BARCLAYS PLC
Form 20-F
March 14, 2014
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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, DC 20549

FORM 20-F

(Mark One)

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR 12(g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

þ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2013

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from ____________ to ____________

OR

¨ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report ____________

Commission file numbers	Barclays PLC	1-09246
	Barclays Bank PLC	1-10257

BARCLAYS PLC

BARCLAYS BANK PLC

(Exact Names of Registrants as Specified in their Charter[s])

ENGLAND

(Jurisdiction of Incorporation or Organization)

1 CHURCHILL PLACE, LONDON E14 5HP, ENGLAND

(Address of Principal Executive Offices)

PATRICK GONSALVES, +44 (0)20 7116 2901, PATRICK.GONSALVES@BARCLAYS.COM

1 CHURCHILL PLACE, LONDON E14 5HP, ENGLAND

*(Name, Telephone, E-mail and/or Facsimile number and Address of Company Contact Person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Barclays PLC

Title of Each Class	Name of Each Exchange On Which Registered
25p ordinary shares	New York Stock Exchange*
American Depository Shares, each representing four 25p ordinary shares	New York Stock Exchange

* Not for trading, but in connection with the registration of American Depository Shares, pursuant to the requirements of the Securities and Exchange Commission.

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Barclays Bank PLC

Title of Each Class	Name of Each Exchange On Which Registered
Callable Floating Rate Notes 2035	New York Stock Exchange
Non-Cumulative Callable Dollar Preference Shares, Series 2	New York Stock Exchange*
American Depository Shares, Series 2, each representing one Non-Cumulative Callable Dollar Preference Share, Series 2	New York Stock Exchange
Non-Cumulative Callable Dollar Preference Shares, Series 3	New York Stock Exchange*
American Depository Shares, Series 3, each representing one Non-Cumulative Callable Dollar Preference Share, Series 3	New York Stock Exchange
Non-Cumulative Callable Dollar Preference Shares, Series 4	New York Stock Exchange*
American Depository Shares, Series 4, each representing one Non-Cumulative Callable Dollar Preference Share, Series 4	New York Stock Exchange
Non-Cumulative Callable Dollar Preference Shares, Series 5	New York Stock Exchange*
American Depository Shares, Series 5, each representing one Non-Cumulative Callable Dollar Preference Share, Series 5	New York Stock Exchange
5.140% Lower Tier 2 Notes due October 2020	New York Stock Exchange
Floating Rate Senior Notes due December 9 2016	New York Stock Exchange
iPath® Dow Jones UBS Commodity Index Total Return℠ ETN	NYSE Arca
iPath® Dow Jones UBS Agriculture Subindex Total Return℠ ETN	NYSE Arca

iPath® Dow Jones-UBS Aluminum Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones-UBS Cocoa Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones-UBS Coffee Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones UBS Copper Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones-UBS Cotton Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones UBS Energy Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones UBS Grains Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones UBS Industrial Metals Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones-UBS Lead Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones UBS Livestock Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones UBS Natural Gas Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones UBS Nickel Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones-UBS Platinum Subindex Total Return℠ ETN	NYSE Arca

iPath® Dow Jones-UBS Precious Metals Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones-UBS Softs Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones-UBS Sugar Subindex Total Return℠ ETN	NYSE Arca
iPath® Dow Jones-UBS Tin Subindex Total Return℠ ETN	NYSE Arca
iPath® S&P GSCI® Total Return Index ETN	NYSE Arca
iPath® S&P GSCI® Crude Oil Total Return Index ETN	NYSE Arca
iPath® CBOE S&P 500 BuyWrite Index℠ ETN	NYSE Arca
iPath® MSCI India Index℠ ETN	NYSE Arca
iPath® EUR/USD Exchange Rate ETN	NYSE Arca
iPath® GBP/USD Exchange Rate ETN	NYSE Arca
iPath® JPY/USD Exchange Rate ETN	NYSE Arca
iPath® S&P 500 VIX Short-Term Futures™ ETN	NYSE Arca
iPath® S&P 500 VIX Mid-Term Futures™ ETN	NYSE Arca
iPath® Inverse S&P 500 VIX Short-Term Futures™ ETN	NYSE Arca
iPath® Long Extended Russell 1000® TR Index ETN	NYSE Arca
iPath® Long Extended Russell 2000® TR Index ETN	NYSE Arca
iPath® Long Enhanced MSCI EAFE® TR Index ETN	NYSE Arca
iPath® Long Enhanced MSCI Emerging Markets Index ETN	NYSE Arca
iPath® Short Enhanced MSCI Emerging Markets Index ETN	NYSE Arca

