the wider community in which we operate. You can read The Barclays Way on our website at Barclays.com.

To support the achievement of sustainable business performance, which is vital for the long-term success of Barclays, we have also introduced a Balanced Scorecard to measure Barclays’ performance. This sets out a series of measurable financial and non-financial commitments, covering our 5Cs – Customer & Client, Colleague, Citizenship, Conduct and Company – so that we, and our stakeholders, have a clear idea of what success looks like on our journey to becoming the ‘Go-To’ bank. You can read more about the 5Cs and the Balanced Scorecard in the Strategic Review.

The right strategy

Key for the Board is ensuring that we have the right strategy, a robust and appropriate risk management and control framework and the right people in place to create long-term value for shareholders. Our role as the Board is to set direction and risk appetite and to provide oversight and control of management in running the business on a day-to-day basis. We rely on management for timely and relevant information, to distil complex and technical material into matters requiring often finely balanced business judgments and to identify the significant issues and present them to the Board for discussion and decision. One of my roles as Chairman is to ensure that the Board receives the information it needs when it needs it, to ensure that there is adequate time set aside at Board meetings for the open and collective discussion and debate of significant issues and, once a well-informed decision is reached, to empower management to then execute that decision with the ongoing oversight and support of the Board.

I can think of no better examples of this process in action than the Board’s endorsement of the Transform programme in early 2013 and the decision we made in July 2013 to undertake a rights issue. Below you can read about the Board’s role and the intensive oversight to which both were subject.

The right risks and controls

As a financial institution, it is our business to understand, measure, manage, price and mitigate risk. Putting it simply, taking risk is what we do. In doing so, we recognise that we have a responsibility towards ensuring the safety, soundness and ethical operation of the financial system and are cognisant of the social impact should we fail in that regard. It is essential, therefore, that our risk culture supports

our risk profile and that we have visible and dedicated risk management leadership, both in the Boardroom and in executive management.

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I described to you in my report last year how we had enhanced our internal control and risk management framework by creating a new Board-level committee, the Board Conduct, Reputation and Operational Risk Committee, charged with specific oversight of operational and conduct risks, reputational matters and our citizenship strategy. As a result, 2013 saw a significant change in the nature and extent of the Board's scrutiny of these increasingly important areas. Financial risks – credit, market and funding – continued to be examined by the Board Financial Risk Committee and the Board Audit Committee continued to discharge its responsibilities for oversight of financial reporting, internal control and internal and external audit matters. It is inevitable that there is the potential for overlap across these Board Committees and we have sought to ensure that their respective responsibilities and accountabilities are very clear.

We need also to ensure that rewards for our people are consistent with our values and do not incentivise inappropriate risk-taking or reward focus on short-term returns: the Board Remuneration Committee developed and implemented changes to our remuneration structure in 2013 to ensure that remuneration is closely linked to the achievement of sustainable performance and long-term value creation. This is reflected in high levels of deferral for senior management, tougher performance conditions attached to awards and adjustments for current and historic risk, including the operation of malus. To bring the entire risk profile of Barclays together at Board level, we also created a Board Enterprise Wide Risk Committee, whose role is to focus on a holistic view of Barclays' risk appetite and risk profile and to seek to identify potential future risk, or the 'unknown unknowns' that may emerge.

Each of these Board Committees reports below on the material issues they examined during 2013.

The right people

It is vital to Barclays' long-term success that we have the right people, leadership skills and values in place. Talent development and succession planning are critical components of sustainable success and this starts at the very top, in the Boardroom.

It is an essential part of my role, as Chairman, to ensure that the Board has the right balance and diversity of expertise, skills, experience, perspectives and, most crucially, independence of thought and action. There were a number of changes to the Board in 2013: Diane de Saint Victor, Frits van Paasschen, Mike Ashley and Wendy Lucas-Bull joined the Board as non-executive Directors and Tushar Morzaria joined us as Group Finance Director. In early 2014, Steve Thieke joined the Board as a non-executive Director. We said farewell to Sir Andrew Likierman, who retired at the 2013 Annual General Meeting after nine years' service; to Chris Lucas, who retired as Group Finance Director in August; and to David Booth, who retired at the end of 2013. Fulvio Conti and Simon Fraser will retire from the Board at the 2014 Annual General Meeting, having served for eight and four years respectively and I would like to thank them on behalf of the Board for their commitment and contribution. We have also seen changes in the chairmanship of two of the principal Board Committees with effect from 1 January 2014, with Mike Ashley succeeding Sir Michael Rake as Chairman of the Board Audit Committee and Tim Breedon succeeding David Booth as Chairman of the Board Financial Risk Committee. I can also report that, as at the

I should take the opportunity here to advise that the Board has asked Sir John Sunderland, who will have served on the Board for nine years in June 2014, to remain on the Board until the 2015 Annual General Meeting. This is for two very important reasons. First, we would like to ensure continuity for the Board Remuneration Committee, which Sir John so ably chairs, although we hope to be able to appoint a successor to Sir John in the near future. Secondly, the Board Corporate Governance and Nominations Committee has started to plan for succession to me as Chairman in due course and has asked Sir John, with his substantial experience of business leadership more widely as well as that on the Board of Barclays, to lead that process. The Board considers that Sir John continues to demonstrate the essential characteristics of independence and that his independence will not be impaired by his serving for over nine years.

My report below on the activities of the Board Corporate Governance and Nominations Committee during 2013 describes in more detail our work on talent management and succession planning, both at Board level and more widely in Barclays.

The right priorities

As Chairman, I am primarily concerned with ensuring that the Board is operating effectively and focusing its time, energy and attention on the right areas. Each year, the Board undertakes a formal evaluation of its own effectiveness and, since 2004, these evaluations have been externally facilitated. From the 2013 Board Effectiveness Review, the Board will agree a set of priorities, against which we will report progress in future years. Our aim will be to ensure that we, as a Board, are doing the right things, in the right way and, in doing so, are setting the right example for Barclays and our industry as a whole.



Sir David Walker
Chairman
3 March 2014

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end of 2013, there were three women on the Barclays Board (20%), compared to one woman at the end of 2012 (8%) and this progress is in line with the commitments we made in our Board Diversity Policy. You can find our Board Diversity Policy in the corporate governance section of Barclays' website, Barclays.com.

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Board Governance Framework

Board Governance Framework



The Board has delegated certain responsibilities to Board Committees to assist it in carrying out its functions and to ensure independent oversight of internal control and risk management.

Committee	Role
Board Enterprise Wide Risk Committee	Takes an enterprise-wide view of risks and controls and brings together the overall risk appetite and risk profile of the business
Board Audit Committee	Takes a largely backward-looking view, focused on financial reporting and control issues, including overseeing any control issue remediation plans
Board Conduct, Reputation and Operational Risk Committee	Takes a largely forward-looking view of conduct risk, operational risk and reputation risk, including recommending the level of risk Barclays is prepared to take
Board Financial Risk Committee	Takes a largely forward-looking view of financial risk appetite and financial risk profile (credit, market, liquidity and funding risk) across Barclays
Board Remuneration Committee	Sets the overarching principles and parameters of remuneration policy across Barclays and approves remuneration arrangements for executive directors and senior executives and individual remuneration awards
Board Corporate Governance and Nominations Committee	Makes recommendations on Board and Board Committee composition and effectiveness, Board and executive succession plans, talent management strategy and corporate governance

Regulatory Investigations Committee

In addition to the principal Board committees, the Regulatory Investigations Committee, which was formed in late 2012, met nine times in 2013. The primary purpose of this Committee is to oversee certain regulatory investigations, to consider the findings of those investigations and to direct the scope and conduct of those investigations as appropriate, including directing and overseeing any remediation activities and considering whether any disciplinary action is required in respect of any Barclays employee. Sir David Walker assumed chairmanship of the Committee in early 2013, succeeding Sir Michael Rake, who remains a member of the Committee. The other Committee members are Mike Ashley, Diane de Saint Victor, Antony Jenkins and Sir John Sunderland.

Board activity – what is the role of the Board?

The Board is responsible to shareholders for creating and delivering sustainable shareholder value through the management of the Group's businesses. We determine the strategic objectives and policies of the Group to deliver such long-term value, providing overall strategic direction within a framework of risk appetite and controls. Our aim is to ensure that management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. We endeavour to demonstrate ethical leadership and promote the Company's collective vision of the Company's purpose, values, culture and behaviours. Each of the Directors must act in a way we consider, in good faith, would promote the success of the company for the benefit of the shareholders as a whole.

The Board is also responsible for ensuring that management maintain a system of internal control which provides assurance of effective and efficient operations, internal financial controls and compliance with law and regulation. In addition, the Board is responsible for ensuring that management maintain an effective risk management and

the Group's business and reputation, the materiality of the financial and other risks inherent in the business and the relative costs and benefits of implementing specific controls.

The Board is also the decision-making body for all other matters of such importance as to be of significance to the Group as a whole because of their strategic, financial or reputational implications or consequences.

Specific key decisions and matters have been reserved for approval by the Board. These include decisions on the Group's strategy, approval of risk appetite, capital and liquidity matters, major acquisitions, mergers or disposals, Board membership, financial results and governance issues, including the approval of the corporate governance framework. A schedule of matters specifically reserved to the Board can be found on Barclays' website, Barclays.com.

We have set out the names of the Directors and their full biographical

oversight process at the highest level across the Group. In carrying out these responsibilities, the Board must have regard to what is appropriate for

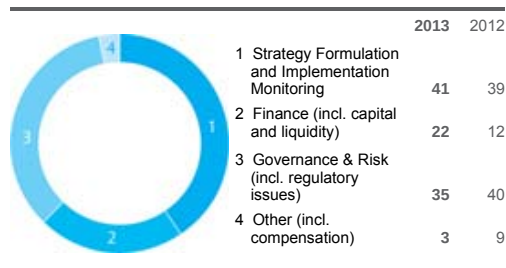
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details, including the skills and experience they each bring to the Board, on pages 83 to 85. An explanation of the main roles on the Board is set out on page 55.

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Board Allocation of Time (%)



All of our corporate governance practices have been brought together in one document, 'Corporate Governance in Barclays', which is available online at barclays.com/corporategovernance

Board attendance	Independent	Scheduled meetings eligible to attend	Scheduled meetings attended	Additional meetings eligible to attend	Additional meetings attended
Sir David Walker, Group Chairman	On appointment	●●●●●●●●	●●●●●●●●	○●●●○	○●●●○
Executive Directors					
Antony Jenkins	Executive Director	●●●●●●●●	●●●●●●●●	○●●●○	○●●●○
Chris Lucas (to 16 August 2013)*	Executive Director	●●●●●	●●●●●	○●●○	○●○
Tushar Morzaria (from 15 October 2013)	Executive Director	●●	●●		
Non-executive Directors					
Mike Ashley (from 18 September 2013)	Independent	●●●	●●●		
David Booth	Independent	●●●●●●●●	●●●●●●●●	○●●○	○●●○
Tim Breedon*	Independent	●●●●●●●●	●●●●●●●●	○●●○	○●○
Fulvio Conti	Independent	●●●●●●●●	●●●●●●●●	○●●○	○●●○
Simon Fraser	Independent	●●●●●●●●	●●●●●●●●	○●●○	○●●○
Reuben Jeffery	Independent	●●●●●●●●	●●●●●●●●	○●●○	○●●○
Sir Andrew Likierman (to 25 April 2013)*	Independent	●●●	●●●	○●	○
Wendy Lucas-Bull (from 19 September 2013)	Non-Independent	●●●	●●●		
Dambisa Moyo *†	Independent	●●●●●●●●	●●●●●●	○●●○	○●○
Frits van Paasschen (from 1 August 2013)	Independent	●●●	●●●	○	○
Sir Michael Rake*	Independent	●●●●●●●●	●●●●●●●●	○●●○	○●○
Diane de Saint Victor (from 1 March 2013)	Independent	●●●●●●●●	●●●●●●●●	○●○	○●○
Sir John Sunderland*	Independent	●●●●●●●●	●●●●●●●●	○●○	○●○
Lawrence Dickinson, Secretary					

● Scheduled meetings ○ Additional Meetings

* unable to attend certain additional meetings held at short notice owing to prior business commitments

† unable to attend two scheduled meetings held owing to prior business commitments

Roles on the Board

Role	Responsibilities
Chairman of the Board	- Leads the Board including its operation and governance - Builds an effective Board - Sets the Board agenda in consultation with Chief Executive and Company Secretary - Facilitates and encourages active engagement and appropriate challenge by Directors - Ensures effective communication with shareholders and other stakeholders and ensures members of the Board develop and maintain an understanding of the views of major investors - Acts as Chairman of Board Corporate Governance and Nominations, Board Conduct, Reputation and Operational Risk and Board Enterprise Wide Risk Committees. Member of Board Remuneration Committee
Group Chief Executive	- Recommends the Group's strategy to the Board - Implements the Group's strategy - Makes and implements operational decisions and manages the business day-to-day

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Non-executive Director	▪ Effectively and constructively challenges management and helps develop proposals on strategy ▪ Monitors the success of management in delivering the agreed strategy within the risk appetite and control framework set by the Board ▪ Exercises appropriate oversight through scrutinising the performance of management in meeting agreed goals and objectives
Deputy Chairman and Senior Independent Director	▪ Provides a sounding board for the Chairman ▪ Provides support for the Chairman in the delivery of his objectives ▪ Serves as a trusted intermediary for the Directors, when necessary ▪ Available to shareholders should the occasion arise where there is a need to convey concerns to the Board other than through the Chairman or Group Chief Executive
Company Secretary	▪ Works closely with the Chairman, Group Chief Executive and Board Committee Chairmen in setting the annual forward calendar of agenda items for the meetings of the Board and its Committees ▪ Ensures timely and appropriate information flows within the Board, the Board Committees and between the Directors and senior management

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Corporate governance report > Board Governance Framework continued

How has the Board changed?

The Board went through a period of planned refreshment during 2013, with five new Directors joining and three retiring.

We announced in early 2013 that Chris Lucas, our Group Finance Director, planned to retire for health reasons and had agreed to remain in position until we found a suitable successor. Being a key executive Board position, it was vital that the search was thorough and we subsequently announced in July 2013 that Tushar Morzaria would join the Board as Group Finance Director. An interim Group Finance Director was appointed in August 2013 to cover the period after Chris Lucas's retirement was brought forward on health grounds and prior to Tushar Morzaria's arrival in October 2013.

The Board is made up of a majority of independent non-executive Directors and we recognise the importance of ensuring that we have an appropriate balance of skills, experience and diversity, as well as independence. The Board Corporate Governance and Nominations Committee has identified the key skills and experience required for the Board to function effectively, which are recorded on a skills matrix. This sets out the core competencies, skills and diversity that are desired for the Board, including financial services, experienced chief executives from other industries and experience of the main geographical markets in which Barclays operates, together with target weightings for each. The extent to which each of these is represented on the Board is monitored by the Board Corporate Governance and Nominations Committee on an on-going basis using the agreed skills matrix.

Using the skills matrix, and having considered likely future Board and Board Committee requirements, the Board Corporate Governance and Nominations Committee identified specific areas in which the Board would benefit from additional experience. All appointments to the Board are made on merit, taking into account skills, experience, independence and diversity, including gender. The following appointments were agreed by the Board in 2013:

- Diane de Saint Victor joined the Board as a non-executive Director with effect from 1 March 2013, bringing with her a wealth of regulatory and legal experience, particularly in the US, and geographic experience from Europe;
- Mike Ashley's appointment to the Board as a non-executive Director was announced in April 2013. This followed a search for a financial expert to strengthen the membership of the Board Audit Committee following Sir Andrew Likierman's retirement at the AGM in April 2013 and to provide succession for Sir Michael Rake as Chairman of that Committee. Mike Ashley is a highly experienced former auditor, with a valuable breadth of experience, including risk management and investment banking. He joined the Board on 18 September 2013 and succeeded Sir Michael Rake as Board Audit Committee Chairman with effect from 1 January 2014;
- Frits van Paasschen, who joined the Board as a non-executive Director on 1 August 2013, has extensive knowledge of the retail sector and brings a global outlook with specific geographic experience from the US, Europe and Africa. He is a serving Chief Executive

- Wendy Lucas-Bull joined the Board as a non-executive Director on 19 September 2013, bringing valuable direct banking experience, in depth knowledge of banking in Africa and a good understanding of Conduct risk. Wendy is chairman of Barclays Africa Group, which is majority owned by Barclays. The UK Corporate Governance Code (the Code) suggests that such a business relationship should be considered when determining a non-executive Director's independence. The Board considers that Wendy demonstrates the essential characteristics of independence expected by the Board and set out in Barclays' Charter of Expectations, but has decided not to designate her as an independent Director for the purposes of the Code. The Board continues to be made up of a majority of independent non-executive Directors.

In early 2014, we announced the appointment of Steve Thieke as a non-executive Director. His appointment brings to the Board significant experience in financial services, across regulation, investment banking and risk management, as well as substantial board level experience in both executive and non-executive roles.

Given the number of new Directors that have joined our Board, it is vital that they are provided with an effective, tailored induction aimed at providing each of them with the information they need to know in order to become as effective as possible in the shortest time possible. Our induction programmes are therefore designed to allow the new Director to build quickly:

- An understanding of the nature of Barclays, its business and the markets in which it operates and the opportunities and challenges for each Business Division
- A link with Barclays' people
- An understanding of the relationships with Barclays' main stakeholders, such as customers and clients, shareholders and regulators

Our induction programmes typically comprise a series of meetings with the head of each of Barclays' major business divisions and Group functions. This allows the new Director to meet the business and function heads with responsibility for implementing the Board's strategy and to discuss specific matters affecting that business or function. On completion of the induction programme, the new Director should have sufficient knowledge of the opportunities and challenges facing Barclays to enable them to fully contribute to the Board's strategic discussions and oversight of the business. The following is an example of a typical induction programme; where a Director is joining a Board Committee, either as a member or as Committee Chairman, this programme is supplemented by a specific, tailored Committee induction programme:

Officer, contributing a valuable strategic and commercial perspective; and

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Executive	Subject Matter
Group Chief Executive	CEO's introduction (strategy and key priorities)
Business Division Chief Executives	Review of: - UK Retail and Business Banking businesses - Corporate and Investment Banking businesses - Corporate Banking business - Barclaycard business - Wealth and Investment Management businesses - Europe, Middle East Retail and Business Bank business
Group Function Heads (e.g., Group General Counsel, Chief Risk Officer)	Briefings on: - Legal function - Risk function - Operations and Technology - Compliance and relationship with regulators - Finance Group overview - Internal Audit function - Tax function - Treasury function - Investor Relations - HR function - Strategy and Corporate development
Senior Statutory Auditor	Areas of audit focus
Group Corporate Relations Director	Briefing on Citizenship and Brand and Marketing
Company Secretary	Role and responsibilities as a Director

In addition to induction on joining the Board or a Board Committee, a programme of briefings for all non-executive Directors is arranged each year in order to deepen their understanding of specific business or technical issues. During 2013, briefings were held on Barclays' Equities, Fixed Income, Currencies and Commodities and Africa businesses, and the Board Financial Risk Committee and Board Audit Committee held a joint briefing session on Pillar 3 Reporting.

What has been the Board's role in Transform?

The Code makes clear the principle that the Board should set the company's strategic aims, ensure that the necessary financial and human resources are in place for the company to meet its objectives and review management performance. Our approach as a Board in support of this principle is to challenge and test proposals on strategy put forward by the Chief Executive and, following a decision by the Board on the policy or strategy to be adopted, offer full empowerment to the executive Directors to then implement that strategy, subject to continuing oversight from the Board.

Transform is our strategy for both improved financial performance and cultural change. In the fourth quarter of

Board diversity

All Board appointments are made on merit, in the context of the diversity required for an effective Board, including diversity of skills, experience, background and gender. The aims set out in our Board Diversity Policy, published in April 2012, were to have 20% of the Board made up of women by the end of 2013, and for that position to have exceeded 25% by the end of 2015. Our Board Diversity Policy can be found on our website, Barclays.com.

The independence of non-executive Directors is reviewed on an annual basis as part of the Directors' evaluation process, taking into account length of tenure, ability to provide objective challenge to management and any relationships that might be considered as factors when determining independence.

Balance of non-executive and executive Directors

1	2	12
Chairman	Executive Directors	Non-executive Directors

Board gender balance



Length of tenure of Chairman and non-executive Directors



Geographical mix of Chairman and non-executive Directors



Industry/background experience^a

Number of directors	Experience
8	Financial services
7	Political/regulatory contacts
8	Current or recent Chairman/CEO
3	Accountancy/financial expert
3	International (US)

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2012, Barclays embarked on a strategic review, covering business performance, costs, funding and liquidity and purpose, values and behaviours, the outcomes of which were debated and endorsed by the Board in early 2013. In approving the strategy, the Board examined the results of the business portfolio review, which analysed each business both from a financial and reputational perspective, and evaluated proposals for reducing costs and risk weighted assets and for maintaining our capital, funding and liquidity positions. We also assessed proposed strategies for embedding cultural change, for changing the reward structure and for strengthening the control environment. The proposed strategy translated into a series of non-financial and financial commitments, which were announced in February 2013.

5	International (Europe)
3	International (RoW)
2	Retail/marketing

a Individual Directors may fall into one or more categories

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In terms of implementation, each element of the Transform programme is supported by specific project workstreams, led by individual senior executives. For example, the Controls workstream is headed by the Head of Compliance and the Business Portfolio Review workstream is headed by the Financial Controller. Over the course of 2013, the Board regularly scrutinised the progress being made by each workstream and tracked performance against the commitments made, to satisfy itself that implementation remained on track and that the commitments will be met.

You can read more about the progress of the Transform programme in the Strategic Report.

What has the Board done to improve governance in light of the Salz Review recommendations?

In early April 2013, the report of the Salz Review into business practices at Barclays was published. This review was commissioned by the Board in July 2012 in the immediate aftermath of the publication of the LIBOR settlements.

The Salz Review was commissioned to examine Barclays' values, principles and standards of operation – the historical culture – and to make recommendations for change. In April 2013, the Board examined each of the 34 recommendations made by the Salz Review and committed to implementing them. We published our initial response in late April 2013. The majority of the recommendations have been aligned to the Transform programme workstreams being implemented by management, with the recommendations on Board governance forming a distinct workstream that is being implemented by the Board. In terms of Board governance, some of the main actions we have taken are:

- Implemented a new framework for the Board-level governance of risk, with the creation of the Board Enterprise Wide Risk Committee and Board Conduct, Reputation and Operational Risk Committee;
- Increased the minimum time commitment expected of Board Committee Chairmen to 25-30 days per annum on top of their minimum Director commitment of 30-36 days. The expected time commitments for Board committee members are set out in Barclays' Charter of Expectations, which is available at Barclays.com. In practice, Directors typically commit in excess of the minimum requirements;
- Developed a programme for non-executive Directors to engage with each business; and
- Focused on improving the quality and timeliness of information presented to the Board and its Committees.

You can read more about the progress that has been made in implementing the Salz Review recommendations on pages 126 to 129.

What was the outcome of the 2013 Board Effectiveness Review and what are the Board's priorities for 2014?

The Board Corporate Governance and Nominations Committee engaged a new external facilitator, Bvalco, for the 2013 Board Effectiveness Review. Bvalco provide independent, formal and rigorous Board review services. I explain our reasons for appointing a new facilitator in my Board Corporate Governance and Nominations Committee Chairman's report on pages 75 and 76.

The review took the form of a short questionnaire followed by interviews with each of the Directors, members of our Executive Committee and a number of our major shareholders. The evaluation covered the effectiveness of the Board as a whole, in particular its contribution to business strategy and culture, the effectiveness of Board Committees and Board composition. Peer to peer feedback was also sought for each of the Directors. A representative from Bvalco attended our December 2013 Board and Board Financial Risk Committee meetings as an observer, in order to see first-hand the dynamics in the Boardroom and the effectiveness of the meetings. In addition, Bvalco had access to Board and Board Committee papers for 2013.

Representatives from Bvalco presented to the Board in early 2014 on the findings of the Board Effectiveness Review and the recommendations arising. From the Board's discussion of the review's findings, the following areas for action were agreed:

- Board priorities: we agreed that we would better articulate the Board's 2014 priorities, as opposed to the business priorities, and reflect these in Board and Committee agendas;
- The Board's role in culture and cultural change: we agreed that attending a Barclays Values workshop would form part of the induction programme for new non-executive Directors and that arrangements would be made for existing non-executive Directors to attend a workshop. We also agreed that we would ensure that, in addition to the regular reports to the Board Conduct, Reputation and Operational Risk Committee, the Board as a whole would be kept directly informed on the progress of implementing cultural change;
- Leveraging the Board's experience to support the Executive Committee: we agreed we would create extra time for more wide-ranging strategic discussions between the Board and Executive Committee members;
- Greater awareness of the work of Board Committees: we agreed to give more time, on a rolling basis, to Board Committee reporting to the Board, to allow all Directors to gain a deeper understanding of the workings of each Board Committee and their forward agendas;
- Improvements to the Board appointments process: given the number of recent changes to the Board, we agreed to ensure that all Board members are kept fully informed of prospective candidates and potential appointments; and
- Director induction: we agreed to improve the on-boarding process for new Directors, including partnering new Directors, if appropriate, with longer-serving Board members.

The Chairman has discussed with individual Directors any specific training or development needs arising from the review.

A report on the actions taken in response to the findings of our 2012 Board Effectiveness Review can be found on page 60.

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Governance in action

Deciding to raise equity capital via a fully underwritten rights issue

A significant event for the Board in 2013 was the decision to raise equity capital via a rights issue. Once the PRA had introduced a 3% leverage ratio expectation and had requested that Barclays meet that expectation by 30 June 2014, a number of Board meetings were held over a short space of time in order to discuss a range of potential options presented by management that aimed to reduce leverage. The Board examined these options and considered their potential impact on Barclays' business model, customers and clients, shareholders and the wider UK economy, as well as the likely views of the PRA, before deciding on a course of action.

The timeline below illustrates how the Board committed the time to discuss collectively this significant development; when information flowed up to the Board to enable it to evaluate the potential options for achieving the leverage ratio; how the Board came to agreement on the plan and supported management in its execution; and how the Board satisfied itself, to the best of its members' knowledge and belief, as to the adequacy of the disclosures made by Barclays. In addition to the formal Board meetings, as Chairman I kept in close contact with Board members to ensure that they were kept informed of progress.

The Board was acutely aware of the importance of taking all reasonable care to ensure that the rights issue prospectus disclosed all matters that a potential purchaser of Barclays' shares might be reasonably expected to find relevant. To support the Board, Christopher Saul of solicitors Slaughter and May, was appointed as an additional independent adviser to provide guidance on matters relating to Barclays, its business or the business environment more generally that, in his experience and having regard to capital markets practice, the Board should particularly take into account in approving the prospectus and any areas or matters in the prospectus on which the Board should particularly focus to satisfy itself as to the adequacy of disclosure. Christopher Saul held a number of meetings with various individual Directors and senior executives in advance of presenting to the Board on his assessment of the processes followed to prepare the prospectus, the issues likely to be of key interest to investors in choosing to take up their rights and how those issues were covered in the prospectus, in particular the disclosure of risk factors and dividend policy. This was in addition to the usual diligence and verification processes and advice received from the Group's existing legal and other advisers and internal teams.

The rights issue was launched in mid-September 2013 and closed in early October 2013, with acceptances representing 94.63% of the new shares offered to shareholders.

