

2018年3月

発行登録追補目論見書



バークレイズ・バンク・ピーエルシー

バークレイズ・バンク・ピーエルシー 2019年10月18日満期
早期償還条項・ノックイン条項付参照株式株価連動
円建デジタルクーポン社債
(参照株式:株式会社ファーストリテイリング)

バークレイズ・バンク・ピーエルシー 2019年10月18日満期
早期償還条項・ノックイン条項付参照株式株価連動
円建デジタルクーポン社債
(参照株式:任天堂株式会社)

— 売出人 —

楽天証券株式会社

(注)発行会社は、平成 30 年 2 月 23 日付で「パークレイズ・バンク・ピーエルシー 2023 年 3 月 29 日満期 早期償還判定水準逡減型 早期償還条項付 ノックイン型日欧 2 指数 (日経平均株価、ユーロ・ストックス 50 指数) 参照 デジタル・クーポン円建社債」および「パークレイズ・バンク・ピーエルシー 2023 年 3 月 29 日満期 早期償還判定水準逡減型 早期償還条項付 ノックイン型 日米 2 指数 (日経平均株価・S&P500 指数) 参照 デジタル・クーポン円建社債」の売出しについて、また平成 30 年 3 月 5 日付で「パークレイズ・バンク・ピーエルシー 2048 年 4 月 9 日満期 発行体任意償還条項付 米ドル建ゼロクーポン社債」の売出しについて、それぞれ訂正発行登録書を関東財務局長に提出しております。当該各社債の売出しに係る目論見書は、この発行登録追補目論見書とは別に作成及び交付されますので、当該各社債の内容はこの発行登録追補目論見書には記載されておられません。

1. 本社債に係る外国会社報告書、外国会社半期報告書、外国会社臨時報告書及びその訂正にかかる書類は、英語により記載されます。
2. 本社債は、1933 年合衆国証券法 (その後の改正を含み、以下「合衆国証券法」といいます。) に基づき登録されておらず、今後登録される予定もありません。合衆国証券法の登録義務を免除された一定の取引による場合を除き、合衆国内において、又は米国人に対し、米国人の計算で、若しくは米国人のために、本社債の募集、売出し又は販売を行ってはなりません。本段落において使用された用語は、合衆国証券法に基づくレギュレーション S により定義された意味を有しております。

The Notes have not been and will not be registered under the United States Securities Act of 1933, as amended (the “Securities Act”), and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

【表紙】

【発行登録追補書類番号】 29-外1-35

【提出書類】 発行登録追補書類

【提出先】 関東財務局長

【提出日】 平成30年3月19日

【会社名】 バークレイズ・バンク・ピーエルシー
(Barclays Bank PLC)

【代表者の役職氏名】 グループ財務担当取締役
(Group Finance Director)
トゥーシャー・モーザリア
(Tushar Morzaria)

【本店の所在の場所】 英国 ロンドン市 E14 5HP チャーチル・プレイス 1
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【代理人の氏名又は名称】 弁護士 樋口 航

【代理人の住所又は所在地】 東京都港区元赤坂一丁目2番7号 赤坂Kタワー
アンダーソン・毛利・友常法律事務所

【電話番号】 03-6888-1000

【事務連絡者氏名】 弁護士 田中 貴大
同 村上 遼
同 佐藤 尋哉
同 塩越 希

【連絡場所】 東京都港区元赤坂一丁目2番7号 赤坂Kタワー
アンダーソン・毛利・友常法律事務所

【電話番号】 03-6888-1000

【発行登録の対象とした
売出有価証券の種類】 社債

【今回の売出金額】 バークレイズ・バンク・ピーエルシー 2019年10月18日満期 早期償還条項・ノックイン条項付 参照株式株価連動 円建デジタルクーポン社債 (参照株式：株式会社ファーストリテイリング)

75,000,000円

バークレイズ・バンク・ピーエルシー 2019年10月18日満期 早期償還条項・ノックイン条項付 参照株式株価連動 円建デジタルクーポン社債 (参照株式：任天堂株式会社)

75,000,000円

【発行登録書の内容】

提出日	平成29年7月31日
効力発生日	平成29年8月8日
有効期限	平成31年8月7日
発行登録番号	29-外1
発行予定額又は発行残高の上限	発行予定額 10,000億円

【これまでの売出実績】
 (発行予定額を記載した場合)

番号	提出年月日	売出金額	減額による 訂正年月日	減額金額
29-外1-1	平成29年8月16日	400,000,000円	該当なし。	
29-外1-2	平成29年8月18日	304,030,125円		
29-外1-3	平成29年9月8日	1,390,000,000円		
29-外1-4	平成29年9月19日	589,000,000円		
29-外1-5	平成29年9月22日	289,000,000円		
29-外1-6	平成29年10月2日	300,000,000円		
29-外1-7	平成29年10月2日	200,000,000円		
29-外1-8	平成29年10月10日	100,000,000円		
29-外1-9	平成29年10月13日	935,000,000円		
29-外1-10	平成29年10月18日	700,000,000円		
29-外1-11	平成29年11月10日	600,000,000円		
29-外1-12	平成29年11月13日	5,378,000,000円		
29-外1-13	平成29年11月15日	300,000,000円		
29-外1-14	平成29年11月17日	351,942,162円		
29-外1-15	平成29年11月17日	5,300,000,000円		
29-外1-16	平成29年11月17日	567,000,000円		
29-外1-17	平成29年11月30日	342,355,000円		
29-外1-18	平成29年12月1日	100,000,000円		
29-外1-19	平成29年12月1日	580,000,000円		
29-外1-20	平成29年12月1日	1,170,000,000円		
29-外1-21	平成29年12月11日	400,000,000円		
29-外1-22	平成29年12月12日	3,155,000,000円		
29-外1-23	平成29年12月13日	9,000,000,000円		
29-外1-24	平成29年12月15日	2,380,000,000円		
29-外1-25	平成29年12月19日	2,000,000,000円		
29-外1-26	平成29年12月19日	756,000,000円		
29-外1-27	平成29年12月20日	300,000,000円		
29-外1-28	平成30年1月17日	196,023,000円		
29-外1-29	平成30年1月19日	100,000,000円		

29-外1-30	平成30年1月22日	185,460,000円		
29-外1-31	平成30年1月22日	878,000,000円		
29-外1-32	平成30年2月2日	500,000,000円		
29-外1-33	平成30年2月14日	486,000,000円		
29-外1-34	平成30年2月19日	500,000,000円		
実績合計額		40,899,970,287円	減額総額	0円

【残額】

959,100,029,713円

(発行予定額－実績合計額－減額総額)

(発行残高の上限を記載した場合)

番号	提出年月日	売出金額	償還年月日	償還金額	減額による 訂正年月日	減額金額
該当なし。						
実績合計額		該当なし。	償還総額	該当なし。	減額総額	該当なし。

【残高】

該当なし。

(発行残高の上限－実績合計額＋償還総額－減額総額)

【安定操作に関する事項】 該当なし。

【縦覧に供する場所】 該当なし。

目 次

	頁
第一部 証券情報	1
第1 募集要項	1
第2 売出要項	1
1 売出有価証券	1
2 売出しの条件	6
第3 第三者割当の場合の特記事項	37
第二部 公開買付けに関する情報	38
第三部 参照情報	39
第1 参照書類	39
1 有価証券報告書及びその添付書類	39
2 四半期報告書又は半期報告書	39
3 臨時報告書	39
4 外国会社報告書及びその補足書類	39
5 外国会社四半期報告書及びその補足書類並びに外国会社半期報告書及びその補足書類	39
6 外国会社臨時報告書	39
7 訂正報告書	39
第2 参照書類の補完情報	39
第3 参照書類を縦覧に供している場所	39
第四部 保証会社等の情報	40
第1 保証会社情報	40
第2 保証会社以外の会社の情報	40
第3 指数等の情報	42
「参照方式」の利用適格要件を満たしていることを示す書面	43
有価証券報告書に記載すべき事項に関し重要な事実が発生したことを示す書面	44
事業内容の概要及び主要な経営指標等の推移	127

注) 本書において、別段の記載がある場合を除き、下記の用語は下記の意味を有する。

「発行会社」、「当行」又は
「計算代理人」
「バークレイズ・グループ」
「英国」又は「連合王国」
「円」又は「円貨」

バークレイズ・バンク・ピーエルシー
バークレイズ・ピーエルシー及びその子会社
グレート・ブリテン及び北部アイルランド連合王国
日本の法定通貨

第一部【証券情報】

第1【募集要項】

該当なし。

第2【売出要項】

本「第2 売出要項」には2本の異なる種類の社債についての記載がなされている。一定の記載事項について、パークレイズ・バンク・ピーエルシー 2019年10月18日満期 早期償還条項・ノックイン条項付 参照株式株価連動 円建デジタルクーポン社債（参照株式：株式会社ファーストリテイリング）（以下「ファーストリテイリング参照社債」という。）及びパークレイズ・バンク・ピーエルシー 2019年10月18日満期 早期償還条項・ノックイン条項付 参照株式株価連動 円建デジタルクーポン社債（参照株式：任天堂株式会社）（以下「任天堂参照社債」という。）ごとに異なる取扱いがなされる場合には、＜ファーストリテイリング参照社債＞及び＜任天堂参照社債＞の見出しの下にそれぞれの社債ごとに記載内容を分けて記載している。その場合、＜ファーストリテイリング参照社債＞及び＜任天堂参照社債＞の見出しの下に記載された「本社債」等の用語は、それぞれの社債に係る用語を指すものとする。一方、それぞれの社債の内容に差異がない場合又は一定の事項を除き差異がない場合には、それぞれの社債に関する記載は共通のものとしてまとめ、かつ例外事項があればこれを示して記載している。まとめて記載した場合、これら2本の社債をそれぞれ「本社債」という。

1【売出有価証券】

【売出社債（短期社債を除く。）】

＜ファーストリテイリング参照社債＞

銘柄	パークレイズ・バンク・ピーエルシー 2019年10月18日満期 早期償還条項・ノックイン条項付 参照株式株価連動 円建デジタルクーポン社債（参照株式：株式会社ファーストリテイリング） (注1)		
売出券面額の総額又は売出振替社債の総額	75,000,000円	売出価額の総額	75,000,000円
記名・無記名の別	無記名式	各社債の金額	250,000円
償還期限	2019年10月18日（ロンドン時間）（以下「満期日」という。）（注2）（「修正翌営業日調整」（以下に定義される。）により調整される。かかる満期日の調整に関し、発行会社により利息その他の追加額が支払われることはない。）		
利率	額面金額に対して、 (1) 2018年4月18日（その日を含む。）から2018年7月18日（その日を含まない。）まで：年6.60% (2) 2018年7月18日（その日を含む。）から満期日（その日を含まない。）又は（場合により）早期償還日（その日を含まない。）まで： 利率判定評価日（以下に定義される。）において観察された株価終値（以下に定義される。）により以下のとおり変動する。 (a) 利率判定評価日において観察された株価終値が利率判定水準（以下に定義される。）以上の場合： 年6.60%		

	<p>(b) 利率判定評価日において観察された株価終値が利率判定水準未満の場合： 年0.10%</p> <p>利息は、毎月30日の12ヶ月で構成される1年360日を基準として計算される。</p>
<p>売出しに係る社債 の所有者の住所及び 氏名又は名称</p>	<p>楽天証券株式会社 (以下「売出人」という。)</p> <p>東京都世田谷区玉川一丁目14番1号</p>
<p>摘 要</p>	<p>(1) 利払日</p> <p>利息は、(本社債が下記「2 売出しの条件、社債の要項の概要」に規定されるとおり期限前に償還されない限り)2018年4月18日(以下「利息開始日」という。)(その日を含む。)から満期日(その日を含まない。)までの期間、本書に記載される適用利率でこれを付し、2018年7月18日(第1回利払日)(その日を含む。)から満期日(その日を含む。)までの毎年1月18日、4月18日、7月18日及び10月18日(ロンドン時間)(以下「利払日」という。)に、利息開始日(その日を含む。)又は(場合により)直前の利払日(その日を含む。)から翌利払日(その日を含まない。)までの期間(以下「利息計算期間」という。)について、円貨で後払いする。</p> <p>利払日が営業日(以下に定義される。)でない場合には、当該利払日は「修正翌営業日調整」(以下に定義される。)により調整される。但し、かかる調整の結果、社債権者に対して支払われるべき金額が増額又は減額されることはない。</p> <p>(2) 信用格付</p> <p>本社債に関し、金融商品取引法第66条の27に基づく登録を受けた信用格付業者から提供され、又は閲覧に供される信用格付はない。</p> <p>(3) その他</p> <p>その他の本社債の条件については、「2 売出しの条件」を参照のこと。</p>

(注1) 本社債は、パークレイズ・バンク・ピーエルシーにより、発行会社の2017年6月22日付グローバル・ストラクチャード・セキュリティーズ・プログラム及び下記(注3)に記載のマスター代理人契約に基づき、2018年4月17日に発行される予定である。本社債が証券取引所に上場される予定はない。パークレイズ・ピーエルシーは、2018年4月26日(ロンドン時間)頃、2018年度第1四半期決算を公表する予定である。本社債への投資を予定する投資家は、公表される決算にはパークレイズ・グループに関する重要な情報が含まれる可能性がある点に留意するべきである。

(注2) 各本社債の満期償還は、満期日において、下記「2 売出しの条件、社債の要項の概要、2. 償還及び買入れ (1) 満期償還」に従い、満期償還額(以下に定義される。)の支払によりなされる。満期日前の償還については下記「2 売出しの条件、社債の要項の概要、2. 償還及び買入れ (2) 早期償還事由発生後の期限前償還」、「2 売出しの条件、社債の要項の概要、2. 償還及び買入れ (3) 発行会社課税事由、通貨障害事由、法の変更、ヘッジ障害、異常な市場障害及び支払不能の届出の発生後の期限前償還及び/又は調整」、「2 売出しの条件、社債の要項の概要、2. 償還及び買入れ (5) 違法性及び実行不能性」及び「2 売出しの条件、社債の要項の概要、6. 債務不履行事由」を参照のこと。

(注3) 本社債は、発行会社、計算代理人兼フレンチ・クリアードIPAとしてのパークレイズ・バンク・ピーエルシー、発行・支払代理人兼名義書換代理人兼交換代理人としてのザ・バンク・オブ・ニューヨーク・メロン(発行・支払代理人兼名義書換代理人兼交換代理人としてのザ・バンク・オブ・ニューヨーク・メロンを以下「発行・支払代理人」、「名義書換代理人」又は「交換代理人」といい、文脈上必要な場合は、ルクセンブルク代理人(以下に定義される。)、フランクフルト代理人(以下に定義される。)及び発行会社により任命されることのある追加の支払代理人と併せて「支払代理人」といい、また文脈上必要な場合は、ニューヨーク代理人(以下に定義される。)及び発行会社により任命されることのある追加の名義書換代理人と併せて「名義書換代理人」という。)、ニューヨークにおける登録機関(以下「ニューヨーク登録機関」という。)兼ニューヨーク市における代理人(以下「ニューヨーク代理人」という。)としてのザ・バンク・オブ・ニューヨーク・メロン、フランクフルトにおける代理人(以下「フランクフルト代理人」という。)としてのザ・バンク・オブ・ニューヨーク・メロン、ルクセンブルクにおける代理人(以下「ルクセンブルク代理人」という。)兼ルクセンブルクにおける登録機関(以下「ルクセンブルク登録機関」といい、ニューヨーク登録機関と併せて、また個別に「登録機関」という。)としてのザ・バンク・オブ・ニューヨーク・メロン・エスエー/エヌブイ(ル