iPath® Long Extended S&P 500® TR Index ETN	NYSE Arca
iPath® Global Carbon ETN	NYSE Arca
iPath® Optimized Currency Carry ETN	NYSE Arca
iPath® US Treasury Steepener ETN	NYSE Arca
iPath® US Treasury Flattener ETN	NYSE Arca
iPath® US Treasury 2-year Bull ETN	NYSE Arca
iPath® US Treasury 2-year Bear ETN	NYSE Arca
iPath® US Treasury 10-year Bull ETN	NYSE Arca
iPath® US Treasury 10-year Bear ETN	NYSE Arca
iPath® US Treasury Long Bond Bull ETN	NYSE Arca
iPath® US Treasury Long Bond Bear ETN	NYSE Arca

iPath® Pure Beta Broad Commodity ETN	NYSE Arca
iPath® Pure Beta S&P GSCI®-Weighted ETN	NYSE Arca
iPath® Pure Beta Cocoa ETN	NYSE Arca
iPath® Pure Beta Coffee ETN	NYSE Arca
iPath® Pure Beta Cotton ETN	NYSE Arca
iPath® Pure Beta Sugar ETN	NYSE Arca
iPath® Pure Beta Aluminum ETN	NYSE Arca
iPath® Pure Beta Copper ETN	NYSE Arca
iPath® Pure Beta Lead ETN	NYSE Arca
iPath® Pure Beta Nickel ETN	NYSE Arca
iPath® Pure Beta Crude Oil ETN	NYSE Arca
iPath® Seasonal Natural Gas ETN	NYSE Arca
iPath® Pure Beta Agriculture ETN	NYSE Arca
iPath® Pure Beta Grains ETN	NYSE Arca
iPath® Pure Beta Softs ETN	NYSE Arca
iPath® Pure Beta Industrial Metals ETN	NYSE Arca
iPath® Pure Beta Energy ETN	NYSE Arca
iPath® Pure Beta Livestock ETN	NYSE Arca
iPath® Pure Beta Precious Metals ETN	NYSE Arca
iPath® US Treasury 5-year Bull ETN	NYSE Arca
iPath® US Treasury 5-year Bear ETN	NYSE Arca
iPath® S&P 500 Dynamic VIX ETN	NYSE Arca

iPath® Inverse S&P 500 VIX Short-Term FuturesTM ETN (II)	NYSE Arca
iPath® GEMS IndexTM ETN	NYSE Arca
iPath® GEMS Asia 8 ETN	NYSE Arca
iPath® Asian and Gulf Currency Revaluation ETN	NYSE Arca
iPath® S&P MLP ETN	NYSE Arca
Barclays ETN+ S&P 500® Dynamic VEQTOR ETN	NYSE Arca
Barclays ETN+ Long B Leveraged Exchange Traded Notes Linked to the S&P 500® Total Return Index℠	NYSE Arca

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Barclays ETN+ Short B Leveraged Exchange Traded Notes Linked to the Inverse Performance of the S&P 500® Total Return Index℠	NYSE Arca
Barclays ETN+ Long C Leveraged Exchange Traded Notes Linked to the S&P 500® Total Return Index℠	NYSE Arca
Barclays ETN+ Shiller CAPE™ ETNs	NYSE Arca
Barclays ETN+ Select MLP ETN	NYSE Arca
Barclays ETN+ FI Enhanced Europe 50 ETN	NYSE Arca
Barclays ETN+ FI Enhanced Global High Yield ETN	NYSE Arca

* Not for trading, but in connection with the registration of American Depository Shares, pursuant to the requirements of the Securities and Exchange Commission.