June	July	August	September
Mid June: Board debated indications from the PRA of the capital, liquidity and leverage expectations it had of Barclays, following its assessment of major UK banks and building societies, and the initial potential options and timetable for meeting those expectations.	Mid July: Given subsequent discussions with the PRA, the Board examined a range of options presented by the Group Executive Committee for achieving the leverage ratio by 30 June 2014.	Throughout: discussions between various individual Board Directors and senior executives and Christopher Saul; opportunity for Board Directors to review iterations of the draft rights issue prospectus.	Early Sept: Board examined the disclosures in the draft rights issue prospectus, with the benefit of advice from Christopher Saul.
Mid June: Board undertook a preliminary evaluation of the range of initial potential options for achieving the expected leverage ratio, including assessing the likely impact on Barclays' business model, customers and clients and the wider economy and possible shareholder reaction to the PRA's expected announcement.	Late July: Board evaluated the components of a plan (the Leverage Plan), which included a potential rights issue. The Board approved a rights issue in principle and established and delegated authority to a Rights Issue Committee, comprising five Directors, including the Chairman, Deputy Chairman and Group Chief Executive, to give final approval and finalise the terms.		Mid Sept: Rights Issue Committee approved the rights issue documents.
20 June: PRA announcement regarding UK banks' capital and Barclays' initial public response to the new 3% leverage ratio expectation.	Late July: Rights Issue Committee approved the decision to launch a rights issue.		16 Sept: Rights issue launched.
	30 July: Barclays announced its intention to		

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raise approximately £5.8bn via a fully underwritten rights issue, as part of the Leverage Plan. The PRA announced that, based on Barclays' projections, the Leverage Plan was a credible plan to meet the target.

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Board Governance Framework continued

A summary of the Board's progress against the actions arising from the 2012 Board Effectiveness Review is set out below:

Theme	Action Taken
Enhancing the relationship between the Board and the Executive Committee following changes in both Board and Executive Committee composition in 2012	Given the changes in Board and Executive Committee composition, a programme has been developed for 2014 that will allow the non-executive Directors to spend more time with business CEOs and their management teams. In addition, Board meetings were held in New York and Johannesburg during 2013, which allowed the Board greater opportunity to see operations at first-hand and to meet and interact with the respective management teams.
Ensuring that the working relationship between the Chairman and CEO is strong in recognition of the critical importance of this relationship to the effectiveness of the Board as a whole	The working relationship was assessed by the Board Corporate Governance and Nominations Committee during 2013. The Deputy Chairman and Senior Independent Director, Sir Michael Rake, also monitored the relationship and sought feedback from non-executive Directors ahead of his annual review of the Chairman's performance.
Ensuring that the Board has greater line of sight into the views of key stakeholders	Non-executive Directors, in particular, Committee Chairmen, have held meetings with representatives from our main regulators in the UK, US and South Africa. Presentations from our regulators in the UK and US were also made to Board meetings. The Chairman and Group Chief Executive regularly updated the Board on any discussions held with regulators and other key stakeholders. In particular, the Board was kept updated on stakeholder views with regard to the Leverage Plan and associated rights issue.
Rebuilding trust with stakeholders with regard to Barclays' remuneration policy, particularly in light of voting at the 2012 AGM	An extensive programme of stakeholder engagement on remuneration matters took place in 2013 and has continued into early 2014, including on the Group's response to the remuneration aspects of CRD IV.
Ensuring that an appropriate balance of skills, experience and diversity on the Board is maintained	A number of changes were made to the Board during 2013, with the appointment of new non-executive Directors. These are described fully elsewhere in this report.
Further improving the quality of information flows to the Board to achieve an appropriate balance between data and analysis	Changes have been made to the form and content of material presented to the Board and Board Committees to ensure that the material focuses on key issues. Greater use has been made of the Board's electronic portal to provide any detailed supporting data. Feedback has been sought from Board members on the form and content of specific papers so that any further improvements could be made.
Enhancing succession planning for key Board positions, in particular, continuing to ensure that the Board builds its knowledge and understanding of the depth of talent in the business	Succession planning for the Chairmen of the principal Board Committees has been an area of focus in 2013, with new Chairmen appointed to the Board Audit Committee and Board Financial Risk Committee. The Board Corporate Governance and Nominations Committee has focused on talent management, as described later in this report. To help the Board build its awareness of the depth of talent in the business a series of talent receptions were also held in London, New York and Johannesburg.

How does the Board satisfy itself that it understands the views of stakeholders?

The Board recognises that what Barclays achieves is only made possible by effective relationships with investors, customers and clients, employees and regulators. We are eager to ensure that we understand their views and concerns and also that we are able to effectively communicate our strategy, enabling us to come to a mutual understanding of respective objectives. Below are some examples of how we have sought to do that with our key stakeholder groups during 2013.

In order to promote effective and open communication with shareholders, we have published shareholder communication guidelines on our website, which can be accessed at Barclays.com/investorrelations.

Our Investors (both private and institutional) Private Shareholders

We have a large number of private shareholders and are constantly striving to improve the service we provide. During 2013 we worked to deliver our 2013 Private Shareholder Relations strategy, with the objective of making shareholders' lives easier where possible. All our shareholder documents are in Plain English and we aim to ensure that they are easy to understand and engaging. There is also a wide range of information for shareholders available on our website, Barclays.com.

We maintain a dedicated Barclays Shareholder Helpline so that shareholders can easily contact our Registrar if they have a question about their shareholding. In order to ensure that our Registrar provides the highest quality of service to our shareholders, we monitor their performance at a monthly review meeting using service reports.

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Throughout 2013, we continued to actively encourage shareholders to sign up to Barclays e-view, which is an online portal that allows shareholders to manage their shareholding. We believe that communicating electronically with our shareholders ensures that they receive regular, up to date information directly to their inbox. We send emails to all Barclays e-view members each time we publish our results and provide details about the dividend, including links to Barclays.com where they can find more information. Barclays e-view members can instantly update their personal and bank details online. They can also view their share sales or purchases, vote online and download their electronic dividend tax voucher (s).

Ahead of the 2013 AGM we updated and amended our Shareholder Voting Instruction Card, which is sent to shareholders who request notification that our Annual Report and Notice of Meeting is available online, to include an attendance card. This enabled those shareholders who received the card and who also wished to attend the AGM to quickly and efficiently register on the day itself. This improved our shareholder registration process and was positively received by shareholders.

We are aware that some shareholders do not keep their personal details on the Barclays share register up-to-date. Starting in 2012, we conducted a tracing exercise to reunite over 24,000 Barclays Sharestore members, identified by our Registrar as having lost contact with us, with their shares and unclaimed dividends. I am pleased to confirm that at the end of March 2013, we had returned over £2m in dividends to shareholders. We plan to run an exercise on the ordinary share register during 2014 where we hope to trace 10,000 shareholders with over £5m in unclaimed dividends.

I would also like to take this opportunity to thank our shareholders for helping us to make two donations to charity in 2013. We donated over £40,000 to ABF The Soldiers' Charity and over £89,000 to UNICEF. We ensured that we notified shareholders about these successes in our September and December 2013 dividend mailings. You can find out more about these donations in the Shareholder Information section in the Annual Report.

AGM

The AGM is a unique opportunity to engage with our shareholder population as a whole, particularly our private shareholders, and we are committed to making constructive use of it to meet with you, hear your views and answer your questions. I was available at the AGM, held on Thursday 25 April 2013, to answer your questions, as were the Chairmen of our Board Committees. I very much enjoy speaking to you more informally before and after the meeting, and I hope that those of you I was able to speak with at our 2013 AGM also found it interesting and informative.

In accordance with best practice, all resolutions at the 2013 AGM were considered on a poll, which was conducted by the Registrar and monitored by an independent scrutineer. The results, along with proxy votes lodged prior to the meeting, were made available on our website on the same day. The votes cast at the meeting represented 61-68% of all the shares in issue and

Institutional Investors

I met regularly in 2013 with our larger shareholders to hear their views on corporate governance matters, including remuneration, Board composition and specific AGM resolutions. Sir John Sunderland, Chairman of the Board Remuneration Committee, and Lawrence Dickinson, Company Secretary, also met regularly with larger shareholders and investor bodies to discuss remuneration matters. Feedback from these meetings was provided to the Board and appropriate Board Committees.

The Board was kept regularly updated on investors' views. Copies of analyst reports on Barclays were made available to the Board on a regular basis and Directors were invited to attend results conference calls and investor presentations. A weekly communication from the Group Chief Executive to the Board included an update on investor sentiment and share price performance. In addition, as part of strategy discussions during 2013, the Board was briefed by an external adviser on how Barclays is viewed by institutional shareholders as an investment proposition.

Barclays Investor Relations is dedicated to managing relationships with institutional equity and debt investors. During 2013 approximately half of our shareholder engagement involved executive management including the Group Chief Executive, Group Finance Director or other senior divisional management from across the Group. We also enhanced the way in which we engaged with these stakeholders in the following ways:

- Established a New York based Investor Relations team to promote more regular communication with North American investors;
- Expanded our programme of debt investor meetings and established a fixed income results conference call for debt investors and analysts at our full year and interim results; and
- Increased the frequency of our dialogue with our shareholders through a global engagement programme of over 800 meetings across equity and debt investors.

Other stakeholders

Our main regulators in the UK and US interact on a regular basis with me and with the Group Chief Executive, Group Finance Director and the Chairmen of the principal Board Committees. This provides us with a first-hand view of regulatory matters. During 2013, more than 30 meetings involving me and individual non-executive Directors were held with representatives of our UK and US regulators, including 13 meetings that I attended. Any significant matters discussed in those meetings were reported to the Board or Board Committees as appropriate.

During 2013, the Board was updated on customer and client metrics, including Net Promoter Scores®, customer satisfaction rankings and complaint levels. The Group Chief Executive also reported regularly to the Board on meetings held with customers and clients.

Ensuring employees are well-informed, feel connected and understand our culture and objectives is vital if we are to deliver long-term value for our customers and clients. We build trust and seek feedback through regular two-way

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all resolutions were approved.

The 2014 AGM will be held on Thursday 24 April 2014 at the Royal Festival Hall in London. The Notice of AGM can be found in a separate document, which is sent out at least 20 working days before the meeting. The Notice of AGM and the accompanying circular, which sets out a clear explanation of each resolution to be proposed at the meeting, can also be found at Barclays.com/agm. The resolutions will again be considered on a poll and the results will be announced via the Regulatory News Service and made available on our website on the same day. Shareholders unable to attend are encouraged to vote in advance of the meeting via Barclays.com/investorrelations/vote. They may also submit questions to the Board by writing to Shareholder Relations at 1 Churchill Place, London E14 5HP.

communications, both informally, through events such as internal forums and jams and formally, through our Employee Opinion Surveys. The outputs from these events and the results of Employee Opinion Surveys are reported to the Board by the Chief Executive. This helps us understand our colleagues' views and concerns when shaping future organisational direction.

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Board Audit Committee



‘Ultimately, our activity is designed to support our over-riding purpose, which is to protect the interests of you, our shareholders.’

The Committee's terms of reference are available at [Barclays.com/corporategovernance](https://www.barclays.com/corporategovernance)

Dear Shareholders

I became Chairman of the Board Audit Committee with effect from 1 January 2014, having been a member since joining the Barclays Board last September. I would like to thank my predecessor, Sir Michael Rake, for his assured leadership of the Committee since becoming Chairman in 2009.

The report below describes how the Committee discharged its responsibilities during the last year, setting out the significant issues examined by the Committee in terms of assessing the integrity of the Group's financial reporting, the effectiveness of internal controls and the performance of the auditors, both internal and external. Ultimately, our activity is designed to support our over-riding purpose, which is to protect the interests of you, our shareholders. Our aim is to act with the right levels of diligence to assure ourselves that appropriate and prudent judgments have been made with regard to financial reporting, that the financial statements provide a true and fair view of the company's financial position and that the independent scrutiny by the auditors on behalf of our owners is both objective and effective.

Barclays is a large and complex business that is undergoing a period of substantial change, driven internally by the Transform programme and externally by continuing developments in the regulatory environment. In 2014 our focus will be on ensuring that the effectiveness of our control environment keeps pace with this level of change; that we continue to exercise appropriate judgment on significant financial reporting matters and report in a fair, balanced and transparent way; and that our independent assurance mechanisms – internal and external audit – continue to perform effectively and efficiently to protect shareholders' interests.

Committee composition

Membership of the Committee and attendance at meetings in 2013 is set out below:

Member	Meetings attended/eligible to attend
Sir Michael Rake (Chairman) (to 31 December 2013)	
Mike Ashley (from 18 September 2013) (Chairman from 1 January 2014)	
Tim Breedon (from 1 March 2013)*	
Fulvio Conti	
Simon Fraser*	
Sir Andrew Likierman (to 25 April 2013)	
Diane de Saint Victor (from 1 December 2013)	

● Attended ○ Did not attend

* Unable to attend meetings owing to prior business commitments

Mike Ashley
Chairman, Board Audit Committee
3 March 2014

Board Audit Committee Allocation of Time (%)

	2013	2012
1 Control Issues	16	13
2 Financial Results	40	31
3 Internal Audit Matters	8	14
4 External Audit Matters	11	6
5 Business Control Environment	16	14
6 Other (including Governance)		



and Compliance)

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Role and responsibilities

The Committee is responsible for:

- assessing the integrity of the Group's financial reporting and satisfying itself that any significant financial judgments made by management are sound;
- evaluating the effectiveness of the Group's internal controls, including internal financial controls; and
- scrutinising the activities and performance of the internal and external auditors, including monitoring their independence and objectivity.

Committee composition

There were a number of changes to Committee composition in 2013. Tim Breedon, Mike Ashley and Diane de Saint Victor joined the Committee and Sir Andrew Likierman left the Committee on retiring from the Board. Sir Michael Rake retired from the Committee on 31 December 2013 and was succeeded as Chairman by Mike Ashley with effect from 1 January 2014. Fulvio Conti and Simon Fraser will retire from the Committee on 24 April 2014, when they retire from the Board. During 2013, Sir Michael Rake and, until his retirement, Sir Andrew Likierman, were the designated financial experts on the Committee for the purposes of the US Sarbanes-Oxley Act and have been succeeded in this by Mike Ashley, although each member of the Committee has financial and/or financial services experience. You can find more details of the experience of Committee members in their biographies on pages 83 to 85.

The Committee's work

The Committee met 13 times in 2013, including a separate meeting specifically in February 2013 on PPI provisions and two additional meetings to consider restated financial statements, reflecting the introduction of new accounting standards, prior to their publication. The chart opposite shows how the Committee allocated its time during 2013. Committee meetings were attended by management, including the Group Chief Executive, Group Finance Director, Chief Internal Auditor, Chief Risk Officer and General Counsel, as well as representatives from the businesses and other functions. The lead audit partner of the external auditor attended each meeting and the Committee held regular private sessions with the Chief Internal Auditor and the lead auditor partner, which were not attended by management.

Significant financial statement reporting issues

With support and input from the external auditor, the Committee assessed the financial reporting processes, whether suitable accounting policies had been adopted, whether management had made appropriate estimates and judgments and whether disclosures in published financial reports were balanced and fair.

The integrity of the financial statements is underpinned by the control environment pertaining to the production of the financial reports. In this regard, the Committee considered the results of the Group's Turnbull assessments, its Sarbanes-Oxley s404 internal control process and the absence of any indications of fraud relating to financial reporting matters. The Committee also satisfied itself that there were appropriate verification standards and processes by which senior management attested to the accuracy of the factual content and a process to support the representations made by the Board to the external auditors. It did this by debating the outputs from the Disclosure Committee's review of the financial statements, including an assessment of disclosure controls and procedures, and by asking management to explain and evidence the basis on which the representations to the auditors were made. The Disclosure Committee is a management committee, chaired by the Group Finance Director, which considers the content, accuracy and tone of the disclosures, reporting its conclusions to the Group Executive Committee and the Board Audit Committee. The Committee also

systems supporting the financial reporting processes can be relied upon. The Committee was satisfied, given the results of the testing of the compensating controls, that the integrity of the financial control environment was appropriate.

Another major component of the financial reporting process concerns the key assumptions and estimates or judgments that inevitably have to be made. Ahead of publication of the half-year and full-year results, the Committee examined in detail the main judgments and assumptions made by management. It also considered whether, in those areas where accounting policy choices might be made, appropriate policies had been selected. The Committee focused on the following areas at the full-year, having covered similar matters at the half-year, including seeking the views of the external auditor on the judgments made:

- Customer redress provisions, in particular PPI and interest rate hedging products redress provisions, were an area of focus for the Committee in 2013 and you can read more below about the Committee's role in evaluating and challenging the assumptions underlying the provisions for PPI redress. Full details of the provisions taken in 2013 can be found on page 332;
- Another significant area of judgment for the financial statements arises in the valuation and disclosure of financial instruments held by the Corporate and Investment Bank, in particular, derivative assets and certain Exit Quadrant portfolios. The Committee was especially interested in assets where there is a lack of an active secondary market and limited trade activity, as the lack of observability results in valuation uncertainty. Consequently, the Committee examined the internal price verification processes, whereby methodologies are benchmarked against any observable traded prices, practices adopted by peers and other relevant pricing information. In particular, owing to the lack of any secondary market and limited, if any, recent origination experience, the Committee scrutinised the valuation of the Education, Social Housing and Local Authority (ESHLA) loan portfolio, which is held at fair value based on internal assessments of credit spreads. After due challenge and debate, the Committee satisfied itself as to the governance underpinning the valuation process and that the assumptions made were appropriate. In view of the absence of recent trading and the sensitivity of the valuation to alternative plausible assumptions, the Committee fully supported the transfer of this portfolio to level 3 categorisation and the associated disclosures. Full details of financial instruments held can be found on page 304;
- The Committee scrutinised credit impairment charges on loans and advances. The main judgments arose around the timing of the recognition of any impairment and estimating the size, particularly where forbearance has been granted. The Committee examined the underlying drivers of impairment in each business and any post-model adjustments, including the process by which the Risk function had identified areas where adjustments needed to be made in order to satisfy itself that the credit impairment provisions were appropriate. As part of its assessment, the Committee was also briefed on impairment methodologies. Full details of credit impairment charges for 2013 can be found on page 291;

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considered reports from the internal and external auditor relating to these aspects. In addition, the Committee discussed control issues in the IT environment, which are subject to remediation plans. Additional measures have been taken, including compensating controls, to ensure that the controls over the

- The Committee examined the significant judgmental items in the calculation of the tax rate. The judgments covered the adequacy of tax provisions for matters that remain outstanding with the relevant tax authorities with regard to transactions from prior periods and deferred tax assets (DTA) in Spain and the US. In relation to the former, the Committee had regard to the status of negotiations with key tax authorities and assessed the drivers underlying the tax risk and the associated provisions, to satisfy itself that the coverage levels of the provisions were appropriate given the range of possible outcomes. In relation to DTA, the Committee noted that management's business forecasts supported the recovery other than in relation to Spain. The Committee therefore agreed with management's recommendation to write down the DTA in Spain. Full details of the tax rate and tax provision for 2013 can be found on page 294;

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- Revisions to IAS 19 became effective from 1 January 2013, which require actuarial gains and losses arising from defined benefit pension schemes to be recognised in full. Consequently, the Committee examined the impact of IAS 19R on the Group's balance sheet and the revised presentation in the financial statements. The Committee agreed that management's assumptions underlying the pension valuation were appropriate;
- The Committee assessed the impact of new accounting standards on Barclays' published financial statements. It agreed and approved restated financial statements for 2011 and 2012 reflecting the implementation of IAS19R and IFRS10 in April 2013. Prior to and in connection with the rights issue, the Committee also agreed and approved in late August 2013 the restatement of the financial statements included in Barclays' 20F filing for 2012 to reflect the implementation, as appropriate, of IAS19 and IFRS10 and also IFRS8 and IFRS7 for 2010 in addition to 2011 and 2012. The external auditor re-signed the audit report in respect of the September 2013 restatement;
- In considering any potential impairment of goodwill, the Committee focused on management's track record in forecasting cashflows and the appropriateness of the discount rates used. Having assessed a report on the results of impairment testing and the key assumptions adopted in the calculation of the recoverable amounts, the Committee agreed that goodwill arising from the businesses acquired in a previous period by Wealth and Investment Management should be written off; and
- The Committee debated material judgments relating to litigation provisions, reviewing the status of current cases and taking into account recent developments, including any settlements by peers of similar cases, in order to arrive at an appropriate level of provisioning, which it recommended to the Board.

In relation to the financial reports overall:

- The Committee evaluated whether the going concern basis of accounting was appropriate by assessing the Working Capital Report prepared by management. This report covered the liquidity position and forecast capital ratios, balance sheet and leverage position. The report incorporated known or expected regulatory changes, the impact of possible stress scenarios and details of the performance of early warning indicators. After examining the forecast, the Committee concluded that the liquidity and capital position of the Group remained appropriate and that there were no material uncertainties;

Governance in action

Customer redress provisions: PPI

A significant area of judgment remains the estimation of provisions to be made for Payment Protection Insurance (PPI) and Interest Rate Hedging Products (IRHP) customer redress.

Throughout 2013, the Committee continued to exercise scrutiny over the level of customer redress provisioning, in particular the provisions for PPI redress. Ahead of approving the half-year results, with regard to PPI redress the Committee examined a report setting out the provisions booked and utilised and the balance remaining. It assessed range-based estimates for future provision utilisation, likely future costs and potential provision increases, based on projected volumes of claims, recent trends in claims experience, uphold rates (i.e., valid claims found in favour of the customer) and the average amount of redress paid, per policy. The assessment also factored in the possible impact of proactive mailing campaigns, the expected costs of referrals to the Financial Ombudsman Service (FOS) and potential remediation costs associated with issues arising from historical redress decisions. The impact on assumptions resulted in a recommendation by management to increase the level of provisions held by £1.35bn to £3.95bn, which, having examined the underlying data and discussed the appropriateness of the increased provision with the external auditor, the Committee endorsed. The Committee also considered whether the trends in data supported the assumptions in its review of the interim management statement for the third quarter of 2013.

In connection with the 2013 full-year results the Committee assessed the amount of unutilised provisions against key assumptions for potential future claims experience, FOS referrals and remediation costs. It also considered the mix of claims originating directly from customers and from Claims Management Companies. Although the flow of claim volumes continues to be unpredictable, the Committee concluded, based on its examination of the available information, that no additional provision was required at the 2013 full-year. As part of its review, the Committee also considered the proposed disclosure of the forecast assumptions used in the provision calculation and details of the sensitivity analysis performed on future expected claims, in order to satisfy itself that the disclosures were open and transparent. Further reviews of PPI claims experience will be undertaken during 2014 to monitor trends and ensure that the provision remains appropriate.

- The Committee examined the 2013 Annual Report and Financial Statements and was specifically tasked by the Board to advise it on whether the 2013 Annual Report and Financial Statements are fair, balanced and understandable. The Committee did this by satisfying itself that there was a robust process of review and challenge at different levels within the Group to ensure balance and consistency. In doing so, the Committee examined the outputs of these processes, which included reports from the Disclosure Committee on its assessment of the content, accuracy and balance of the disclosures and of the outputs from the Group's Legal & Technical Committee, and also had the opportunity to directly question the Chief Executive on the overall messages and tone of his review and the Annual Report. The Committee also considered other information regarding the Group's performance presented to the Board during the period. After challenge and debate and consideration of all relevant information, the Committee concluded that it could recommend to the Board that the 2013 Annual Report and Financial Statements are fair, balanced and understandable; and
- The Committee evaluated the judgments made regarding adjusting items as presented in the performance highlights section of the interim and full-year results announcements and in the Annual Report. These were items that were significant or one-off in nature and included the own credit gain and provisions for customer redress. The Committee also considered the impact of the costs to achieve Transform.

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Internal control

The Committee is responsible for examining the effectiveness of the Group's internal controls. In 2013, the Committee's main activities in discharging that responsibility were as follows:

- Discussed, on a regular basis, any control issues of Group-level significance and the progress of the remediation plans in place to address them. A particular area of focus for the Committee in 2013 was the pace of delivery of remediation plans and how realistic and achievable the timetables and milestones are given the number of change programmes in place across the Group under the Transform programme. The Committee was particularly concerned where remediation plans are dependent on technology enhancements, as the complexity of the IT infrastructure and demands on technology resources can lead to delays in implementation. The Committee emphasised to management the need for remediation programmes to be adequately resourced, with consistent leadership, and to be focused on implementing robust, automated solutions to strengthen preventative controls, rather than just short-term manual tactical fixes. The Committee has urged management to ensure that scarce resources are prioritised appropriately and will be monitoring this aspect closely going forward;
- Assessed reports on the control environment in Europe Retail and Business Banking, UK Retail and Business Banking, Investment Bank, Africa, Operations & Technology and Wealth, hearing directly from the heads of those businesses and functions. The Committee's aim is to review each business area over an 18 month to 2 year cycle. In addition to understanding management's view of any control issues, the Committee was keen to understand the pace and progress of cultural change in each business and the tone being set from the top;
- Examined a report from the Chief Internal Auditor on the Internal Audit function's assessment of Barclays' business continuity plans. The Committee was satisfied with the progress made to achieve a minimum capability and reviewed management's plans to reduce further the risk exposure. It encouraged management to ensure that these plans were delivered in a timely fashion;
- Evaluated the progress being made on remediation activity relating to LIBOR, which included an external review as required by the Commodity Futures Trading Commission's Order. The Committee also examined the progress of work to improve the controls around other benchmarks and market information provided to third parties, including the introduction of independent reviews of submissions. 11 non-interest rate benchmarking processes were exited in 2013;
- Examined, on a regular basis, the progress being made to implement specific action plans first introduced in 2011 to enhance the control environment in Barclays' US businesses. The Committee noted that progress was being made but pressed management to ensure that milestones are achieved and that the demand for IT and Finance resource is appropriately met;
- Was updated on the number and nature of any whistleblowing incidents. The intense focus on culture and values has generated an increase in the number of whistleblowing reports, all of which were investigated. The Committee noted that there was scope for improving the whistleblowing process; and
- Continued to assess on a regular basis the progress being made to address key regulatory compliance control issues, including client assets, know your customer and customer due diligence, anti money laundering, financial crime and fraud. The Committee's focus was on ensuring that the governance and controls are appropriate and challenging the

Further details of the Group's system of internal control and risk management, including the main features of the internal control and risk management systems in relation to the financial reporting process, are included in the Directors' Report on pages 80 and 81 and in the Risk Management Report on pages 377 to 422.

Internal audit

The Committee is responsible for monitoring the performance and effectiveness of the internal audit function. In 2013 the Committee discharged that responsibility as follows:

- Approved the Internal Audit Charter, which is attached to the Committee's terms of reference;
- Discussed and approved changes to the Internal Audit methodology;
- Agreed the internal audit plan for 2013, including budget and resources, and assessed the plan on a regular basis, including any changes proposed to the scope of work and the level of resourcing available, satisfying itself that these remained appropriate;
- Discussed regular reports from the Chief Internal Auditor, which set out the Internal Audit function's view of the control environment and performance against any key indicators. In particular, where the Chief Internal Auditor's view of the control environment differed from management's self assessment, the Committee probed for more detail in order to understand the underlying reasons for the difference and whether management's risk and control assessments were robust. In future, in addition to an assessment of the control environment, Internal Audit's assessment of each business will also include an assessment of management's own identification of control issues;
- Tracked the progress of the Transform workstream on governance and controls, which was led by the Chief Internal Auditor and which aims to introduce a clearer risk management framework with greater clarity of management responsibility;
- Debated the findings of an external evaluation of the performance of the Internal Audit function, which confirmed that the Internal Audit function is effective and respected by senior management. The Chief Internal Auditor was not present for this discussion; and
- Held private sessions with the Chief Internal Auditor and the lead audit partner and latterly solely with the Chief Internal Auditor, in the absence of management, to enable the Chief Internal Auditor to raise any issues directly.