クセンプルク支店)、計算代理人としてのパークレイズ・キャピタル・セキュリティーズ・リミテッド、フランスIPAとしてのビーエヌビー・パリバ・セキュリティーズ・サービスズ、スイスIPAとしてのビーエヌビー・パリバ・セキュリティーズ・サービスズ、パリ、スキュルサル・ド・チューリッヒ、スウェーデンIPAとしてのスカンディナビスカ・エンスキルダ・バンケンAB (publ)、フィンランドIPAとしてのスカンディナビスカ・エンスキルダ・バンケンAB (publ)、ノルウェーIPAとしてのスカンディナビスカ・エンスキルダ・バンケンAB (publ)、デンマークIPAとしてのスカンディナビスカ・エンスキルダ・バンケンAB (publ)、並びにCREST代理人としてのコンピューターシェア・インベスター・サービスズ・ピーエルシーの間において2017年5月31日付で締結されたマスター代理人契約(以下「マスター代理人契約」という。この用語には、随時補足及び/又は変更及び/又は修正再表示及び/又は置換されるマスター代理人契約を含む。)に従い、マスター代理人契約の利益を享受して発行される社債券(以下「本社債券」又は「本社債」といい、この用語は、(i)包括形式により表章される本社債券(以下「包括社債券」又は「包括社債」という。)に関して、当該本社債券の指定通貨における最低の指定券面額の単位(適用ある条件決定補足書に規定する。)、(ii)包括社債券との交換(又は一部交換)により発行される確定社債券、及び(iii)包括社債券を意味する。)のシリーズの1つである。

本社債券の所持人(以下「本社債権者」という。)及び利付無記名式確定社債券に付された利息の支払のための利札(以下「利札」という。)の所持人(以下「利札所持人」という。)は、マスター代理人契約及び適用ある条件決定補足書の諸条項のすべてについて通知を受けているものとみなされ、それらの利益を享受し、それらに拘束されるものである。下記「2 売出しの条件、社債の要項の概要」における記載の一部は、マスター代理人契約の詳細な条項の概要であり、その詳細な条項に基づくものである。

本社債権者及び利札所持人は、2017年5月31日付で発行会社により発行された約款(Deed of Covenant)(本社債の発行日までになされた補足及び/又は変更及び/又は修正再表示及び/又は置換を含む。)の利益を享受する権利を有する。

<任天堂参照社債>

銘柄	パークレイズ・バンク・ピーエルシー 2019年10月18日満期 早期償還条項・ノックイン条項付 参照株式株価連動 円建デジタルクーポン社債 (参照株式:任天堂株式会社) (注1)		
売出券面額の総額又は売出振替社債の総額	75,000,000円	売出価額の総額	75,000,000円
記名・無記名の別	無記名式	各社債の金額	250,000円
償還期限	2019年10月18日(ロンドン時間)(以下「満期日」という。)(注2)(「修正翌営業日調整」(以下に定義される。))により調整される。かかる満期日の調整に関し、発行会社により利息その他の追加額が支払われることはない。)		
利率	額面金額に対して、 (1) 2018年4月18日(その日を含む。)から2018年7月18日(その日を含まない。)まで:年8.80% (2) 2018年7月18日(その日を含む。)から満期日(その日を含まない。)又は(場合により)早期償還日(その日を含まない。)まで: 利率判定評価日(以下に定義される。)において観察された株価終値(以下に定義される。)により以下のとおり変動する。 (a) 利率判定評価日において観察された株価終値が利率判定水準(以下に定義される。)以上の場合: 年8.80% (b) 利率判定評価日において観察された株価終値が利率判定水準未満の場合: 年0.10% 利息は、毎月30日の12ヶ月で構成される1年360日を基準として計算される。		
売出しに係る社債の所有者の住所及び氏名又は名称	楽天証券株式会社 (以下「売出人」という。) 東京都世田谷区玉川一丁目14番1号		
摘要	(1) 利払日 利息は、(本社債が下記「2 売出しの条件、社債の要項の概要」に規定されるとおり		

	<p>期限前に償還されない限り) 2018年4月18日(以下「利息開始日」という。)(その日を含む。)から満期日(その日を含まない。)までの期間、本書に記載される適用利率でこれを付し、2018年7月18日(第1回利払日)(その日を含む。)から満期日(その日を含む。)までの毎年1月18日、4月18日、7月18日及び10月18日(ロンドン時間)(以下「利払日」という。)に、利息開始日(その日を含む。)又は(場合により)直前の利払日(その日を含む。)から翌利払日(その日を含まない。)までの期間(以下「利息計算期間」という。)について、円貨で後払いする。</p> <p>利払日が営業日(以下に定義される。)でない場合には、当該利払日は「修正翌営業日調整」(以下に定義される。)により調整される。但し、かかる調整の結果、社債権者に対して支払われるべき金額が増額又は減額されることはない。</p> <p>(2) 信用格付</p> <p>本社債に関し、金融商品取引法第66条の27に基づく登録を受けた信用格付業者から提供され、又は閲覧に供される信用格付はない。</p> <p>(3) その他</p> <p>その他の本社債の条件については、「2 売出しの条件」を参照のこと。</p>
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(注1) 本社債は、パークレイズ・バンク・ピーエルシーにより、発行会社の2017年6月22日付グローバル・ストラクチャード・セキュリティーズ・プログラム及び下記(注3)に記載のマスター代理人契約に基づき、2018年4月17日に発行される予定である。本社債が証券取引所に上場される予定はない。パークレイズ・ピーエルシーは、2018年4月26日(ロンドン時間)頃、2018年度第1四半期決算を公表する予定である。本社債への投資を予定する投資家は、公表される決算にはパークレイズ・グループに関する重要な情報が含まれる可能性がある点に留意するべきである。

(注2) 各本社債の満期償還は、満期日において、下記「2 売出しの条件、社債の要項の概要、2. 償還及び買入れ (1) 満期償還」に従い、満期償還額(以下に定義される。)の支払によりなされる。満期日前の償還については下記「2 売出しの条件、社債の要項の概要、2. 償還及び買入れ (2) 早期償還事由発生後の期限前償還」、「2 売出しの条件、社債の要項の概要、2. 償還及び買入れ (3) 発行会社課税事由、通貨障害事由、法の変更、ヘッジ障害、異常な市場障害及び支払不能の届出の発生後の期限前償還及び/又は調整」、「2 売出しの条件、社債の要項の概要、2. 償還及び買入れ (5) 違法性及び実行不能性」及び「2 売出しの条件、社債の要項の概要、6. 債務不履行事由」を参照のこと。

(注3) 本社債は、発行会社、計算代理人兼フレンチ・クリアードIPAとしてのパークレイズ・バンク・ピーエルシー、発行・支払代理人兼名義書換代理人兼交換代理人としてのザ・バンク・オブ・ニューヨーク・メロン(発行・支払代理人兼名義書換代理人兼交換代理人としてのザ・バンク・オブ・ニューヨーク・メロンを以下「発行・支払代理人」、「名義書換代理人」又は「交換代理人」といい、文脈上必要な場合は、ルクセンブルク代理人(以下に定義される。)、フランクフルト代理人(以下に定義される。))及び発行会社により任命されることのある追加の支払代理人と併せて「支払代理人」といい、また文脈上必要な場合は、ニューヨーク代理人(以下に定義される。))及び発行会社により任命されることのある追加の名義書換代理人と併せて「名義書換代理人」という。)、ニューヨークにおける登録機関(以下「ニューヨーク登録機関」という。))兼ニューヨーク市における代理人(以下「ニューヨーク代理人」という。))としてのザ・バンク・オブ・ニューヨーク・メロン、フランクフルトにおける代理人(以下「フランクフルト代理人」という。))としてのザ・バンク・オブ・ニューヨーク・メロン、ルクセンブルクにおける代理人(以下「ルクセンブルク代理人」という。))兼ルクセンブルクにおける登録機関(以下「ルクセンブルク登録機関」といい、ニューヨーク登録機関と併せて、また個別に「登録機関」という。))としてのザ・バンク・オブ・ニューヨーク・メロン・エヌイー/エヌブイ(ルクセンブルク支店)、計算代理人としてのパークレイズ・キャピタル・セキュリティーズ・リミテッド、フランスIPAとしてのビーエヌビー・パリバ・セキュリティーズ・サービスズ、スイスIPAとしてのビーエヌビー・パリバ・セキュリティーズ・サービスズ、パリ、スキュルサル・ド・チューリッヒ、スウェーデンIPAとしてのスカンディナビスカ・エンスキルダ・バンケンAB (publ)、フィンランドIPAとしてのスカンディナビスカ・エンスキルダ・バンケンAB (publ)、ノルウェーIPAとしてのスカンディナビスカ・エンスキルダ・バンケンAB (publ)、デンマークIPAとしてのスカンディナビスカ・エンスキルダ・バンケンAB (publ)及びCREST代理人としてのコンピューターシェア・インベスター・サービスズ・ピーエルシーの間において2017年5月31日付で締結されたマスター代理人契約(以下「マスター代理人契約」という。この用語には、随時補足及び/又は変更及び/又は修正再表示及び/又は置換されるマスター代理人契約を含む。))に従い、マスター代理人契約の利益を享受して発行される社債券(以下「本社債券」又は「本社債」といい、この用語は、(i)包括形式により表章される本社債券(以下「包括社債券」又は「包括社債」という。))に関して、当該本社債券の指定通貨における最低の指定券面額の単位(適用ある条件決定補足書に規定する。)、(ii)包括社債券との交換(又は一部交換)により発行される確定社債券、及び(iii)包括社債券を意味する。)のシリーズの1つである。

本社債券の所持人(以下「本社債権者」という。))及び利付無記名式確定社債券に付された利息の支払のための利札(以下「利札」という。))の所持人(以下「利札所持人」という。))は、マスター代理人契約及び適用ある条件決定補足書の諸条項のすべてについて通知を受けているものとみなされ、それらの利益を享受し、それらに拘束されるものである。下記「2 売出しの条件、

社債の要項の概要」における記載の一部は、マスター代理人契約の詳細な条項の概要であり、その詳細な条項に基づくものである。

本社債権者及び利札所持人は、2017年5月31日付で発行会社により発行された約款（Deed of Covenant）（本社債の発行日までになされた補足及び／又は変更及び／又は修正再表示及び／又は置換を含む。）の利益を享受する権利を有する。

2【売出しの条件】

<ファーストリテイリング参照社債>

売出価格	額面25万円 につき25万円 (注1)	申込期間	2018年3月19日から 2018年4月17日まで
申込単位	額面25万円単位	申込証拠金	なし
申込受付場所	売出人の日本における本店、 各支店及び各営業所(注2)	受渡期日	2018年4月18日 (日本時間)
売出しの委託を受けた者の 住所及び氏名又は名称	該当なし	売出しの委託契約の内容	該当なし

(注1) 本社債の申込人は、受渡期日に売出価格を日本円にて支払う。

(注2) 本社債の申込み及び払込みは、売出人の定める「外国証券取引口座約款」(以下「約款」という。)に従ってなされる。各申込人は、売出人からあらかじめ約款の交付を受け、約款に基づく取引口座の設定を申し込む旨記載した申込書を提出する必要がある。売出人との間に開設した外国証券取引口座を通じて本社債を取得する場合、約款の規定に従い本社債の券面の交付は行わない。

(注3) 本社債は、1933年合衆国証券法(その後の改正を含み、以下「合衆国証券法」という。)に基づき登録されておらず、今後登録される予定もない。本社債は、合衆国税法の適用を受ける。合衆国証券法の登録義務を免除された一定の取引による場合を除き、合衆国内において、又は米国人(U.S. Person)に対し、米国人の計算で、若しくは米国人のために、本社債の募集、売出し又は販売を行ってはならない。この(注3)において使用された用語は、合衆国証券法に基づくレギュレーションSにより定義された意味を有する。

(注4) 本社債は、欧州経済領域(EEA)のリテール投資家(以下「EEAリテール投資家」という。)に対し、募集、売出し、販売又はその他の方法で入手可能にすることが意図されたものではなく、また、EEA一般投資家に対し、募集、売出し、販売又はその他の方法で入手可能にされてはならない。ここでいうEEAリテール投資家とは、(i)指令2014/65/EU(以下「MiFID II」という。)第4(1)条(11)に定義されたリテール顧客、(ii)保険仲介者指令(指令2002/92/EC(その後の改正を含む。))の定義に該当する顧客(ただし、MiFID II第4(1)条(10)に定義されたプロフェッショナル顧客としての資格を有しないものをいう。)又は(iii)指令2003/71/EC(その後の改正を含む。)で定義された適格投資家に当たらない者のいずれか(又はその複数)に該当する者をいう。このため、EEAリテール投資家に対して、本社債を募集、売出し、販売又はその他の方法で入手可能にする際に規制(EU)No 1286/2014(以下「PRIIPs 規制」という。)上要求される重要情報書類は作成されておらず、EEAリテール投資家に対する本社債の募集、売出し、販売又はその他の方法により入手可能にすることは、PRIIPs規制違反となる可能性がある。

<任天堂参照社債>

売出価格	額面25万円 につき25万円 (注1)	申込期間	2018年3月19日から 2018年4月17日まで
申込単位	額面25万円単位	申込証拠金	なし
申込受付場所	売出人の日本における本店、 各支店及び各営業所(注2)	受渡期日	2018年4月18日 (日本時間)
売出しの委託を受けた者の 住所及び氏名又は名称	該当なし	売出しの委託契約の内容	該当なし

(注1) 本社債の申込人は、受渡期日に売出価格を日本円にて支払う。

(注2) 本社債の申込み及び払込みは、売出人の定める「外国証券取引口座約款」(以下「約款」という。)に従ってなされる。各申込人は、売出人からあらかじめ約款の交付を受け、約款に基づく取引口座の設定を申し込む旨記載した申込書を提出する必要がある。売出人との間に開設した外国証券取引口座を通じて本社債を取得する場合、約款の規定に従い本社債の券面の交付は行わない。

(注3) 本社債は、1933年合衆国証券法(その後の改正を含み、以下「合衆国証券法」という。)に基づき登録されておらず、今後登録される予定もない。本社債は、合衆国税法の適用を受ける。合衆国証券法の登録義務を免除された一定の取引による場合を除き、合衆国内において、又は米国人(U.S. Person)に対し、米国人の計算で、若しくは米国人のために、本社債の募集、売出し又は販売を行ってはならない。この(注3)において使用された用語は、合衆国証券法に基づくレギュレーションSにより定義された意味を有する。