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Securities registered or to be registered pursuant to Section 12(g) of the Act: None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: None

Indicate the number of outstanding shares of each of the issuers classes of capital or common stock as of the close of the period covered by the annual report.

Barclays PLC	25p ordinary shares	16,113,310,549
Barclays Bank PLC	£1 ordinary shares	2,342,558,515
	£1 preference shares	1,000
	£100 preference shares	75,000
	100 preference shares	240,000
	$0.25 preference shares	237,000,000
	$100 preference shares	100,000

Indicate by check mark if each registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.

Yes þ No ¨

If this report is an annual or transition report, indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act 1934.

Yes ¨ No þ

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrants: (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.

Yes þ No ¨

Indicate by check mark whether the registrants have submitted electronically and posted on their corporate Web sites, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ¨ No ¨

Indicate by check mark whether each registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Barclays PLC

Large Accelerated Filer þ Accelerated Filer ¨ Non-Accelerated Filer ¨

Barclays Bank PLC

Large Accelerated Filer ¨ Accelerated Filer ¨ Non-Accelerated Filer þ

*Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ¨

International Financial Reporting Standards as issued by the International Accounting Standards Board þ

Other ¨

*If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow:

Item 17 ¨

Item 18 ¨

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ¨ No þ

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS.)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court.

Yes ¨ No ¨

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SEC Form 20-F Cross reference information

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* Captions have been included only in respect of pages with multiple sections on the same page in order to identify the relevant caption on that page covered by the corresponding Form 20-F item number.

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Building the

Go-To bank

Barclays PLC and Barclays Bank PLC

2013 Annual Report on Form 20-F

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The term Barclays or Group refers to Barclays PLC together with its subsidiaries. Unless otherwise stated, the income statement analysis compares the twelve months to 31 December 2013 to the corresponding twelve months of 2012 and balance sheet analysis as at 31 December with comparatives relating to 31 December 2012. 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.

Certain non-IFRS measures

Barclays management believes that the non-International Financial Reporting Standards (IFRS) measures included in this document provide valuable information to readers of its financial statements because they enable the reader to identify a more consistent basis for comparing the business performance between financial periods, and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays management. However, any non-IFRS measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. Key non-IFRS measures included in this document, and the most directly comparable IFRS measures, are:

Adjusted profit/(loss) before tax is the non-IFRS equivalent of profit/(loss) before tax as it excludes the impact of own credit; disposal of the investment in BlackRock, Inc.; the provision for Payment Protection Insurance redress payments and claims management costs (PPI redress); the provision for interest rate hedging products redress and claims management costs (interest rate hedging products redress); and goodwill impairment. A reconciliation of IFRS and adjusted profit/(loss) before tax is presented on page 417 for the Group and on pages 418 to 420 for each business;

Adjusted attributable profit is the non-IFRS equivalent of Attributable profit as it excludes the post-tax impact of own credit, disposal of the investment in BlackRock, Inc.; the provision for PPI redress; the provision for interest rate hedging products redress; and goodwill impairment. represents adjusted profit/(loss) after tax less profit attributable to non-controlling interests. A reconciliation is provided on page 225.

Adjusted profit/(loss) after tax represents profit/loss after tax excluding the post-tax impact of own credit, disposal of the investment in BlackRock, Inc.; the provision for PPI redress; the provision for interest rate hedging products redress; and goodwill impairment. A reconciliation is provided on page 418 to 420;

Adjusted income and adjusted total (expense)/income net of insurance claims represents total (expense)/income net of insurance claims excluding the impact of own credit. A reconciliation is provided on page 417 for the Group and on pages 418 to 420 for each business;

Adjusted net operating income represents net operating income excluding the impact of own credit and gain on disposal of the investment in BlackRock, Inc. A reconciliation is provided on pages 418 to 420;