Assessing external audit effectiveness, appointing the auditor and safeguarding auditor objectivity and independence

The Committee is responsible for monitoring the performance, objectivity and independence of the external auditor, PricewaterhouseCoopers (PwC). In 2013 the Committee's main activities in discharging that responsibility were as follows:

- Agreed the audit plan with PwC, ensuring materiality and scope were appropriate and agreeing the particular areas of audit focus. This included ensuring that there were appropriate levels of synergy with the Internal Audit plan;
- Discussed PwC's approach to materiality following

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pace of the remediation programmes to ensure that all key milestones are met.

publication of the FRC's report in December 2013 on the guidelines used by the major audit firms and, in particular, considered the criteria which had led them to conclude on their overall materiality;

- Settled the terms of the engagement letter and approved, on behalf of the Board, the fees payable for the audit;

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- Held private sessions with the lead audit partner and the Chief Internal Auditor and latterly solely with the lead audit partner, in order to discuss any matters directly with the lead audit partner in the absence of management;
- Considered the Audit Quality Inspection Report on PwC for 2012/2013, issued by the FRC in May 2013 in order to be satisfied that the general quality of the audit work conducted by PwC is of a high standard and that any prior year findings have been acted upon;
- Questioned PwC on the actions it has continued to take to address matters raised in recent regulatory reviews. The Committee was reassured that appropriate steps have been taken; and
- Considered a report from PwC on the arrangements it has in place to maintain its independence and objectivity.

The Committee also re-evaluated the performance and effectiveness of the auditor and the external audit process. A survey of key management across the Group was conducted following the conclusion of the 2012 year-end audit. A further survey was carried out in late 2013/early 2014 and will be supplemented by a further test of stakeholder opinion (including non-executive Directors) following the conclusion of the 2013 year-end audit. These surveys are designed to establish internal perceptions of PwC's objectivity and independence; PwC's knowledge of the business, its risks and culture; the effectiveness of working relationships, particularly with Internal Audit; the level of insight and value added; and the levels of challenge and professional scepticism demonstrated. The results were presented to the Committee and debated without the lead audit partner present. From this and the Committee's direct experience from its interactions with PwC, the Committee concluded that it continued to be satisfied with the performance of PwC and that PwC continues to display the necessary attributes of objectivity and independence. The results of the survey, which included feedback on individual members of the audit team, were subsequently shared with the lead audit partner so that any areas for improvement could be followed up.

External audit tender

The Committee is very mindful of investor sentiment regarding external audit firm tendering and rotation and of course the changes to the Code in 2012 recommending that the external audit is tendered at least every ten years. In addition, 2014 is likely to see new regulation in this area both from the UK Competition Commission (implementing its decision to mandate tendering at least every ten years) and the European Union (requiring audit firm rotation at least every 20 years). The Committee has therefore spent time in 2013 and the early part of 2014 discussing a potential tender for the external audit. The lead audit partner was not present during the Committee's discussion of the options for a tender of the external audit.

PwC, and its predecessor firms, has been Barclays' auditor since 1896, and it is more than ten years since the external audit was last tendered. The lead audit partner rotates every five years and Andrew Ratcliffe, the current lead audit partner, has been in post since 2010 and will rotate at the conclusion of the audit for 2014. Transitional guidance issued by the FRC, if applied to Barclays, would suggest a tender for the 2015 audit. The Competition Commission's transitional guidance is not yet available, but is likely to mandate a tender slightly later than this. In addition the European Union's proposed transitional rules would require Barclays to replace PwC within 6 years of the Regulation coming into force.

The Committee has also had regard to the complexity and scale of the Barclays external audit and is particularly conscious of the degree of change impacting the business, including the Finance function, as a result of the Transform programme and the additional strain that both an audit tender and a change of audit firm would involve. In addition, the Committee noted that both the Group Finance Director and the Committee Chairman are new in role, the latter having previously been a senior partner in one of the audit firms likely to tender.

Weighing up all these factors, and with the Committee Chairman having recently spoken to a number of key investors, the Committee has recommended to the Board that, depending on the final rules from the Competition Commission and the European Union, a tender of the external audit should start in 2015 or 2016 with respect to the 2017 or 2018 audit and that PwC should not be invited to tender.

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Following all the above, and in particular the process of re-evaluation, the Committee recommended to the Board and to shareholders that PwC should be re-appointed as the Group's auditors at the AGM on 24 April 2014.

To help assure the objectivity and independence of the external auditor, the Committee has in place a policy that sets out the circumstances in which the external auditor may be permitted to undertake non audit services. Allowable services are pre-approved up to £100,000, or £25,000 in the case of certain taxation services. Any proposed non-audit service that exceeds these thresholds requires specific approval from the Chairman of the Committee before the auditor can be engaged. Such proposals must be robustly justified and, if appropriate, tendered, before they are approved. During 2013, the Chairman of the Committee scrutinised all such requests for approval, particularly those that concerned taxation-related services, and two requests for approval were declined. In particular, for tax advisory services the Committee's instruction to management is not to use the external auditor unless an exceptional case can be made for not engaging an alternative supplier.

The Committee assessed quarterly reports on non-audit services undertaken by the auditor in order to satisfy itself as to the types of services being provided and to which businesses and the fees incurred. While the level of non-audit services provided by PwC has fallen in recent years, the Committee made clear to management that it wished to see a further reduction in the level of non-audit fees payable to PwC and that the default position should be to use another firm. Subsequently, a communication was issued to all business Chief Financial Officers across the Group emphasising the Committee's instructions.

A breakdown of the fees paid to the auditor for non-audit work during 2013 may be found in note 44 on page 368, with non-audit fees representing 28.5% of the audit fee (2012: 25.7%). Assurance activity conducted by the external auditor in connection with the rights issue in 2013 resulted in a slight increase in the level of non-audit fees year on year. Significant categories of engagement undertaken in 2013 included: attest and assurance services associated with the production of reports and comfort letters in connection with Barclays' rights issue; quality assurance services relating to Barclays new performance management system; and tax compliance services for ongoing assignments initiated pre-January 2011 in connection with our expatriate and international assignees. In each case, the request to use the auditor for these services was sponsored by a senior executive, who was required to demonstrate to the Committee a robust and thorough value case for using the auditor, including an explanation of any tender process conducted, any alternative providers considered and the criteria on which the decision to award the service to the auditor was made, including the specific skills and experience to be provided by the auditor. In addition, in each case the relevant audit partner was required to attest that provision of the services had been approved in accordance with the auditors' own internal ethical standards and that the auditors' objectivity and independence would not be compromised.

Further details of the non-audit services that are prohibited and allowed under the policy can be found in the corporate governance section of Barclays' website, Barclays.com. 2014 is likely to see new regulation on non-audit services from the European Union, introducing certain restrictions around the provision of non-audit services by the auditor and a 70% non-audit services fee cap. The Committee will review the policy to take into account any new requirements that are introduced

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and will implement a limit for non-audit services of £250,000 over and above which the Committee will be required to approve such requests.

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Board Enterprise Wide Risk Committee



Board Enterprise Wide Risk Committee Report

'We established the Committee at the end of January 2013 as part of an enhanced Board-level framework for the governance of risk.'

Sir David Walker
Chairman, Board Enterprise Wide Risk Committee

The Committee's terms of reference are available at Barclays.com/corporategovernance

This is the first report of the new Board Enterprise Wide Risk Committee, which we established at the end of January 2013 as part of an enhanced Board-level framework for the governance of risk. I describe below the Committee's role and responsibilities, its composition and how we discharged our responsibilities in 2013.

Role and responsibilities

The Committee is responsible for:

- Recommending to the Board the Group's overall risk appetite;
- Reviewing the aggregated risk profile for the Group and performance against risk appetite;
- Identifying the potential impact of key issues and themes that may impact the enterprise wide risk profile of the Group and ensuring that the Group's overall risk profile and risk appetite remain appropriate; and
- Seeking to identify and assess future potential risks which, by virtue of their unfamiliarity, uncertainty and deemed low probability, may not have been factored adequately into review by other Board Committees.

The Committee was established on 31 January 2013 and membership comprises the Chairman, Deputy Chairman and the Chairmen of each of the principal Board Committees. David Booth retired from the Committee on 31 December 2013 on retiring from the Board. Mike Ashley (Chairman, Board Audit Committee) and Tim Breedon (Chairman, Board Financial Risk Committee) joined the Committee with effect from 1 January 2014.

Committee composition

Membership of the Committee and attendance at meetings in 2013 is set out below:

Member	Meetings attended/eligible to attend
Sir David Walker	● ●
David Booth (to 31 December 2013)	● ●
Sir Michael Rake*	● □
Sir John Sunderland	● ●

● Attended □ Did not attend

* unable to attend 1 meeting owing to a prior business commitment

Board Enterprise Wide Risk Committee Allocation of Time (%)

1 Risk Profile/Risk Appetite **2013**
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The Committee's work

The Committee met twice in 2013, as planned, with meetings timed to take place around the half and full-year periods. The chart opposite shows how the Committee allocated its time during 2013. Committee meetings were attended by management, including the Group Chief Executive, Group Finance Director, Chief Internal Auditor, Chief Risk Officer, General Counsel and the then Head of Compliance, Government and Regulatory Relations.

In 2013 the Committee's main activities in discharging its responsibilities were as follows:

- Identified and prioritised key enterprise-wide risk themes, which resonate across the business and may impact Barclays' overall risk profile. They can be seen across the activities of the principal Board Committees, described in their reports. They are:

Theme	Significance
Europe	The possibility of a Eurozone crisis remained during 2013, as the weak growth outlook continued to raise concerns about sovereign creditworthiness in some countries.
Political Instability	The possibility that Barclays' risk profile could be adversely impacted by deterioration of political stability in one or a number of countries in any of its main business geographies.
Quantitative Easing	The possibility of a slowing of monetary stimulus by one or more governments has increased the uncertainty of near term economic performance across our main business areas.
Leverage/Regulatory Rules	Risk of failing to meet the PRA's expectations in relation to the Leverage Ratio by June 2014. While CRD IV has been issued, risks remain in respect of both its implementation and the additional requirements applied to each country.
Internal Controls	The Transform programme is driving a period of significant strategic and organisational change, which in the short term, during implementation, may heighten operational risk exposure.

- Debated the risks and opportunities arising from the changing external environment, particularly the political environment, how this might impact the business in future and how Barclays might position itself;
- Debated ways in which risks that might lie ahead can be identified, by implementing a radar system to scan the horizon for issues, estimate the impact and probability and discuss possible mitigation. The Committee's discussion focused on establishing ways of achieving line of sight into 'unknown unknowns' and ensuring that alternative perspectives are taken into account when assessing potential future risks;
- Assessed and recommended to the Board the Group's overall risk appetite for 2014, encompassing financial risk (credit, market and funding), operational risk and conduct and reputation risk, taking a holistic view of the Group's risk profile and how the different risk types interact;
- Evaluated and approved Barclays' Enterprise Risk Management Framework, which replaced the Principal Risks Policy and is one of the key outputs from the Transform programme workstream examining the risk and control framework; and
- Examined the split of responsibilities across each of the principal Board Committees to satisfy itself that there is no underlap and that any overlap is being managed effectively. This included agreeing high-level principles for the allocation of responsibilities across the Board Audit Committee, Board Conduct, Reputation and Operational Risk Committee and Board Financial Risk Committee, which will inform each Committee's agenda for 2014.

Sir David Walker

Chairman, Board Enterprise Wide Risk Committee
3 March 2014

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Board Financial Risk Committee



Board Financial Risk Committee Report

‘Changes to regulatory requirements for capital and liquidity, in order to ensure the safety and soundness of financial institutions and their ability to withstand systemic shocks, continue apace.’

Tim Breedon

Chairman, Board Financial Risk Committee

The Committee's terms of reference are available at Barclays.com/corporategovernance

Dear Shareholders

I succeeded David Booth as Chairman of the Committee on 1 January 2014, having been a member of the Committee since late 2012. I would like to thank David on behalf of the Committee for his significant contribution, both as a member of the Committee and latterly as Chairman.

The report that follows describes how the Committee discharged its responsibilities during 2013 and provides an insight into the material issues it considered. 2013 saw the Committee refocus on financial risk – credit, market and funding risk – as scrutiny of operational risk moved within the remit of the Board Conduct, Reputation and Operational Risk Committee. This has enabled the Committee to dig deeper into some of the key financial risk issues facing Barclays, for example, redenomination risk, tax risk and pension risk, and to provide additional scrutiny around risk governance and limit frameworks. You can read more about the Committee's role in the management of redenomination risk below, in the 'Governance in Action' section. The Committee also continued to play a part in examining Barclays' financial risk profile and in determining the scenarios to be used in Barclays' stress testing exercises and evaluating the outcomes and the potential impact.

Changes to regulatory requirements for capital and liquidity, in order to ensure the safety and soundness of financial institutions and their ability to withstand systemic shocks, continue apace. 2014 will see implementation of CRD IV, the text of which was finalised in 2013, although the precise details of its implementation in the UK are still to be agreed. We also expect to see a continuation of weak economic conditions in some of our main markets and our focus will be on ensuring that we continue to identify potential financial risks and have in place a range of appropriate mitigating actions.

Tim Breedon

Chairman, Board Financial Risk Committee
3 March 2014

Committee composition

Membership of the Committee and attendance at meetings in 2013 is set out below:

Member	Meetings attended/eligible to attend
David Booth (Chairman) (to 31 December 2013)	● ● ● ● ● ● ● ●
Mike Ashley (from 18 September 2013)	● ● ●
Tim Breedon (Chairman from 1 January 2014)	● ● ● ● ● ● ● ●
Reuben Jeffery	● ● ● ● ● ● ● ●
Sir Andrew Likierman (to 25 April 2013)	● ●
Dambisa Moyo*	● ● ● ● ● ● ● ●
Sir Michael Rake	● ● ● ● ● ● ● ●

● Attended ● Did not attend
 * unable to attend 1 meeting owing to a prior business commitment

Board Financial Risk Committee Allocation of Time (%)



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Role and responsibilities

The Committee's responsibilities include:

- Recommending to the Board Enterprise Wide Risk Committee and the Board the total level of financial risk the Group is prepared to take (risk appetite) to achieve the creation of long-term shareholder value;
- Monitoring financial risk appetite, including setting limits for individual types of financial risk, e.g. credit, market and funding risk;
- Monitoring the Group's financial risk profile;
- Ensuring that financial risk is taken into account during the due diligence phase of any strategic transaction; and
- Providing input from a financial risk perspective into the deliberations of the Board Remuneration Committee.

Committee composition

Mike Ashley joined the Committee in September 2013 and Sir Andrew Likierman left the Committee in April 2013 on retiring from the Board. David Booth retired from the Committee on 31 December 2013 on retiring from the Board, and was succeeded as Chairman by Tim Breedon with effect from 1 January 2014. Steve Thieke joined the Committee in early 2014 on his appointment to the Board. Details of the skills and experience of the Committee members can be found in their biographies on pages 83 to 85.

The Committee's work

The Committee met six times in 2013. The chart on the previous page shows how the Committee allocated its time during 2013. Committee meetings were attended by management, including the Group Chief Executive, Group Finance Director, Chief Internal Auditor, Chief Risk Officer, Barclays Treasurer and General Counsel, as well as representatives from the businesses. The lead audit partner from the external auditor also attended each meeting. During the year the Committee held one of its meetings in New York and another in Johannesburg. In addition to the formal Committee meetings, the Committee held a briefing session on Pillar 3 reporting.

In discharging its responsibilities during 2013, the Committee:

Risk Appetite

- Examined the proposed financial risk appetite for 2014 before recommending it to the Board Enterprise Wide Risk Committee for approval. Taking a 1 in 7 scenario and a 1 in 25 scenario, the Committee assessed the performance of agreed financial volatility parameters in those scenarios to establish any potential constraints. The financial volatility parameters are largely unchanged from 2013, although they have been updated to include the Common Equity Tier 1 ratio and leverage ratio in light of regulatory requirements. The Committee concluded that the proposed financial risk appetite affords some headroom should any additional conduct risk issues crystallise in 2014;

Risk Profile

- Debated the quarterly Financial Risk Profile Report, which provided an update on credit, market, funding and liquidity risk in each of Barclays' main businesses, in order to satisfy itself that the financial risk profile of the Group remained appropriate. The Committee was especially concerned to understand the potential impact of continuing weak economic conditions in each of Barclays' main markets, in particular, the continuing possibility of a Eurozone crisis and the potential impact of a slowdown in monetary stimulus by one or more governments on economic performance. Redenomination risk in the Eurozone was scrutinised regularly by the Committee and further details of the Committee's activity in this area are given below;
- Approved scenarios for Barclays' internal stress testing exercise and later evaluated the outputs. The scenario of a severe global recession was in line with the scenario operated by the PRA in its stress testing exercise. The Committee also endorsed a recommendation by management to run a sensitivity analysis on the potential impact of a disorderly cessation of quantitative easing. The stress testing exercises demonstrated that Barclays maintains acceptable leverage and capital ratios at the low points of the stress and the Committee was content with the results of the exercise;
- Regularly examined actual and forecast performance against the capital plan and capital targets, actual and forecast performance against liquidity risk appetite and the leverage ratio, via discussion of regular reports from Barclays Treasurer. In view of evolving regulatory requirements, the Committee encouraged management to develop a range of contingency options in order to ensure that the targets can continue to be met. Further details of Barclays' capital and liquidity risk management framework can be found in the Risk Management section of the Annual Report;
- Requested a 'deep dive' into pension risk. The Committee evaluated the impact of volatility in the defined benefit pension scheme's liabilities on Core Tier 1 capital, given the sensitivity to inflation and interest rates. The main potential risks arise from any increase in inflation and the Committee considered whether there were any opportunities to reduce inflation risk over the next few years and the potential cost of doing so; and
- Regularly debated tax risk during 2013, in particular, the status of discussions with key tax authorities relating to matters that remain outstanding with regard to transactions from prior periods and the implementation of new tax principles within the Group. The Committee was content with the new tax risk governance framework that has been implemented, which is aligned to Barclays' Purpose and Values, and asked to be kept updated on the status of settlement discussions with key tax authorities on prior period transactions.

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Board Financial Risk Committee continued

Risk Management Governance and Framework

- Assessed and approved enhancements to the governance around the limits applied to Barclays' Leveraged Finance and Capital Markets Underwriting businesses. The enhancements approved by the Committee are designed to improve controls given the scale of the business.
- Requested a review of models and model governance and assessed the work that has been done to meet supervisory guidance on Model Risk Management issued by the US Federal Reserve and the Office of the Comptroller of Currency. This guidance sets out expectations for achieving effective challenge, including independent validation of models, by way of critical analysis by objective, informed parties. Having assessed progress made to date, the Committee was content with the changes made to the governance and framework and the introduction of policies and standards. In 2013, 78 of the 83 most significant risk models were reviewed and validated and the Committee encouraged management to achieve full review and validation of all of the most significant risk models on an annual basis by the end of 2014.
- Debated the actions that are under way to implement a target operating model for the Risk function in view of greater functionalisation across the Group, in particular, the plans to implement a global shared services model, which should deliver more consistent processes and standards, improve efficiency and effectiveness, reduce costs and reinforce the independence of the risk function. The Committee endorsed the plans and requested further progress reports as implementation progresses.

Risk in Remuneration

- Assessed the input provided to the Board Remuneration Committee on the risk metrics to be used to determine financial performance and evaluated the Risk function's view of performance, which informed remuneration decisions for 2013. Matters to be taken into consideration included performance against risk profile, impairment performance against budget and control processes and the Committee requested that certain regulatory issues and risk control issues were reflected. The Remuneration Report on pages 89 to 125 includes more detail on how risk is taken into account in remuneration decisions.

Risk Due Diligence

- Asked management to undertake a post-acquisition review of the acquisition of certain portfolios from Edcon Proprietary Limited. The portfolio, acquired in 2012, had not performed as well as the acquisition business case had forecast, although its returns at that time still exceeded the Group's target. The Committee was keen to learn any lessons for future risk due diligence exercises, which were identified as greater consideration of execution risks and further financial analysis of potential economic and regulatory scenarios. At the Committee's request, the outputs of the review were shared more widely with senior management across the Group.

Further details of the Group's system of internal control and risk management are included in the Directors'

Governance in action**Redenomination Risk**

A significant area of focus for the Committee during 2013 was redenomination risk, in view of Barclays' exposures in peripheral Eurozone countries. The focus of the Committee's attention was Spain, Portugal and Italy, as Barclays' exposures in Greece and Ireland are not considered to be material.

Redenomination risk in this instance arises when local assets are greater than local funding – there is a risk from the potential depreciation of locally held assets against international liabilities in the event of any disorderly exits from the Eurozone. In view of continuing concerns arising from economic and political conditions in the Eurozone, the Committee challenged management to eliminate redenomination risk as far as possible over the course of the year and requested regular updates on the actions taken and their impact.

Management had established a Euro Crisis Committee, chaired by the Chief Risk Officer and reporting up to the Committee, specifically tasked with managing redenomination risk. Actions taken in 2013 to close the funding gap have included seeking local Euro funding to replace Sterling denominated funding provided by the Group, via a combination of the European Central Bank's Long-Term Refinancing Operation, funding from local central banks and raising local deposits. Further actions have included reducing available for sale sovereign bond portfolios, particularly in Spain and Portugal. Action has also been taken to dispose of local assets, with positions in Spain, Portugal and Italy reduced across all asset classes. In addition, a reverse stress testing exercise involving Eurozone break-up scenarios has been run and detailed contingency planning for any Eurozone exit has been developed and tested. The Committee supported and encouraged these actions.

The Committee regularly assessed the progress being made during 2013 and continues to press management to explore further options to reduce redenomination risk, in particular with respect to Italy. During 2013, the net funding mismatch continued to decrease from €11.8bn to €11.6bn in Italy and from €4.1bn to €3.0bn in Portugal. The excess of local liabilities over local assets in Spain increased from €2.3bn to €3.1bn.

Report on pages 80 and 81 and in the Risk Management
Report on pages 377 to 422.

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Board Conduct, Reputation and Operational Risk Committee

Board Conduct, Reputation and Operational Risk Committee Report

‘I am greatly encouraged by the additional time, focus and rigour the new Committee is bringing to these important areas of non-financial risk.’

Sir David Walker

Chairman, Board Conduct, Reputation and Operational Risk Committee

The Committee's terms of reference are available at Barclays.com/corporategovernance

In early 2013, the Board decided to create a new Board Conduct, Reputation and Operational Risk Committee, with a remit to cover Conduct, Reputation and Operational risk. 2013 was therefore the first full year of operation for the Committee and the report that follows describes its role and how it discharged its responsibilities over the past 12 months.

Our primary focus during 2013 was on developing Barclays' approach to Conduct risk, where we have spent time establishing what it means for Barclays and how we will manage it in a way that ensures positive outcomes for our customers and clients. The 'Governance in Action' section below provides more detail on the Committee's role in developing Barclays' approach to Conduct risk. Another key area of focus for the Committee has been assessing the pace and strength of cultural change at Barclays and I report on this below.

I have chaired the Committee during its formative stages and am greatly encouraged by the additional time, focus and rigour the new Committee is bringing to these important areas of non-financial risk. Reuben Jeffery will take over from me as Committee Chairman with effect from 1 April 2014.

Role and responsibilities

The Committee is responsible for ensuring, on behalf of the Board, the efficiency of the processes for identification and management of Conduct risk, Reputation risk and Operational risk. It also has responsibility for oversight of the Barclays' Citizenship Strategy, including the management of Barclays' economic, social and environmental contribution.

The Committee reports to the Board both directly and through the Board Enterprise Wide Risk Committee.

Committee composition

I have chaired the Board Conduct, Reputation and Operational Risk Committee from the outset and I am joined by seven non-executive Directors, all of whom are considered independent for the purposes of the Code, with the exception of Wendy Lucas-Bull. Our names and

Committee composition

Membership of the Committee and attendance at meetings in 2013 is set out below:

Member	Meetings attended/eligible to attend
Sir David Walker (Chairman)	● ● ● ● ●
Tim Breedon (from 1 February 2013)	● ● ● ● ●
Reuben Jeffery (from 1 April 2013)	● ● ● ● ●
Wendy Lucas-Bull (from 1 December 2013)	●
Dambisa Moyo*	● ● ● ● ●
Diane de Saint Victor (from 1 March 2013)	● ● ● ● ●
Sir John Sunderland	● ● ● ● ●

● Attend ○ Did not attend

* unable to attend 1 meeting owing to a prior business commitment

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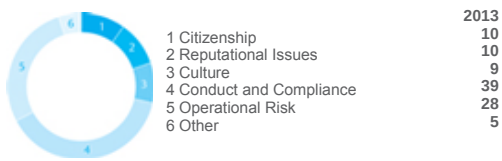
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Board Conduct, Reputation and Operational Risk Committee Allocation of Time (%)



attendance at meetings during 2013 are set out in the table opposite.

Given its expanded remit, it was agreed that the Committee would benefit from the additional experience provided by Tim Breedon, Reuben Jeffery, Wendy Lucas-Bull and Diane de Saint Victor, who each joined the Committee during 2013. In addition, Mike Ashley joined the Committee in early 2014.

Our Chief Risk Officer, Head of Compliance and Chief Internal Auditor are expected to attend each meeting. Our Group Chief Executive, Antony Jenkins, attended all four meetings in 2013.

The Committee's work

The Committee met four times in 2013. The chart opposite shows how the Committee allocated its time during 2013.

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Board Conduct, Reputation and Operational Risk Committee continued

Operational risk

- At each meeting we examined the Operational Risk Profile Report, which provides us with an overview of Operational risk across the Group. Barclays has for the first time put in place a statement of operational risk appetite, together with quantitative and qualitative measures for assessment. The draft statement and assessment approach were scrutinised by the Committee in June and we recommended them to the Board for approval. In December we examined and recommended the proposed 2014 Operational Risk Appetite to the Board Enterprise Wide Risk Committee and the Board.
- During 2012 the Board Risk Committee (now the Board Financial Risk Committee) had identified that Technology Risk is a key area of risk for Barclays, as it is likely to be for other banks. In March, we held our first operational risk 'deep dive' focused on Technology Risk. We challenged management to further reduce the number of technology risk incidents and increase the pace of remediation for control issues.
- Our scrutiny of the operational risk profile also highlighted the need for a deep dive into Cyber Risk which is the risk of attacks on Barclays, attacks on Barclays' customers and attacks on service availability. We debated the issue at length, probing management for details of the resources and investment we are devoting to cyber risk, and what contingency we have in place should a cyber attack be successful. We asked to be kept regularly updated.

Implementing and monitoring cultural change

- Barclays is changing and a significant part of that is cultural change; our people need to live and breathe our new purpose and values in order to ensure that we achieve our ambition of becoming the 'Go-To' bank. The Committee has therefore assumed Board oversight responsibility for implementing and monitoring cultural change. The approach to cultural and behavioural change focuses strongly on leadership behaviour and during 2013 has been measured using a proprietary tool - 'Transforming Barclays', which has gained insights into the conditions for success from colleague surveys, senior leadership forums and a pan-Barclays communication event, the Barclays Jam.
- Over the year we have seen evidence of strong belief in our Purpose and Values and the results from internal surveys have been positive. For example, 97% of the senior leadership group believe that they can make decisions aligned to the Barclays Purpose and, in a Group-wide colleague survey, the score for sustainable engagement was 74%. We challenged management to ensure that an external perspective was obtained in order to ensure that customers and stakeholders agree that we are changing. We expect to see evidence of this in 2014.

Citizenship

- Our focus on Citizenship in 2013 was on the annual Citizenship Day and developing a long-term '2020 Citizenship Vision'. We agreed with management that we needed to emphasise our commitments to society, focusing on execution and equipping leaders across the Group to take societal impacts into account in their decision making. We pressed management to strengthen communication of strategy and what we are

Governance in action**Conduct risk**

We spent time at the outset in defining what Conduct risk means for Barclays, how much Conduct risk we are prepared to accept and how we measure and manage it.

Our first step was to scrutinise management's proposed definition of Conduct risk. We agreed that, for Barclays, Conduct risk is 'the risk that detriment is caused to our customers, clients or counterparties or Barclays and its employees because of inappropriate judgment in the execution of our business activities'. We established our proposed tolerance, or appetite, for Conduct risk, agreeing that Barclays has no tolerance for such risk.