(注4) 本社債は、欧州経済領域(EEA)のリテール投資家(以下「EEAリテール投資家」という。)に対し、募集、売出し、販売又はその他の方法で入手可能にすることが意図されたものではなく、また、EEA一般投資家に対し、募集、売出し、販売又はその他の方

法で入手可能にされてはならない。ここでいうEEAリテール投資家とは、(i)指令2014/65/EU(以下「MiFID II」という。)第4(1)条(11)に定義されたリテール顧客、(ii)保険仲介者指令(指令2002/92/EC(その後の改正を含む。))の定義に該当する顧客(ただし、MiFID II第4(1)条(10)に定義されたプロフェッショナル顧客としての資格を有しないものをいう。)又は(iii)指令2003/71/EC(その後の改正を含む。)で定義された適格投資家に当たらない者のいずれか(又はその複数)に該当する者をいう。このため、EEAリテール投資家に対して、本社債を募集、売出し、販売又はその他の方法で入手可能にする際に規制(EU)No 1286/2014(以下「PRIIPs 規制」という。)上要求される重要情報書類は作成されておらず、EEAリテール投資家に対する本社債の募集、売出し、販売又はその他の方法により入手可能にすることは、PRIIPs規制違反となる可能性がある。

社債の要項の概要

1. 利息

- (1) 本社債には、2018年4月18日(以下「利息開始日」という。)(その日を含む。)から満期日(その日を含まない。)までの期間について、本社債が(以下に規定されるとおり)期限前償還の対象とならない限り、額面金額に対して利息が付され、かかる利息は、2018年7月18日(第1回利払日)(その日を含む。)から満期日(その日を含む。)までの毎年1月18日、4月18日、7月18日及び10月18日(ロンドン時間)(以下「利払日」という。)に、利息開始日(その日を含む。)又は(場合により)直前の利払日(その日を含む。)から翌利払日(その日を含まない。)までの期間(以下「利息計算期間」という。)について後払いされる。

利払日が営業日でない場合には、当該利払日は修正翌営業日調整により調整される。但し、かかる調整の結果、社債権者に対して支払われるべき金額が増額又は減額されることはない。

- (2) あらゆる期間(利息計算期間であるか否かを問わない。以下「計算期間」という。)における本社債の利息額の計算に関しては、1年360日を基準とし、支払がなされる計算期間内の暦日数を360で除した数は、以下の算式により計算される。

$$\frac{[360 \times (Y2 - Y1)] + [30 \times (M2 - M1)] + (D2 - D1)}{360}$$

360

「Y1」とは、計算期間の初日を含む年を数字で表記したものをいう。

「Y2」とは、計算期間に含まれる最終日の翌日を含む年を数字で表記したものをいう。

「M1」とは、計算期間の初日を含む暦月を数字で表記したものをいう。

「M2」とは、計算期間に含まれる最終日の翌日を含む暦月を数字で表記したものをいう。

「D1」とは、計算期間の最初の暦日を数字で表記したものをいう。但し、当該数字が31である場合には、30とする。

「D2」とは、計算期間に含まれる最終日の翌日の暦日を数字で表記したものをいう。但し、当該数字が31であり、かつD1が29より大きい場合には、30とする。

- (3) 各利息計算期間に支払われる額面金額当たりの利息額は、1円未満を四捨五入する。利息は本要項第3項の規定に従って支払われる。利息の発生は、本社債が償還される日(期限前に償還される日を含む。)に停止する。但し、各本社債の適式な呈示に対し、元本の支払が不当に留保又は拒否された場合はこの限りでない。

適用利率の決定

<ファーストリテイリング参照社債>

本社債の利率は以下に従って決定される。

- (1) 2018年4月18日(その日を含む。)から2018年7月18日(その日を含まない。)に終了する利息計算期間につき、年6.60%とし、2018年7月18日に支払われる額面金額当たりの利息額は、4,125円とする。
- (2) 2018年7月18日(その日を含む。)から満期日(その日を含まない。)又は(場合により)早期償還日(その日を含まない。)までの利息計算期間につき、以下のとおり決定される。
- (i) 利率判定評価日において観察された株価終値が利率判定水準以上の場合、年6.60%とし、各利払日に支払われる額面金額当たりの利息額は4,125円とする。

- (ii) 利率判定評価日において観察された株価終値が利率判定水準未満の場合、年0.10%とし、各利払日に支払われる額面金額当たりの利息額は63円とする。

<任天堂参照社債>

本社債の利率は以下に従って決定される。

- (1) 2018年4月18日（その日を含む。）から2018年7月18日（その日を含まない。）に終了する利息計算期間につき、年8.80%とし、2018年7月18日に支払われる額面金額当たりの利息額は、5,500円とする。
- (2) 2018年7月18日（その日を含む。）から満期日（その日を含まない。）又は（場合により）早期償還日（その日を含まない。）までの利息計算期間につき、以下のとおり決定される。
- (i) 利率判定評価日において観察された株価終値が利率判定水準以上の場合、年8.80%とし、各利払日に支払われる額面金額当たりの利息額は5,500円とする。
- (ii) 利率判定評価日において観察された株価終値が利率判定水準未満の場合、年0.10%とし、各利払日に支払われる額面金額当たりの利息額は63円とする。

2. 償還及び買入れ

(1) 満期償還

ア 後記の規定に従い期限前に償還又は買入消却される場合を除き、本社債は、発行会社によって、額面金額につき以下の金額（以下「満期償還額」という。）の支払により満期日に償還される。

- (i) 観察期間中、ロックイン事由が発生しなかったと計算代理人が決定した場合、本社債は、額面金額で償還されるものとする。
- (ii) ロックイン事由が発生した場合には、本社債は、以下に従って計算代理人により決定された円貨建ての金額で償還されるものとする。かかる満期償還額は、額面金額の100%を上回らないものとする。
- (a) 最終価格が行使価格以上である場合、額面金額×100%で償還される。
- (b) 最終価格が行使価格未満である場合、以下の算式に従って計算された金額の支払により償還される。

$$\text{額面金額} \times \frac{\text{最終価格}}{\text{行使価格}}$$

(0円を下限とし、1円未満を四捨五入する。)

イ 株式調整又は障害

(ア) 潜在的調整事由

発行会社は、潜在的調整事由が発生していることを、いつでも決定することができる。かかる発行会社による潜在的調整事由の決定の後、計算代理人は、当該潜在的調整事由が、対象株式の理論価値を希薄化又は凝縮化する効果を有するか否かを判断し、かかる希薄化又は凝縮化が生じる場合には、計算代理人は、(i) 当該潜在的調整事由による希薄化又は凝縮化の効果を適切に反映するように計算代理人が決定する、本社債の行使、受渡、支払又は他の条件に関連する調整（以下「本件調整」という。）を行い、(ii) 本件調整の効力発生日を決定する。計算代理人は、オプション取引所が当該オプション取引所で取引される対象株式に関するオプションに対して行う当該潜在的調整事由に関する本件調整を参照して、適切な本件調整を決定することができる（但し、義務ではない。）。

潜在的調整事由発生後の本社債の要項の調整は、発行会社若しくはその関連会社、又は潜在的調整事由の結果として受領する対象株式若しくはその他の有価証券の引受け、取得若しくは受領につき責任を負う外国投資

家により、又はこれらの者に代わって支払われるべき一切の公租公課、賦課金、手数料又は登録の経済的費用を考慮する。当該計算は、計算代理人により誠実に決定され実行される。

前記にかかわらず、発行会社は、代替的に、社債権者に通知した上で、計算代理人が潜在的調整事由につき本件調整を行うことの代わりとして、当該潜在的調整事由による希薄化又は凝縮化の効果を反映するために、社債権者に対して一つ若しくは複数の追加の本社債（以下「調整事由に係る社債」という。）を交付すること及び／又は社債権者に対して現金による金額（以下「調整事由に係る金額」という。）を支払うことを選択することができる。発行会社が調整事由に係る社債の交付を選択した場合、かかる調整事由に係る社債は、本社債と同様の（又は実質的に同様の）計算代理人が決定する関連する条件にて発行される。発行会社は当該通知に、交付される本社債の数及び／又は支払われる現金の金額、並びにかかる交付及び／又は支払がなされる方法について記載する。

(イ) 合併事由

合併事由の発生の後、発行会社は、その裁量により、本要項第2項(3)を準用し、本要項第2項(3)に基づき、本社債につき調整、償還、消却及び／又はその他の必要な措置を行う。

(ウ) 国有化、支払不能及び上場廃止

国有化、支払不能及び上場廃止の発生の後、発行会社は、その裁量により、本要項第2項(3)を準用し、本要項第2項(3)に基づき、本社債につき調整、償還、消却及び／又はその他の必要な措置を行う。

(エ) 公開買付

公開買付の発生の後、発行会社は、その裁量により、本要項第2項(3)を準用し、本要項第2項(3)に基づき、本社債につき調整、償還、消却及び／又はその他の必要な措置を行う。

(オ) 障害日の帰結

計算代理人の意見において、評価日が障害日である場合には、評価日は、その直後の障害日でない予定取引日とする。但し、予定評価日の直後の8予定取引日のいずれかの日が障害日でない場合に限る。当該直後の8予定取引日のすべての日が障害日である場合、当該8予定取引日後の日は、かかる日が障害日であることにかかわらず評価日とみなされ、また、計算代理人は商業的に合理的な方法により、当該障害日がなければ当該8予定取引日後の日において実勢価格であったであろう対象株式の当該本取引所の取引価格又は市場相場価格（以下「取引価格」という。）を決定する。但し、関連する利払日、満期日又は（場合により）早期償還日は、評価日と決定された当該日の5営業日後まで延期される。かかる延期に関して、発行会社はいかなる追加金額の支払義務も負わない。

ウ 調整

発行会社が、適切な調整が本要項第2項(3)に従い行なわれうるか否かを計算代理人が決定することを要求した場合、発行会社は、自己が適切と考えない調整を行なう義務を負わず、計算代理人、発行会社又はその他の当事者のいずれも、発行会社が当該調整を行い又は行なわないことにつき責任を負わない。

特に、本要項に定める規定により、対象株式発行会社又はその対象株式に影響を与える事由に関して調整が要求されているということにかかわらず、発行会社は、当該規定に従い調整が行なわれる際に、対象株式に関するオプション又は先物が、先物又はオプション取引所において取引され、当該事由に関して取引オプション又は先物に基づく権利に対し先物又はオプション取引所による調整が行なわれない場合、当該調整を行なわない権利を留保する。

発行会社は、可及的速やかに、調整及び当該調整が実施される日について通知し又は通知がなされるようにする。

エ 調整の通知

計算代理人による本要項に基づくすべての決定は、明白な誤りがある場合を除き、最終的なものであり、本社債権者、発行・支払代理人及び発行会社を拘束する。発行会社は、可及的速やかに調整及び当該調整が実施される日

を、公告し又は公告がなされるようにしなければならない。但し、係る公告の懈怠又は未受領は調整の有効性及び拘束力に影響を及ぼさない。

(2) 早期償還事由発生後の期限前償還

早期償還評価日における株価終値が早期償還判定水準以上である場合、発行会社は、本要項第3項に従うことを条件として、社債権者に2営業日前までに（かかる通知期間を以下「早期償還通知期間」という。）取消不能の通知（かかる通知を以下「早期償還通知」という。）を行った上で、各本社債（の全部又は一部）を額面当たり25万円にて、早期償還日において、発生した利息を付して償還することができる。

疑義を避けるために付言すれば、当該利息計算期間に適用される利息額は当該早期償還日において支払われるべきものとする。

(3) 発行会社課税事由、通貨障害事由、法の変更、ヘッジ障害、異常な市場障害及び支払不能の届出の発生後の期限前償還及び／又は調整

発行会社課税事由（本要項第16項に定義される。）及び／又は通貨障害事由（本要項第16項に定義される。）及び／又は法の変更（本要項第16項に定義される。）及び／又はヘッジ障害（本要項第16項に定義される。）及び／又は異常な市場障害（本要項第16項に定義される。）及び／又は支払不能の届出（本要項第16項に定義される。）（以下「追加障害事由」という。）が発生した場合には、以下の規定に従う。

(i) 発行会社は、計算代理人に、かかる追加障害事由が本社債に及ぼす経済的効果であって商業上合理的な結果をもたらすものを考慮するため、また当該本社債を保有することによる社債権者に対する経済的効果を実質的に維持するために本要項及び／又は本社債に関連するその他の規定に対して適当な調整を行うことの可否を判断するよう要請することができる。計算代理人が、適当な調整が可能であると判断した場合、発行会社はかかる調整の発効日を決定し、かかる調整について本社債権者に通知し、かかる調整を実施するために必要な手続をとる。計算代理人が、商業上合理的な結果をもたらし、かつ当該本社債を保有することによる社債権者に対する経済的効果を実質的に維持することができるような調整を行うことが不可能と判断した場合には、計算代理人はその旨発行会社に通知し、いかなる調整も行われぬ。

(ii) 発行会社は、本社債権者に対し10営業日前までに（かかる通知期間を以下「期限前償還通知期間」という。）取消不能の通知（かかる通知を以下「追加障害事由償還通知」という。）を行った上で、期限前償還通知期間の最終日（かかる日を以下「期限前現金償還日」という。）において当該シリーズの本社債のすべてを償還し、各本社債権者に対し、当該本社債権者の保有する各本社債について、当該期限前現金償還日において期限前償還額（本要項第16項に定義される。）に相当する金額を支払うことができる（この場合、発行会社は、かかる償還に先立って、（本社債の償還と併せて考えた場合に）かかる追加障害事由が本社債に及ぼす効果を考慮する上で適当と思われる調整を、本要項又は本社債に関連するその他の規定に対して行うこともできる。）。

(4) 買入れ及び消却

発行会社又はそのいずれかの子会社は随時、公開市場その他において、いかなる価格においても本社債（但し、当該社債に関する満期が到来していない一切の利札が当該社債券に添付されており、又は当該社債券とともに提出されることを条件とする。）を買入れることができる。

前記のとおり発行会社若しくはそのいずれかの子会社により又は発行会社若しくはそのいずれかの子会社に代わって買入れが行われた本社債はすべて、これを満期が到来していない一切の利札とともに発行・支払代理人に提出することにより消却のために提出することができ（但し、これは義務ではない。）、そのように提出された場合、発行会社により償還されたすべての本社債とともに、直ちに（当該社債券に添付された、又は当該社債券とともに提出された、満期が到来していない一切の利札とともに）消却される。前記のとおり消却のために提出されたあらゆる社債は、再発行又は再販売することはできず、かかる社債に関する発行会社の義務は免除される。