Adjusted operating expenses represents operating expenses excluding the provision for PPI redress, provision for interest rate hedging product redress and goodwill impairment. A reconciliation is provided on page 417 for the Group and on pages 418 to 420 for each business;

Adjusted cost: income ratio represents cost:income ratio excluding the impact of own credit, disposal of the investment in BlackRock, Inc.; the provision for PPI redress; the provision for interest rate hedging products redress; and goodwill impairment. The comparable IFRS measure is cost: income ratio, which represents operating expenses to income net of insurance claims. A reconciliation of the components used to calculate adjusted cost: income ratio to their corresponding IFRS measures is provided on page 417 for the Group and on pages 418 to 420 for each business;

Adjusted compensation:net operating income ratio represents compensation:net operating income ratio excluding the impact of own credit and the disposal of the investment in BlackRock, Inc. A reconciliation is provided on page 417 for the Group;

Adjusted basic earnings per share represents adjusted attributable profit (set out on page 225) divided by the basic weighted average number of shares in issue. The comparable IFRS measure is basic earnings per share, which represents profit after tax and non-controlling interests, divided by the basic weighted average number of shares in issue;

Adjusted return on average shareholders equity represents adjusted attributable profit (page 225) divided by adjusted average equity, excluding non-controlling interests (page 225). The comparable IFRS measure is return on average shareholder s equity, which represents profit attributable to equity holders of the parent divided by average equity, excluding non-controlling interests;

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Adjusted return on average tangible shareholders equity represents adjusted attributable profit (page 225) divided by average adjusted tangible equity, excluding non-controlling interests (page 225). The comparable IFRS measure is return on average tangible shareholders equity, which represents profit after tax and non-controlling interests, divided by average tangible equity (page 225);

Adjusted return on average risk weighted assets represents adjusted profit after tax (set out on pages 417 to 420), divided by average risk weighted assets. The comparable IFRS measure is return on average risk weighted assets, which represents profit after tax divided by average risk weighted assets;

The effective tax rate on adjusted profit is a non-IFRS measure representing the tax charge on adjusted profit/(loss) before tax. The comparable IFRS measure is effective tax rate, which represents the tax charge on profit/(loss) before tax;

Capital metrics on a post-rights issue basis are non-IFRS measures as they represent the impact that the new Barclays PLC ordinary shares issued and the cash received on 4 October 2013 would have has on the metrics had the rights issue been completed as at 30 September 2013;

Compensation as a percentage of adjusted net income represents compensation as a percentage of net income excluding the impact of own credit and the disposal of the disposal of the investment in BlackRock, Inc.;

Compensation as a percentage of adjusted income represents compensation as a percentage of income excluding the impact of own credit and the disposal of the disposal of the investment in BlackRock, Inc.;

Constant Currency Basis the impact of foreign currency conversion to GBP when comparing financial results in two different financial periods. Material local currency balances have been translated into GBP at prior-year average exchange rates to remove the effect of exchange rate movement between the comparable periods;

Excluding foreign currency movements - this differs from measures presented on a constant currency basis and refers to the movement on the balance in the underlying local currency excluding the conversion to GBP.

Net Stable Funding Ratio (NSFR) is calculated according to the definition and methodology detailed in the standard provided by the Basel Committee on Banking Supervision. The original guidelines released in December 2010 (Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring , December 2010) were revised for in January 2014 (Basel III: The Net Stable Funding Ratio , January 2014). The metric is a regulatory ratio that is not yet finalised in local regulations and, as such, represent a non-IFRS measure. This definition and the methodology used to calculate this metric is subject to further revisions ahead of the implementation date and our interpretation of this calculation may not be consistent with that of other financial institutions;

Liquidity Coverage Ratio (LCR) is calculated according to the definition and methodology detailed in the standard provided by the Basel Committee on Banking Supervision. The original guidelines released in December 2010 (Basel III: International Framework for Liquidity Risk Measurement, Standards and Monitoring , December 2010) were revised in January 2013 (Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools , January 2013). The metric is a regulatory ratio that is not yet finalised in local regulations and, as such, represents a non-IFRS measure. This definition and the methodology used to calculate this metric is subject to further revisions ahead of the implementation date and our interpretation of this calculation may not be consistent with that of other financial institutions;