We scrutinised the proposed accountability framework, outcome statements and management information for Conduct risk and emphasised that, in addition to putting in place a sound framework, there must be focus on ensuring the right people are in place to run the businesses and that providing the right training was crucial.

We requested that Conduct risk reports give more consideration to forward-looking aspects and how they are shaping the thinking on the management of Conduct risk. Management will report quarterly, including key observations drawn from the management information reported by each business, and commentary from the 'second line of defence' on risks and actions to be taken. The reports will also draw out themes across the businesses, and any issues escalated to the management committee responsible for Conduct and Reputational risk, plus any developments in the external environment. For example, where a business has decided to exit or cease to offer a product, the focus will be on ensuring that appropriate processes are in place to identify and manage any potential Conduct risk arising from that decision. These reports will allow us to monitor Conduct risk effectively going forward and allow the Group to manage it proactively, rather than reactively.

The Committee examined the governance arrangements designed to bring Conduct and Reputational risk issues together, and pressed management for assurance that the structure ensured sufficient executive level accountability. After some discussion we were content to support the structure as proposed but emphasised the need for regular review to ensure it remains effective. We also emphasised that there could be greater focus on the duty of care owed to our customers and their need to understand our products.

We scrutinised the Group's approach to product development in light of Conduct risk. We were assured that the new product approval process in our UK Retail Bank had been revised and, although now a good process, would be refined further.

Going into 2014 we are confident that we have an effectively designed Conduct risk management framework in place. From 1 January 2014 our businesses have taken responsibility for the management of Conduct risk and will report against the thresholds set out in the framework. 2014 will be a transition year as the businesses embed the new approach in decisions and processes. We will be

doing to deliver it.

Reputation

- Throughout 2013 the Committee monitored Reputational risk at Barclays, asking management to provide a more thematic view of risks to Barclays and to carry out 'horizon scanning' in order to identify approaching risks early, before they crystallise, giving us the opportunity to mitigate them.
- We also examined and recommended to the Board for approval our new Group-wide Code of Conduct, 'The Barclays Way' which was developed following extensive stakeholder engagement.

Sir David Walker

Chairman, Board Conduct, Reputation and Operational Risk Committee
3 March 2014

monitoring this transition closely and will report back to you on progress in our 2014 Annual Report.

The Committee also assessed the process in place for authorising Directors' conflicts of interest and concluded that they have been effective. The processes are described in 'Corporate Governance in Barclays' available on our website Barclays.com.

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Board Corporate Governance and Nominations Committee


Board Corporate Governance and Nominations Committee Report

‘We seek to ensure that Barclays has the right people in place to achieve its goal of becoming the ‘Go-To’ bank.’

Sir David Walker

Chairman, Board Corporate Governance and Nominations Committee

The Committee's terms of reference are available at Barclays.com/corporategovernance

2013 saw the Committee focus on Board and Board Committee composition and succession planning, resulting in a number of new appointments to the Board and changes to Board Committee membership, including the appointment of new chairmen for the Board Audit Committee and Board Financial Risk Committee. We also saw significant progress towards our Board Diversity targets, achieving our 2013 target of having 20% of the Board comprised of women by 2013. More information about Board Diversity can be found on page 57 and our Board Diversity Policy is available on our website, Barclays.com.

Executive succession and talent management occupied a substantial amount of time at each of the Committee's meetings in 2013, as we seek to ensure that Barclays has the right people in place to achieve its goal of becoming the ‘Go-To’ bank. You will learn more about the Committee's activities in respect of talent management in the ‘Governance in Action’ section, opposite.

Role and responsibilities

The Committee is responsible for ensuring that the composition of the Board and its Committees is appropriate and enables them to function effectively. This requires us to regularly examine the skills, experience and diversity on the Board and each Committee and look ahead at any upcoming retirements. Where we identify gaps, either in the short, medium or longer term, it is our role to find a way to fill those gaps by, for example, identifying and recommending new Directors, or recommending changes in Committee membership. Succession planning for key Board positions, such as the Group Chief Executive, Senior Independent Director and Committee Chairmen, forms a part of our wider remit.

In addition to our responsibility for talent at Board level, we are responsible for the oversight of the Group's Talent Management Programme.

We are responsible for agreeing the annual Board effectiveness review process and monitoring any actions arising. We also keep abreast of corporate governance issues and developments to ensure that Barclays' practices remain in line with best practice.

Committee composition

Membership of the Committee and attendance at meetings in 2013 is set out below:

Member	Meetings attended/eligible to attend
Sir David Walker (Chairman)	● ● ● ● ●
David Booth (to 31 December 2013)	● ● ● ● ●
Sir Michael Rake	● ● ● ● ●
Sir John Sunderland	● ● ● ● ●

● Attended □ Did not attend

Note
Mike Ashley and Tim Breedon joined the Committee with effect from 1 January 2014. Our Group Chief Executive Officer, Antony Jenkins, also attends each meeting, although he will excuse himself if the matter of succession to his role is discussed. The Chairman will excuse himself if the matter of succession to his role is discussed.

Board Corporate Governance and Nominations Committee Allocation of Time (%)

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**Committee composition**

As Chairman of the Board, I also Chair the Board Corporate Governance and Nominations Committee. Joining me on the Committee are the Chairmen of each of our other Board Committees and the Deputy Chairman. During 2013 there were four members in total and our names and attendance at meetings during 2013 are set out in the table opposite.

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Board Corporate Governance and Nominations Committee continued

The Committee's work

The Committee held four meetings in 2013, one of which was an additional meeting to consider Executive Committee changes. The chart opposite shows how the Committee allocated its time during 2013.

Board and Committee Composition and Succession Planning

As described on page 56, the Board went through a period of significant refreshment in 2013, with five new Directors having joined, and three having retired. This refreshment arose from a concerted focus by the Committee on Board and Committee composition, anticipating how it is likely to change, confirming its ideal size and the appropriate mix of skills, experience and diversity and concluding what changes were needed for the future. These issues were debated at each of our scheduled meetings and our conclusions reported to the next Board meeting. Actions agreed were implemented and followed up at the next meeting. For example, we agreed that a search should commence for a new non-executive Director with specific accounting expertise to provide succession options for chairing the Board Audit Committee. I ensured that the Committee was kept updated on progress and sought their views, both in formal meetings and informally. Mike Ashley was identified as a suitable candidate and was interviewed separately by me, Antony Jenkins, Chris Lucas, our then Group Finance Director, and other members of the Committee. The Committee recommended Mike Ashley's appointment to the Board on the basis of positive feedback from all Board members who interviewed him. Mike Ashley succeeded Sir Michael Rake as Chairman of Board Audit Committee with effect from 1 January 2014.

The Committee had specific regard to the independence criteria set out in the Charter of Expectations when considering the proposal that Sir John Sunderland should remain on the Board until the 2015 AGM in order to effect an orderly handover to a new Board Remuneration Committee Chairman.

Executive search firms, MWM Consulting and Egon Zehnder International, were instructed to assist with our Director searches in 2013. Neither external agency has any other connection with Barclays other than to provide executive recruitment services. Open advertising was not used in 2013 for Barclays non-executive Board positions, as we believe that targeted recruitment, based on the agreed role and person specification, is the optimal way of recruiting for these positions.

Board effectiveness

The Committee considered the process for the 2013 Board Effectiveness Review early in the year. We have had our Board Effectiveness Review externally facilitated each year since 2004 and we debated whether we should continue with external facilitation, or arrange an internally facilitated evaluation. We decided that we would like to remain at the forefront of best practice and agreed to continue with external facilitation. We also agreed to choose a new facilitator in order to refresh the process and to allay any residual concerns there may be around potential conflicts given our previous facilitator's executive recruitment business. After discussions with a number of external service providers it was agreed to appoint Bvalco as the external facilitator. Bvalco has no other connection with Barclays other than to provide Board evaluation services.

We also monitored progress against the actions arising from the 2012 Board Effectiveness Review. I provide an update on this, and the outcomes of the 2013 Board Effectiveness Review on page 58.

Corporate governance

We examined our proposed corporate governance disclosures in the 2012 Annual Report and debated whether it appropriately addressed the issues given the LIBOR settlement in 2012 and subsequent events. Our focus was on ensuring that our reporting was as

The Committee also assessed the processes in place for authorising Directors' conflicts of interest and concluded that they had been effective. The processes are described in 'Corporate Governance in Barclays' available on our website, Barclays.com.

Sir David Walker

Chairman, Board Corporate Governance and Nominations Committee
3 March 2014

Governance in action**Talent management**

We recognise that our people are our biggest asset and that we have a responsibility to our stakeholders, including our shareholders, customers and our people themselves, to ensure that we recruit the best, effectively manage their potential and that there are succession plans in place for key leadership positions. It is therefore crucial that there is Board level oversight of talent management.

We requested updates on talent management at each of our scheduled meetings in 2013 so that we could scrutinise the new multi-year talent strategy, which forms part of the Transform programme, and satisfy ourselves that it was fit for purpose.

We confirmed that the strategy, which is aimed at ensuring that Barclays has the right leadership now and for the future, is appropriate and challenged management to make significant progress on each of the identified initiatives.

Our discussions covered recruitment and talent management at all levels including our 'early career' recruitment programmes (our graduate recruitment and our apprenticeships programme), ensuring the mobility and diversity of high potential employees, including high potential women, and developing senior leaders.

Having challenged management to achieve a 50% female graduate intake in the Investment Bank, a traditionally male-dominated business area, management provided an update on the actions being taken to widen the pool from which graduates are recruited and to address perceptions of careers in financial services. These include sponsorship of female university sports teams and societies, partnerships with organisations involved in creating opportunities for graduates and introducing a diversity objective to senior leaders' objectives.

The Committee supported proposals to include a diversity metric in our new Balanced Scorecard and to encourage cross-business and cross-function moves. Internal mobility is being encouraged across the Group for all high potential employees, particularly for high-potential women, in order to ensure that career options are not confined to a particular business or function.

Both management and the Committee recognise that increasing diversity and developing talent are long-term objectives and we will continue to scrutinise progress closely in 2014.

transparent as possible.

We also discussed feedback that had been received from various institutional investors and investor bodies on remuneration issues and matters to be voted on at the 2013 Annual General Meeting.

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UK Corporate Governance Code

As Barclays is listed on the London Stock Exchange, we comply with the Code, which is publicly available at www.frc.org.uk. For the year ended 31 December 2013, we complied with the relevant provisions set out in the Code and applied the principles of the Code as described in this report, except as disclosed below:

- Provision C.3.7 of the Code requires that the external audit contract is put out to tender at least every ten years. This is a new provision of the Code that applies for financial years beginning on or after 1 October 2012 and one which the Chairman of the Board Audit Committee discussed with some of our major shareholders in early 2014. Barclays' external audit contract has not been re-tendered at any time in the past ten years. In view of potential new regulation that is likely from both the Competition Commission and European Union, Barclays is currently planning to tender its external audit in 2015 or 2016. The Board Audit Committee Report on page 62 provides further details.
- Provision E.2.3 of the Code requires that the Chairman should arrange for all Directors to attend the AGM. While such arrangements were made, Reuben Jeffery and Diane de Saint Victor were unable to attend the 2013 AGM owing to prior commitments. The Chairman and all Board Committee Chairmen attended and were available to answer questions.

Disclosure and Transparency Rules

Certain additional information that is required to be disclosed pursuant to DTR7.2.5 and DTR7.2.6 may be found in the Directors' Report on pages 78 to 82.

New York Stock Exchange (NYSE)

NYSE rules permit Barclays to follow UK corporate governance practices instead of those applied in the US, provided that any significant variations are explained. This explanation is contained in Barclays' 20-F filing, which can be accessed from the Securities and Exchange Commission's (SEC) EDGAR database or via our website, Barclays.com.

Sir David Walker
Chairman
3 March 2014

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Directors' report

The Directors present their report together with the audited accounts for the year ended 31 December 2013.

Other information that is relevant to the Directors' Report, and which is incorporated by reference into this report, can be located as follows:

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Corporate governance report	52-77
Employee involvement	86-88
Policy concerning the employment of disabled persons	87
Remuneration policy, including details of the remuneration of each Director and Directors' interests in shares or in derivatives or other financial instruments relating to such shares	89-125
Risk review	131-236
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The subsidiary and associated undertakings which principally affect the profits or net assets of the Group in the year	356-357
Rights and obligations attaching to shares	424-427
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Section 414A of the Companies Act 2006 requires the Directors to present a Strategic Report in the Annual Report and Accounts. The information can be found on pages 02 to 50.

The Company has chosen, in accordance with section 414 C(ii) of the Companies Act 2006, and as noted in this Directors' report, to include certain matters in its Strategic Report that would otherwise be required to be disclosed in this Directors' report.

An indication of likely future developments is given in the Strategic Report.

Profit and dividends

The adjusted profit for the financial year, after taxation, was £3,152m (2012: £5,440m). Statutory profit after tax for 2013 was £1,297m (2012: £181m). The final dividend for 2013 of 3.5p per share will be paid on 28 March 2014 to shareholders whose names were on the Register of Members at the close of business on 21 February 2014. With the interim dividends totalling 3p per ordinary share, paid in June, September and December 2013, the total distribution for 2013 is 6.5p (2012: 6.5p) per ordinary share. The interim and final dividends for 2013 amounted to £859m (2012: £733m).

Shareholders may have their dividends reinvested in Barclays shares by joining the Barclays PLC Scrip Dividend Programme (the Programme). At the Barclays 2013 AGM, shareholders approved the introduction of the Programme to replace the Barclays Dividend Reinvestment Plan. The Programme enables shareholders, if they wish, to receive new fully paid ordinary shares in Barclays PLC instead of a cash dividend, without incurring dealing costs or stamp duty. The Programme was initially offered for the second interim dividend, paid on 13 September 2013, and will also be offered for any future dividends (subject to the Directors making the Programme available for each dividend).

Board of Directors

The names of the current Directors of Barclays PLC, along with their biographical details, are set out on pages 83 to 85 and are incorporated into this report by reference. Sir Andrew Likierman, Chris Lucas and David Booth left the Board with effect from 25 April 2013, 16 August 2013 and 31 December 2013 respectively. Diane de Saint Victor, Frits van Paasschen, Mike Ashley, Wendy Lucas-Bull and Tushar Morzaria joined the Board on 1 March 2013, 1 August 2013, 18 September 2013, 19 September 2013 and 15 October 2013 respectively. There were no other changes to Directors in 2013. Stephen Thieke was appointed to the Board on 7 January 2014.

Appointment and retirement of Directors

The appointment and retirement of Directors is governed by the Company's Articles of Association (the Articles), the UK Corporate Governance Code (the Code), the Companies Act 2006 and related legislation. The Articles may only be amended by a special resolution of the shareholders.

The Board has the power to appoint additional Directors or to fill a casual vacancy amongst the Directors. Any such Director holds office only until the next AGM and may offer himself/herself for re-election. The Articles also require that at each AGM at least one-third (rounded down) of the Directors retire by rotation. The retiring Directors are eligible to stand for re-election. The Code recommends that all directors of FTSE 350 companies should be subject to annual re-election and all Directors will stand for election or re-election at the 2014 AGM with the exception of Fulvio Conti and Simon Fraser, who are retiring from the Board.

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Directors' indemnities

The Company maintains Directors' and Officers' liability insurance, which gives appropriate cover for any legal action brought against its Directors. In addition, qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2013 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office.

Qualifying pension scheme indemnity provisions (as defined by section 235 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2013 for the benefit of the then directors, and at the date of this report are in force for the benefit of directors of Barclays Pension Funds Trustees Limited as Trustee of the Barclays Bank UK Retirement Fund. The directors of the Trustee are indemnified against liability incurred in connection with the company's activities as Trustee of the retirement fund.

Similarly, qualifying pension scheme indemnities were in force during 2013 for the benefit of directors of Barclays Executive Schemes Trustees Limited as Trustee of Barclays Bank International Zambia Staff Pension Fund (1965), Barclays Capital International Pension Scheme (No.1), Barclays Capital Funded Unapproved Retirement Benefits Scheme, and Barclays PLC Funded Unapproved Retirement Benefits Scheme. The directors of the Trustee are indemnified against liability incurred in connection with the company's activities as Trustee of the schemes above.

Political donations

The Group did not give any money for political purposes in the UK or the rest of the EU nor did it make any political donations to political parties or other political organisations, or to any independent election candidates, or incur any political expenditure during the year. Barclays Africa Group Limited (formerly Absa Group Limited), in which the Group has a majority stake, made donations totalling £170,800 in 2013 (2012: £185,666) in accordance with its policy of making political donations to the major South African political parties as part of their Democracy Support Programme. The Group made no other political donations in 2013.

In accordance with the Federal Election Campaign Act, Barclays provides administrative support to a federal Political Action Committee (PAC) in the USA funded by the voluntary political contributions of eligible Barclays employees. The PAC is not controlled by Barclays and all decisions regarding the amounts and recipients of contributions are directed by a steering committee comprised of eligible contributors. Contributions to political organisations reported by the PAC during calendar year 2013 totalled \$16,000 (2012: \$63,564).

Environment

Barclays Climate Action Programme focuses on addressing environmental issues where we believe we have the greatest potential to make a difference. The Programme focuses on managing our own carbon footprint and reducing our absolute carbon emissions, developing products and services to help enable the transition to a low-carbon economy, and managing the risks of climate change to our operations, clients, customers and society at large. We invest in improving the

We have disclosed global greenhouse gas emissions that we are responsible for as set out by 'The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013'. We provide fuller disclosure across our carbon management and environmental programmes in the Barclays Citizenship report. More details may be found on our website at Barclays.com/citizenship.

	Current reporting Year 2013 ^a	Comparison Year 2012 ^b
Global GHG Emissions^c		
Total CO ₂ e (tonnes)	969,782	1,014,332
Scope 1 CO ₂ e emissions (tonnes) ^d	57,334	47,363
Scope 2 CO ₂ e emissions (tonnes)	732,096	779,844
Scope 3 CO ₂ e emissions (tonnes) ^e	180,352	187,126
Intensity Ratio		
Total Full Time Employees (FTE)	139,600	139,200
Total CO ₂ e per FTE (tonnes)	6.94	7.28

Notes:

- 2013 reporting year covers Q4 2012 and Q1, 2, 3 of 2013. The carbon reporting year is not fully aligned to the financial reporting year covered by the Directors' report. This report is produced earlier than previous carbon reporting to allow us to report within the year-end financial reporting timelines.
- 2012 reporting year is the full calendar year (Jan 2012 – Dec 2012).
- The methodology used to calculate our CO₂e emissions is the GHG Protocol Corporate Accounting and Reporting Standard (revised edition), using the operational control approach on reporting boundaries. Where properties are covered by Barclays consolidated financial statements but are leased to tenants who are invoiced for utilities, these emissions are not included in the Group GHG calculations.
 - Scope 1 covers direct combustion of fuels and company owned vehicles (from UK and South Africa only, which are the most material contributors).
 - Scope 2 covers emissions from electricity and steam purchased for own use.
 - Scope 3 covers indirect emissions from business travel (global flights and private cars, rail, taxis and car hire from UK and South Africa where this type of transport is material).
- Fugitive emissions from UK, Americas and Asia-Pacific are reported in Scope 1 for 2013. Fugitive emission data Europe and Africa was not available for this report but we are working to establish data for key operations in these regions for 2014. Fugitive emission data for 2012 is not available. Business travel reported in Scope 1 covers company cars in UK and South Africa. This covers the majority of our employees where we have retail operations with car fleets.
- Scope 3 is limited to emissions from business travel which covers global flights and UK and South Africa ground transportation. Ground transportation data (excluding Scope 1 company cars) covers UK and South Africa where this type of transport is material and data is available.

Research and development

In the ordinary course of business the Group develops new products and services in each of its business divisions.

Share capital

Share capital structure

The Company has ordinary shares in issue. The Company's Articles also allow for the issuance of Sterling, US Dollar, Euro and Yen preference shares (preference shares). No preference shares have been issued as at 28 February 2014 (the latest practicable date for inclusion in this report). Ordinary shares therefore represent 100% of the total issued share capital as at 31 December 2013 and 28 February 2014. Details of the movement in ordinary share capital during the year can be found in Note 32 on pages 344 and 345.

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energy efficiency of our operations and offset the emissions remaining through the purchase of carbon credits. We also have a long-standing commitment to managing the environmental and social risks associated with our lending practices, which is embedded into our Credit Risk processes. A governance structure is in place to facilitate clear dialogue across the business and with suppliers around issues of potential environmental and social risk.

On 31 October 2008, Barclays PLC issued, in conjunction with a simultaneous issue of Reserve Capital Instruments issued by Barclays Bank PLC, warrants (the Warrants) to subscribe for up to 1,516.9 million new Ordinary Shares at a price of £1.97775. On 13 February 2013 Barclays PLC and Barclays Bank PLC announced that they had entered into an agreement with Deutsche Bank AG and Goldman Sachs International (the Warrantholders) pursuant to which the Warrantholders had agreed to exercise in aggregate the 379.2m outstanding Warrants. As a consequence of this agreement no other Warrants remain outstanding.

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Directors' report continued

Exercisability of rights under an employee share scheme

Employee Benefit Trusts (EBTs) operate in connection with certain of the Group's Employee Share Plans (Plans). The trustees of the EBTs may exercise all rights attached to the shares in accordance with their fiduciary duties other than as specifically restricted in the relevant Plan governing documents. The trustees of the EBTs have informed the Company that their normal policy is to abstain from voting in respect of the Barclays shares held in trust. The trustees of the Global Sharepurchase EBT and UK Sharepurchase EBTs may vote in respect of Barclays shares held in the EBTs, but only as instructed by participants in those Plans in respect of their Partnership shares and (when vested) Matching and Dividend shares. The trustees will not otherwise vote in respect of shares held in the Sharepurchase EBTs.

Special rights

There are no persons holding securities that carry special rights with regard to the control of the company.

Major shareholders

Major shareholders do not have different voting rights from those of other shareholders. Information provided to the Company by major shareholders pursuant to the Financial Conduct Authority's DTR is published via a Regulatory Information Service and is available on the Company's website. As at 31 December 2013, the Company had been notified under Rule 5 of the DTR of the following holdings of voting rights in its shares.

Person interested	Number of Barclays Shares	% of total voting rights attaching to issued share capital ^a
Qatar Holding LLC ^b	813,964,552	6.65
BlackRock, Inc ^c	805,969,166	7.06
The Capital Group Companies Inc ^d	809,174,196 ^e	5.03

Notes:

- The percentage of voting rights and shares held are as calculated at the time of the relevant disclosures made in accordance with Rule 5 of the DTR and may not reflect the impact of the rights issue.
- Qatar Holding LLC is wholly-owned by Qatar Investment Authority.
- Total shown includes 8,003,236 contracts for difference to which voting rights are attached.
- The Capital Group Companies Inc (CG) holds its shares via CG Management companies and funds.
- This figure also includes the ordinary share equivalent of 361,579 ADRs.

The Company has not been notified of any changes to the holdings of major shareholders between 31 December 2013 and 28 February 2014.

Powers of Directors to issue or buy back the Company's shares

The powers of the Directors are determined by the Companies Act 2006 and the Company's Articles. The Directors are authorised to issue and allot shares, and to repurchase shares subject to annual shareholder approval at the AGM. Such authorities were granted by shareholders at the 2013 AGM. It will be proposed at the 2014 AGM that the Directors be granted new authorities to allot and buy-back shares.

Issue of shares pursuant to the Rights Issue

On 30 July 2013, Barclays announced an underwritten rights issue to raise approximately £5.8bn (net of expenses). Under the terms of the Rights Issue, Barclays offered 3,219,067,868 New Ordinary Shares by way of Rights to Qualifying Shareholders at 185 pence per New Ordinary Share. The Rights Issue was made on the basis of one New Ordinary Share for every four Existing Ordinary Shares held by shareholders at close of business on the record date, 13 September 2013. The latest date for acceptance of the Rights Issue was 2 October 2013, and by this date, Barclays received valid acceptances in respect of 3,046,197,378 New Ordinary Shares, representing 94.63% of the total number of New Ordinary Shares

Repurchase of shares

The Company did not repurchase any of its Ordinary Shares during 2013 (2012: none). As at latest practicable date, the Company had an unexpired authority to repurchase Ordinary Shares up to a maximum of 1,286,066,272 Ordinary Shares.

Change of control

There are no significant agreements to which the Company is a party that are affected by a change of control of the Company following a takeover bid. There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

Risk Management and Internal Control

The Directors have responsibility for ensuring that management maintain an effective system of risk management and internal control and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Barclays is committed to operating within a strong system of internal control that enables business to be transacted and risk taken without exposing itself to unacceptable potential losses or reputational damage. Barclays has an overarching framework that sets out Barclays approach to internal governance (the Barclays Guide). The Barclays Guide establishes the mechanisms and processes by which the Board directs the organisation, through setting the tone and expectations from the top, delegating its authority and monitoring compliance.

A key component of the Barclays Guide is the Enterprise Risk Management Framework (ERMF). The purpose of the ERMF is to identify and set minimum requirements in respect of the main risks to achieving the Group's strategic objectives and to provide reasonable assurance that internal controls are effective. The key elements of the Group's system of internal control, which is aligned to the recommendations of The Committee of Sponsoring Organizations of the Treadway Commission, Internal Control – Integrated Framework (COSO 2), are set out in the risk control frameworks relating to each of the Group's Key Risks and in the Group operational risk framework. As well as incorporating our internal requirements, these reflect material Group-wide legal and regulatory requirements relating to internal control and assurance.

Effectiveness of internal controls

Key controls are assessed on a regular basis for both design and operating effectiveness. Issues arising out of business risk and control assessments and other internal and external sources are considered to identify pervasive themes. Where appropriate, individually significant issues or those affecting more than one business may be categorised as having Group level significance and are reported to the Board Audit Committee via the Operational Risk and Control Committee. The Board Audit Committee monitors resolution of any identified control issues of Group level significance through to a satisfactory conclusion. In addition, regular reports are made to the Board Audit Committee by management, internal audit and the finance, compliance and legal functions covering in particular financial controls, compliance and other operational controls.

Risk management and internal control framework

The Directors formally review the effectiveness of the system of internal control annually. Processes are in place for identifying, evaluating and managing the significant risks facing the Group in accordance with the guidance 'Internal Control: Revised Guidance for Directors on the UK Corporate Governance Code' published by the Financial Reporting Council (the Turnbull Guidance).

offered to shareholders. The remaining 172,870,490 New Ordinary Shares were purchased by subscribers through the Underwriters for the Rights Issue.

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These processes include an attestation procedure which requires all significant processes and identified material risks to be assessed and recorded, together with the related key controls by the Heads of Businesses and Functions. As part of this, specific consideration is given to relevant information, including as a minimum: legal entities; any open control issues; any outstanding internal and external audit findings; regulatory reviews and any outstanding regulatory compliance matters; compliance with Group level policies; records of operational incidents and loss/risk events; experience of all types of fraud; and any other material control-related matters that have been raised either by management or via independent/external review. The status of any remediation in connection with these matters is also considered. The results of this attestation procedure were reported to the Board Audit Committee in February 2014, when it was noted that, although several of the attestations received referred to outstanding control design/operating effectiveness issues, none of these had prevented the Heads of Businesses or Functions from providing a Turnbull statement. All issues had identified remediation tasks and attributed timescales for resolution (or timescales being determined).

The Board regularly reviews these processes through its principal Board Committees. Regular risk reports are made to the Board covering risks of Group level significance, including Credit risk, Market risk, Funding risk, Operational risk, Conduct risk and Reputation risk. The Board Financial Risk Committee and the Board Conduct, Reputation and Operational Risk Committee receive reports covering the Principal Risks as well as reports on risk measurement methodologies and risk appetite. Further details of risk management procedures and potential risk factors are given in the Risk Management section on pages 377 to 422.