(5) 違法性及び実行不能性

発行会社が、誠実に、かつ合理的な方法で、(i)財政的、政治的若しくは経済的状況の変化、若しくは為替レートの変動の結果、又は(ii)発行会社若しくは関連する子会社若しくは関連会社が、政府、行政若しくは司法関係の当局若しくは権限を有する機関の適用する現行若しくは将来の法律、規程、規則、判決、命令若しくは指令若しくはそれらの解釈を誠実に遵守した結果として、本社債に基づく発行会社の義務の全部又は一部の履行が、違法若しくは実行不能となったか又は違法若しくは実行不能となることが相当程度見込まれると判断した場合には、発行会社はその裁量により、社債権者に通知した上で、本社債を償還又は消却することができる。

発行会社が本項(5)に従って本社債を償還又は消却することを決定した場合、各本社債は期限前償還額にて支払期日が到来する。支払は本要項に従い、社債権者に通知される方法で行われる。

(6) 対象株式の株価終値の過去の推移

<ファーストリテイリング参照社債>

下記の表は、2015年から2017年までの各年及び2017年4月から2018年3月までの各月の対象株式の東京証券取引所における株価終値の最高値と最安値を表したものである。これは、投資家に対する参考のために対象株式発行会社についての公に入手可能な情報を提供するという目的のために記載するものであり、この対象株式の株価終値の過去の推移は、将来の動向を示唆するものではなく、本社債の時価を示すものでもない。また、過去の下記の期間において対象株式の株価終値が下記のように変動したことによって、対象株式の株価終値が本社債の存続期間中に同様に推移することを示唆するものではない。

<株式会社ファーストリテイリングの株価終値の過去推移>

株価（単位：円、2015年から2017年の年次毎）

年	最高値（円）	最安値（円）
2015年	61,930	41,370
2016年	44,000	25,445
2017年	45,430	30,000

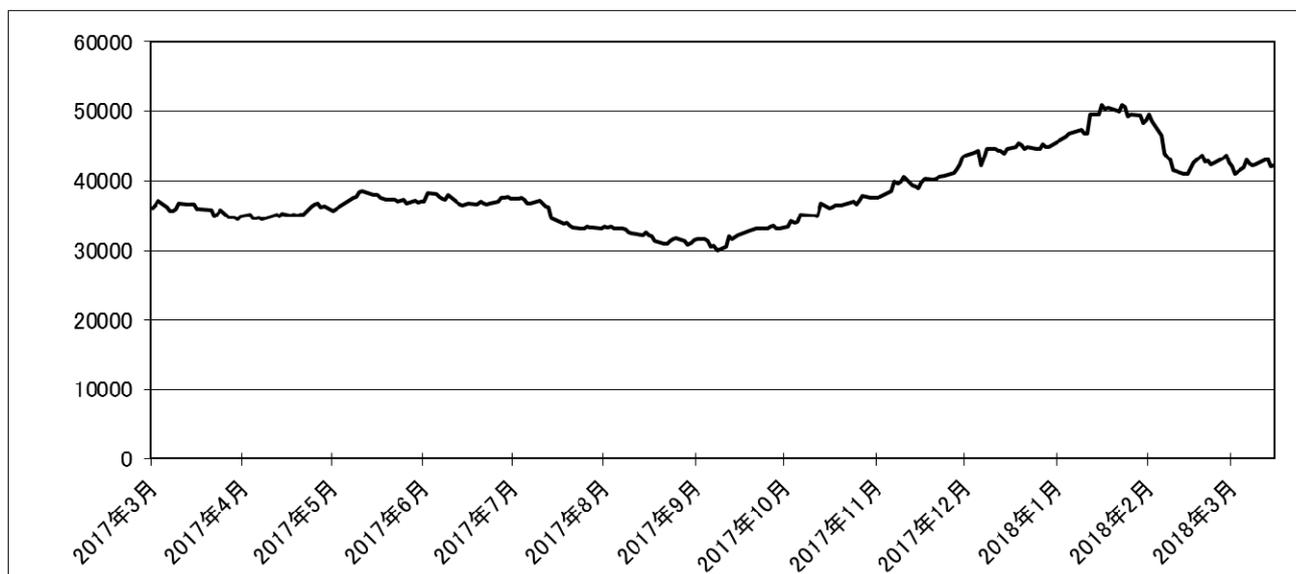
株価（単位：円、2017年4月から2018年3月の月次毎）

年 月	最高値（円）	最安値（円）	年 月	最高値（円）	最安値（円）
2017年4月	36,800	34,500	2017年10月	37,870	33,450
2017年5月	38,570	35,660	2017年11月	43,510	37,620
2017年6月	38,240	36,590	2017年12月	45,430	42,270
2017年7月	37,630	33,090	2018年1月	50,940	46,440
2017年8月	33,460	30,800	2018年2月	49,590	40,980
2017年9月	33,600	30,000	2018年3月	43,170	40,980

(注) 但し、2018年3月は2018年3月15日まで。2018年3月15日の対象株式の東京証券取引所における株価終値は42,190円であった。

出典：ブルームバーグ・エルピー

下記のグラフは、対象株式の2017年3月1日から2018年3月15日までの東京証券取引所における日々の株価終値の推移を示したものである。これは、投資家に対する参考のために対象株式発行会社についての公に入手可能な情報を提供するという目的のために記載するものであり、この対象株式の株価終値の過去の推移は、将来の動向を示唆するものではなく、本社債の時価を示すものでもない。また、過去の当該期間において、対象株式の株価終値がグラフのように変動したことによって、対象株式の株価終値が本社債の存続期間中に同様に変動することを示唆するものではない。



<任天堂参照社債>

下記の表は、2015年から2017年までの各年及び2017年4月から2018年3月までの各月の対象株式の東京証券取引所における株価終値の最高値と最安値を表したものである。これは、投資家に対する参考のために対象株式発行会社についての公に入手可能な情報を提供するという目的のために記載するものであり、この対象株式の株価終値の過去の推移は、将来の動向を示唆するものではなく、本社債の時価を示すものでもない。また、過去の下記の期間において対象株式の株価終値が下記のように変動したことによって、対象株式の株価終値が本社債の存続期間中に同様に推移することを示唆するものではない。

<株式会社任天堂の株価終値の過去推移>

株価（単位：円、2015年から2017年の年次毎）

年	最高値（円）	最安値（円）
2015年	25,010	11,225
2016年	31,770	13,800
2017年	47,720	22,520

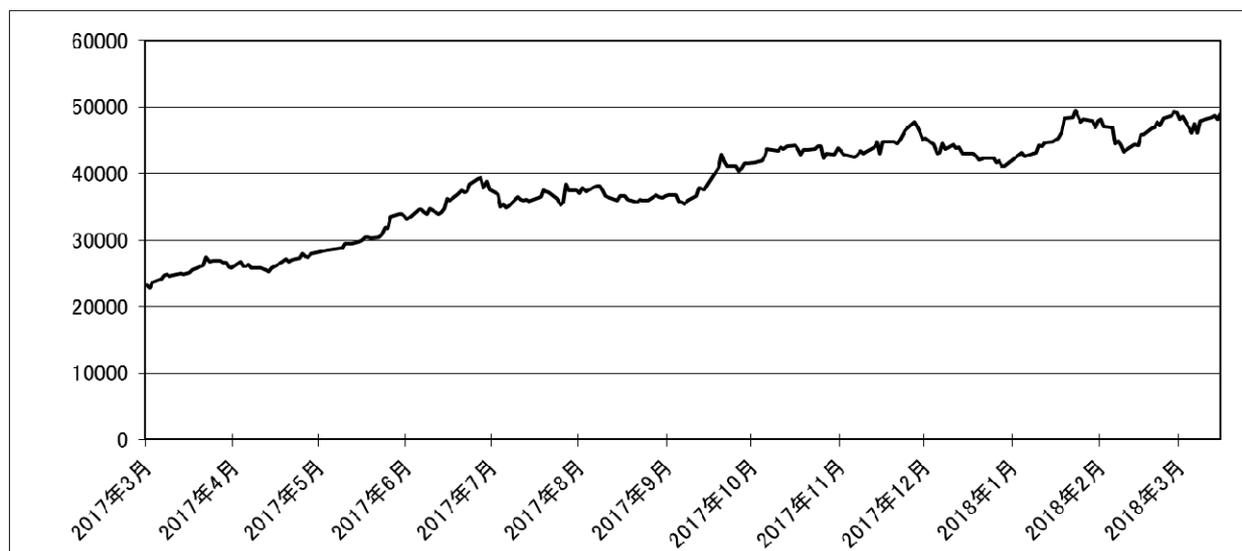
株価（単位：円、2017年4月から2018年3月の月次毎）

年 月	最高値（円）	最安値（円）	年 月	最高値（円）	最安値（円）
2017年4月	28,045	25,240	2017年10月	44,310	41,720
2017年5月	34,010	28,315	2017年11月	47,720	42,520
2017年6月	39,320	33,160	2017年12月	45,290	41,100
2017年7月	38,490	34,950	2018年1月	49,590	42,610
2017年8月	38,190	35,740	2018年2月	49,430	43,330
2017年9月	42,890	35,420	2018年3月	49,040	46,100

(注) 但し、2018年3月は2018年3月15日まで。2018年3月15日の対象株式の東京証券取引所における株価終値は49,040円であった。

出典：ブルームバーグ・エルピー

下記のグラフは、対象株式の2017年3月1日から2018年3月15日までの東京証券取引所における日々の株価終値の推移を示したものである。これは、投資家に対する参考のために対象株式発行会社についての公に入手可能な情報を提供するという目的のために記載するものであり、この対象株式の株価終値の過去の推移は、将来の動向を示唆するものではなく、本社債の時価を示すものでもない。また、過去の当該期間において、対象株式の株価終値がグラフのように変動したことによって、対象株式の株価終値が本社債の存続期間中に同様に変動することを示唆するものではない。



3. 支払及び決済

(1) 支払

本社債に関する元利金の支払は、以下の規定に従い、米国外に所在する支払代理人の指定事務取扱店舗において（元本の支払の場合及び償還後の利息の場合には）関連する社債券、又は（償還後の利息以外の利息の場合には）関連する利札（適宜）を呈示及び提出すること（又は、支払われるべき金額若しくは受領可能資産の一部の支払若しくは交付の場合には、それらに裏書すること）と引き換えに、また決済条件に従うことを条件として行われ、(a) 支払の場合には、（該当する場合には、非米国実質所有の証明を行うことを条件として）口座開設銀行宛てに振り出される、関連通貨で支払われる小切手により、又は（所持人の選択により）口座開設銀行における当該通貨建ての口座（日本の非

居住者に対する日本円での支払の場合、非居住者口座とする。)への振込みにより、また(b)交付の場合には、社債権者に通知される方法により行われる。

無記名式の本社債の所持人は、本項(1)に従ってなされる振込みが支払期日後に当該所持人の口座に到達したことによりかかる社債につき支払われるべき金額の受領が遅れたことについて、利息その他の支払を受ける権利を有さない。

本社債券には、発行・支払代理人により又は発行・支払代理人に代わって、当該社債券についてなされた各支払及び交付が記録され、かかる記録はその支払又は交付がなされたことの明白な証拠となる。

無記名式確定社債券への交換が不当に留保又は拒否された場合を除いて、いかなる無記名式包括社債券に関しても、交換日後に期限が到来する支払又は交付は、なされないものとする。

本社債又は利札に関して特定の金額が支払われるべきものと明示されている、又はその他の方法で支払われるべきものと決定されているその日が、(i)営業日、且つ(ii)(確定社債券の場合に限り)社債券又は利札の呈示場所において、商業銀行及び外国為替市場が支払の決済を行い、通常の業務(外国為替及び外貨預金取引を含む。)を営んでいる土日以外の日でない場合には、その支払は(i)営業日、且つ(ii)(確定社債の場合に限り)社債券又は利札の呈示場所において、商業銀行及び外国為替市場が支払の決済を行い、通常の業務(外国為替及び外貨預金取引を含む。)を営んでいる土日以外の日に該当する直後の日まで行われず、かかる社債券又は利札の所持人は、かかる支払遅延について追加の支払を受ける権利を有さない。

本要項において、「交換日」とは、交換を要求する通知がなされた日から60暦日以上経過した日で、発行・支払代理人の指定事務取扱店舗が所在する都市及び(該当する場合には)関連決済システムが所在する都市において銀行が営業している日をいう。

なお、当初の発行・支払代理人の名称及びその指定事務取扱店舗は以下に記載するとおりである。

発行・支払代理人

ザ・バンク・オブ・ニューヨーク・メロン

(The Bank of New York Mellon)

英国 ロンドン E14 5AL ワン・カナダ・スクエア

(One Canada Square, London E14 5AL, United Kingdom)

(2) 決済条件

発行会社が、本社債に関して社債権者により充足されるべき決済条件が、決済が予定されていた当初の日付以前に充足されていないと判断した場合には、当該決済金額又は受領可能資産の支払又は交付は、決済条件のすべてが完全に充足される日付まで、期限が到来しない(かかる決済金額又は受領可能資産を以下「条件付決済金額」という。)。かかる遅延又は延期の結果として追加額の支払又は交付が行われることはない。

社債権者が充足すべき決済条件には、(a)発行会社、発行・支払代理人及び/又は関連決済システムが社債権者に対して(又は社債権者に宛てて)必要な期間内に当該決済金額又は受領可能資産の支払又は交付(発行会社に代わっての支払又は交付を含む。)を実施するために必要とする一切の指図、証明及び情報を、発行会社、発行・支払代理人及び関連決済システム(適宜)が受領していること、(b)租税及び決済費用並びに支払われるべきその他の金額(社債権者により支払われるべき行使価格を含むがこれに限らない。)の控除に関して適用される条件、(c)本要項に従って適宜、適式に記入された行使通知、決済方法選択通知、受領可能資産交付指図書その他適用ある通知を預託していること、並びに(d)関連する本社債の預託、呈示又は提出(適宜)が含まれるが、これらに限らない。

社債権者が充足すべき決済条件が、満期日、最終現物償還日、選択的現金償還日、選択的現物償還日、選択的現金消却日、期限前現金償還日、早期償還日、早期現物償還日、期限前消却日、期限前現物消却日、実際の行使日又は自動的行使日又は現物交付日(適宜)から、計算代理人が決定する決済日数に相当する暦日数が経過した日(以下「社債決済締切日」という。)における、(i)(本社債が決済済み証券でない場合は)ロンドン時間午前10時、又は(ii)

ルクセンブルク若しくはブリュッセル時間午前10時、又は計算代理人が関連決済システムに関して適当と決定するその他の時刻までに充足されていない場合には、当該決済条件を充足することは不可能となる。社債決済締切日より、当該社債権者は、条件付決済金額の支払又は交付を受ける権利を有さず、それらに関して発行会社に対する請求権を有さない。