Basel Committee leverage ratio, represents CRD IV Tier 1 capital divided by the leverage exposure defined in accordance with the Basel Committee consultation paper issued on 12 January 2014. This measure has been disclosed as it provides an indication of the impact of potential future changes to the calculation of the leverage ratio applicable to Barclays. This definition and the methodology used to calculate the Basel 3 leverage exposure is subject to further revisions ahead of the implementation date and our interpretation of this calculation may not be consistent with that of other financial institutions. Refer to page 180 for further detail on this metric;

Transitional CET1 ratio according to FSA October 2012. This measure is calculated by taking into account the statement of the Financial Services Authority, the predecessor of the Prudential Regulation Authority, on CRD IV transitional provisions in October 2012, assuming such provisions were applied as at 1 January 2014. This ratio is used as the relevant measure starting 1 January 2014 for purposes of determining whether the automatic write-down trigger (specified as a Transitional CET1 ratio according to FSA October 2012 of less than 7.00%) has occurred under the terms of the Contingent Capital Notes issued by Barclays Bank PLC on November 21, 2012 (CUSIP: 06740L8C2) and April 10, 2013 (CUSIP: 06739FHK0). Please refer to page 179 for a reconciliation of this measure to fully loaded CRD IV CET1 ratio;

Regulatory balance sheet is a non IFRS measure as it uses a different scope of consolidation in its preparation to the statutory balance sheet. The regulatory scope of consolidation is the same as that used for reporting regulatory capital adequacy to the UK Prudential Regulation Authority. A reconciliation is provided on page 443.

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CRD IV leverage exposure makes certain adjustments to Total assets under IFRS in accordance with Barclay s interpretation of CRD IV requirements. The Estimated impact of CRD IV Leverage table on page 181 shows a reconciliation of CRD IV leverage exposure to total assets under IFRS;

CRD IV leverage ratio represents CRD IV Tier 1 capital divided by CRD IV leverage exposure. See the Impact of CRD IV Capital table on page 179 for a reconciliation of CRD IV CET1 capital to Core Tier 1 capital, and see the Estimated impact of CRD IV Leverage table on page 181 for a reconciliation of CRD IV leverage exposure to Total assets under IFRS;

PRA leverage exposure makes certain adjustments to CRDIV leverage exposure as shown in the Estimated impact of CRD IV Leverage table on page 181, which also includes a reconciliation to Total assets under IFRS;

PRA leverage ratio represents PRA adjusted Tier 1 capital divided by PRA leverage exposure. The Estimated impact of CRD IV Leverage table on page 181 shows the PRA leverage ratio components, including a reconciliation between CET1 capital and PRA adjusted Tier 1 capital, as well as a reconciliation between PRA leverage exposure and Total assets under IFRS.

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 expect , estimate , intend , plan , goal , believe , achieve or other words of similar meaning. Examples of forw statements include, among others, statements regarding the Group s future financial position, income growth, assets, impairment charges and provisions, business strategy, capital, leverage 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 current and future 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.

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 on 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 filed or may file with the SEC.

Market and other data

This document contains information, including statistical data, about certain Barclays markets and its competitive position. Except as otherwise indicated, this information is taken or derived from Datastream and other external sources. Barclays cannot guarantee the accuracy of information taken from external sources, or that, in respect of internal estimates, a third party using different methods would obtain the same estimates as Barclays.

Uses of Internet addresses

This document contains inactive textual addresses to internet websites operated by us and third parties. Reference to such websites is made for information purposes only, and information found at such websites is not incorporated by reference into this document.

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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.

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 structually 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

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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

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

Governance

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

Risk review

Insight into the level of risk across Barclays businesses and portfolios, the material risks and uncertainties faced and the key areas of management focus.