As discussed in the Risk review section of the Annual Report a number of matters were made public during the course of 2013 which related to failings in the design and/or operation of certain controls other than those over financial reporting. Whilst the matters were disclosed in 2013, many of the failings giving rise to those issues occurred in prior periods. Management has reviewed the specific control processes impacted and concluded that these are now designed and operating effectively. Areas of ongoing control remediation are not considered to constitute material control failings. In addition to the above matters, a number of other issues are currently being analysed to assess their potential to impact on the control environment and the materiality of any such impact. Remediation plans will be defined and implemented, where necessary.

Controls over financial reporting

A framework of disclosure controls and procedures is in place to support the approval of the Group's financial statements. The Legal and Technical Review Committee is responsible for reviewing the Group's financial reports and disclosures to ensure that they have been subject to adequate verification and comply with legal and technical requirements. The Committee reports its conclusions to the Disclosure Committee. The Disclosure Committee considers the content, accuracy and tone of the disclosures and reports its conclusions to the Group Executive Committee and the Board Audit Committee, both of which review its conclusions and provide further challenge. Finally, the Board reviews and approves results announcements and the Annual Report and ensures that appropriate disclosures have been made. This

Management's report on internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed under the supervision of the principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and the International Accounting Standards Board (IASB).

Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorisations of management and the respective Directors; and provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements.

Internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that internal controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed internal control over financial reporting as of 31 December 2013. In making its assessment, management has utilised the criteria set forth by COSO 2. Management concluded that, based on its assessment, the internal control over financial reporting was effective as of 31 December 2013. Our independent registered public accounting firm has issued a report on the Group's internal control over financial reporting, which is set out on page 276.

The system of internal financial and operational controls is also subject to regulatory oversight in the UK and overseas. Further information on supervision by the financial services regulators is provided under Supervision and Regulation in the Risk review section on pages 230 to 235.

Changes in internal control over financial reporting

There have been no changes in the Group's internal control over financial reporting that occurred during the period covered by this report which have materially affected or are reasonably likely to materially affect the Group's internal control over financial reporting.

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governance process ensures both management and the Board are given sufficient opportunity to review and challenge the Group's financial statements and other significant disclosures before they are made public.

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Directors' report >

Directors' report continued

Going concern

The Group's business activities and financial position, the factors likely to affect its future development and performance, and its objectives and policies in managing the financial risk to which it is exposed and its capital are discussed in the Strategic Report and in the Risk Review and Management section.

The Directors have assessed, in the light of current and anticipated economic conditions, the Group's ability to continue as a going concern. The Directors confirm they are satisfied that the Company and the Group have adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the 'going concern' basis for preparing accounts.

Disclosure of information to auditor

Each Director confirms that, so far as he/she is aware, there is no relevant audit information of which the Company's auditors are unaware and that each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditors are aware of that information. This confirmation is given pursuant to section 418 of the Companies Act 2006 and should be interpreted in accordance with and subject to these provisions.

Directors' Responsibilities

The following statement, which should be read in conjunction with the Auditors' report set out on pages 271 to 275, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditors in relation to the accounts.

The Directors are required by the Companies Act 2006 to prepare accounts for each financial year and, with regards to Group accounts, in accordance with Article 4 of the IAS Regulation. The Directors have prepared individual accounts in accordance with IFRS as adopted by the EU. The accounts are required by law and IFRS to present fairly the financial position of the Company and the Group and the performance for that period. The Companies Act 2006 provides, in relation to such accounts, that references to accounts giving a true and fair view are references to fair presentation.

The Directors consider that, in preparing the accounts on pages 277 to 376, and the additional information contained on pages 142 to 235, the Group has used appropriate accounting policies, supported by reasonable judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

Having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, and having reviewed the annual report (including the strategic report), the Directors are satisfied that the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's performance, strategy and business model.

Directors' responsibility statement

The Directors (as referenced on pages 83 to 85) have responsibility for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the accounts comply with the Companies Act 2006.

The Directors are responsible for the maintenance and integrity of the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and to prevent and detect fraud and other irregularities.

The Directors confirm to the best of their knowledge that:

- (a) The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of Barclays PLC and the undertakings included in the consolidation taken as a whole; and
- (b) The management report, which is incorporated into the Directors' Report on pages 78 to 82, includes a fair review of the development and performance of the business and the position of Barclays PLC and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Lawrence Dickinson
Company Secretary
3 March 2014

Barclays PLC
Registered in England, Company No. 48839

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Board of Directors

- Executive Director
- Non-executive Director



Sir David Walker (74)
Chairman

Skills and experience

Sir David joined the Board as a non-executive Director in September 2012 and became Chairman in November 2012.

Sir David began his career with Her Majesty's Treasury, where, with a period on secondment to the International Monetary Fund in Washington, he served until 1977. Sir David held several key positions at the Bank of England, where he became one of four Executive Directors. He was Chairman of the Securities & Investment Board and, ex officio, a nominated member of the Council of Lloyd's. Sir David was a non-executive member of the Court of the Bank of England, a non-executive board member of the former CEEB and subsequently of National Power plc. He was formerly Chairman of Reuters Venture Capital, Vice-Chairman of the Legal and General Group plc and was Chairman of the London Investment Bankers' Association for 4 years. Sir David was Chairman and CEO of Morgan Stanley International, and subsequently Chairman. He retired as Chairman of Morgan Stanley International in December 2005 but remained a Senior Advisor until the end of August 2012. Sir David is a member and a trustee of the Group of Thirty and previously served as Treasurer of the Group. He was Chairman of the Business Leaders' Group of the East End charity Community Links.

Sir David has completed two reports and made recommendations in respect of the private equity industry and corporate governance at financial institutions. He also co-led the independent review of the report that the FSA produced into the failure of Royal Bank of Scotland and was a member of the four-person Committee chaired by Lord Woolf (former Lord Chief Justice) into ethical business conduct at BAE Systems plc.

Sir David has significant experience as a director and chairman, coupled with an extensive knowledge of the financial services industry. This, in addition to an excellent understanding and experience of boardroom and corporate governance issues, enables him to provide effective leadership to the Barclays Board.



Antony Jenkins ● (52)
Group Chief Executive;
Executive Director

Skills and experience

Antony was appointed Group Chief Executive in August 2012. Previously Antony was Chief Executive of Barclays' Retail and Business Banking business. He has been a member of the Group Executive Committee since 2009.

Antony started his career at Barclays, where he completed the Barclays' Management Development Programme, before going on to hold various roles in retail and corporate banking. He then moved to Citigroup, working in both London and New York, before rejoining Barclays as Chief Executive of Barclaycard. Antony has represented Barclays as a non-executive Director on the Board of Absa (now Barclays Africa Group). He was also on the Board of Visa Europe Ltd and the Board of Motability Operations Group plc. Since becoming Group Chief Executive, Antony has taken the lead in the development of Barclays' Transform programme, including the introduction of a new purpose and values, with the aim of making Barclays the 'Go-To' Bank for customers and clients.

Other principal external appointments

Member, Board of Directors of the Institute of International Finance Member, International Advisory Panel of the Monetary Authority of Singapore

Committee membership

Group Executive Committee (Chairman)



Mike Ashley ○ (59)
Non-Executive Director

Skills and experience

Mike joined the Board as a non-executive Director in September 2013. He was formerly Head of Quality and Risk Management for KPMG Europe LLP (ELLP), which forms part of the KPMG global network, where his responsibilities included the management of

Other principal external appointments

Member, Institute of Chartered Accountants in England and Wales' Ethics Standards Committee
Member, HM Treasury's Audit Committee
Vice Chair, European Financial Reporting Advisory Group's Technical Expert Group

Committee membership

Board Audit Committee (Chairman)
Board Conduct, Reputation and Operational Risk Committee
Board Corporate Governance and Nominations Committee
Board Financial Risk Committee
Board Enterprise Wide Risk Committee



Tim Breedon ○ (56)
Non-executive Director

Skills and experience

Tim was appointed to the Board as a non-executive Director in November 2012. Tim held a number of roles at Legal & General Group plc (L&G) before joining its board as Group Director (Investments) and becoming Group Chief Executive. He was later an adviser to L&G, primarily with responsibilities in connection with Solvency II. Tim was a Director of the Association of British Insurers (ABI), and also served as its Chairman. He was also Chairman of the UK Government's non-bank lending taskforce, an industry-led taskforce that looked at the structural and behavioural barriers to the development of alternative debt markets in the UK. Tim was a director of the Financial Reporting Council and was on the board of the Investment Management Association. Tim has over 25 years of experience in financial services and has extensive knowledge and experience of regulatory and government relationships. He brings to the Board the experience and knowledge of leading a financial services company, combined with an understanding of the UK and EU regulatory environment and risk management. His customer focus and understanding of investor issues, gained both at L&G and the ABI, is of particular relevance to Barclays.

Other principal external appointments

Non-executive Director, Ministry of Justice

Committee membership



Fulvio Conti ○ (66)
Non-executive Director

Skills and experience

Fulvio joined the Board in April 2006 as a non-executive Director. Fulvio has significant financial and business experience from a career spanning over 35 years, and is currently CEO and General Manager of Enel SpA, the Italian energy company, where he was previously Chief Financial Officer. During his career Fulvio held the role of General Manager and CFO of Telecom Italia SpA and CFO for various private and government owned entities in Italy. He was also in charge of finance at Montedison-Compagny, was CFO at Montecatini and Ferrovie dello Stato and has also held positions in finance and operations in various affiliates of Mobil Oil Corporation in Italy and Europe. Fulvio's wide ranging business experience, particularly in continental Europe, provides a valuable contribution to the Board Audit Committee and the main Board, particularly with regard to economic and political developments in the Eurozone.

Other principal external appointments

President, Eurelectric Director, AON PLC Director, ENDESA SA Director, Italian Institute of Technology Independent Director, RCS MediaGroup S.p.A Vice President, Confindustria

Committee membership

Board Audit Committee



Simon Fraser ○ (54)
Non-executive Director

Skills and experience

Simon joined the Board in March 2009 as a non-executive Director. He has extensive experience of the fund management industry, having started his career at Fidelity International, where he spent 27 years. During this time Simon was President of the Investment Solutions Group and President of the Retirement Institute. He held a number of

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[Other principal external appointments](#)

Trustee, Cicely Saunders Foundation

[Committee membership](#)

Board Conduct, Reputation and Operational Risk Committee (Chairman)
Board Corporate Governance and Nominations Committee (Chairman)
Board Enterprise Wide Risk Committee (Chairman)
Board Remuneration Committee

professional risks and quality control. He was a member of the ELLP Board and was also KPMG UK's designated Ethics Partner. Mike has over 20 years experience as an audit partner, during which he was the lead audit partner for several large financial services groups, most recently HSBC Holdings and Standard Chartered PLC, and also for the Bank of England. Mike has an in depth understanding of auditing and the associated regulatory issues, with specific experience of large, global banks.

Board Financial Risk Committee (Chairman)
Board Audit Committee
Board Conduct, Reputation and Operational Risk Committee
Board Corporate Governance and Nominations Committee
Board Remuneration Committee
Board Enterprise Wide Risk Committee

other positions during his career at Fidelity International, including President, European & UK Institutional Business, Global Chief Investment Officer, Chief Investment Officer for Asia Pacific and Chief Investment Officer of the European Investment Group. With his extensive experience of the fund management industry, Simon provides a useful perspective on how Barclays is viewed by its institutional investors.

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Other principal external appointments

Director, Fidelity European Values PLC
Director, Fidelity Japanese Values PLC
Chairman, Foreign and Colonial Investment Trust PLC
Chairman, The Merchants Trust PLC
Non-executive Director, Ashmore Group PLC

Committee membership

Board Audit Committee
Board Remuneration Committee



Reuben Jeffery III (61)
Non-executive Director

Skills and experience

Reuben joined the Board in July 2009 as a non-executive Director. He is currently CEO and a director of Rockefeller & Co Inc. and Rockefeller Financial Services Inc. Reuben served in the US government as Under Secretary of State for Economic, Energy and Agricultural Affairs, as Chairman of the Commodity Futures Trading Commission and as a special assistant to the President on the staff of the National Security Council. Before his government service, Reuben spent eighteen years at Goldman, Sachs & Co where he was managing partner of Goldman Sachs in Paris and led the firm's European Financial Institutions Group in London. Prior to joining Goldman Sachs, Reuben was a corporate attorney with Davis Polk & Wardwell. Reuben has a broad range of financial services experience, particularly investment banking, and in addition brings extensive insight into the US political and regulatory environment.

Other principal external appointments

Member, International Advisory Council of the China Securities Regulatory Commission
Member, Advisory Board of Towerbrook Capital Partners LP
Member, International Advisory Committee, RIT PLC
Director, Financial Services Volunteer Corps
Director, J Rothschild Capital Management Limited

Committee membership

Board Conduct, Reputation and Operational Risk Committee
Board Financial Risk Committee

Barclays Africa Group Limited (formerly Absa Group Limited), one of the largest financial services groups in Africa and majority owned by Barclays. She previously served as an Executive Director of Rand Merchant Bank and became Chief Executive of FirstRand Ltd's retail businesses following the merger of Rand Merchant Bank and First National Bank. She has held senior Board positions at the Development Bank of Southern Africa, the South African Financial Markets Advisory Board and Nedbank Group Limited. Wendy has also held positions on the boards of Telkom SA, Eskom, Aveng Ltd, Alexander Forbes Ltd, Dimension Data PLC and Anglo American Platinum Ltd. Her extensive experience from board level positions in South African banks, as well as her years of providing consultancy services to the largest banks in South Africa, provides the Board with valuable retail, commercial and investment banking expertise. Her in-depth knowledge of banking in Africa also provides an invaluable insight into banking in the region. Wendy has led or participated in a number of conduct related consultations throughout her career, and such knowledge and experience will contribute greatly towards the discussion of culture at Barclays.

Other principal external appointments

Director, Afrika Tikkun NPC
Director, Peotona Group Holdings

Committee membership

Board Conduct, Reputation and Operational Risk Committee



Tushar Morzaria (45)
Group Finance Director

Skills and experience

Tushar joined the Board and Executive Committee of Barclays in October 2013 as Group Finance Director. Prior to this, he was CFO, Corporate and Investment Bank at JP Morgan Chase, a role he held on the merger of the investment bank and the wholesale treasury/security services business at JP Morgan. Prior to the merger, he was CFO of the investment bank and held other various roles during his career at JP Morgan.



Dambisa Moyo (45)
Non-executive Director

Skills and experience

Dambisa joined the Board in May 2010 as a non-executive Director. She is an international economist and commentator on the global economy, with a background in financial services. After completing a PhD in Economics, she worked for Goldman Sachs in the debt capital markets, hedge funds coverage and global macroeconomics teams. Dambisa has also worked for the World Bank and formerly served as a non-executive Director of Lundin Petroleum AB (publ). Dambisa's background as an economist, in particular her knowledge and understanding of global macroeconomic issues and African economic, political and social issues, provides an important contribution to the Board's discussion of Barclays' business and citizenship strategy.

Other principal external appointments

Non-executive Director, SABMiller PLC
Non-executive Director, Barrick Gold Corporation

Committee membership

Board Conduct, Reputation and Operational Risk Committee
Board Financial Risk Committee



Frits van Paasschen (52)
Non-Executive Director

Skills and experience

Frits was appointed to the Board as a non-executive Director in August 2013. Frits is an experienced Director and Chief Executive Officer. He is currently CEO and President of Starwood Hotels and Resorts Worldwide Inc, one of the world's largest hotel companies. He served as a non-executive Director for two NYSE listed companies, Jones Apparel Group and Oakley. He



Sir Michael Rake (66)
Deputy Chairman and Senior Independent Director

Skills and experience

Sir Michael joined the Board in January 2008 as a non-executive Director. He was appointed Senior Independent Director in October 2011 and Deputy Chairman in July 2012. Sir Michael spent over 30 years with KPMG, where he was Senior Partner of the UK firm and Chairman of KPMG International. Sir Michael is Chairman of BT Group plc and was previously Chairman of the UK Commission for Employment and Skills, Chairman of Business in the Community, Chairman of easyJet plc and a director of the Financial Reporting Council. Sir Michael has substantial financial and commercial experience gained in the UK, Continental Europe and the Middle East. He also has significant experience, both as Chairman and a board member, of listed companies

Other principal external appointments

President, Confederation of British Industry
Director, McGraw-Hill Financial, Inc

Committee membership

Board Corporate Governance and Nominations Committee
Board Enterprise Wide Risk Committee
Board Financial Risk Committee



Diane de Saint Victor (59)
Non-executive Director

Skills and experience

Diane was appointed as a non-executive Director in March 2013. She is currently General Counsel and Company Secretary and a member of the Group Executive Committee of ABB Limited, the publicly listed international power



Wendy Lucas-Bull (60)
Non-Executive Director

Skills and experience

Wendy was appointed to the Board as a non-executive Director in September 2013. She is currently Chairman of

Tushar qualified as an accountant at Coopers and Lybrand Deloitte and for most of his career he has worked in investment banking, having held various roles at SG Warburg, JP Morgan and Credit Suisse.

Tushar has over 20 years of strategic financial management experience, which will prove invaluable in his role as Group Finance Director.

Other principal external appointments
None

Committee membership
Group Executive Committee

previously served as the CEO and President of Coors Brewing Company and has held various senior management positions with Nike, Inc. and Disney Consumer Products. Frits' extensive global and commercial experience and role as a CEO of an international business provides valuable strategic insight. In particular, his experience in developing and marketing brands, and a broad knowledge of enhancing business performance and the customer experience in a retail environment, is highly beneficial to many aspects of Barclays' business.

Other principal external appointments
None

Committee membership
None

and automation technologies company based in Switzerland. Her responsibilities include Head of Legal and Integrity Group. She was formerly Senior Vice President and General Counsel of EADS, the European aerospace and defence company. Diane's legal experience and her knowledge of regulatory and compliance matters allows her to provide a unique perspective to the Board and its Committees.

Other principal external appointments

Member, Advisory Board of The World Economic Forum's Davos Open Forum

Committee Membership

Board Audit Committee
Board Conduct, Reputation and Operational Risk Committee

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● Executive Director
○ Non-executive Director



Sir John Sunderland ○
(68)
Non-executive Director

Skills and experience

Sir John joined the Board as a non-executive Director in June 2005. He has extensive business and board level experience, having spent forty years with Cadbury Schweppes PLC, where he became Chief Executive and subsequently Chairman. Sir John has significant experience as a director of UK listed companies, and has also held a number of similar positions in trade and professional bodies, including President of the Confederation of British Industry and President of the Chartered Management Institute. Sir John is Chairman of Merlin Entertainments Group PLC and was formerly a director of the Financial Reporting Council. In addition to his Board level experience Sir John brings extensive experience and knowledge of retailing and brand marketing.

Other principal external appointments

Non-executive Director, AFC Energy PLC
Governor, Reading University Council
Chancellor, Aston University

Committee membership

Board Remuneration Committee (Chairman)
Board Conduct, Reputation and Operational Risk Committee
Board Corporate Governance and Nominations Committee
Board Enterprise Wide Risk Committee



Steve Thieke ○ (68)
Non-executive Director

Skills and experience

Steve was appointed to the Board as a non-executive Director in January 2014. He has four decades of experience in financial services, both in regulation and investment banking. Steve worked for the Federal Reserve Bank of New York for twenty years, where he held several senior positions in credit and capital market

board, and nine years on the board of PNC Financial Services Corp.

Other principal external appointments

None

Committee membership

Board Financial Risk Committee
Board Remuneration Committee

Executive committee



Antony Jenkins
Group Chief Executive



Robert Le Blanc
Chief Risk Officer



Eric Bommensath
Co-Chief Executive,
Corporate and Investment
Banking



Irene McDermott Brown
Group Human Resources
Director



Bob Hoyt
Group General Counsel



Valerie Soranno Keating
CEO, Barclaycard



Thomas King
Co-Chief Executive,
Corporate and Investment
Banking



Hugh (Skip) E. McGee III
Chief Executive, Americas



Tushar Morzaria
Group Finance Director



Maria Ramos
Chief Executive, Absa
Group and Barclays Africa



Mike Roemer
Group Head of Compliance



Ashok Vaswani
CEO, Retail and Business
Banking



Darryl West
Interim Chief Operations
and Technology Officer

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operations and banking supervision and later he became a non-executive director at the FSA. He has also held senior roles in investment banking and risk management with JP Morgan, where he spent ten years. He was Head of the Fixed Income Division, co-Head of Global Markets, President and Chairman of JP Morgan Securities, Inc. and Head of the Corporate Risk Management Group, retiring from JP Morgan in 1999. He has significant board level experience, both in executive and non-executive roles, including spending seven years as a director of Risk Metrics Group, where latterly he served as Chairman of the

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People

In 2013, we covered a significant amount of ground on our journey to becoming the 'Go-To' bank and continuing to attract, develop and retain the best talent will be critical to our success. This year, we have made major changes to our internal policies and practices, particularly in the areas of leadership, talent, reward and performance, to support our commitment to making Barclays a values-driven business.

All colleagues are expected to align their objectives to the 5Cs of the Balanced Scorecard, with individual performance for 2014 measured both on what has been achieved (their personal contribution to 'Go-To') and how it has been achieved (their demonstration of our Values). Variable remuneration will be based on an individual's performance rating, with the Balanced Scorecard playing a greater role in determining business performance and its impact on bonus pools.

Our new global recognition plan uses non-financial rewards to celebrate outstanding colleague achievements, in particular where they have role-modelled the Values. Colleagues are also encouraged to share in our success by participating in our all-employee share plans. The schemes have been running successfully since their inception over 10 years ago. Further details of our approach to remuneration are included in the Remuneration Report on pages 89 to 125.

It is our belief that leadership shapes culture, and that this drives business performance. Consequently, alongside these changes to Reward and Performance, we have focused on the processes that enable Barclays to acquire, assess and develop people through the lens of the Values and Behaviours to ensure that leaders have the personal insight, capability and mind-set to lead the organisation through Transform. All Barclays colleagues have participated in Values training delivered by internal 'Values Leaders', a community of 1,300 colleagues. This has also been aligned to the Global Induction programme to ensure all new joiners understand 'who we are' and 'how we work together'.

We have made significant progress on our talent development approach by defining a globally consistent potential framework, and managing a group-wide approach for senior level talent reviews and Managing Director promotions. As we look ahead, we will continue to make stronger connections between past performance, future potential and career opportunities across Barclays. To engage and develop our leaders, we have built a tailored approach, underpinned by a set of clearly articulated leadership competencies and behavioural standards, levelled by role. The Barclays Leadership Academy was deployed to all Managing Directors in October and, over the course of 2014, we will be rolling out the Leadership Curriculum to provide a consistent, rigorous, global approach to developing leadership capability for all levels up to Director.

Our Early Careers and Graduate recruitment programmes are a crucial talent pipeline and the source of Barclays' future leaders. These programmes aim to help Barclays grow a diverse, engaged and highly trained workforce and

magazines and intranet content to communicate the Company's results and performance, along with channels such as regular town halls and the Barclays Jam, our first online global discussion which took place in July 2013 discussing our purpose and values. Both latter examples provided an opportunity for leaders to talk to colleagues directly and hear their views.

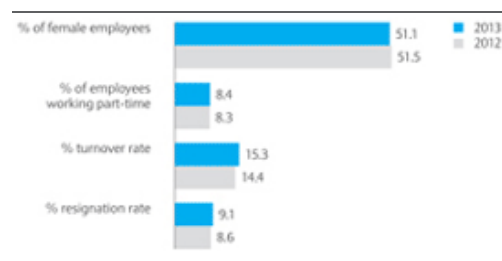
We advocate a 'partnership' approach to industrial relations and maintain regular and constructive dialogue with more than 30 national unions, works councils and staff associations across the globe. Employee representatives are consulted regularly on a wide range of matters affecting their interests. In Europe and Africa we have well established regional consultation forums to engage colleagues on transnational issues. Where business restructuring has been necessary and this has resulted in potential job losses, we have worked closely with colleague representatives to avoid compulsory redundancies where possible, ensuring colleagues leaving Barclays have been supported and treated with respect. Where there are no collective representative bodies in-country, we engage directly with colleagues.

We remain firmly committed to continuing to evolve our people policies and practices to ensure that our colleagues are supported on their journey to becoming the 'Go-To' bank. We recognise the important role our colleagues play as advocates of what we are trying to achieve and, as a result, are focused on sustaining and increasing employee engagement. Colleagues have demonstrated continued resilience and fortitude in 2013 and remain committed to the goal of becoming the 'Go-To' bank.

FTE by region

	2013	2012	2011
UK	54,400	55,300	56,100
Africa & Middle East	45,800	45,200	47,900
Continental Europe	9,800	11,100	11,600
Americas	11,100	11,100	10,900
Asia Pacific	18,500	16,500	14,600
Total	139,600	139,200	141,100

Global employment statistics



Diversity & Inclusion (D&I)

At Barclays, we have deployed a global D&I strategy to ensure that colleagues of all backgrounds are treated equitably and can contribute fully to the bank. This strategy is fully aligned to our business goals; it is embedded into our journey to becoming the 'Go-To' bank and integral to our Values. This approach and the tangible progress we are making has resulted in national and international recognition from prestigious organisations

became increasingly integrated over the course of 2013. In line with the firm-wide strategy, we presented a more unified proposition to applicants and have offered students and graduates the opportunity to work across Barclays. Additionally, our new 'Grow with Barclays' framework presents clear pathways for progression from apprentice to graduate with recognised qualifications along the way. We met our commitment to recruit 1,000 apprentices by the middle of 2013 and set a new goal to recruit another 1,000 by the end of 2015.

The Group places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on various factors affecting the performance of the Group. It is important that our colleagues are informed of key decisions which impact upon them, beyond just our business strategy, and have the opportunity to express their views. The focus in 2013 has been upon establishing a dialogue with our colleagues using a variety of formal and informal channels ranging from Executive presentations, news

such as The Times Top Places for Women, Community Business in Asia, and the Human Rights Campaign.

The strategy reaches from our employee diversity networks, up through to a dedicated D&I team, business diversity councils, and ultimately leads to the Chairman's office. Alongside the inclusion of diversity metrics within the company's Balanced Scorecard, creating a diverse and inclusive environment is at the forefront of the bank's vision.

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Our 2013 priorities established the D&I foundation. We have expanded our global agendas to include multigenerational and multicultural, and have successfully launched the first in a series of listening groups. We commenced our deployment of our Unconscious Bias Leadership programme for our global Managing Director and Director population of over 8,000 leaders. Most significantly, we have aligned strategic deliverables to our Values and to the Transform priorities, and are on course for reaching our 2018 gender target of 26% senior female leadership (Directors and Managing Directors).

Gender

Achieving a better balance between male and female employees, particularly at the senior leadership level, is a challenge that many financial services organisations face. Increasing female representation will continue to be a key priority for our diversity and inclusion strategy.

Female representation



Above shows the positive change in female representation within Barclays from 2012 to 2013

We have achieved significant progress in the representation of females in senior leadership. Not only do we have three women sitting on our Group Executive Committee, but also female representation at Board level reached our target of 20% for 2013.

The turnover of all female employees across the bank was 14% in 2013, below the 15% average for all our employees. Going forward, we want more talented women to join Barclays and develop their careers with us. Our programme to provide high-potential female employees with targeted development and mentoring currently has more than 100 participants, while membership of our Women's Initiative Network continues to grow globally. Not only are we looking at the senior leadership population, but our target of a 50/50 gender split for our graduate recruitment means that our efforts stretch across the bank's entire talent pipeline.

We are consistently seen as leaders within the gender agenda by external benchmarks, best seen by our seventh consecutive year within The Times Top 10 Workplaces for Women. Both Maria Ramos and Val Soranno Keating have been listed within Fortune's Most Powerful Women 2013, giving credit to the strong women we have in leadership positions within the organisation.