(3) 支払及び決済の延期

利息計算期間について支払われるべき利息、決済金額又は受領可能資産が評価日及び／又は平均化調整日を参照して決定される場合で、かかる評価日及び／又は平均化調整日が市場障害、価格障害又は関連する本要項若しくは条件決定補足書に記載のその他の障害の影響を受けているときは、かかる評価日及び／又は平均化調整日は、関連する本要項又は条件決定補足書に記載のとおり延期されることがある。評価日及び／又は平均化調整日の延期に関して、関連する利払日、満期日、最終現物償還日、選択的現金償還日、選択的現物償還日、選択的現金消却日、期限前現金償還日、早期償還日、早期現金消却日、早期現物償還日、早期現物消却日、期限前消却日、期限前現物消却日、行使現金決済日、行使現物決済日又は現物交付日（適宜）は、関連する本要項又は条件決定補足書に記載のとおり延期されることがある。発行会社が、かかる延期を理由に追加額の支払又は交付を行うことはない。

4. 本社債の地位

本社債及びそれに関する利札は発行会社の無担保かつ非劣後の債務を構成し、本社債間において同順位である。本社債及びそれに関する利札に基づく発行会社の支払義務は、発行会社のその他の現在及び将来の無担保・非劣後の債務（強制的かつ一般的に適用される法律の規定により優先権が認められる債務を除く。）と同順位である。本社債は、発行会社の預金を証明するものではなく、いかなる政府又は政府機関によっても保証されていない。

5. 課税

発行会社が租税に関する源泉徴収又は控除を行うことが法律により要求される場合その他本要項に開示されている場合を除き、社債権者は、利息の支払、利息額、若しくは本社債の所有、譲渡、売却、償還、権利執行若しくは消却、又は決済金額及び／若しくは本社債に関するその他の支払（適宜）に起因し、或いはそれらに関連して支払われるべき一切の租税を支払わなければならない。発行会社は、社債権者が負担するかかる租税について責任を負わず、その他の方法でかかる租税に関する金額を支払う義務を負わない。

本社債に関する支払はすべて、英国（又は英国の、若しくは英国内に所在する、課税権限を有する当局若しくは行政下部機関（それぞれを「税務当局」という。））により賦課、徴収、回収、源泉徴収又は査定されるあらゆる性質の現在又は将来の租税に関する源泉徴収又は控除のない状態で、かかる源泉徴収又は控除を行うことなく、支払われる。但し、かかる源泉徴収又は控除が法律上要求される場合はこの限りではない。

英国の税務当局が源泉徴収又は控除を要求する場合、発行会社は、かかる源泉徴収又は控除の後で社債権者が受領できる純額を、かかる源泉徴収又は控除が存在しなければかかる社債権者が受領しえた金額と等しくするために必要な追加額（以下「追加額」という。）を支払う。前記にかかわらず、以下のいずれかに該当する場合は、本社債について追加額は支払われない。

- (a) 社債権者が単に本社債又は利札を保有するという事実以外に英国と特定の関係を有することによりかかる社債について租税の支払義務を負う場合、かかる社債権者又はその代理を務める第三者に対しては、追加額は支払われない。
- (b) 社債権者が、法律上の要件を遵守し若しくはかかる要件を第三者に遵守させることにより、又は、関連する本社債若しくは利札が支払を受けるために呈示された場所において非居住者である旨の申告その他同様の非課税の申請を課税当局に対して行い又はかかる申告を第三者に行わせることによりかかる控除又は源泉徴収を合法的に回避しえたにもかかわらずそのように回避していない場合、かかる社債権者又はその代理を務める第三者に対しては、追加額は支払われない。

- (c) 1986年米国内国歳入法の規定（配当、配当相当支払金（同法第871(m)条に基づくもの含むが、これに限定されない。））、米国不動産に対する直接・間接の利息及び米国内国歳入法第1471条乃至第1474条（又はこれらを改正若しくは承継する条項）に関する規定を含むが、これらに限定されない。）により、又は米国内国歳入庁との合意に基づき、又は政府間協定の推進を目的として、かかる源泉徴収又は控除が要求される場合。
- (d) 社債券が、かかる支払の最初の支払期日（発行・支払代理人が支払われるべき金員の全額をかかると支払期日以前に適式に受領していない場合には、かかる金員の全額が適式に受領された日）から30暦日を過ぎてから支払を受けるために呈示された場合。但し、社債権者が当該社債券をかかると30日間の最終日に支払を受けるために呈示した場合に追加額を受ける権利を有していたと思われる場合を除く。
- (e) 社債券又は利札が、かかる源泉徴収又は控除が適用されない別の支払代理人に当該社債券又は利札を呈示することによりかかる源泉徴収又は控除を回避しえた社債権者により、或いはかかる社債権者の代理人により、支払を受けるために呈示された場合。
- (f) 無記名式確定社債券に関して、社債券又は利札の呈示を受ける発行・支払代理人又は支払代理人が満足できる限度で、かかる社債権者が適用ある証明、身分証明又は報告要件を充足することにより、或いは非居住者である旨の申告その他同様の非課税の申請を関連する課税当局に対して行うことによりかかる源泉徴収又は控除を回避することができない旨が証明されていない場合。

本要項において（Ⅰ）「元本」は本社債に関して支払われるべきあらゆるプレミアム、決済金額、及び本要項第2項に従って支払われるべき元本の性質を有するその他一切の金額を含むものとみなされ、（Ⅱ）「利息」は一切の利息額及び本要項第2項（又はこれに対する変更若しくは補足）に従って支払われるべきその他一切の金額を含むものとみなされ、（Ⅲ）「元本」及び／又は「利息」は本項に基づいて支払われるべきあらゆる追加額を含むものとみなされる。

6. 債務不履行事由

以下のいずれかの事由（それぞれを「債務不履行事由」という。）が発生し継続している場合、発行・支払代理人又は発行会社（適宜）が本社債権者からの下記の通知を受領する前に、当該債務不履行事由が発行会社によって是正されるか又は本社債権者によって宥恕されない限り、本社債権者は、かかる社債が期限前償還額にて償還されるべき旨を発行会社及び発行・支払代理人に対して通知することができ、かかる社債はすべての場合において直ちに償還期限が到来する。

- (a) 発行会社が期限前償還額、満期償還額又は本社債に関するその他の支払額（利息を除く。）を支払期日までに支払わず、かかる不履行が30暦日にわたり継続した場合。
- (b) 利息が支払期日から14暦日以内に支払われていない場合。但し、発行会社は、かかる金額が強制的な法律、規則又は正当な管轄権を有する裁判所の命令を遵守するために支払われなかった場合には、債務不履行とはみなされない。かかる法律、規則又は命令の有効性又は適用性について疑義が存在する場合、発行会社は、かかる14暦日の間に独立した法律顧問から発行会社に与えられた助言に従って行為した場合には、債務不履行とはみなされない。
- (c) 発行会社が本社債のその他の条項に違反した場合で、かかる違反が本社債権者の利益を実質的に損なう方法によるものであり、且つ当該違反が、発行済みの本社債の額面金額又は数（適宜）の少なくとも4分の1を保有し、違反の治癒を要請する本社債権者から発行会社が違反の通知を受領してから30暦日以内に治癒されない場合。
- (d) 発行会社を清算する旨の命令がなされた場合又はその旨の有効な決議が可決された場合（再建、合併又は吸収合併の計画に関連する場合を除く。）。

債務不履行事由の発生後のいずれかの時点で期限前償還額を計算する際、計算代理人は、かかる債務不履行事由が本社債の時価に及ぼす影響を無視するものとする。

7. 時効

発行会社に対する、本社債及び／又は利札（本項においては利札引換券は含まれない。）にかかる支払に関する請求は、それらについての適切な支払日から10年（元本の場合）又は5年（利息の場合）以内に行われなければならない限り、時効消滅し、無効となる。

8. 社債券の交換

社債券又は利札が紛失、盗失、毀損、汚損又は破損した場合、かかる社債券又は利札は、適用される一切の法令及び関連証券取引所又はその他の関連当局の規制要件に従って、発行・支払代理人、又は発行会社が随時かかる目的のために指定し、その指定につき社債権者に通知するその他の支払代理人若しくは名義書換代理人の指定事務取扱店舗において、交換に関して発生する料金、経費及び租税を請求者が支払った上で、また発行会社が要求する証拠、担保及び補償その他の条件に従って、交換することができる。本社債券又は利札が毀損又は汚損した場合には、代わりの社債券又は利札が発行される前に当該社債券又は利札を提出しなければならない。

9. 追加の発行

発行会社は随時その自由裁量で、社債権者又は利札所持人の同意を得ることなく、本社債と同様の条件が適用されるあらゆるシリーズの追加の社債を設定及び発行することができ、かかる社債は当該シリーズの社債に統合され、それらとともに一つのシリーズを構成する。

10. 通知

(1) 社債権者に対する通知

社債権者に対するあらゆる通知は、以下のいずれかに従ってなされた場合に、適式になされ効力を有するものとみなされる。

- (a) 英国で一般に刊行されている日刊新聞（「フィナンシャル・タイムズ」となる予定）において公告された場合。この場合、最初に公告された日において通知がなされたものとみなされる。
- (b) （本社債が関連証券取引所に上場されており、又は関連当局により取引を認められている場合は）当該証券取引所又はその他の関連当局の規則及び規制に従って通知がなされた場合。この場合、かかる規則及び規制に従って最初に送信又は公告がなされた日に通知がなされたものとみなされる。
- (c) 上記で要求されている公告又は郵送に代えて、社債権者に対する通知を関連決済システムに対して送付することができるが、適用ある場合には、前(b)に従って要求される公告その他の要件も遵守することを条件とする。この場合、（その後の公告又は郵送にかかわらず、）該当する関連決済システムに転送されるよう発行・支払代理人に対して最初に送信された日において通知がなされたものとみなされる。

前(a)又は(b)に従って要求される公告を行うことができない場合、通知は、欧州で刊行されているその他の主要な英文の日刊新聞において公告された場合に、その最初の公告日において有効に行われたものとみなされる。

利札の所持人は、あらゆる目的上、本項に従って社債権者に送付された通知の内容について通知を受けたものとみなされる。

(2) 発行会社及び代理人に対する通知

あらゆるシリーズについて、発行会社及び／又は代理人に対する一切の通知は、マスター代理人契約に規定された住所に宛てて、又は本項に従って社債権者に送付される通知により発行会社及び／又は代理人が指定するその他の者又は場所に宛てて送付されるものとする。

(3) 通知の有効性

いずれかの通知が有効であり又は適式に完成され、適切な様式でなされているか否かについての判断は、発行会社及び関連決済システムにより、発行・支払代理人と相談の上でなされ、かかる判断は発行会社、諸代理人及び社債権者に対して決定的かつ拘束力を有するものである。

無効、不完全及び/又は適切な様式でないとは判断された通知は、発行会社及び関連決済システム（該当する場合）がそれぞれ別途合意しない限り、無効となる。本規定は、新たな又は訂正された通知を交付するために通知を交付する者の権利を損なうものではない。

発行会社、支払代理人、登録機関又は名義書換代理人は、かかる通知が無効、不完全及び/又は適切な様式でないとは判断された場合には、当該通知を提出した社債権者に迅速にその旨を通知するべく、一切の合理的な努力を尽くす。自身の側に過失又は故意の不正行為がない場合には、発行会社、関連決済システム又は代理人（適宜）のいずれも、通知が無効、不完全若しくは適切な様式でない旨の社債権者に対する通知又は判断に関連して自身が行った行為又は不作為につきいかなる者に対しても責任を負わない。

本要項の他の規定にかかわらず、本要項に従うことを条件として、発行会社又は計算代理人が本要項により必要とされる通知を行わないことは、発行会社又は計算代理人が本要項に基づき行う行為（本要項の調整又は本社債の期限前償還若しくは消却を含む。）の有効性又は拘束力に影響を与えない。

11. 変更及び集会

(1) 本要項の変更

発行会社は、社債権者の同意を得ることなく、本要項に対して、発行会社の単独の意見において社債権者の利益を実質的に損なわない変更、或いは形式的、軽微若しくは技術的な性質の変更、又は明白な誤りを訂正するため若しくは発行会社が設立された法域における強制的な法律の規定を遵守するため若しくは本要項中に含まれる瑕疵ある規定を是正、訂正若しくは補足するための変更を行うことができる。

かかる変更の一切は社債権者に対して拘束力を有し、かかる変更の一切は、その後可及的速やかに社債権者に通知される。かかる通知を送付しなかった或いはかかる通知を受領しなかったとしても、それらはかかる変更の有効性に影響しない。

(2) 社債権者集会

マスター代理人契約には、特別決議（マスター代理人契約に定義される。）による本要項又はマスター代理人契約の変更の承認を含め、社債権者の利益に影響する事項を審議するための社債権者の集会の招集に関する規定が含まれている。社債権者には、少なくとも21暦日（通知が送付された日及び集会が開催されることとなっている日を除く。）前に、集会の日時及び場所を明記した通知が送付される。

かかる集会は、発行会社又は当該時点において発行済みの本社債の額面金額の10%以上を保有する社債権者により、招集することができる。社債権者集会の定足数（特別決議（以下において定義する。）を可決するための集会の場合を除く。）は、本社債の過半数（保有又は代表される本社債の額面金額又は数量を基準として）を保有又は代表する2名以上の者とする。但し、かかる集会の議事に（とりわけ）下記(i)乃至(viii)の議案の審議が含まれる場合には、定足数は当該時点において発行済みの本社債の額面金額の75%以上又は（延会の場合は）25%以上を保有又は代表する2名以上の者とする。(i)本社債の満期日若しくは償還日、本社債の行使日若しくは失効日、或いは本社債に関する利息若しくは利息額の支払日を変更すること、(ii)本社債の額面金額若しくは本社債の償還若しくは行使につき支払われるべきプレミアムを減額若しくは消却すること、(iii)本社債に関する利率を引き下げ、若しくは本社債に関する利率若しくは利息の金額を算定する方法若しくは基準、若しくは本社債に関する利息額を算定する基準を変更すること、(iv)条件決定補足書に、利率の上限及び/若しくは下限、若しくは取引可能金額若しくは受領可能資産の上限及び/若しくは下限が定められている場合には、かかる上限及び/若しくは下限を引き下げること、(v)決済金額若しくは受領可能資産を算定する方法若しくは基準を変更すること（要項に定められている変更を除く。）(vi)本社債の支払通貨若しくは表示通貨を変更すること、又は(vii)社債権者集会に必要な定足数若しくは特別決議の可決に必要な過半数に関する規定を変更すること。マスター代理人契約には、発行済みの本社債の額面金額の90%以上を保有する所持人により、又はかかる所持人に代わって署名された書面による決議は、あらゆる目的上、適式に招集及び開催された社債権者集会において可決された特別決議と同様に効力を有するものとみなされる旨規定されている。かかる書面に

よる決議は一つの文書として作成することも、同じ形式の複数の文書として作成することもでき、各文書は1名又は複数名の社債権者により又はかかる社債権者に代わって署名されるものとする。

マスター代理人契約の条件に従い適式に招集及び開催された集会において、かかる集会で投じられた票の75%以上の過半数により可決された決議を特別決議とする。かかる集会において適式に可決された特別決議は、自身が集会に出席していたか否かにかかわらず、すべての社債権者に対して拘束力を有する。