The Financial review

A review of the performance of Barclays, including the key performance indicators, and our businesses contribution to the overall performance of the Group

Barclays PLC Financial statements

Detailed analysis of our statutory accounts, independently audited and providing in-depth disclosure and transparency on the financial performance of the business

Risk management

A comprehensive overview of Barclays approach to risk management and more specific information on policies that the Group determines to be of particular significance in the current operating environment

Shareholder information

Resources for shareholders including the Company articles of association, classes of shares and contact details for shareholder enquiries

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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 Return on Equity **Statutory Return of Equity**

4.5% 1.0%

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. Statutory return on average shareholders equity increased from negative 1.2% reflecting a significantly lower own credit charge of £220m (2012: charge of £4,579m).

Dividends per share

6.5p

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

Adjusted profit before tax **Statutory profit before tax**

£5,167m £2,868m

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

Gross new lending to UK

£88bn

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

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

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 212 to 214.

		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	Total income	**27,935**	25,009	32,292	**28,155**	29,361	28,513
growth	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

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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 and statutory income £28.2bn and £28.4bn, respectively and adjusted and statutory profit before tax of £5.2bn and £2.9bn, respectively. 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 role of the Group Chief Executive includes implementing the Group s strategy as agreed by the Board. Here Antony provides his view on the events of 2013, and a progress update on execution of the Transform plan.

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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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 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 102 to 105.

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 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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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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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.

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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

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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
- 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. Statutory Income increased 11% to £28.4bn reflecting a significant reduction in own credit charge, in addition to the factors impacting adjusted income.

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). Statutory operating expenses increased £960m to £21,972m reflecting the factors described above and goodwill impairment of £79m partially offset by a decrease of

£250m in the charge for PPI redress and a decrease of £200m in the charge for interest rate hedging products redress. 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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The Group Finance Director is responsible for monitoring the Bank s financial performance and position and communicating this to both internal and external stakeholders. Below he discusses the Bank s performance during 2013 and its year end position as at 31 December 2013.

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.

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.

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 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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In this section the Group Chief Risk Office gives a summary of key changes in Principal Risks during 2013.

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, redomination 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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Strategic Risk overview >

continued

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 perceived by stakeholders to be inappropriate or unethical.	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 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 to embody our new values in everything they do. These values are being embedded in all of the bank s activities.	**Customers & Clients** **Citizenship**

Conduct

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About Barclays

How our Group creates value

Barclays operates a universal banking model through which we seek to build strong and stable relationships with our customers and clients by meeting a wide range of their needs across different locations. These multi-dimensional strategies allow Barclays to offer a greater range of products and services and achieve both a smoother income stream and sustainable returns.

Our Retail and Business Banking businesses operate in a regional model, focusing on delivering targeted solutions to individuals and small businesses. Barclaycard, the Investment Bank, Corporate Banking and Wealth and Investment Management leverage their offerings to provide comprehensive solutions across borders.

Where possible, we have encouraged Group functions to take advantage of synergies through the sharing of ideas and collaboration from cross-functional working groups.

How our businesses create value

Business type	Primary income source	Description
Retail and Business Banking	Interest and fee income	We accept customer deposits in exchange for interest payment. We lend these funds, for an interest charge, to individuals and businesses looking to grow and make meaningful contributions to the economy.
Barclaycard	Interest income and transaction fees	We facilitate and simplify the flow of funds between customers and businesses for a small percentage of the transaction and, in the case of credit cards, we earn interest income on credit balances.
Investment Bank	Trading income and fee income	We provide clients with financial and transaction advice, assistance with capital raising, trade execution and risk management for which we earn trading and fee income.
Corporate Banking	Interest and fee income	

		We provide clients with banking, cash management and financing services, in exchange for interest and fees, to facilitate growing businesses ability to conduct business domestically and internationally.
Wealth and Investment Management	Interest and fee income	We help affluent customers grow and protect their wealth through advisory and investment services, for which we earn a fee, and private and international banking, on which we earn interest.