LGBT

Our support for our lesbian, gay, bisexual and transgender (LGBT) colleagues continued to advance in 2013. Membership of our award-winning Spectrum network for LGBT employees stands at more than 3,000 globally. The network continued its previous success of launching the first ever LGBT employee network mobile app by hosting the UK finance industry's first ever transgender awareness event at 1 Churchill Place.

We continue to support Pride events and awareness campaigns around the world, including World AIDS Day and other fundraising events which take place across Barclays.

Barclays were ranked second – our best ever result – by the charity Stonewall in its 2014 Global Workplace Equality Index, whilst also being awarded their 'Star Performer' award for the second year running. We remain the only financial services organisations to have been named in the top 25 LGB employers list every year since the launch of the Index, marking a decade of being named one of the top LGBT employers.

Disability

Last year saw significant milestones within the disability agenda. Sir David Walker sponsored the Barclays Accessibility statement, ensuring we not only comply with UK and international legislation, but we help to create an inclusive environment for all our disabled colleagues. The Reach employee network grew a further chapter in Tokyo, whilst Barclays became signatories to the Disability Confident Campaign.

Not only were we named winners of the BDF Disability Standard and Best Service Provider 2013, but our audio ATMs won both Best Innovation at UKUX and the RNIB Exemplars' Award, recognising that we always have our diverse customer base in mind when designing new and innovative services.

Aligned to our equal opportunities approach, applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicants concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Group continues. Furthermore, it is the policy of the Group that appropriate training, career development and the promotion of disabled people should, as far as possible, be identical to that of other employees. We also monitor a number of indicators relating to disability in order to address the underlying causes of workplace issues, for example the number of working days lost due to musculoskeletal problems. In 2013 3% of our global workforce declared themselves as having a disability.

Multigenerational

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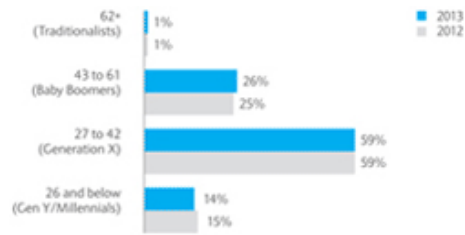
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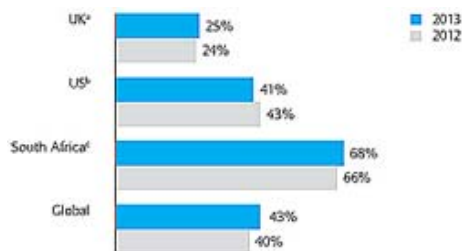
People > continued

The Barclays workforce is made up of all generations: from the Traditionalists (born between 1925-1945) to Generation Y (those born after 1988), we work hard to support all our colleagues at all stages of their career. The multigenerational agenda has come a long way in 2013 through the launch of the Springboard Mortgage in the UK, to employing our 1,000th apprentice, to ensuring we include all those on maternity leave within the Culture and Values training programme.

Our Barclays Elderly Simulation Kit, which allows colleagues to experience the challenges faced by senior citizens, has been recognised globally as a breakthrough in helping bridge the gap between younger and older generations. Our LifeSkills and Bridges into Work programmes continue to support those taking their first steps into the industry, whilst initiatives such as the UK RBB Jobshare programme help individuals with career changes whatever their stage in life.

We were named as the joint winners of Best of All Stages of Motherhood Award, winners for Talent Attraction by Working Mums, and named within the Top 10 Working Families Award, all of which is a testament to the traction Barclays has gained within the multigenerational pillar.

Multicultural



Above shows the percentage of underrepresented populations that make up our global and regional populations. Note that underrepresented populations are defined regionally to ensure inclusion with all groups in the workplace

a UK includes Asian, Mixed, Black, Other and Non-disclosed

b US includes Hispanic/Latino, Asian, Mixed, Black, Other and Non-disclosed

c South Africa includes African, Indian, Coloured, Other, and Non-disclosed

We are committed to supporting all our employees, regardless of religion, ethnicity, nationality, or race. We respect important cultural and religious calendar dates and our UK canteens offer both halal and kosher food. There are also quiet rooms available for prayer in many of our larger sites.

This year, Barclays launched its first ever multicultural holiday e-card, which was available to send to all clients and customers, and donated £10m to UNICEF along with additional donations for every e-card sent. We also recognised our diverse customer base by having multicultural posters in many of our UK retail branches.

After being Highly Commended by Race for Opportunity, recognised as having the Best Diversity Initiative by CIPD Recruitment, and launching the African/Afro-Caribbean Society in the City of London, the multicultural agenda has seen some great advancements in 2013.

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Annual statement from the Chairman of the Board Remuneration Committee



'Our aim is to deliver a greater share of the income we generate to shareholders while remaining competitive on pay. Although profits for 2013 were down, the 38% reduction in incentives in the previous two years had begun to cause demonstrable damage to our business. The difficult decision to address this by increasing incentives in certain key areas is in the long term interest of shareholders. We remain fully committed to reducing the ratio of compensation to adjusted net operating income over time.'

Remuneration Committee members

Chairman	Members
Sir John Sunderland	Sir David Walker
	Simon Fraser
	David Booth
	(until 31 December 2013)
	Tim Breedon
	Stephen Thieke
	(from 6 February 2014)

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Dear Shareholders

As Chairman of the Board Remuneration Committee, I am pleased to introduce the Directors' Remuneration Report for 2013.

Building on the 2012 changes to our approach to remuneration, we continued throughout 2013 to ensure remuneration decisions support the delivery of our goal of achieving sustainable performance for all our stakeholders. Barclays is in the process of introducing the Balanced Scorecard (refer page 10). By the end of 2014, all employees' performance assessments will be aligned to the Balanced Scorecard and will be measured against both 'what' they achieve and 'how' they achieve it.

By linking employee performance assessments and remuneration decisions to the Balanced Scorecard, we are promoting a clear and direct alignment between Barclays' strategy, performance management and remuneration.

Business context in 2013

Adjusted profit before tax was down 32% to £5,167m due to costs to achieve Transform and a 4% reduction in income. In 2013, there was a good performance in the UK Retail and Corporate Banking businesses, along with continued strong growth in Barclaycard. The European, African and Wealth businesses performed less well, and are in a process of transition to improve returns. Within the Investment Bank, Equities saw very good growth which continued to outperform the market. This partially offset lower income in the Fixed Income, Currency and Commodities business.

Remuneration Committee work in 2013

The Committee's objective is to maximise long term value for shareholders by ensuring that we do not pay more than is necessary while remaining competitive.

Determining the 2013 incentive pool was an extremely difficult decision for the Committee. We were acutely aware of public sentiment and of the challenge of presenting shareholders with an increased pool in a year where profits have fallen. The Committee concluded that a 2013 incentive pool of £2,378m was warranted. This was up 10% on the final 2012 incentive pool but it remains 32% below pool levels in 2010 when we started to reposition Barclays' remuneration. Before adjustment for risk and conduct events the incentive pool was down 18% on 2012.

Significant progress has been made since 2010 in addressing imbalances in remuneration. The Barclays' incentive pool reduced by 38% between 2010 and 2012 (48% for the Investment Bank) and bonuses for Managing Directors in the Investment Bank are fully deferred. The dilemma faced by the Committee in 2013 was that these actions were not matched by our peers, most notably the major US banks who are among our primary competitors. As a result, our lack of pay competitiveness was beginning to cause demonstrable damage to our business, especially outside the UK. The global resignation rate for senior staff in 2013 was significantly above that in 2012. This was particularly marked in the Investment Bank with a near doubling of resignations of senior staff in the US. In

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The tables marked 'audited' in the report have been audited by PricewaterhouseCoopers LLP.

making our 2013 decisions on incentives, the Committee sought to ensure the health of the franchise in the long term interest of shareholders.

As in 2012, consideration of risk and conduct events was an important aspect of the Committee's work during 2013. We made total reductions of £290m to incentives for PPI, Interest Rate Hedging Products and other events. Of this, £176m of adjustments were made through reductions in LTIP awards that were granted in previous years and £114m of reductions were made to the 2013 incentive pool. This contrasts with risk and conduct adjustments to the incentive pool of £860m in 2012 for events including the investigation into the setting of inter-bank offered rates.

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Annual statement from the Chairman of the Board Remuneration Committee continued

When determining the incentive pool we looked at it on a pre- and post-adjustment basis for risk and conduct events. The Committee concluded that an incentive pool for 2013 of £2,492m on a pre-adjustment basis was appropriate. This is 18% down on the equivalent pre-adjustment pool in 2012. After applying an adjustment for risk and conduct events of £114m, the final 2013 incentive pool is £2,378m, up 10% on 2012 reflecting the lower level of risk and conduct adjustment for 2013.

Overall compensation costs for 2013 are down on 2012. This in part offsets the reduction in income and means that the Group compensation to adjusted net operating income ratio increases only slightly from 37.5% in 2012 to 38.3% in 2013. The Committee remains strongly focused on its overall repositioning journey and is still committed to a compensation to adjusted net operating income ratio in the mid-30s in the medium term. However, the Committee believes that this can only be achieved once we have completed the changes that are under way as part of the strategic Transform programme. These changes will enable significant and sustainable cost reductions over the next few years including material reductions in headcount and compensation costs. These reductions are already underway and these changes will enable a sustainable repositioning of the compensation to adjusted net operating income ratio.

The Committee has also focused on remuneration compliance with new EU regulation, the Capital Requirements Directive IV (CRD IV) and, in particular, the capped ratio of variable to fixed pay (CRD IV pay ratio). The Committee considered this very carefully because it impacts Barclays' competitiveness in the global market for talent. Further information on our intended approach to ensure compliance with the CRD IV pay ratio is provided on page 95.

The Committee continued to consider the recommendations of the Salz Review in respect of remuneration. Key actions taken included the adoption of a new remuneration policy, a new performance assessment process, the removal of sales incentives for UK retail colleagues and enhancing the risk adjustment processes. The process for reviewing risk and conduct adjustments to the incentive pool was strengthened in 2013 by the formation of the Remuneration Review Panel (Panel) which reports to the Committee. Further details on the Panel are provided on page 129.

Outside the Committee's formal meetings, we continued to meet and engage with shareholders frequently. Matters discussed with shareholders include the aggregate spend on remuneration, senior executive remuneration levels, our new forward looking Directors' remuneration policy and our plans for remuneration compliance with CRD IV. We have also continued to work with regulators on our remuneration arrangements during 2013, in particular in the UK and the US.

Key executive Directors' remuneration decisions during 2013

The Committee has agreed that Antony Jenkins' base salary will be unchanged for 2014 at £1,100,000. On 3 February 2014, Antony Jenkins announced that he would decline any 2013 bonus offered to him by the Board, citing the rights issue, restructuring costs and costs associated with legacy issues as the reasons for his decision.

Chris Lucas stepped down from the Board due to ill health with effect from 16 August 2013. Further details can be found on page 115. The Committee approved a pro-rated 2013 bonus award of £500,000 to Chris Lucas which will be fully deferred in shares.

Tushar Morzaria was appointed as Group Finance Director on a salary of £800,000 commensurate with market pay levels and being the same as his predecessor. The rest of his pay is in line with Barclays' policy for executive Directors. The Committee also approved a 2013 bonus of £1,200,000 recognising that he forfeited any right to participate in the JP Morgan incentive arrangement for 2013 and his contribution to Barclays in 2013. The long-term/deferred awards which Tushar had held at JP Morgan were replaced with Barclays' awards. The terms of these awards are no more generous than those that they replaced and the awards are in the form of Barclays' shares to align with shareholders.

As our key measure of strategic delivery, the Balanced Scorecard has been introduced as one of the measures on the Long Term Incentive Plan (LTIP) with effect from the 2013 award. The Balanced Scorecard will also be used alongside other performance measures for annual bonus and LTIP awards over the term of the Directors' remuneration policy. From 2014, for annual bonus the weightings will be 50% for financial measures, 35% for the Balanced Scorecard and 15% for personal objectives. For LTIP awards, financial measures will guide at least 50% of the maximum opportunity and the Balanced Scorecard measure will be no more than 30%. Risk measures will also be incorporated.

A significant part of the Committee's work in 2013 was reviewing how to restructure executive Director and senior executive remuneration for compliance with the CRD IV pay ratio. Our approach is based on a new class of fixed pay called Role Based Pay (RBP). We are seeking shareholder approval for a maximum ratio of variable to fixed pay of 2:1 in order to limit the increase in fixed costs to a minimum. For executive Directors, the level of RBP will be capped for the term of the policy and will be delivered in shares which will be subject to a holding period of up to five years to ensure alignment with shareholders. The Committee has recognised that in return for greater certainty there should be a reduced total remuneration opportunity for the executive Directors.

Focus in 2014

The Committee will continue to focus on the need to pay at levels required to attract, retain and motivate our people. While not paying more than we judge to be necessary, we will ensure that we can continue to pay our people competitively and simultaneously seek to deliver a greater share of the income we generate to shareholders. We will be informed in this way by a continuing constructive engagement and dialogue with our shareholders and our other stakeholders.

Our remuneration report

We have adopted in this report the remuneration disclosures required by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. We are seeking shareholder approval at the 2014 AGM for:

- our Directors' remuneration policy;
- our 2013 annual report on Directors' remuneration; and
- our approach to compliance on the CRD IV pay ratio.

On behalf of the Board



Sir John Sunderland
Chairman, Board Remuneration Committee

3 March 2014

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Remuneration questions and answers

[How do you justify a 2013 incentive pool of £2,378m when the bank's financial performance has declined?](#)

When considering the appropriate level of incentive awards for 2013, the Committee has had to establish the right balance between ensuring that the progress on repositioning remuneration, which began after 2010, was sustained, while also ensuring Barclays remains competitive and remuneration continues to reflect performance both before and after adjustment for risk and conduct events.

As set out in the 2012 Remuneration report, we took measured risks in 2012 by further driving down the total incentive pool. Barclays has been closely monitoring the effects of this decision and it has become clear that this repositioning has created a risk that in certain parts of our business we are not sufficiently competitive on pay in relation to the wider market. As a result, we have suffered from higher rates of resignation and found it harder to recruit. This issue needed to be addressed to ensure the health of our franchise and that we remain true to our policy of paying competitively.

In line with financial performance, the Committee has approved a total incentive pool on a before adjustment for risk and conduct events basis that is 18% down on the equivalent 2012 pool. However, as the level of adjustment required in 2013 is considerably less than that required in 2012, after adjustment for risk and conduct events, the final incentive pool is £210m up on 2012.

The final 2013 incentive pool of £2,378m and its increase from 2012 needs to be seen in the context of the multi-year reductions already achieved, the severe competitive pressures sustained within some parts of the business, the reduced risk and conduct adjustments required in 2013 and the overall repositioning journey that the Committee remains focused on achieving in a way that ensures that the long-term value of the Bank is maximised for shareholders.

[You made an adjustment for risk and conduct events of £860m to your 2012 bonus pool and also reduced the value of unvested deferred and long-term awards by £300m. What have you done in terms of adjustments to the 2013 pool?](#)

As in 2012, the total incentive awards in 2013 were determined after making appropriate adjustments to reflect risk and conduct events. Total risk and conduct adjustments of £290m were made in 2013. Of this, £176m of adjustments were made through reductions in long-term incentive awards that were granted in previous years and £114m of reductions were made from total incentive awards granted in 2013. The two main components of the 2013 adjustment reflect the further provisions in respect of the costs of redress for PPI and Interest Rate Hedging Products.

The process for reviewing risk and conduct adjustments to the incentive pool has also been strengthened in 2013 by the formation of the Remuneration Review Panel which provides recommendations to the Board Remuneration Committee. The Panel is independent of the business and it includes representatives from the key control functions of Risk, Compliance, Internal Audit and HR. The Panel's other responsibilities include reviewing proposed malus adjustments to individual incentives in respect of risk and

[Why do you need to pay bonuses at all?](#)

Barclays needs to pay competitively to ensure it has people with the skills and experience needed to deliver our strategy. In some parts of the banking sector, particularly investment banking, variable remuneration in the form of bonuses forms a high proportion of an employee's total remuneration. This structure has the advantage of giving Barclays the ability to reduce total remuneration significantly in underperforming areas and manage and control the cost base. However, it also means that in business areas that perform to a satisfactory or good standard, higher variable remuneration is required to make employees' total remuneration competitive.

[How were the bonuses determined for the executive Directors?](#)

The Committee decides executive Director bonuses, as it also does for members of the Group and business Executive Committees, and for other senior employees.

Executive Director bonuses are determined by reference to Group and individual performance in the year. Achievement of their objectives is assessed against both quantitative and qualitative measures, both financial and non-financial.

On 3 February 2014, Antony Jenkins announced that he would decline any 2013 bonus offered to him by the Board, citing the rights issue, restructuring costs and costs associated with legacy issues as his reasons.

[Why is Tushar Morzaría receiving a bonus of £1.2m for 2013?](#)

On joining Barclays, Tushar forfeited any right to participate in the JP Morgan incentive arrangements for 2013. His bonus for 2013 reflects his forfeited remuneration opportunity and also takes account of Tushar's performance for Barclays in 2013.

The award will be delivered in accordance with Barclays' regulatory requirements and remuneration policy. 40% of the total will be an upfront award (half in shares and half in cash) and 60% of the total will be made as a deferred share award releasing in three equal instalments over a period of three years. Any shares released will be subject to a further six month holding period from the date on which they are released.

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conduct events and ensuring that risk, compliance, behaviour and conduct are also appropriately considered in the determination of individual remuneration.

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Remuneration questions and answers continued

[How was profit distributed between shareholders and employee remuneration in 2013?](#)

The charts opposite detail how the earnings generated by our businesses have been distributed to a number of key stakeholders including shareholders (in the form of dividends) and employees. Ensuring that Barclays has the right people in the right roles serving our customers and clients effectively in a highly competitive global banking environment is vital to our ability to generate sustainable shareholder returns.

[Why is the compensation ratio 38% when your stated commitment is to a ratio in the mid-30s in the medium term?](#)

The Committee remains committed to continuing its repositioning journey and in achieving a Group compensation to adjusted net operating income ratio in the mid-30s over the medium term. However, the Committee believes this can only be achieved once we have completed the changes that are under way as part of the strategic Transform programme. This includes material initial investments that will help transform the bank, providing an improved proposition for customers and clients and also enabling significant and sustainable cost reduction over the next few years. This includes material reductions in headcount and compensation costs but these will not be achieved just through cutting pay levels. These reductions are now underway and these changes will enable a sustainable repositioning of the compensation to net adjusted operating income ratio.

[Barclays' plans for remuneration compliance with CRD IV mean senior executives are just getting more fixed remuneration. Is this appropriate?](#)

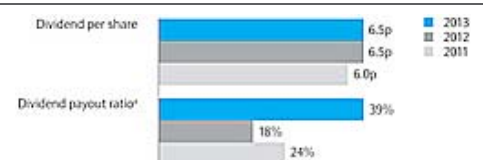
The CRD IV pay ratio impacts Barclays globally. This is not the case for Barclays' non-EU headquartered competitors, for example, US financial services firms. For these firms, the CRD IV pay ratio only applies to their EU operations and not to their non-EU operations. 60% of Barclays' 2014 Code Staff are expected to be based outside the EU. To remain globally competitive, Barclays has had to change its pay structure, increasing the level of fixed pay.

Our approach to the remuneration requirements of CRD IV is a new class of fixed pay called Role Based Pay (RBP). Before implementing we discussed our approach with the PRA and consulted with some of our major shareholders. RBP will enable Barclays to deliver competitive total remuneration to those staff impacted by CRD IV in a way that is more flexible than salary. Although it is similar to salary, the key differences are (save for where required under local law): (i) RBP will not add to our pensions and benefits expense; and (ii) it can, in certain circumstances, be adjusted down as well as up. Salary can typically only be increased. RBP will be paid in shares for executive Directors and members of the Group Executive Committee. Certain other senior employees will be paid RBP partly in shares and partly in cash.

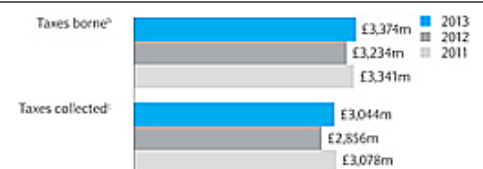
Distribution of earnings

We believe that the best way to support our stakeholders is by operating a strong, profitable and growing business, which creates jobs and contributes to the economic success of the communities in which we live and work. The charts below detail how the earnings generated by our businesses are distributed to a number of key stakeholders.

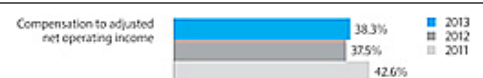
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Government



Employees



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- a Calculated as dividend per share divided by adjusted EPS.
 b Taxes borne are the Company's own tax contribution, representing taxes paid by the Company in the year.
 c Taxes collected are those collected from employees and customers on behalf of governments.

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Remuneration policy for all employees



This section sets out Barclays' remuneration policy for all employees, explaining the purpose and principles underlying the structure of remuneration packages, and how the policy links remuneration to the achievement of sustained high performance and long-term value creation.

Remuneration policy

The Committee formally adopted a new remuneration policy for 2013 as part of the Transform programme. The principles set out in the policy are set out below and underpin 2013 remuneration decisions and the Committee's objectives for 2014 and beyond.

Barclays' remuneration decisions:

1. Support the goal of becoming the 'Go-To' bank by attracting, retaining and competitively rewarding colleagues with the ability, experience, skill, values and behaviours to deliver that goal.
2. Will only reward business results when these are achieved in a manner consistent with Barclays' values and behaviours:
▪ Respect: We respect and value those we work with, and the contribution that they make ▪ Integrity: We act fairly, ethically and openly in all we do ▪ Service: We put our clients and customers at the centre of what we do ▪ Excellence: We use our energy, skills and resources to deliver the best, sustainable results ▪ Stewardship: We are passionate about leaving things better than we found them.
3. Protect and promote shareholder interests by incentivising colleagues to deliver sustained performance and create long-term value through the delivery of Barclays' goal. Those decisions will reflect that performance for individuals and in aggregate. Barclays will pay competitively for high performance but will not pay more than the amount appropriate to maximise the long-term value of the bank for its shareholders.
4. Create a direct and recognisable alignment between remuneration and risk exposure, as well as adjusting current and deferred incentives for current and historic risk, including malus adjustments, as appropriate.
5. Should be as simple and clear for colleagues and stakeholders as possible – as is the process used to determine them.
6. Ensure that the balance between shareholder returns and remuneration is appropriate, clear and supports long-term shareholder interests.

Remuneration and performance

Adherence to the remuneration policy means that remuneration decisions for all employees across the whole of Barclays are aligned with and support the achievement of Barclays' goal of becoming the 'Go-To' bank.

This is achieved by linking remuneration to a broad assessment of all aspects of performance. At an individual level, a new approach to performance assessment was implemented for senior management in 2013 and will be implemented for all employees in 2014. Under the new approach, individual performance is measured jointly against objectives (the 'what') and demonstration of Barclays Values and Behaviours (the 'how'). This ensures that our Values and Behaviours are firmly embedded in the way we manage individual performance and remuneration.

Furthermore, to ensure clear and direct alignment between individual performance and Barclays' strategy, all employees are required to align their 2014 objectives to the 5Cs of the Balanced Scorecard – Customers & Clients, Colleagues, Citizenship, Conduct and Company. This was implemented for senior management in 2013. This will help employees understand how their day to day activities contribute to the overall performance of the business or function in which they work and, ultimately, the overall performance of Barclays – as represented by the Balanced Scorecard.

Linking individual performance assessment and remuneration decisions to both our Values and Behaviours and the Balanced Scorecard in this way promotes the delivery of sustainable individual and business performance and establishes clear

alignment between remuneration policy and Barclays' strategy.

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Remuneration policy for all employees continued

Remuneration structure

Employees receive salary, pension and other benefits and are eligible to be considered for an annual bonus. Employees in some customer-facing businesses participate in incentive plans including plans based on customer feedback and other measures of the quality of service they provide to customers. This page provides further details of our employee remuneration structure. Some senior employees also receive Role Based Pay (RBP) from 2014. The remuneration structure for employees is aligned with the remuneration structure for executive Directors set out in more detail in the Directors' remuneration policy section of this report.

Fixed remuneration

Salary	Salaries reflect individuals' skills and experience and are reviewed annually in the context of annual performance assessment. They are increased where justified by role change, increased responsibility or where justified by the latest available market data. Salaries may also be increased in line with local statutory requirements and in line with union and works council commitments.
Role Based Pay	As a response to CRD IV and to ensure Barclays remains appropriately competitive for global talent from 2014, a small number of senior employees will receive a new class of fixed pay called RBP to recognise the breadth and depth of the role. Further information on RBP can be found on page 95.
Pension and benefits	The provision of a market competitive package of benefits is important to attracting and retaining the talented staff Barclays needs to deliver Barclays' strategy. A defined contribution pension scheme, the Barclays Pension Savings Plan, and a flexible benefits scheme, 'My Rewards', enable employees to choose from a range of benefits including the level of their pension contributions, life assurance and private health benefits, annual leave (with the ability to 'buy' and 'sell' subject to certain parameters), and participation in Barclays 'all employee' share plans (HMRC approved for UK participants). The cost of providing the benefits is defined and controlled. Following its launch in 2012 in the UK, 'My Rewards' will be rolled out globally over the next few years.

Variable remuneration

Annual bonus	- Annual bonuses reward and incentivise the achievement of Group, business and individual objectives - The ability to recognise performance through variable remuneration enables the Group to control its cost base flexibly and to react to events and market circumstances. Bonuses remain a key feature of remuneration practice in the highly competitive and mobile market for talent in the financial services sector. The Committee is careful to control the proportion of variable to fixed remuneration paid to individuals - Bonus deferral levels are significantly in excess of PRA requirements - For PRA Remuneration Code Staff (Code Staff) the deferral rate is a minimum of 40% (for bonuses of no more than £500,000) or 60% (for bonuses of more than £500,000) - For non-Code Staff, bonuses over £65,000 are subject to a graduated level of deferral 2013 bonuses awarded to Managing Directors in the Investment Bank are 100% deferred - Deferred bonuses are generally split equally between deferred cash bonuses under the Cash Value Plan (CVP) and deferred share bonuses under the Share Value Plan (SVP), each typically vesting in equal annual tranches over three years subject to the rules of the plans and continued service - Deferred bonuses are subject to malus provisions which enable the Committee to reduce the vesting level of deferred bonuses (including to nil) at its discretion. Events which may lead the Committee to do this include, but are not limited to, employee misconduct or a material failure of risk management.
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Remuneration report > Remuneration and CRD IV



This section sets out our plans for remuneration compliance with CRD IV in respect of the CRD IV pay ratio. The CRD IV pay ratio of 2:1 is subject to a binding shareholder vote at the 2014 AGM.

CRD IV is EU regulation that has been effective from 1 January 2014. CRD IV's remuneration provisions include a maximum ratio between variable and fixed remuneration (CRD IV pay ratio) for Code Staff. Code Staff include senior management, risk takers, staff engaged in control functions and any other employees whose professional activities have a material impact on Barclays' risk profile. The maximum CRD IV pay ratio is either 1:1 (without shareholder approval) or 2:1 (with shareholder approval). The maximum ratio will apply to variable remuneration awarded in respect of the 2014 performance year onwards.

Barclays had 530 Code Staff in 2013. While the number of impacted employees will still be a small proportion of total employees, we expect this figure to increase in 2014 under the European Banking Authority's new definition of Code Staff. The current estimate for 2014 is between 1,100 and 1,400 Code Staff.