12. 諸代理人

(1) 諸代理人の任命

発行・支払代理人、支払代理人、登録機関、名義書換代理人及び計算代理人は、発行会社の代理人としてのみ行為するものであり、社債権者（又は所持人）に対していかなる義務も負わず、また社債権者（又は所持人）のために或いは社債権者（又は所持人）との間で、代理人又は信託の関係を有さない。発行・支払代理人、支払代理人、登録機関、名義書換代理人、計算代理人又は発行会社のいずれも、発行・支払代理人、支払代理人、登録機関、名義書換代理人、計算代理人又は発行会社としての自身の義務及び職務につき、社債権者（又は所持人）の受託者又は顧問として行為するものではない。発行会社は随時、既に任命した発行・支払代理人、その他の支払代理人、登録機関、名義書換代理人又は計算代理人を変更又は解任し、追加の又は別の支払代理人又は名義書換代理人を任命する権利を有する。但し、発行会社が常に、(a) 発行・支払代理人1名、(b)（記名式社債券に関しては）登録機関1名、(c)（記名式社債券に関しては）名義書換代理人1名、(d)（本要項により要求される場合には）1名又は複数の計算代理人、(e) 欧州の主要都市2つ以上に指定事務取扱店舗を有する支払代理人、(f) 本社債が上場されるその他の証券取引所により要求されるその他の代理人、及び(g)（(e)又は(f)に従って既に条件が満たされている場合を除き）無記名式確定社債券に関して、理事会指令（2003/48/EC）若しくは2000年11月26日から27日に開催されたECOFIN理事会の決定を実施するその他の指令又はかかる指令を施行若しくは遵守する法律若しくはかかる指令に従うために導入される法律に従って税金の源泉徴収又は控除を行う義務を負わない、欧州連合加盟国内に指定事務取扱店舗を有する支払代理人1名を擁していることを条件とする。代理人の解任及び代理人の指定事務取扱店舗の変更に関する通知は社債権者に送付される。

(2) マスター代理人契約の変更

発行会社は、それが社債権者の利益を実質的に損うものでないと発行会社が判断した場合、又はかかる変更が形式的、軽微若しくは技術的な性質のものであるか、明白な誤りを訂正するため、適用法の強制的な規定を遵守するため、或いはマスター代理人契約に含まれる瑕疵ある規定を是正、訂正若しくは補足するために変更が行われる場合に限り、マスター代理人契約の変更を認め、又は同契約に対する違反若しくは違反の予定、若しくは同契約の不遵守を宥恕若しくは承認することができる。

かかる変更は社債権者に対して拘束力を有し、変更後可及的速やかに社債権者に通知される。但し、かかる通知が送付されなかった又は社債権者により受領されなかった場合でも、かかる変更の有効性又は拘束力に影響を及ぼすものではない。

(3) 発行会社及び諸代理人の責任

発行会社又は諸代理人のいずれも、（国内外の）法律の制定、（国内外の）公共機関の介入、戦争、ストライキ、封鎖、ボイコット又はロックアウトその他同様の事象又は状況に起因する損失又は損害につき、責任を負わない。ストライキ、封鎖、ボイコット及びロックアウトに関する責任の制限は、当事者のいずれかがかかる措置を講じた場合又はそれらの対象となった場合にも適用されるものとする。発行会社又は諸代理人のいずれかが、かかる事由の発生により支払又は交付の実施を妨げられる場合、当該事象又は状況が解消されるまでの間、かかる支払又は交付を延期できるものとし、この場合、かかる延期につき追加額の支払又は交付を行う義務は生じない。

(4) 計算代理人による決定

別段の定めのない限り、本要項における決定、検討、判断、選択及び計算はすべて、計算代理人が行う。か

かかる決定、検討、判断、選択及び計算のそれぞれに、本項(4)が適用される。かかる決定、検討、判断、選択及び計算に際し、計算代理人は、発行会社によるヘッジ契約の影響を考慮に入れる。すべての場合において、計算代理人は誠実に、また商業上合理的な方法でその裁量を行使し、かかる決定及び計算を行うものとし、(明白な又は証明された誤謬がある場合を除いて)かかる決定及び計算は、最終的なものであり、発行会社、諸代理人及び社債権者に対して法的拘束力を有する。

(5) 発行会社による決定

発行会社は、本要項に従ってその裁量を行使し、一定の決定、検討、判断、選択及び計算を行うことを要求される場合がある。すべての場合において、発行会社は誠実に、また商業上合理的な方法でその裁量を行使し、かかる決定及び計算を行うものとし、(明白な又は証明された誤謬がある場合を除いて)かかる決定及び計算は、最終的なものであり、諸代理人及び社債権者に対して法的拘束力を有する。

13. 1999年(第三者の権利に関する)契約法

いかなる者も、1999年(第三者の権利に関する)契約法に基づいて本社債の条件を実施する権利を有さない。

14. 準拠法及び管轄

- (a) 本要項に従うことを条件として、本社債、利札及びマスター代理人契約、並びにそれらに起因又は関連して生じる一切の契約外の義務は、イングランド法に準拠し、同法に従って解釈される。
- (b) 本要項に従うことを条件として、本社債、利札及び/又はマスター代理人契約に起因又は関連して生じる一切の紛争については、イングランドの裁判所がその専属的管轄権を有し、したがってそれらに起因又は関連して生じるあらゆる訴訟又は法的手続はかかる裁判所に提起される。

15. 様式、額面、所有権及び譲渡

(1) 様式、額面

本社債は、各本社債の額面25万円の無記名式で発行され、記名式社債券に交換することはできない。

本社債は当初、包括様式により発行され、特定の事由が生じた場合に限り確定様式の本社債券に交換することができ、包括様式の社債券は当該包括社債券の要項に従って確定社債券に交換される。かかる事由が生じた場合、発行会社は迅速に社債権者に通知する。

(2) 所有権

社債券及び利札の所有権はマスター代理人契約の規定に従って交付により移転する。

発行会社及び関連する諸代理人は、(法律により別途要求されるか、又は正当な管轄権を有する裁判所により別途命令を受けた場合を除き)あらゆる無記名式社債券又は利札の所持人(以下において定義される。)を、あらゆる目的上(かかる社債券の支払期日超過の有無を問わず、また所有権、信託若しくはかかる社債券に対する持分に関する通知、かかる社債券面上(又はそれを表章する包括社債券面上)の書き込み、又はかかる社債券の盗失若しくは紛失にかかわらず)その完全な所有者とみなし、そのように扱い、いかなる者も所持人をそのように扱うことにつき責任を負わない。

本要項において、「社債権者」とは、無記名式社債券の持参人又は記名式社債券がその名義において登録されている者をいい、「所持人」とは、無記名式社債券又は利札に関しては当該無記名式社債券又は利札の持参人をいい、記名式社債券に関しては記名式社債券がその名義において登録されている者をいう。

(3) 無記名式社債券の譲渡

前記の規定に従うことを条件として、無記名式本社債券及び利札の所有権は、交付により移転する。

16. 定義

「異常な市場障害」とは、

約定日（2018年3月9日）以降における、本社債に基づく発行会社の義務の全部又は一部の履行を妨げたと発行会社が決定する、異常な事象又は状況（（国内外の）法律の制定、（国内外の）公共機関の介入、自然災害、戦争、ストライキ、封鎖、ボイコット又はロックアウトその他同様の事象又は状況を含むがこれらに限らない。）をいう。

「営業日」とは、

(a) ロンドン及び東京において商業銀行及び外国為替市場が支払の決済を行い、通常の業務（外国為替及び外貨預金取引を含む。）を営んでいる日及び(b) 関連決済システムに係る決済システム営業日をいう。

「合併事由」とは、

対象株式に関する以下の事由をいう。

- ① 発行済の対象株式の20%以上を譲渡することになる、又は譲渡を取消不能の形で確約することになる対象株式の種類変更その他の変更。
- ② 対象株式発行会社と他法人との新設合併若しくは吸収合併又は株式交換（対象株式発行会社が存続会社となり、発行済の対象株式の20%未満の種類変更その他の変更となる新設合併若しくは吸収合併又は株式交換を除く。）。
- ③ 対象株式の20%以上（買付人が所有若しくは支配する対象株式を除く。）を譲渡することとなる、又は譲渡を取消不能の形で確約することとなる、いずれかの法人による対象株式の公開買付、株式交換等の勧誘、提案又はその他の事由。
- ④ 対象株式発行会社又はその子会社と他法人との新設合併若しくは吸収合併又は株式交換であって、対象株式発行会社が存続会社となり、発行済の対象株式全部の種類変更その他の変更とはならず、当該合併又は株式交換直前の対象株式の株主が合併又は株式交換直後に保有する対象株式の総数（当該他法人が所有又は支配する対象株式を除く。）が、発行済対象株式総数の50%未満となるもの。

いずれの場合も、計算代理人が、当該事由が発生していることを決定する日は、満期日以前に限る。

「株価終値」とは、

ある評価日において、当該評価日の評価時刻現在の対象株式の価格をいう。

「観察期間」とは、

2018年4月18日（その日を含む。）から最終評価日（その日を含む。）までの期間をいう。

「関連会社」とは、

ある法人（以下「当該法人」という。）に関して、当該法人によって直接的若しくは間接的に支配されている法人、当該法人を直接的若しくは間接的に支配している法人又は当該法人と直接的若しくは間接的に共通の支配下にある法人をいう。「支配」とは、ある法人の議決権の過半数を保有することをいう。

「関連決済システム」とは、

ユーロクリア・バンク・エスエー／エヌブイ及びその承継人、並びにクリアストリーム・バンキング・ソシエテ・アノニム及びその承継人をいう。

「期限前償還額」とは、

本社債の期限前償還又は消却に関して、期限前償還又は消却を発生させた事由の発生後の本社債の市場価値の比例按分額として決定される、決済通貨建ての額面金額（適用ある場合、発生した利息額を含む。）をいう。かかる金額は、本社債の期限前償還又は消却を発生させた事由の発生後、合理的に可能な限り早期に、計算代理人が適当と判断する要素を参照して決定される。かかる要素には、①当該時点における、参照資産の市場価格又は価値及びその他の関連する経済変数（金利、また適用ある場合には外国為替レート等）、②本社債が予定満期日若しくは失効日及び／又は予定早期償還日若しくは行使日まで償還されなかったと仮定した場合の本社債の残存期間、③本社債が予定満期日若しくは失効日及び／又は予定早期償還日若しくは行使日まで償還されなければ支払われるべきであったと思われる、当該時点における最低の償還額又は消却額、④内部の価格決定モデル、並びに⑤その他の市場参加者が本社債と同様の証券の買値として提示しうる価格が含まれるが、これらに限らない。計算代理人は、上記の市場価値を決定する際、ヘッジ・ポジション及び／又は関連する資金調達関連の取決めの解約に関連して発行会社又はその関連会社が負担し又は負担することとなる、一切の費用、料金、手数料、発生額、損失、源泉徴収額及び経費に関する控除を反映するために当該金額を調整することができる。疑義を避けるために付言すれば、当該金額に対する調整額を決定する際、計算代理人は、①発行会社又は（場合により）その関連会社がヘッジ・ポジションに基づき受けることとなる支払又は交付の金額及び時期、②ヘッジ・ポジションが流動性若しくは市場性の無い資産（評価額がゼロとなる可能性があるもの）又はシンセティック・ヘッジ（時価評価がゼロとなり又はヘッジ・ポジションの取引相手にとってイン・ザ・マネーとなる可能性がある場合）を含むか否か、並びに③発行会社又はその関連会社が偶発債務（分配金の返金その他の方法で支払を行う義務を含む。）を負うこととなるか否か（但し、前記の要素に限らない。）を考慮に入れることができる。

「決済システム営業日」とは、

関連決済システムが決済指図の受理及び執行のために営業している日をいう。

「決済済み証券」とは、

関連決済システムの共同預託機関、コモン・セーフキーパー若しくはカストディアンが保有する、又は関連決済システムのノミニーの名義で登録されている包括社債券である社債券をいう。

「決済通貨」とは、	円貨をいう。
「公開買付」とは、	法人又は自然人が対象株式発行会社の発行済株式総数の10%超100%未満（計算代理人が政府機関又は自主規制機関への届出又はその他計算代理人が関連性を認める情報に基づき決定する。）を購入し、又は転換その他の方法により取得し、若しくは取得する権利を有することとなる、法人又は自然人による買収の申入れ（テイクオーバー・オファー）、株式公開買付の申入れ（テンダー・オファー）若しくは株式交換の申入れ（エクスチェンジ・オファー）又はそれらの勧誘、提案又はその他の事由をいう。
「行使価格」とは、	当初価格の100.00%に相当する円貨額（小数第3位を四捨五入して第2位まで求める。）をいう。
「国有化」とは、	対象株式の全部又は対象株式発行会社の資産の全部若しくは実質的に全部が国有化され、公用徴収され、又はその他の態様により政府機関、行政当局若しくは政府団体に強制的に譲渡されることをいう。
「最終価格」とは、	最終評価日における株価終値をいう。
「最終評価日」とは、	満期日の5予定取引日前の日をいう。
「先物又はオプション取引所」とは、	対象株式に関するオプション契約又は先物契約における関連する取引所をいう。
「市場障害事由」とは、	以下の事由が発生又は存在していることをいう。 ① 当該評価時刻に終了する1時間においていつでも、計算代理人が重大であると決定する取引障害 ② 当該評価時刻に終了する1時間においていつでも、計算代理人が重大であると決定する取引所障害 ③ 計算代理人が重大であると決定する早期終了
「支払不能」とは、	対象株式発行会社の任意若しくは強制的清算、破産、支払不能、解散、終了若しくは整理又は対象株式発行会社に影響を与える類似の手続により、①対象株式全部について管財人、清算人若しくはこれらと同様の者に対する譲渡が強制された場合、又は②対象株式を保有する者がかかる株式の譲渡を法律上禁じられた場合、又は③対象株式発行会社が、解散、終了若しくは消滅（場合による。）した場合をいう。
「支払不能の届出」とは、	支払不能若しくは破産の宣告、若しくは破産法、支払不能法若しくは債権者の権利に影響を与える他の類似の法律に基づく他の何らかの救済を求める手続を、対象株式発行会社が提起し、若しくは対象株式発行会社の設立地若しくは本店所在地の法域において対象株式発行会社に対して支払不能、再生手続若しくは規制に関する主たる管轄権を有する規制当局、監督当局その他これらに類似の職務を有する者によってかかる手続が対象株式発行会社に対して提起され、若しくは対

象株式発行会社がかかる手続に同意すること、又は対象株式発行会社の整理若しくは清算の申立てを対象株式発行会社が自ら提出し若しくは上記の規制当局、監督当局若しくは類似の職務を有する者によりかかる申立てが提出され、若しくは対象株式発行会社がかかる申立てに同意すること、又は対象株式発行会社が、対象株式発行会社の解散若しくは終了に関する決議を可決し若しくは通知を公表すること、又は対象株式発行会社によって支払不能若しくは破産の宣告若しくは破産法、支払不能法その他債権者の権利に影響を与える類似の法律に基づく他の何らかの救済を求める手続が対象株式発行会社に対して提起され、若しくは、債権者によって対象株式発行会社の整理若しくは清算の申立てが提出され、かつ、各場合について、当該提起若しくは提出の15日以内に、当該手続が棄却、取消、延期若しくは制限されないことをいう。