Our business is structured around the following businesses:

UK Retail and Business Banking (UK RBB)

UK RBB is our UK high street bank providing retail banking services and general insurance to individuals and business banking services to small and medium enterprises (SMEs).

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

We deliver a sustainable contribution to Group revenue through offering long term value and great customer service to our customer base, prudent risk management and charging for:

- Interest income from loans less interest paid on deposits
- Fees for services provided

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.

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About Barclays

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.

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

Europe Retail and Business Banking (Europe RBB)

Europe RBB offers 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.

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)

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

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.

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

Africa Retail and Business Banking (Africa RBB)

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

We offer:

- 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

Africa RBB contributes to income by:

- Interest income from loans less interest paid on deposits
- Regular fees (account fees, advice, service and investment advice)
- Specific product sale and transaction fees
- Commissions and spreads on client transactions
- Minimising impairment through responsible lending and supporting customers and clients back to financial health

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About Barclays

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.

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.

Barclaycard

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

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.

We charge for our products and services, contributing to Group revenue through:

- Interest income from consumers and businesses opting to use the credit we offer

- Transaction fees from facilitating the payment flow, both from consumers making payments and from businesses accepting payments

Service fees from value-added features for consumers and businesses, such as monthly fees for point of sale terminals or the fee for transferring an outstanding credit card balance from another card

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 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.

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.

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About Barclays

Investment Bank

The Investment Bank serves large corporate clients, financial institutions, governments and institutional investors with financial advisory, capital-raising, financing and risk management services

Our Investment Banking Division provides:

- 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

We generate revenue in many different ways, depending on the services we provide to a client. We may charge for our knowledge and expertise, our platform, our capital, or a combination of the above.

That can include fees for our advice, commission for underwriting financing transactions, interest on loans to corporates or other banks, or the price spread on client trades, amongst other things.

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.

Corporate Banking

Corporate Banking is 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.

We do this by:

- 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

Corporate Banking contributes to income by:

- Self-funding client lending with deposits

- Earning stable interest income from lending

- Generating fees for providing transactional services

- Earning share of the income from referrals to Barclaycard, Wealth and Investment Bank

- Minimising impairment through responsible lending and supporting clients back to financial health

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

We are committed to helping businesses succeed and achieve their

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About Barclays

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.

Wealth and Investment Management

Wealth and Investment Management (W&IM) is a leading global wealth manager and advisor, providing private and intermediary clients with international and private banking, investment management, fiduciary services and brokerage

We provide a range of wealth and investment management services, including:

- Investment management and advice
- Investment trading services
- Wealth advisory services

Banking

Lending

Corporate wealth advisory and consultancy services

We contribute to income by:

Fees and commission

- for our advice
- in providing a service (such as banking)
- on execution/arrangements (such as broking or mortgages)

Interest income (for example, lending)

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.

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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

Board Gender Balance

		31.12.13	31.12.12
1 Directors	Men	**12**	11
2 Directors	Women	**3**	1

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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

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 59 to 61

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 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

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.

- 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 29 to 53

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 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.

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%). Compensation as % of statutory net operating income declined to 38.7% (2012: 45.0%)

¡ 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. For a reconciliation of total incentive awards granted to the relevant income statement charge, see page 74.

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 65 to 101 of the 2013 Annual Report or at www.barclays.com/annualreport.

On behalf of the Board

Sir John Sunderland

Chairman, Board Remuneration Committee

3 March 2014

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The next two pages provide the 2013 single total figure of remuneration for each Director, which form part of the Annual Report on Directors remuneration.

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** ¡ Underlying performance has been resilient and momentum is building ¡ CRD IV Risk Weighted Assets within the £440bn target for 2015

	Financial measures in the Transform commitments included return on equity, cost to income ratio, core capital ratio, dividend payouts and risk weighted assets.	¡ 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 measures include progress on cultural change, the development of the Balanced Scorecard and the reputation of and trust in Barclays.	**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 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.

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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	2012	**2013**	2012	**2013**	2012
	£000	£000	**£000**	£000	**£000**	£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	