As an EU headquartered bank, the CRD IV pay ratio applies to Barclays Code Staff globally. This is not the case for Barclays' non-EU headquartered competitors, for example US financial services firms. For these firms, the CRD IV pay ratio only applies to their EU operations. Accordingly, the CRD IV pay ratio creates a competitive disadvantage for Barclays in the global market for talent, particularly in the US, Asia and Africa. 60% of Barclays' Code Staff in 2014 are expected to be based outside the EU.

Shareholder approval and remuneration compliance with the CRD IV pay ratio

We will comply with CRD IV's remuneration provisions in a simple and transparent manner. We have discussed our approach with the PRA and with some of our major shareholders. Our approach is legally compliant and based on the following principles:

- We do not want to increase fixed cost more than required
- We need to retain flexibility in our remuneration structure
- We must have the ability to be competitive on remuneration in the global environment in which we operate.

Barclays is seeking shareholder approval at the April 2014 AGM for the maximum CRD IV pay ratio of 2:1. A 2:1 ratio will limit the transfer from variable to fixed pay required to continue to pay our employees competitively.

Role Based Pay (RBP)

Consistent with developing market practice, our approach to CRD IV remuneration compliance for the small number of impacted employees is a new class of fixed pay called RBP which has the flexibility to be decreased as well as increased. Salaries can typically only be adjusted upwards.

The key features of RBP are as follows:

- It reflects the breadth and depth of responsibility associated with senior positions at Barclays
- It is fixed but will be reviewed (typically annually)
- It is paid monthly in cash alongside salary with effect from 1 January 2014 (excluding executive Directors and Group Executive Committee members who will be paid quarterly in shares (or share equivalents where local law makes this necessary) and certain other senior employees who will be paid partly in shares and partly in cash). The decision to pay in cash reflects the current very high levels of deferral within Barclays which are significantly in excess of regulatory requirements and the market
- It can go down as well as up in certain circumstances, for example, following changes to role, responsibilities or accountabilities, or external factors, such as changes in business and economic environment, which may have a bearing on the role in terms of equivalent market opportunities or the particular skill set required for a role
- It is not adjusted for performance (individual, business or Group) and is not salary for pension and benefits purposes (except where required under local law).

As a result of implementing RBP with a ratio of 2:1 we expect a small increase in fixed costs (and decrease in variable costs) for 2014. RBP will represent a relatively small proportion of total compensation costs.

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Remuneration report > 2013 incentives



This section provides details of how 2013 total incentive award decisions were made.

2013 performance headlines

The key considerations which the Committee took into account in making its remuneration decisions for 2013 are highlighted below:

- Adjusted income decreased 4% to £28,155m and adjusted profit before tax was down 32% to £5,167m
- The profits have been impacted by the reduction in income and the costs to achieve Transform including restructuring and de-risking activity completed during the year. Profits were also impacted by the withdrawal from certain lines of business which were incompatible with Barclays' Purpose and Values, investing to transform our operations and resolving legacy conduct and litigation issues
- The UK Retail and Corporate Banking businesses delivered good results, alongside the continued strong growth of Barclaycard
- Within the Investment Bank, an impressive performance in Equities and in Investment Banking has helped to partially offset lower income from our Fixed Income, Currencies and Commodities business
- We have also started to make important progress in repositioning our African, European and Wealth businesses to improve returns
- CRD IV CET1 ratio fully loaded was 9.3% (30 September 2013: 8.4% or 9.6% on a pro forma post rights issue basis)
- The estimated PRA leverage ratio increased to just under 3.0% (30 June 2013: 2.2%), reflecting a reduction in the PRA leverage exposure of £196bn and an increase in eligible PRA adjusted Tier 1 Capital to £40.5bn (30 June 2013: £34.2bn)
- Adjusted return on average shareholders' equity decreased to 4.5% (2012: 9.0%) principally reflecting the decrease in profit before tax, a £440m write-down of deferred tax assets relating to Spain and the £5.8bn of equity raised from the Rights Issue in Q413
- Cultural change, particularly embedding our Purpose and Values throughout the organisation, was a major Transform priority for 2013. As well as every colleague completing a mandatory training programme, Barclays' Purpose and Values was integrated into the day to day management processes covering recruitment, talent management, performance assessment and reward
- In the case of our Managing Director population, their 2013 performance has been formally assessed against whether they have exhibited the right values and behaviours, as well as producing the desired business outcomes. This criteria will apply to all employees in 2014.

2013 incentives – repositioning journey and impact of 2012 decisions

2013 compensation and incentive headlines

- Total compensation costs decreased 1% to £9,616m. Total compensation costs in the Investment Bank were slightly down at £4,634m (2012: £4,667m)
- This reduction in compensation costs in part offset the reduction in adjusted net operating income and meant that the Group compensation to adjusted net operating income ratio increased slightly to 38.3% (2012: 37.5%)
- Before making adjustments for risk and conduct events, the 2013 incentive awards of £2,492m had been reduced 18% from 2012. After adjustments for risk and conduct, total incentive awards granted were £2,378m, up 10% on 2012
- While the final incentive pool is up on 2012, it is £1,106m or 32% below the 2010 outcome from when the Committee started its repositioning journey to reduce compensation. In the Investment Bank incentive awards granted were 41% (£1,086m) below 2010
- There has been strong differentiation on the basis of individual performance to allow the Group to more effectively manage compensation costs
- Average value of incentive awards granted per Group employee is £17,000 (2012: £15,600) with the average value of incentive awards granted per Investment Bank employee of £60,100 (2012: £54,500). Average value of incentive awards granted per Group employee excluding the Investment Bank is £7,100 (2012: £6,800)
- Levels of deferral continue to significantly exceed the PRA Remuneration Code's minimum requirements and are expected to remain among the highest deferral levels globally. 2013 bonuses awarded to Managing Directors in the Investment Bank were 100% deferred.

We recognise the importance that our stakeholders attach to the judgements that we apply in managing remuneration. Remuneration must be managed in a way which incentivises employees, ensures pay is linked to performance and is appropriately aligned to risk and conduct.

Following 2010, material reductions were made to the incentive pool, particularly in the Investment Bank. In 2011 the Investment Bank pool was reduced by 35% from £2,660m to £1,737m and again in 2012 by a further 20% to £1,394m. Over this two-year period, incentives within the Investment Bank were almost halved (total incentive awards granted were down 48%). From a Group perspective, the pool was down by 38% over the same period. In making these reductions the Committee and management took measured risks with the aim of exerting further downward pressure on remuneration.

The Committee closely monitored the impact of these decisions. The evidence suggested that similar actions were not taken by our peers, most notably in the major US banks. This, together with uncertainty generated by CRD IV and high deferral levels (which significantly exceed regulatory requirements and the market) meant that Barclays, in certain areas of the business, was no longer appropriately competitive on remuneration, and this caused demonstrable damage to our business. While we remain committed to controlling pay levels, we also must seek to ensure that the health of the franchise is protected.

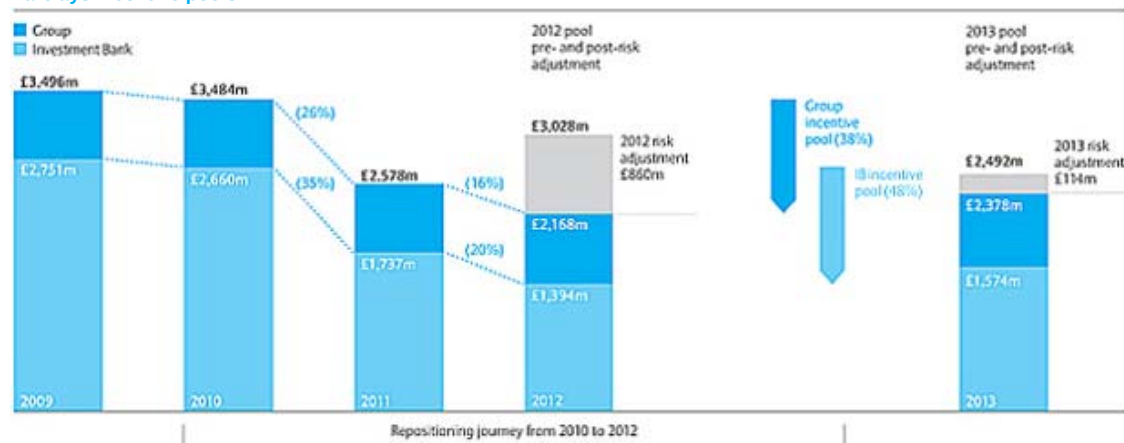
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In considering the appropriate level for the 2013 incentive pool, the Committee tried to find the right balance between ensuring the work on repositioning was not undone, reflecting performance (both financial and our long-term strategy), and keeping Barclays' remuneration appropriately competitive.

The outcome of this balancing process is that before adjustment for risk and conduct events, the 2013 incentive pool was reduced by 18% on the equivalent 2012 pool. The total 2013 risk and conduct adjustment was £290m of which £176m was applied through reduced LTIP payouts, the balance of £114m was taken by reducing the 2013 incentive pool. The level of adjustment required in 2013 was considerably less than that required in 2012, in which £860m was deducted from the pool for risk and conduct events including the investigation into the setting of inter-bank offered rates in 2012.

The final 2013 incentive pool after adjustments for risk and conduct events was £2,378m, up 10% on 2012. The increase should be seen in the context of the multi-year reductions already achieved, the competitive pressures sustained in some parts of the business, the reduced adjustments for risk and conduct events required in 2013 and the overall repositioning journey that the Committee remains focused on achieving in a way that ensures that the long-term value of the Bank is maximised for shareholders.

Barclays incentive pools



Barclays total incentive awards granted – current year and deferred (audited)

	Barclays Group			Investment Bank		
	Year ended 31.12.13 £m	Year ended 31.12.12 £m	% Change	Year ended 31.12.13 £m	Year ended 31.12.12 £m	% Change
Current year cash bonus	942	852	11	477	399	20
Current year share bonus	15	15	—	5	6	(17)
Total current year bonus	957	867	10	482	405	19
Deferred cash bonus	564	489	15	521	447	17
Deferred share bonus	576	498	16	521	446	17
Total deferred bonus	1,140	987	16	1,042	893	17
Commissions, commitments and other incentives	281	314	(11)	50	96	(48)
Total incentive awards granted	2,378	2,168	10	1,574	1,394	13
Proportion of bonus that is deferred^a	54%	53%		68%	69%	
Total employees (full time equivalent)	139,600	139,200	—	26,200	25,600	2
Average incentive award granted per employee	£17,000	£15,600	9	£60,100	£54,500	10

Note

a Calculated as total deferred bonus divided by the sum of total current year bonus and total deferred bonus.

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2013 incentives continued

Deferred bonuses are payable only once an employee meets certain conditions, including a specified period of service. This creates a timing difference between the communication of the bonus pool and the charges that appear in the income statement which are reconciled in the table below.

Reconciliation of total incentive awards granted to income statement charge (audited)

	Barclays Group			Investment Bank		
	Year ended 31.12.13 £m	Year ended 31.12.12 £m	% Change	Year ended 31.12.13 £m	Year ended 31.12.12 £m	% Change
Total incentive awards for 2013	2,378	2,168	10	1,574	1,394	13
Less: deferred bonuses awarded in 2013	(1,140)	(987)	16	(1,042)	(893)	17
Add: current year charges for deferred bonuses from previous years	1,147	1,223	(6)	1,042	1,117	(7)
Other ^a	169	21		144	75	92
Income statement charge for performance costs	2,554	2,425	5	1,718	1,693	1

Note

a Difference between incentive awards granted and income statement charge for commissions, commitments and other long-term incentives.

- Employees only become eligible to receive payment from a deferred bonus once all the relevant conditions have been fulfilled, including the provision of services to the Group
- The income statement charge for performance costs reflects the charge for employees' actual services provided to the Group during the relevant calendar year (including where those services fulfil conditions attached to previously deferred bonuses). It does not include charges for deferred bonuses where conditions have not been met
- As a consequence, while the 2013 incentive awards granted increased 10% compared to 2012, the income statement charge for performance costs increased 5%.

Income statement charge (audited)

	Barclays Group			Investment Bank		
	Year ended 31.12.13 £m	Year ended 31.12.12 £m	% Change	Year ended 31.12.13 £m	Year ended 31.12.12 £m	% Change
Deferred bonus charge	1,147	1,223	(6)	1,042	1,117	(7)
Current year bonus charges	957	867	10	482	405	19
Commissions, commitments and other incentives	450	335	34	194	171	13
Performance costs	2,554	2,425	5	1,718	1,693	1
Salaries	4,981	5,254	(5)	2,092	2,203	(5)
Social security costs	715	685	4	305	297	3
Post retirement benefits	688	612	12	161	147	10
Allowances and trading incentives	211	262	(19)	88	123	(28)
Other compensation costs ^a	467	521	(10)	270	204	32
Total compensation costs^b	9,616	9,759	(1)	4,634	4,667	(1)
Other resourcing costs						
Outsourcing	1,084	999	9	26	31	(16)
Redundancy and restructuring	687	68		186	41	
Temporary staff costs	551	481	15	255	227	12
Other	217	160	36	77	68	13
Total other resourcing costs	2,539	1,708	49	544	367	48
Total staff costs	12,155	11,467	6	5,178	5,034	3
Compensation as % of adjusted net income	38.3%	37.5%		44.1%	40.3%	
Compensation as % of adjusted income	34.2%	33.2%		43.2%	39.6%	

Notes

a Investment Bank other compensation costs include allocations from Head Office and net recharges relating to compensation costs incurred in the Investment Bank but charged to other businesses and charges from other businesses to the Investment Bank.

b In addition, £346m of Group compensation (2012: £44m) was capitalised as internally generated software.

- Total staff costs increased 6% to £12,155m, principally reflecting a £619m increase in redundancy and restructuring charges, a 5% increase in performance costs and a 9% increase in outsourcing
- Performance costs increased 5% to £2,554m, reflecting a 10% increase to £957m in charges for current year cash and share

bonuses and a 34% increase in commissions, commitments and other incentives to £450m. This was offset by a 6% decrease in the charge for deferred bonuses to £1,147m

- Redundancy and restructuring charges increased £619m to £687m, due to a number of Transform initiatives.

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Deferred bonuses awarded are expected to be charged to the income statement in the years outlined in the table that follows:

Year in which income statement charge is expected to be taken for deferred bonuses awarded to date^a

	Actual		Expected ^b	
	Year ended 31.12.12 £m	Year ended 31.12.13 £m	Year ended 31.12.14 £m	2015 and beyond £m
Barclays Group				
Deferred bonuses from 2010 and earlier bonus pools	557	192	21	–
Deferred bonuses from 2011 bonus pool	666	429	157	25
Deferred bonuses from 2012 bonus pool	–	526	299	155
Deferred bonuses from 2013 bonus pool	–	–	616	492
Income statement charge for deferred bonuses	1,223	1,147	1,093	672
Investment Bank				
Deferred bonuses from 2010 and earlier bonus pools	517	178	19	–
Deferred bonuses from 2011 bonus pool	600	384	143	22
Deferred bonuses from 2012 bonus pool	–	480	272	143
Deferred bonuses from 2013 bonus pool	–	–	570	452
Income statement charge for deferred bonuses	1,117	1,042	1,004	617

Bonus pool component	Expected grant date	Expected payment date(s) ^c	Year(s) in which income statement charge arises ^d
Current year cash bonus	February 2014	February 2014	2013
Current year share bonus	February/March 2014	February 2014 to September 2014	2013
Deferred cash bonus	March 2014	March 2015 (33.3%)	2014 (48%)
		March 2016 (33.3%)	2015 (35%)
		March 2017 (33.3%)	2016 (15%)
			2017 (2%)
Deferred share bonus	March 2014	March 2015 (33.3%)	2014 (48%)
		March 2016 (33.3%)	2015 (35%)
		March 2017 (33.3%)	2016 (15%)
			2017 (2%)

Notes

- a The actual amount charged depends upon whether conditions have been met and will vary compared with the above expectation. Charges for deferred bonuses include amounts for other incentives, such as commitments, which are awarded on a deferred basis.
- b Does not include the impact of grants which will be made in 2014 and 2015.
- c Payments are subject to all conditions being met prior to the expected payment date. In addition, employees receiving a deferred cash bonus may be awarded a service credit of 10% of the initial value of the award at the time that the final instalment is made, subject to continued employment.
- d The income statement charge is based on the period over which conditions are met.

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Directors' remuneration policy



This section sets out Barclays' forward looking remuneration policy for Directors, explaining each element of the Directors' remuneration policy and how it operates. The policy described in this section is intended to apply for three years beginning on the date of the 2014 AGM, subject to shareholder approval.

This remuneration policy sets out the framework for how the Committee's remuneration strategy will be executed for the Directors over the next three years. This is to be achieved by having a remuneration policy that seeks to:

- provide an appropriate and competitive mix of fixed and variable pay which, through its short and long-term components, incentivises management and is aligned to shareholders;
- provide direct line of sight with Barclays' strategy through the incentive programmes; and
- comply with and adapt to the changing regulatory landscape.

Impact of CRD IV on Directors' remuneration policy

Barclays is seeking shareholder approval for a maximum CRD IV pay ratio of 2:1 in accordance with CRD IV and has consulted with some of its major shareholders on this matter. Barclays' response to CRD IV and to ensure that it remains appropriately competitive for global talent is to introduce a new class of fixed pay called Role Based Pay (RBP). For the Group Chief Executive, Antony Jenkins, the maximum value of RBP will be £950,000 and for the Group Finance Director, Tushar Morzaria, the maximum RBP will be £750,000. RBP will be delivered in shares which will be subject to a maximum holding period over five years (with restrictions lifting 20% per annum).

In line with the current approach, at the maximum level of variable pay 40% will be delivered as bonus and 60% as a Barclays Long Term Incentive Plan (LTIP) award. Barclays recognises that in return for greater certainty on fixed pay there should be a reduced total remuneration opportunity.

An illustration of the impact of CRD IV on the structure of the executive Directors' remuneration together with the reduced maximum remuneration opportunity is set out below:

Group Chief Executive, Antony Jenkins – maximum remuneration opportunity

Current structure (£000)

Salary	Pension	Annual Bonus £2,750	Long Term Incentive Plan £4,400
£1,100	£363	250% of salary	400% of salary

New structure – maximum remuneration (£000)

Salary	Pension	Role Based Pay	Annual Bonus £1,930	Long Term Incentive Plan £2,896	Reduction in maximum opportunity
£1,100	£363	£950	80% of Fixed Pay	120% of Fixed Pay	
Fixed Pay			Maximum 200% of Fixed Pay		c.16% (£1,374)

The maximum remuneration opportunity for the Group Chief Executive, Antony Jenkins, will reduce in 2014 by £1,374,000 as set out above. This comprises a reduction in maximum variable pay opportunity of £2,324,000, of which £950,000 transfers to fixed pay as RBP. The net resulting reduction of £1,374,000 is a 59% discount on the portion of variable pay which is being transferred into fixed pay. Overall there is a 16% discount in the maximum total (fixed and variable) remuneration opportunity.

Group Finance Director, Tushar Morzaria – maximum remuneration opportunity

Current structure (£000)

Salary	Pension	Annual Bonus £2,000	Long Term Incentive Plan £3,200
£800	£200	250% of salary	400% of salary

New structure – maximum remuneration (£000)

Salary	Pension	Role Based Pay	Annual Bonus £1,400	Long Term Incentive Plan £2,100	Reduction in maximum opportunity
£800	£200	£750	80% of Fixed Pay	120% of Fixed Pay	
Fixed Pay		Maximum 200% of Fixed Pay			
					c.15% (£950)

The maximum remuneration opportunity for the Group Finance Director, Tushar Morzaria, will reduce in 2014 by £950,000 as set out above. This comprises a reduction in maximum variable pay opportunity of £1,700,000, of which £750,000 transfers to fixed pay as RBP. The net resulting reduction of £950,000 is a 56% discount on the portion of variable pay which is being

transferred into fixed pay. Overall there is a 15% discount in the maximum total (fixed and variable) remuneration opportunity.

European Banking Authority consultation paper

Although the European Banking Authority has published a consultation paper on the draft guidelines for the notional discount rate for long-term remuneration, this is still at consultation stage and it is not expected to be significant. Therefore it has not been factored in to the above illustration. We will review market positioning once the regulation is finalised and will consult with major shareholders on whether it is appropriate to amend our policy in future to allow for the discount.

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Remuneration policy for executive Directors

The implementation of remuneration policy for 2014 is set out on pages 118 and 119.

Element and purpose	Operation	Maximum value and performance measures
A. Fixed pay		
Salary To reward skills and experience appropriate for the role and provide the basis for a competitive remuneration package	Salaries are determined with reference to market practice and market data (on which the Committee receives independent advice), and reflect individual experience and role. Executive Directors' salaries are benchmarked against comparable roles in the following banks: Bank of America, BBVA, BNP Paribas, Citigroup, Credit Suisse, Deutsche Bank, HSBC, JP Morgan, Lloyds, Morgan Stanley, RBS, Santander, Société Générale, Standard Chartered and UBS. The Committee may amend the list of comparator companies to ensure it remains relevant to Barclays or if circumstances make this necessary (for example, as a result of takeovers or mergers). Salaries are reviewed annually and any changes are effective from 1 April in the financial year.	Salaries for executive Directors are set at a point within the benchmark range determined by the Committee taking into account their experience and performance. Increases for the current executive Directors over the policy period will be no more than local market employee increases other than in exceptional circumstances where the Committee judges that an increase is needed to bring an executive Director's salary into line with that of our competitors. In such circumstances Barclays would consult with its major shareholders.
Role Based Pay To enable competitive remuneration opportunity in recognition of the breadth and depth of the role	Paid quarterly in shares which are subject to a holding period with restrictions lifting over five years (20% each year). As the executive Directors beneficially own the shares, they will be entitled to any dividends paid on those shares. RBP will be reviewed and fixed annually and may be reduced or increased in certain circumstances. Any changes are effective from 1 January in the relevant financial year.	The maximum RBP for executive Directors is set at £950,000 for the Group Chief Executive, Antony Jenkins, and £750,000 for the Group Finance Director, Tushar Morzaria. It is not pensionable (except where required under local law). These amounts may be reduced but are at the maxima and may not be increased above this level. There are no performance measures.
Pension To enable executive Directors to build long-term retirement savings	Executive Directors receive an annual cash allowance in lieu of participation in a pension arrangement.	The maximum annual cash allowance is 33% of salary for the Group Chief Executive and 25% of salary for the Group Finance Director and any other executive Director.
Benefits To provide a competitive and cost effective benefits package appropriate to role and location	Executive Directors' benefits provision includes private medical cover, annual health check, life and ill health income protection, tax advice, car cash allowance, and use of a company vehicle and driver when required for business purposes. Additional benefits may be offered that are minor in nature or are normal market practice in a country to which an executive Director relocates or from which an executive Director is recruited. In addition to the above, if an executive Director were to relocate, additional support would be provided for a defined and limited period of time in line with Barclays' general employee mobility policy including provision of temporary accommodation, payment of removal costs and relocation flights. Barclays will pay the executive Director's tax on the relocation costs but will not tax equalise and will also not pay the tax on his or her other employment income.	The maximum value of the benefit is determined by the nature of the benefit itself and costs of provision may depend on external factors, e.g. insurance costs.

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Element and purpose	Operation	Maximum value and performance measures
B. Variable Pay		
Annual bonus To reward delivery of short-term financial targets set each year, the individual performance of the executive Directors in achieving those targets, and their contribution to delivering Barclays' strategic objectives While financial objectives are important, the Balanced Scorecard (which also includes Group financial targets) plays a significant role in bonus determination, to ensure alignment with Barclays' strategy Deferred bonuses encourage long-term focus and retention. Delivery substantially or fully in shares with a holding period increases alignment with shareholders. Deferred bonuses are granted by the Committee (or an authorised sub-committee) at its discretion, subject to the relevant plan rules	Determination of annual bonus Individual bonuses are discretionary and decisions are based on the Committee's judgement of executive Directors' performance in the year, measured against Group and personal objectives. Delivery structure Executive Directors are Code Staff and their bonuses are therefore subject to deferral of at least the level applicable to all Code Staff, currently 40% (for bonuses of no more than £500,000) or 60% (for bonuses of more than £500,000). The Committee may choose to defer a greater proportion of any bonus awarded to an executive Director than the minimum required by the PRA Remuneration Code. At least half the non-deferred bonus is delivered in shares or share-linked instruments. Deferred bonuses for executive Directors may be delivered in a combination of shares or other deferral instruments. Participants may, at the Committee's discretion, also receive the benefit of any dividends paid between the award date and the relevant release date in the form of dividend shares. Operation of risk and conduct adjustment and malus Any bonus awarded will reflect appropriate reductions made to incentive pools in relation to risk events. Individual bonus decisions may also reflect appropriate reductions in relation to specific risk and conduct events. All unvested deferred bonuses are subject to malus provisions which enable the Committee to reduce the vesting level of deferred bonuses (including to nil) for any reason. These include, but are not limited to: ■ A participant deliberately misleading Barclays, the market and/or shareholders in relation to the financial performance of the Barclays Group ■ A participant causing harm to Barclays' reputation or where his/her actions have amounted to misconduct, incompetence or negligence ■ A material restatement of the financial statements of the Barclays Group or the Group or any business unit suffering a material down turn in its financial performance ■ A material failure of risk management in the Barclays Group ■ A significant deterioration in the financial health of the Barclays Group. Timing of receipt Non-deferred cash components of any bonus are paid following the performance year to which they relate, normally in February. Non-deferred share bonuses are awarded normally in March and are subject to a six-month holding period. Deferred share bonuses normally vest in three equal portions over a minimum three-year period, subject to the provisions of the plan rules including continued employment and the malus provisions (as explained above). Should the deferred awards vest, the shares are subject to an	The maximum annual bonus opportunity is 80% of fixed pay. For these purposes, fixed pay is as set out in the charts on page 100. The performance measures by which any executive Director bonuses are assessed include Group, business and personal measures, both financial and non-financial. Financial measures may include, but are not restricted to such measures as net income, adjusted profit before tax, return on equity, CET 1 ratio and return on risk weighted assets. Non-financial measures are based on the Balanced Scorecard. Personal objectives may include key initiatives relating to the role of the Director or in support of Barclays' strategic objectives. The Balanced Scorecard is set out on page 10 and may be updated from time to time in line with the Group's strategy. In making its assessment of any bonus, the Committee will consider financial factors to guide 50% of the bonus opportunity, the Balanced Scorecard 35%, and personal objectives 15%. Any bonus is discretionary and any amount may be awarded from zero to the maximum value.

 additional six-month holding period (after payment of tax).