「修正翌営業日調整」とは、

当該日が営業日でない場合に、翌営業日が当該日となる（但し、それにより翌暦月にずれ込む場合には、当該日は直前の営業日に繰り上げられる。）調整方法をいう。

「障害日」とは、

当該本取引所がその通常取引セッションの間取引を行うことができない、又は市場障害事由が生じている予定取引日をいう。

「上場廃止」とは、

対象株式について、対象株式が本取引所において（合併事由又は公開買付以外の）何らかの理由により上場、取引又は公開値付けされないこととなり、又はされなくなり、それと同時に、本取引所と同じ国に所在する取引所若しくは相場表示システムにすぐには再上場、再取引又は再値付けされない旨を当該本取引所が、当該本取引所の規則に従い発表することをいう。疑義を避けるために付言すれば、本取引所が米国に所在する場合で、対象株式がニューヨーク証券取引所、NYSE MKT LLC、ナスダック・グローバル・セレクト・マーケット又はナスダック・グローバル・マーケット（又はこれらの承継者）のいずれにおいてもすぐには再上場、再取引又は再値付けされない場合も上場廃止に該当する。なお、対象株式がかかる取引所又は相場表示システムにおいて直ちに再上場、再取引又は再値付けされる場合は、その取引所又は相場表示システムが「本取引所」とみなされる。

「潜在的調整事由」とは、

以下のいずれかの事由又は対象株式発行会社による以下のいずれかに関する条件の公表をいう。

- ① 対象株式の分割、併合若しくは種類変更（合併事由を除く。）、又は既存株主に対する無償発行、資本組入れ発行。
- ② 対象株式の現存株主に対する (A) 追加の対象株式の分配、発行若しくは配当、(B) 対象株式を保有する者に対する支払と同順位若しくは当該支払に比例して、対象株式発行会社の配当及び／若しくは残余財産の支払を受ける権利を付与するその他の株式若しくは有価証券の分配、発行若しくは配当、(C) 会社分割等の理由により対象株式発行会社が取得若しくは保有する（直接的か間接的かを問わない。）他の発行会社の株式若しくはその他の有価証券の分配、

発行若しくは配当、又は(D)その他の有価証券、新株購入権若しくは新株予約権若しくはその他の資産の分配、発行若しくは配当であって、いずれの場合においてもそれらの対価（金銭かどうかを問わない。）が計算代理人の決定する実勢の市場価格を下回る場合。

- ③ 対象株式1株当たりの金額が、特別配当として特徴付けられるべきであると計算代理人が決定した場合。
- ④ 全額払い込まれていない対象株式に関する対象株式発行会社による払込催告。
- ⑤ その原資が利益から又は資本からによるか、及び買戻しの対価が金銭、有価証券その他であるかを問わない、対象株式発行会社又はその子会社による対象株式の買戻し。
- ⑥ 対象株式発行会社に関して、一定の事由の発生時に優先株式、ワラント、債務証券又は新株引受権をその市場価値を下回る価格で分配することを定めるライツプラン又は敵対的買収防衛策に基づき、対象株式発行会社の普通株式又はその他の資本株式から何らかの株主権利が分配され、又は分離されることとなる事由。但し、当該事由の結果行われた調整は、当該権利の消却時に再調整されるものとする。
- ⑦ 対象株式の理論価値を希薄化又は凝縮化する効果を有するその他の事由。

「早期終了」とは、

取引所営業日において予定終了時前に当該本取引所が取引を終了することをいう。但し、本取引所が、①当該取引所営業日における本取引所の通常取引セッションにおける実際の終了時刻及び②当該取引所営業日の評価時刻における取引実行のために本取引所のシステムに入力されるべき注文の提出期限のいずれか早い時間の1時間前までに、当該早期終了時刻のアナウンスをした場合を除く。

「早期償還事由」とは、

早期償還評価日における株価終値が、早期償還判定水準以上である場合をいう。

「早期償還判定水準」とは、

当初価格の105.00%に相当する円貨額（小数第3位を四捨五入して第2位まで求める。）をいう。

「早期償還評価日」とは、

第1回利払日（同日を含む。）から満期日（同日を含まない。）までの各利払日の5予定取引日前の日をいう。

「早期償還日」とは、

関連する早期償還評価日の直後の利払日をいう。

「対象株式」又は「参照資産」とは、

<ファーストリテイリング参照社債>

対象株式発行会社の普通株式をいう（ロイター銘柄コード：9983.T）。

<任天堂参照社債>

対象株式発行会社の普通株式をいう（ロイター銘柄コード：7974.T）。

「対象株式発行会社」とは、	<p><ファーストリテイリング参照社債> 株式会社ファーストリテイリングをいう。</p>
「通貨障害事由」とは、	<p><任天堂参照社債> 任天堂株式会社をいう。</p> <p>任意のシリーズに関して、一つ又は複数の通貨に影響を及ぼす事象の発生又はかかる事象の公的な宣言で、決済通貨に関する義務を履行し又はその他の方法でかかるシリーズの支払・決済又はヘッジを行う発行会社の能力が著しく阻害され又は損われると発行会社はその裁量により判断するものをいう。</p>
「当初価格」とは、	2018年4月18日（以下「当初価格決定日」という。）現在の株価終値をいう。
「取引障害」とは、	<p>本取引所における対象株式に関して、本取引所の値幅制限を超える株価変動その他の理由により、本取引所その他による取引の停止若しくは毀損若しくは当該取引に課せられた制限をいう。疑義を避けるために付言すれば、①当該本取引所の値幅制限を超える株価変動、②注文の不均衡、又は③買い呼び値と売り呼び値の不一致は、取引障害の趣旨において取引の停止又は制限とみなされる。</p>
「取引所営業日」とは、	<p>本取引所における取引が予定終了時よりも早く終了する日を含み、本取引所においてその通常取引セッションの間に取引が行われる予定取引日をいう。</p>
「取引所障害」とは、	<p>市場参加者が一般に本取引所において対象株式の取引を実行し、又はその時価を取得する機能を失い、又は毀損する事由（但し、早期終了にかかる事由を除く。）をいう。</p>
「ロックイン事由」とは、	<p>観察期間中のいずれかの予定取引日において、株価終値がロックイン判定水準以下であることをいう。</p>
「ロックイン判定水準」とは、	<p>当初価格の70.00%に相当する円貨額（小数第3位を四捨五入して第2位まで求める。）をいう。</p>
「発行会社課税事由」とは、	<p>英国（又は英国の、若しくは英国内に所在する、課税権限を有する当局若しくは行政下部機関）における法律若しくは規則の変更若しくは改正、かかる法律若しくは規則の適用若しくは公的解釈に関する変更、又は課税当局による決定、確認若しくは勧告であって、約定日（2018年3月9日）以降に効力が生じるものにより、発行会社が本要項第5項に基づき追加額の支払を義務付けられるか、又はかかる支払を義務付けられることが相当程度見込まれることをいう。</p>
「評価時刻」とは、	<p>(i)市場障害事由が発生しているか否かを決定する目的においては、関連する当該本取引所の予定終了時をいう。当該本取引所が予定終了時より早く終了し、特定の評価時刻が通常取引セッションの実際の終了時刻の後である場合には、評価時刻は、当該実際の終了時刻とする。</p>

(ii)その他のあらゆる状況においては、関連する取引所によって対象株式の公式の終値が公表される時刻をいう。

「評価日」とは、

①当初価格の決定に関しては当初価格決定日、②利息計算期間についての利率の決定に関しては、かかる利息計算期間に関する利率判定評価日、③早期償還事由が発生しているか否かの決定に関しては、当該早期償還日の直前の早期償還評価日、また④満期償還額の決定に関しては、(ノックイン事由が発生した場合における最終価格については)最終評価日及び(ノックイン事由が発生しているか否かの決定については)観察期間中のあらゆる予定取引日をいう。なお、かかる日が予定取引日でない場合、直後の予定取引日を評価日とする。

「ヘッジ障害」とは、

発行会社及び／又はそのいずれかの関連会社が、商業的に合理的な努力を尽くした上で、(A)関連するシリーズに関する発行及び自身の債務の履行に係る価格リスクをヘッジするために発行会社が必要と判断する取引若しくは資産の取得、設定、再設定、代替、維持、解約若しくは処分を行うことができない場合、又は(B)かかる取引若しくは資産による利益を換価、回収、受領、還流、移転若しくは送金することができない事態をいう。

「ヘッジ・ポジション」とは、

発行会社又はその関連会社が個別に又はポートフォリオ・ベースで本社債に関する発行会社の義務をヘッジするために購入、売却、加入又は継続する一つ又はそれ以上の①証券、オプション、先物、デリバティブ若しくは外国為替に関するポジション若しくは契約、②株式貸借契約、又は③その他の商品若しくは合意をいう。

「法の変更」とは、

本社債の約定日(2018年3月9日)以降、①適用される法律、規則、規程、命令、判決若しくは手続(税法、並びに適用ある規制当局、税務当局及び／又は取引所の規則、規程、命令、判決又は手続を含むがこれらに限らない。)の採択若しくは公布若しくは変更、又は②正当な管轄権を有する裁判所、法廷若しくは規制当局(米国商品先物取引委員会又は関連する取引所若しくは取引施設を含むがこれらに限らない。)による適用される法律若しくは規則の公式又は非公式の解釈の公表、変更若しくは公示(税務当局が講じたあらゆる措置を含む。)により、発行会社が、(a)約定日において関連するヘッジ当事者が想定していた方法での発行会社及び／若しくはその関連会社による本社債に関連するヘッジ・ポジション、若しくは本社債に係る証券、オプション、先物、デリバティブ若しくは外国為替に関する契約の保有、取得、取引、若しくは処分が、違法となるか、若しくは違法となることが相当程度見込まれるか、若しくは違法となったか、又は(b)発行会社若しくはそのいずれかの関連会社が(x)本社債に基づく自身の義務の履行において(租税債務の増加、税制上の優遇措置の減少、その他の当該会社の課税状況に対する不利な影響による場合を含むがこれらに限らない。)、若しくは(y)本社債に関連するヘッジ・ポジション、若しくは本社債に係る証券、オプション、先物、デリバティブ若しくは外国為替に関する契約の取得、設定、再設定、代替、維持、解約若しくは処分において、負担する費用が著しく増加することになると判断した場合をいう。

「本取引所」とは、	東京証券取引所その承継者、又は対象株式の取引が臨時に場所を移して行われている代替の取引所若しくは相場表示システム（但し、計算代理人が、かかる臨時の代替取引所若しくは相場表示システムにおいて対象株式に関して元の取引所における場合に匹敵する程の流動性がある旨決定することを条件とする。）をいう。
「予定終了時」とは、	本取引所及び予定取引日に関し、当該予定取引日における当該本取引所の週日の予定された終了時刻をいう。時間外又は通常取引セッション外の他の取引は考慮しない。
「予定取引日」とは、	本取引所がその通常取引セッションのために取引を行う予定の日をいう。
「予定評価日」とは、	障害日を生じさせた事由の発生がなければ評価日となるべきであった元の日をいう。
「利率判定水準」とは、	当初価格の85.00%に相当する円貨額（小数第3位を四捨五入して第2位まで求める。）をいう。
「利率判定評価日」とは、	関連する利払日の5予定取引日前をいう。

課税上の取扱い

課税一般について

以下に記載された情報は、現在本社債について適用される税法及び慣行の完全な要約ではない。本社債に関する取引（購入、譲渡及び／又は償還を含む）、本社債に対する金利又はプレミアムの発生又は受領及び本社債の所持人の死亡は、投資家に税務上の影響を与える可能性がある。税務上の影響は、とりわけ見込み投資家の税務上の居住地及び／又は地位によって異なりうる。それゆえ投資家は、本社債に関する取引により生ずる税務上の取扱い、又は各自が税務上居住者とされる、若しくは納税の義務を負っている法域における税法上の影響について、各自の税務顧問に助言を求めべきである。とりわけ、関係課税当局が本社債に基づく支払をどのように特徴付けるかについては、いかなる表明もなされない。

本社債の買主及び／又は売主は、本社債の発行価格又は購入価格（異なる場合）に加えて、印紙税及びその他の税の支払を要求される可能性がある。

以下に定義される用語は、関連する項目のみを目的として定義される。

1. 英国の租税

以下は、英国の現行の税法及び英国歳入税関庁の公表済みの実務に基づく一般的な記載であり、英国の課税に関する特定の側面のみに関連して、発行会社が英国の現行の法律及び実務につき理解している事項を要約したものである。下記は、すべての事項を網羅したものではない。また、本社債の実質的所有者のみに関するものであり、特別規則の適用対象となる、特定のクラスの納税者（本社債の取引を業とする者、特定のプロ投資家及び発行会社と関係を有する者）に対しては適用されない。

投資家で、英国以外の法域で課税される可能性のある者又は課税状況について確信が持てない者は、各自で専門家の助言を受けるべきである。

(1) 源泉徴収税

(a) 発行会社のみによる利息の支払

発行会社は、発行会社が2007年所得税法（以下「本件法」という。）の第991条に定義される銀行である限り、かつ、本社債に対する利息が本件法第878条に定義される通常の業務過程において支払われる限り、英国の租税に関して源泉徴収又は控除を行うことなく利息を支払うことができる。

(b) 特定の本社債権者への利息の支払

本社債の利息は、その支払が行われる時点において発行会社が以下のいずれかに該当すると合理的に確信できる場合にも、英国の租税に関して源泉徴収又は控除を行うことなくこれを支払うことができる。

(i) 本社債につき支払われる利息を実質的に受ける権利を有する者が、かかる利息の支払に関して英国法人税の課税対象となっていること。

(ii) 支払が本件法第936条に記載の課税が免除される団体又は者の区分の一つに対してなされること。

但し、英国歳入税関庁が、(かかる利息の支払が、支払が行われる時点において「除外される支払」に該当しないと同庁が確信する合理的な根拠を有する場合において) 税金を控除した上で利息を支払うよう指示した場合はこの限りではない。

(c) 適格私募

さらに、非上場の本社債の一定の所持人は、当該非上場本社債につき支払われる利息に関して英国の租税が一切源泉徴収されないことを確保するための、英国の適格私募に関する制度による恩恵を受けることができる可能性がある(但し、関連するすべての条件を満たしていることを前提とする。)

(d) その他の源泉徴収

その他の場合には、他の非課税規定(上記の非課税規定とは異なるもの)若しくは免除規定を利用できる場合、又はかかる免除について適用される二重課税防止条約により英国歳入税関庁から別途の指示を受けた場合を除いて、基準税率により、本社債の利息の支払から英国の所得税に関して一定の額の源泉徴収を行うことを要する場合がある。