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Remuneration policy for executive Directors continued

Element and purpose	Operation	Maximum value and performance measures
B. Variable Pay continued		
Long Term Incentive Plan (LTIP) award To reward execution of Barclays' strategy and growth in shareholder value over a multi-year period Long-term performance measurement, holding periods and the malus provisions discourage excessive risk-taking and inappropriate behaviours, encourage a long-term view and align executive Directors' interests with those of shareholders Performance measures balance incentivising management to deliver strong risk-adjusted financial returns, and delivery of strategic progress as measured by the Balanced Scorecard. Delivery in shares with a further two-year holding period increases alignment with shareholders	Determination of LTIP award LTIP awards are made by the Committee following discussion of recommendations made by the Chairman (for the Group Chief Executive's LTIP award) and by the Group Chief Executive (for other executive Directors' LTIP awards). Delivery structure LTIP awards are granted subject to the plan rules and are satisfied in Barclays' shares (although they may be satisfied in other instruments as may be required by regulation). For each award, performance measures are set at grant and there is no retesting allowed of those conditions. The Committee has, within the parameters set out opposite, the flexibility to vary the weighting of performance measures and calibration for each award prior to its grant. The Committee has discretion, and in line with the plan rules approved by shareholders, in exceptional circumstances to amend targets, measures, or number of awards if an event happens (for example, a major transaction) that, in the opinion of the Committee, causes the original targets or measures to be no longer appropriate or such adjustment to be reasonable. The Committee also has the discretion to reduce the vesting of any award if it deems that the outcome is not consistent with performance delivered, including to zero. Participants may, at the Committee's discretion, also receive the benefit of any dividends paid between the award date and the relevant release date in the form of dividend equivalents (cash or securities). Operation of risk adjustment and malus The achievement of performance measures determines the extent to which LTIP awards will vest. Awards are also subject to malus provisions (as explained in the Annual bonus paragraphs above) which enable the Committee to reduce the vesting level of awards (including to nil). Timing of receipt Barclays LTIP awards have a five-year period in total from grant to when all restrictions are lifted. This will include a minimum three-year vesting period and an additional two-year holding period once vested (after payment of tax).	The maximum annual LTIP award is 120% of fixed pay. For these purposes, fixed pay is as set out in the charts on page 100. Vesting is dependent on performance measures and service. Following determination of the financial measures applicable to an LTIP cycle, if the Committee is satisfied with the underlying financial health of the Barclays Group (based on profit before tax) it may, at its discretion, adjust the percentage of shares considered for release up or down by up to 10% (subject to the maximum % for the award calibrated against financial performance measures). Performance measures will be based on financial performance (e.g. measured on return on risk weighted assets), risk metrics (e.g. measured by loan loss rate) and the Balanced Scorecard which also includes financial measures. The Committee has discretion to change the weightings but financial measures will be at least 50% and the Balanced Scorecard will be a maximum of 30%. The threshold level of performance for each performance measure will be disclosed annually as part of the implementation of remuneration report. Straight line vesting applies between threshold and maximum for the financial and risk measures.

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Element and purpose	Operation	Maximum value and performance measures
C. Other		
All employee share plans To provide an opportunity for Directors to voluntarily invest in the Company	Executive Directors are entitled to participate in: (i) Barclays Sharesave under which they can make monthly savings over a period of three or five years linked to the grant of an option over Barclays' shares which can be at a discount of up to 20% on the share price set at the start. (ii) Barclays Sharepurchase under which they can make contributions (monthly or lump sum) out of pre-tax pay (if based in the United Kingdom) which are used to acquire Barclays' shares.	(i) Savings between £5 and the maximum set by Barclays (which will be no more than the HMRC maximum) per month. There are no performance measures. (ii) Contributions of between £10 and the maximum set by Barclays (which will be no more than the HMRC maximum) per tax year which Barclays may match up to HMRC maximum (current match is £600). There are no performance measures.
Previous LTIP awards	Antony Jenkins currently holds unvested LTIP awards under the LTIP for the performance periods 2012-2014 and 2013-2015. The only differences between the operation of these awards and the future policy above are the performance measures and that the earlier 2012-2014 award only has a holding period of one year and this only applies to 50% of shares that are released (after payment of tax).	A summary of the performance measures that apply to the LTIP awards for 2012-2014 and 2013-2015 can be found on pages 114 and 115.
Previous buy out awards	Tushar Morzaria currently holds an unvested buy-out award under the Barclays Joiners Share Value Plan which was granted to him in respect of awards he forfeited as a result of accepting employment at Barclays. This award was made in line with the Barclays' recruitment policy outlined in the table on page 106.	The award was no more generous than and mirrored as far as possible the expected value and timing of vesting of the forfeited awards granted by JP Morgan.
Shareholding requirement To further enhance the alignment of shareholders' and executive Directors' interests in long-term value creation	Executive Directors must build up a shareholding of 400% of salary over five years from the later of: (i) the introduction of the new requirement in 2013; and (ii) the date of appointment as executive Director. They have a reasonable period to build up to this requirement again if it is not met because of a share price fall. Shares that count towards the requirement are beneficially owned shares including any vested share awards subject only to holding periods (including vested LTIPs, vested deferred share bonuses and RBP shares). Shares from unvested deferred share bonuses and unvested LTIPs do not count towards the requirement.	Barclays' shares worth a minimum of 400% of salary must be held within five years.
Outside appointments To encourage self-development and allow for the introduction of external insight and practice	Executive Directors may accept one board appointment in another listed company. Chairman's approval must be sought before accepting appointment. Fees may be retained by the executive Director. None of the executive Directors currently hold an outside appointment.	Not applicable

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Performance measures and targets

The Committee selected the relevant financial and risk based performance measures because they are key to the bank's strategy and are important measures used by the executive Directors to oversee the direction of the business. The Balanced Scorecard has been selected as it demonstrates the performance and progress of Barclays in the journey of becoming the 'Go-To' bank as measured across the following dimensions (5Cs): Customers & Clients, Colleagues, Citizenship, Conduct and Company. Each of the 5Cs in the Balanced Scorecard will have equal weighting. All targets are set to be stretching but achievable and aligned to enhancing shareholder value.

The Committee is of the opinion that the performance targets for the annual bonus and Balanced Scorecard element of the LTIP are commercially sensitive in respect of the Company and that it would be detrimental to the interests of the Company to disclose them before the start of the relevant performance period. The performance against those measures will be disclosed after the end of the relevant financial year in that year's remuneration report subject to the sensitivity no longer remaining.

Changes to the remuneration policy from that operating in 2013

Element	Change
Role Based Pay	Not applicable before 2014. Introduced following CRD IV regulatory change with a maximum value (amount can decrease but not increase above the quoted maxima).
Pension	Fixed maximum at percentages of salary (with no annual review) – 33% for Group Chief Executive and 25% for Group Finance Director.
Annual Bonus	Maximum of 80% of fixed pay (being the elements set out in the charts on page 100). Financial performance measures will guide 50%, Balanced Scorecard 35% and personal objectives 15% of the bonus opportunity.
Long Term Incentive Plan	Maximum of 120% of fixed pay (being the elements set out in the charts on page 100). The financial performance measures will have a weighting of at least 50% and the Balanced Scorecard measure will have a weighting of no more than 30%.

Differences between the remuneration policy of the executive Directors and the policy for all employees of the Barclays Group

The structure of total remuneration packages for executive Directors and for the broader employee population is similar. Employees receive salary, pension and benefits and are eligible to be considered for a bonus and to participate in all employee share plans. The broader employee population typically does not have a contractual limit on the quantum of their remuneration and does not receive RBP which is paid only to some, but not all, Code Staff. Executive Director RBP is determined on a similar basis to other Code Staff.

The Committee approaches any salary increases for executive Directors by benchmarking against market data for named banks. Incremental annual salary increases remain more common among employees at less senior levels.

As with executive Directors, bonuses for the broader employee population are performance based. Bonuses for executive Directors and the broader employee population are subject to deferral requirements. Executive Directors and other Code Staff are subject to deferral at a minimum rate of 40% (for bonuses of no more than £500,000) or 60% (for bonuses of more than £500,000) but the Committee may choose to operate higher deferral rates. For non-Code Staff, bonuses in excess of £65,000 are subject to a graduated level of deferral. The terms of deferred bonus awards for executive Directors and the wider employee population are broadly the same, in particular the vesting of all deferred bonuses (subject to service and malus conditions).

The broader employee population is not eligible to participate in the Barclays LTIP.

How shareholder views and broader employee pay are taken into account by the Committee in setting policy and making remuneration decisions

We recognise that remuneration is an area of particular interest to shareholders and that in setting and considering changes to remuneration it is critical that we listen to and take into account their views. Accordingly, a series of meetings are held each year with major shareholders and shareholder representative groups (including the Association of British Insurers, National Association of Pension Funds and ISS). The Committee Chairman attends these meetings, accompanied by senior Barclays' employees (including the Reward and Performance Director and the Company Secretary). Matters discussed for 2013 included our forward looking Directors' remuneration policy, 2013 remuneration and remuneration aspects of CRD IV. The Committee notes that shareholder views on some matters are not always unanimous, but values the insight and engagement that these interactions and the expression of sometimes different views provide. This engagement is meaningful and helpful to the Committee in its work and contributes directly to the decisions made by the Committee. For example, the Committee's proposals on which employees should receive RBP in shares and on certain individual RBP levels were amended following discussions with shareholders. Shareholders also contributed directly to the Committee's approach to the level of discount in the total remuneration opportunities of the executive Directors to reflect the increased certainty of RBP. Shareholders provided feedback which was used to shape the Directors' remuneration policy.

The Committee takes account of the pay and employment conditions of the broader employee base when it considers the remuneration of the executive Directors. The Committee receives and reviews analysis of remuneration proposals for

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employees across all of the Group's businesses. This includes analysis by corporate grade and by performance rating and information on proposed bonuses and salary increases across the employee population and individual proposals for Code Staff and highly paid individuals. When the Committee considers executive Director remuneration, it therefore makes that consideration in the context of a detailed understanding of remuneration for the broader employee population and uses the all employee data to compare remuneration and ensure consistency throughout the Group. Employees are not consulted directly on the Directors' remuneration policy.

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Directors' remuneration policy continued

Executive Directors' policy on recruitment

Barclays operates in a highly specialised sector and many of its competitors for talent are outside of the United Kingdom. The Committee's approach to recruitment remuneration is to pay no more than is necessary to attract appropriate candidates to the role.

The remuneration packages offered on appointment to any new executive Director are a specific part of the Committee's Terms of Reference. The terms of such packages must be approved by the Committee in consultation with the Chairman and (except for the terms of his own remuneration) the Group Chief Executive.

Any new executive Director's package would include the same elements, and be subject to the same constraints, as those of the existing executive Directors, as shown below.

Element of remuneration	Commentary	Maximum value
Salary	Determined by market conditions, market practice and ability to recruit. For a newly appointed executive Director, whether through external recruitment or internal promotion, if their salary is at a level below the desired market level, the Committee retains the discretion to realign their salary over a transitional period which may mean that annualised salary increases for the new appointee are higher than that set out in the salary section of the remuneration policy on page 101.	In line with policy.
Role Based Pay	Determined by role, market practice and ability to recruit. Percentage may decrease or increase in certain circumstances subject to maximum value.	100% of salary.
Benefits	In line with policy.	In line with policy.
Pension	In line with policy.	33% of salary (Group Chief Executive), 25% of salary (Group Finance Director) and 25% if another executive Director is appointed.
Annual Bonus	In line with policy.	80% of fixed pay.
Long Term Incentive Plan	In line with policy.	120% of fixed pay.
Buy out	The Committee can consider buying out forfeited bonus opportunity or incentive awards that the new executive Director has forfeited as a result of accepting the appointment with Barclays, subject to proof of forfeiture where applicable. As required by the PRA Remuneration Code, any award made to compensate for forfeited remuneration from the new executive Director's previous employment may not be more generous than, and must mirror as far as possible the expected value, timing and form of delivery, the terms of the forfeited remuneration and must be in the best long-term interests of Barclays. Barclays deferral policy shall however apply as a minimum to any buy out of annual bonus opportunity.	The value of any buy out is not included within the maximum incentive levels above since it relates to a buy out of forfeited bonus opportunity or incentive awards from a previous employer.

Where a senior executive is promoted to the Board, his or her existing contractual commitments agreed prior to his or her appointment may still be honoured in accordance with the terms of the relevant commitment including vesting of any pre-existing deferred bonus or long-term incentive awards.

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Executive Directors' policy on payment for loss of office (including a takeover)

The Committee's approach to payments in the event of termination is to take account of the individual circumstances including the reason for termination, individual performance, contractual obligations and the terms of the deferred bonus plans and long-term incentive plans in which the executive Director participates.

Provisions relating to executive Directors' termination

Standard provision	Policy	Details
Notice periods in executive Directors' service contracts	12 months' notice from the Company. 6 months' notice from the executive Director.	Executive Directors may be required to work during the notice period or may be placed on garden leave or if not required to work the full notice period may be provided with pay in lieu of notice (subject to mitigation where relevant).
Pay during notice period or payment in lieu of notice per service contracts	12 months' salary payable and continuation of pension and other contractual benefits while an employee.	Payable in phased instalments (or lump sum) and subject to mitigation if paid in instalments and executive Director obtains alternative employment during the notice period or while on garden leave. In the event of termination for gross misconduct neither notice nor payment in lieu of notice is given.
Treatment of Role Based Pay	Ceases to be payable from the executive Director's termination date. Therefore, RBP will be paid during any notice period and/or garden leave, but not where Barclays elects to make a payment in lieu of notice (unless otherwise required by local law).	Shares to be delivered on the next quarterly delivery date shall be pro rated for the number of days from the start of the relevant quarter to the termination date. Where Barclays elects to terminate the employment with immediate effect by making a payment in lieu of notice, the executive Director will not receive any shares that would otherwise have accrued during the period for which the payment in lieu is made (unless required otherwise by local law).
Treatment of annual bonus on termination	No automatic entitlement to bonus on termination, but may be considered at the Committee's discretion and subject to performance measures being met and pro rated for service. No bonus would be payable in the case of gross misconduct or resignation.	
Treatment of unvested deferred bonus awards	Outstanding deferred bonus awards would lapse if the executive Director leaves by reason of resignation or termination for gross misconduct. However in the case of death or if the Director is an 'eligible leaver' defined as leaving due to injury, disability or ill health, retirement, redundancy, the business or company which employs the executive Director ceasing to be part of the Group or in circumstances where Barclays terminates the employment (other than in cases of cause or gross misconduct), he or she would continue to be eligible to be considered for unvested portions of deferred awards, subject to the rules of the relevant plan unless the Committee determines otherwise in exceptional circumstances. Deferred awards are subject to malus provisions which enable the Committee to reduce the vesting level of deferred bonuses (including to nil). In the event of a takeover or other major corporate event, the Committee has absolute discretion to determine whether all outstanding awards would vest early or whether they should continue in the same or revised form following the change of control. The Committee may also determine that participants may exchange existing awards for awards over shares in an acquiring company with the agreement of that company.	In an eligible leaver situation, deferred bonus awards may be considered for release in full on the scheduled release date unless the Committee determines otherwise in exceptional circumstances. After release, the awards may be subject to an additional holding period of six months.

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Directors' remuneration policy continued

Provisions relating to executive Directors' termination continued

Standard provision	Policy	Details
Treatment of unvested awards under the LTIP	Outstanding unvested awards under the LTIP would lapse if the executive Director leaves by reason of resignation or termination for gross misconduct. However, in line with the plan rules approved by shareholders, in the case of death or if the Director is an 'eligible leaver' defined as leaving due to injury, disability or ill health, retirement, redundancy, the business or company which employs the executive Director ceasing to be part of the Group (or for any other reason if the Committee decides at its discretion), he or she would continue to be entitled to be considered for an award. Awards are also subject to malus provisions which enable the Committee to reduce the vesting level of awards (including to nil). In the event of a takeover or other major corporate event (but excluding an internal reorganisation of the Group), the Committee has absolute discretion to determine whether all outstanding awards vest subject to the achievement of any performance conditions. The Committee has discretion to apply a pro rata reduction to reflect the unexpired part of the vesting period. The Committee may also determine that participants may exchange awards for awards over shares in an acquiring company with the agreement of that company. In the event of an internal reorganisation, the Committee may determine that outstanding awards will be exchanged for equivalent awards in another company.	In an eligible leaver situation, awards may be considered for release on the scheduled release date, pro rated for time and performance, subject to the Committee's discretion to determine otherwise in exceptional circumstances. After release, the shares (net of deductions for tax) are subject to an additional holding period of two years.
Repatriation	Except in a case of gross misconduct or resignation, where a Director has been relocated at the commencement of employment, the Company may pay for the Director's repatriation costs in line with Barclays' general employee mobility policy including temporary accommodation, payment of removal costs and relocation flights. The company will pay the executive Director's tax on the relocation costs but will not tax equalise and will also not pay tax on his or her other income relating to the termination of employment.	
Other	Except in a case of gross misconduct or resignation, the Company may pay for the executive Director's legal fees and tax advice relating to the termination of employment and provide outplacement services. The Company may pay the executive Director's tax on these particular costs.	

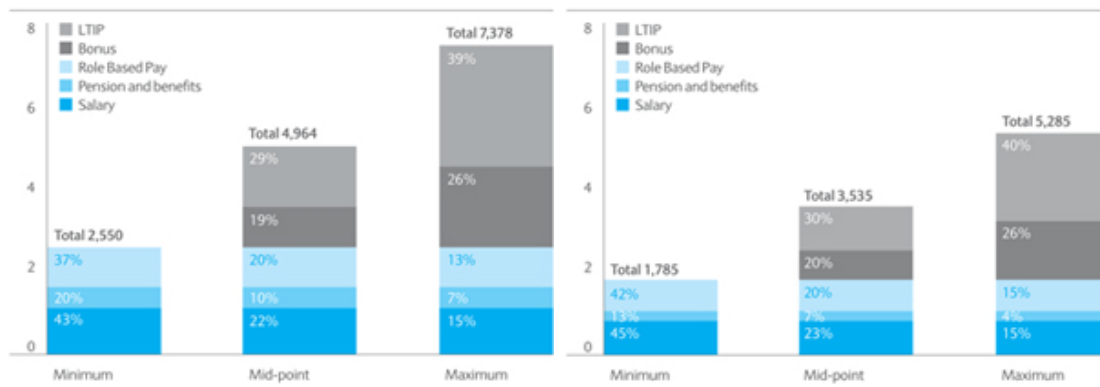
Illustrative scenarios for executive Directors' remuneration

The charts below show the potential value of the current executive Directors' 2014 remuneration in three scenarios: 'Minimum' (i.e. fixed pay), 'Maximum' (i.e. fixed pay and the maximum variable pay that may be awarded) and 'Mid-point' (i.e. fixed pay and 50% of the maximum variable pay that may be awarded). For the purposes of these charts, the value of benefits is based on an estimated annual value for 2014. The scenarios do not reflect share price movement between award and vesting.

A significant proportion of the potential remuneration of the executive Directors is variable and is therefore performance-related and at risk.

Total remuneration opportunity: Group Chief Executive (£000)

Total remuneration opportunity: Group Finance Director (£000)



In the above illustrative scenarios, benefits include regular contractual benefits. Additional ad hoc benefits may arise, for example, overseas relocation of executive Directors, but will always be provided in line with policy.

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Remuneration policy for non-executive Directors

This section provides details of the remuneration policy for the Chairman and non-executive Directors.

Remuneration policy for non-executive Directors

Element and purpose	Operation
Fees Reflect individual responsibilities and membership of Board Committees and are set to attract non-executive Directors who have relevant skills and experience to oversee the implementation of our strategy	The Chairman and Deputy Chairman are paid an all-inclusive fee for all Board responsibilities. The Chairman has a minimum time commitment equivalent to at least 80% of a full-time role. The other non-executive Directors receive a basic Board fee, with additional fees payable where individuals serve as a member or Chairman of a Committee of the Board. Fee levels for 2014 are disclosed in the table on page 119. Fees are reviewed each year by the Board as a whole against those for non-executive Directors in companies of similar scale and complexity. Fees were last increased in May 2011. The first £30,000 (Chairman: first £100,000) after tax and national insurance contributions of each non-executive Director's basic fee is used to purchase Barclays' shares which are retained on the non-executive Director's behalf until they retire from the Board.
Benefits For Chairman only	The Chairman is provided with private medical cover subject to the terms of the Barclays scheme rules from time to time, and is provided with the use of a Company vehicle and driver when required for business purposes. No other non-executive Director receives any benefits from Barclays. Non-executive Directors are not eligible to join Barclays' pension plans.
Bonus and share plans	Non-executive Directors are not eligible to participate in Barclays cash, share or long-term incentive plans.
Notice and termination provisions	Each non-executive Director's appointment is for an initial six year term, renewable for a single term of three years thereafter and subject to annual re-election by shareholders. Notice period: Chairman: 12 months from the Company (six months from the Chairman). Non-executive Directors: six months from the Company (six months from the Non-executive Director). Termination payment policy The Chairman's appointment may be terminated by Barclays on 12 months' notice or immediately in which case 12 months' fees and contractual benefits are payable in instalments at the times they would have been received had the appointment continued, but subject to mitigation if they were to obtain alternative employment. There are similar termination provisions for non-executive Directors based on six months' fees. No continuing payments of fees (or benefits) are due if a non-executive Director is not re-elected by shareholders at the Barclays Annual General Meeting.

In accordance with the policy table above, any new Chairman and Deputy Chairman would be paid an all-inclusive fee only and any new non-executive Director would be paid a basic fee for their appointment as a Director, plus fees for their participation on and/or chairing of any Board committees, time apportioned in the first year as necessary. No sign-on payments are offered to non-executive Directors.

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Directors' remuneration policy continued

Service contracts and letters of appointment

All executive Directors have a service contract whereas all non-executive Directors have a letter of appointment. Copies of the service contracts and letters of appointment respectively are available for inspection at the Company's registered office. The dates of the current Directors' service contracts and letters of appointment are shown in the table below.

	Effective date
Chairman	
Sir David Walker	1 September 2012 (non-executive Director), 1 November 2012 (Chairman)
Executive Directors	
Antony Jenkins	30 August 2012
Tushar Morzaria	15 October 2013
Non-executive Directors	
Michael Ashley	18 September 2013
Tim Breedon	1 November 2012
Fulvio Conti	1 April 2006
Simon Fraser	10 March 2009
Reuben Jeffery III	16 July 2009
Wendy Lucas-Bull	19 September 2013
Dambisa Moyo	1 May 2010
Frits van Paasschen	1 August 2013
Sir Michael Rake	1 January 2008
Diane de Saint Victor	1 March 2013
Sir John Sunderland	1 June 2005
Stephen Thieke	7 January 2014

All Directors are put forward for re-election at each AGM, unless they have indicated that they will not seek re-election at the AGM.

Discretion

In addition to the various operational discretions that the Committee can exercise in the performance of its duties (including those discretions set out in the Company's share plans), the Committee reserves the right to make either minor or administrative amendments to the policy to benefit its operation or to make more material amendments in order to comply with new laws, regulations and/or regulatory guidance. The Committee would only exercise this right if it believed it was in the best interests of the Company to do so and where it is not possible, practicable or proportionate to seek or await shareholder approval in General Meeting.

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Annual report on Directors' remuneration



This section explains how our Directors' remuneration policy was implemented during 2013.

Single total figure for 2013 remuneration

The following table shows a single total figure of remuneration in respect of qualifying service for each executive Director together with comparative figures for 2012.

Executive Directors: Single total figure for 2013 remuneration (audited)

	Salary £000		Taxable benefits £000		Bonus £000		LTIP £000		Pension £000		Total £000	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Antony Jenkins ^a	1,100	373	138	19	0	0	0	0	364	137	1,602	529
Tushar Morzaria ^b	171	–	14	–	1,200	–	0	–	43	–	1,428	–
Chris Lucas ^c	501	800	47	34	500	0	985	643	125	200	2,158	1,677

Notes

a Antony Jenkins joined the Board with effect from 30 August 2012.

b Tushar Morzaria joined the Board with effect from 15 October 2013.

c Chris Lucas stepped down from the Board with effect from 16 August 2013 due to ill health. Further details are disclosed on page 115.

Additional information in respect of each element of pay for the executive Directors (audited):

Base salary

Antony Jenkins has been paid a salary of £1,100,000 per annum as Group Chief Executive since his appointment to the role. Tushar Morzaria commenced employment on 15 October 2013 on a salary of £800,000 per annum. Chris Lucas was paid a salary of £800,000 per annum.

Taxable benefits

Taxable benefits include private medical cover, life and ill health income protection, tax advice, home leave related costs, car allowance and the use of a company vehicle and driver when required for business purposes. The figure in the above table for Tushar Morzaria includes £4,576 of non-taxable relocation expenses. Further relocation expenses will be incurred for Tushar Morzaria.

Pension

Executive directors are contractually entitled to cash in lieu of pension contributions which reflects market practice for senior executives in comparable roles.

Annual bonus

Bonuses are earned by reference to the financial year and awarded in the following February. The Committee considered the performance of each of the executive Directors during their respective periods of office during the year. Their performance was assessed against their objectives agreed at the start of the year and comprised both Group and personal, financial and non-financial measures.

(i) Shared objectives

The executive Directors share collective responsibility for progress, as at the year end, against the Transform commitments set out at the start of 2013 and in the Rights Issue prospectus.

Objective	Targets / measures for 2013	Progress in 2013
Strategic progress: the Transform programme	Performance is assessed against the Transform commitments of 2013 Financial measures in the Transform commitments included return on equity, cost to income ratio, core capital ratio, dividend payouts and risk weighted assets. Non-financial measures include progress on cultural change, the development of the Balanced Scorecard and the reputation of and trust in Barclays.	Financial - Underlying performance has been resilient and momentum is building - CRD IV Risk Weighted Assets within the £440bn target for 2015 - Fully loaded Common Equity Tier 1 capital ratio at 9.3% is on track to meet the target of 10.5% during 2015 - Cost reduction plans on target for expenses of £16.8bn in 2015 excluding costs to achieve Transform - Adverse movement in cost to income ratio in 2013 mainly as a consequence of reduced income - Work done in 2013 to target a 40% dividend payout ratio from 2014, achieving a payout ratio of 40-50% over time. Non-financial - Barclays Purpose, Values and Behaviours published and cascaded throughout organisation, now integrated into day to day management processes. Data shows that the culture is changing at Barclays - Balanced Scorecard published shortly after the year end. Data shows reputation of and trust in Barclays is improving.

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Annual report on Directors' remuneration continued

Objective	Targets / measures for 2013	Progress in 2013
2013 Financial and risk measures	The executive Directors lead delivery of overall performance measured by reference to income, profitability, risk weighted assets and return on equity	- Strength in the diversity of the Group's income, underpinned by our traditional consumer and commercial banking franchises, and growth in Equities and Investment Banking in the Investment Bank - But income in the Investment Bank overall was down 9% driven by a decrease in FICC - Adjusted profit before tax was down 32% year on year due to reduced income and costs to achieve Transform - Successful execution of Rights Issue - Strong financial fundamentals across funding and liquidity, capital, credit risk management and margins - Adjusted return on average shareholders' equity decreased to 4.5% principally reflecting the decrease in profit before tax.

(ii) Personal objectives/measures

Antony Jenkins

Objective	Targets / measures for 2013	Progress in 2013
Drive the strategic agenda	Deliver the Transform programme with the goal of making Barclays the 'Go To' bank	Defined the strategic vision and provided leadership driving the growing momentum in the delivery of Barclays' Transform strategy. The launch of the Balanced Scorecard and embedding the Barclays Purpose, Values and Behaviours are significant achievements Led the organisation in executing delivery of the six Transform commitments and PRA leverage expectation.
Impact and leadership	Building relationships with key stakeholders	Increased engagement and industry leadership with global regulators, industry leaders and thought leaders has led to an improved level of trust in Barclays.

Tushar Morzaria

Objective	Targets / measures for 2013	Progress in 2013
Drive the strategic agenda	Active contribution to Group Strategy discussions, lead cost management initiatives to meet target of £18.5bn in 2013 and leverage planning to achieve PRA target of 3% in June 2014	Since October 2013, driven the cost reduction agenda, contributed strongly to the Quarter 3 and full year results process, and has conducted a detailed balance sheet review, specifically focused on meeting leverage ratio requirements as a priority Costs marginally over target and leverage target achieved six months early.
Impact and leadership	Lead finance, tax and treasury functions, build relationships with ExCo and Board colleagues	Has made immediate positive impact in both the Executive Committee and Board.

Chris Lucas

Objective	Targets / measures for 2013	Progress in 2013
Drive the strategic agenda	Lead Transform workstreams related to CFO function, deliver STP and cost management targets	Strong communication of Transform agenda to shareholders and other external stakeholders and strong progress in Transform workstreams related to CFO function

		Strong financial fundamentals across funding and liquidity, capital, credit risk management and margins.
Impact and leadership	Lead finance, tax and treasury functions, maintain strong relationships internally and externally, manage change in the Finance function	The Committee recognised 2013 achievements in driving change and leading the function, noting he is a widely respected leader both internally and externally and was highly collaborative on hiring a successor.