さらに、他の非課税若しくは免除規定を利用できる場合、又はかかる免除について適用される二重課税防止条約により英国歳入税関庁から別途の指示を受けた場合を除いて、英国の課税上、かかる支払が利息に該当しないものの、年次の支払又は(現物決済が可能な社債券の場合は)「マニユファクチャード・ペイメント」のいずれかに該当する場合には、基準税率により、本社債の支払から英国の所得税に関して一定の額の源泉徴収を行うことを要する場合がある。

(e) 解釈

上記において言及される「利息」とは、英国の税法上の「利息」をいい、特に、プレミアム付きで償還される本社債の償還額のプレミアム要素は、上述した源泉徴収税に関する規定の対象となる利息の支払を構成する場合がある。特定の場合においては、本社債が割引で発行される際の割引額についても同様である。なお、上記の内容は、他の法律上有効であるか、又は本社債若しくはその関連文書の条件により設けられることのある、「利息」又は「元本」の別段の定義を考慮していない。

(2) 英国の印紙税及び印紙税保留税

(a) 発行

一般に、本社債の発行に対して英国の印紙税又は印紙税保留税(以下「SDRT」という。)は課されない。但し、下記(a)、(b)及び(c)のすべての条件が満たされる場合には、本社債の預託証券システム又はクリアランス・サービス(又はそれらのノミニ)に対する発行に対して1.5%の税率によるSDRTが課される場合がある。

(i) 本社債が「免除される借入資本」(下記参照)に該当しないこと。

(ii) 本社債が、資本税指令(理事会指令2008/7/EC)第5条(2)の範囲に含まれていないこと。

(iii) 現物決済の規定が存在すること。

預託証券システム又はクリアランス・サービス(又はそれらのノミニ)以外での発行に対しては、さらに1.5%を上限とする税率による印紙税が課される場合がある。本社債は、それが「借入資本」(1986年財政法第78条に定義)に該当し、かつ、下記の4つの権利のうちいずれも付されてない(また、下記(ii)乃至(iv)の場合には、いずれも付されることがない)場合に、「免除される借入資本」に該当することとなる。

(i) 有価証券の所持人のための、有価証券を株式若しくはその他の有価証券に転換することを選択する権利、又は株式若しくはその他の有価証券(同じ内容の借入資本を含む。)を取得する権利。

(ii) その金額が、資本の名目金額に対する合理的な商業リターンを上回る利息に対する権利。

(iii) その金額が、程度を問わず、事業若しくはその一部の業績、又はいずれかの資産の価値を参照して決定されるものであり又はそのように決定されることとなった、利息に対する権利。

(iv) 払戻しに関して、資本の名目金額を上回り、かつロンドン証券取引所のオフィシャル・リストに掲載されている借入資本の発行条件に基づいて一般的に(同等の資本の名目金額に対して)払い戻される金額に合理的に相当しない金額に対する権利。

(b) 本社債の譲渡

クリアランス・サービスを介して保有される本社債に対する権利の譲渡は、第97条Aに基づく選択を行っていない限り、英国の印紙税又はSDRTを発生させるものではない。

本社債が、免除される借入資本に該当せず、かつクリアランス・サービスを介して保有されていない場合には、以下が適用される。

(i) かかる本社債を譲渡する合意がなされた場合、課税対象となる対価に対して0.5%の税率でSDRTが課される可能性がある。

(ii) また、かかる本社債を譲渡するためのあらゆる書類について、0.5%の印紙税が課される可能性がある。

但し、印紙税に関する債務が、SDRTに関する債務が発生してから6年以内に支払われた場合には、SDRTに関する債務は取り消され、又は(場合によっては)払い戻される。

(c) 本社債の償還又は決済

本社債について現物決済が可能な場合、特定の場合においては、本社債の現物決済に対して0.5%の印紙税又はSDRTが課される可能性がある。かかる印紙税又はSDRTが課される場合において、決済が預託証書システム又はクリアランス・サービスに対する関連資産の移転によって行われる場合には、印紙税は1.5%とより高い税率で課される可能性がある。

(d) クリアランス・サービス

前記において、ユーロクリア・バンク及びクリアストリーム・ルクセンブルクが運営する決済システムは「クリアランス・サービス」に該当するが、ユーロクリア・ユーケー・アンド・アイルランドが運営するCRESTシステムは「クリアランス・サービス」に該当しない。

2. 日本国の租税

以下は本社債に関する日本国の租税上の取扱いの概略を述べたにすぎず、本社債に投資しようとする投資家は、各投資家の状況に応じて、本社債に投資することによるリスクや本社債に投資することが適当か否かについて各自の会計・税務顧問に相談する必要がある。

日本国の租税に関する現行法令(以下「日本の税法」という。)上、本社債は公社債として取り扱われるべきものと考えられるが、その取扱いが確定しているわけではない。仮に日本の税法上、本社債が公社債として取り扱われなかった場合には、本社債に対して投資した者に対する課税上の取扱いは、以下に述べるものと著しく異なる可能性がある。

さらに、日本の税法上、本社債のように、支払が不確定である社債に関して、その取扱いを明確に規定したものはない。日本の国税庁は、先物・先渡・オプション取引のようなデリバティブ取引の要素を含んだ社債については、ある特定の条件下においては、当該社債を保有する法人では、その社債を当該構成要素別に区分し、処理を行うことを認める見解を採用している。しかし、全く疑義無しとはされないものの、本社債にはかかる原則的な取扱いの適用はないものと解されている。将来、日本の税務当局が支払が不確定である社債に関する取扱いを新たに取り決めたり、あるいは日本の税務当局が日本の税法について異なる解釈をし、その結果本社債に対して投資した者の課税上の取扱いが、以下に述べるものと著しく異なる可能性がある。(i)本社債は、特定口座を取り扱う金融商品取引業者の特定口座において取り扱うことができる。

(ii)本社債の利息は、一般的に利息として取扱われるものと考えられる。日本国の居住者が支払を受ける本社債の利息は、それが国内における支払の取扱者を通じて支払われる場合には、日本の税法上20.315%(所得税、復興特別所得税及び地方税の合計)の源泉所得税を課される。さらに、日本国の居住者は、申告不要制度又は申告分離課税を選択することができ、申告分離課税を選択した場合、20.315%(所得税、復興特別所得税及び地方税の合計)の税率が適用される。日本国の内国法人が支払を受ける本社債の利息は、それが国内における支払の取扱者を通じて支払われる場合には、日本の税法上15.315%(所得税及び復興特別所得税の合計)の源泉所得税を課される。当該利息は当該法人の課税所得に含められ、日本国の所得に関する租税の課税対

象となる。但し、当該法人は当該源泉所得税額を、一定の制限の下で、日本国の所得に関する租税から控除することができる。

(iii) 本社債の譲渡又は償還による損益のうち、日本国の居住者に帰属する譲渡益又は償還差益は、20.315%（所得税、復興特別所得税及び地方税の合計）の税率による申告分離課税の対象となる。但し、特定口座のうち当該口座内で生じる所得に対する源泉徴収を日本国の居住者が選択したもの（源泉徴収選択口座）における本社債の譲渡又は償還による所得は、確定申告を不要とすることができ、その場合の源泉徴収税率は、申告分離課税における税率と同じである。また、内国法人に帰属する譲渡損益又は償還差損益は当該法人のその事業年度の日本国の租税の課税対象となる所得の金額を構成する。

(iv) 日本国の居住者は、本社債の利息、譲渡損益及び償還差損益について、一定の条件で、他の社債や上場株式等の譲渡所得、利子所得及び配当所得と損益通算及び繰越控除を行うことができる。

(v) 外国法人の発行する社債から生ずる利息及び償還差益は、日本国に源泉のある所得として取り扱われない。したがって、本社債に係る利息及び償還差益で、日本国に恒久的施設を持たない日本国の非居住者及び外国法人に帰属するものは、通常日本国の所得に関する租税は課されない。同様に、本社債の譲渡により生ずる所得で日本国に恒久的施設を持たない日本国の非居住者及び外国法人に帰属するものは、日本国の所得に関する租税は課されない。

本社債に関するリスク要因

本社債への投資は、対象株式の株価の動向により直接的に影響を受ける。株式投資にかかるリスクに耐え、かつ、そのリスクを評価し得る経験豊富な投資家のみが、本社債の投資に適している。本社債への投資を予定する投資家は、本社債へ投資をすることが適当か否かを判断する際に、以下のリスク要因を検討すべきである。なお、本リスク要因中に使用される用語の定義については上記「社債の要項の概要 16. 定義」を参照のこと。

元本リスク

各本社債の満期償還額は、ロックイン事由が発生した場合、前記「第一部 証券情報、第2 売出要項、2 売出しの条件、社債の要項の概要、2. 償還及び買入れ、(1) 満期償還」記載の条件に従い決定される。かかる場合、本社債の満期償還額は、対象株式の株価により直接影響を受け、したがって、当初投資された元本金額を下回り、対象株式発行会社につき破産手続が開始された場合などに最小価値で0（ゼロ）となる可能性がある。

投資利回りリスク

本社債の満期償還において、上記「元本リスク」記載のとおり、本社債の満期償還額が額面金額を下回る場合には、本社債の投資利回りがマイナスになる（すなわち、投資家が損失を被る）可能性がある。また、市場状況の変化により、将来、本社債よりも有利な条件の類似する社債が同一の発行会社から発行される可能性もある。また、対象株式の株価が本社債発行後上昇し、ロックイン事由が発生しなかったとしても、本社債の満期償還は額面金額（元本）の償還と利息の支払によって行われるので、投資家は対象株式の株価の上昇分を享受することができない。したがって、本社債への投資は、対象株式に直接投資した場合に比べ、投資利回りが低くなる可能性もある。

利率変動リスク

本社債の利率は、2018年7月18日の利払日に支払われる利息については固定利率が適用されるが、2018年10月18日以降の各利払日に支払われる利息については、株価終値の水準により適用される利率が変動する。関連する各利率判定評価日の株価終値が利率判定水準未満の場合、関連する利払日に支払われる利息について適用される利率は、年率0.10%となる。

早期償還による再投資リスク

本社債は、一定の条件が満たされた場合、いずれかの早期償還日に本社債の額面金額で償還されることがある。

本社債が満期日より前に償還された場合、投資家は、当該償還の日（いずれも当日を含まない。）までの利息を受け取るが、当該償還の日から後のかかる期限前償還がなされなければ受領するはずであった利息を受領することができなくなる。さらに、かかる償還額をその時点での一般実勢レートで再投資した場合に、投資家は、かかる期限前償還がなされない場合に得られる本社債の利息と同等の利回りを得られない可能性がある。

調整事由等による調整

本社債の存続期間中、当初価格、行使価格、ロックイン判定水準、早期償還判定水準及び／又は利率判定水準等は、潜在的調整事由、合併事由等の事由の発生により調整されることがある。

発行会社及び対象株式発行会社の信用リスク

本社債の利息及び償還金額の支払は発行会社の義務となっている。したがって、発行会社の財務状況の悪化などにより発行会社が本社債の利息又は償還金額を支払わず、又は支払うことができない場合には、投資家は損失を被り又は投資元本を割り込むことがある。また、ロックイン事由が発生し、最終価格が行使価格未満であった場合には、本社債の満期償還額は最終価格に比例して減少する。それゆえ、対象株式発行会社の信用低下により、投資家は損失を被り又は投資元本を割り込むことがある。

対象株式発行会社の情報開示

本社債の発行会社、売出人及びユーロ市場における引受人は、対象株式発行会社の開示された企業情報に関し独自の調査を行っておらず、その正確性及び完全性について何ら保証するものではない。対象株式発行会社による企業情報開示に虚偽記載等があった場合には、対象株式の株価の下落につながる可能性があり、本社債の財産的価値の下落にもつながる可能性がある。

不確実な流通市場

本社債の流通市場は確立されていない。発行会社、計算代理人及び日本国における売出しに関連する売出人は、売出された本社債につき買取る義務を負うものではない。また、発行会社及び売出人は、特に必要が認められない限り、本社債権者向けに流通市場を創設するため本社債の売買を行う予定もない。本社債は非流動的であるため、満期日前の本社債の中途売却価格は、対象株式の株価、発行会社の財務状況、一般市場状況やその他の要因により、当初の投資額を著しく下回る可能性がある。また、市場環境の変化により流動性（換金性）が著しく低くなった場合、売却することができない可能性がある。

中途売却価格に影響する要因

償還前の本社債の価値及び中途売却価格は、償還前の本社債の価値及び中途売却価格に複雑な影響を与える様々な要因に影響される。但し、かかる要因の影響が相互に作用し、それぞれの要因を実質上打ち消す可能性がある。

① 対象株式の株価

一般的に、対象株式の株価の下落は本社債の価値に悪影響を与えると予想され、また、対象株式の株価の上昇は、本社債の価値に良い影響を及ぼすと予想される。

② 対象株式の株価の予想変動率

予想変動率とは、ある期間に予想される価格変動の幅と頻度の基準を表わす。一般的に、対象株式の株価の予想変動率の上昇は本社債の価値に悪影響を与え、予想変動率の下落は本社債の価値に良い影響を及ぼす。しかし、かかる影響の度合いは対象株式の株価水準や本社債の償還日までの期間によって変動する。

③ 配当利回りと株式保有コスト

対象株式の配当利回りの上昇、あるいは株式保有コストの下落は、本社債の価値を下落させる方向に作用し、逆に対象株式の配当利回りの下落、あるいは株式保有コストの上昇は、本社債の価値を上昇させる方向に作用すると予想される。

④ 金利

一般的に、円金利が上昇すると本社債の価値に悪影響を与える。円金利が下落すると本社債の価値に良い影響を及ぼす。但し、かかる影響の度合いは、対象株式の株価水準や本社債の償還日までの期間によって変動する。

⑤ 本社債の発行会社及び対象株式発行会社の格付

本社債の価値は、投資家による発行会社及び対象株式発行会社の信用度の一般的な評価により影響を受けると予想される。通常、かかる認識は、格付機関から付与された格付により影響を受ける。本社債の発行会社及び対象株式発行会社に付与された格付が下落すると、本社債の価値は減少し、格付が上昇すると価値が増加する可能性がある。

⑥ 発行会社の財務・信用状況

発行会社の経営・財務・信用状況の悪化により、本社債の価値は悪影響を受ける。

対象株式の株価に影響を与える市場活動

計算代理人、売出人及びそれらの関係会社は、通常業務の一環として、自己勘定又は顧客勘定で株式現物、先物及びオプション市場での取引を定期的に行うことができる。計算代理人、売出人及びそれらの関係会社は、法規制上問題のない範囲で、株式現物、先物又はオプションの売買によりトレーディング・ブック上のエクスポージャー及びオフ・バランス・ポジションをヘッジし、また、エクスポージャーの存続期間中の市況の変化に伴いヘッジを調整（増減）することがある。かかる取引、ヘッジ活動及びヘッジ活動の中止は、対象株式の株価及びその予想変動率に影響を与える可能性があり、その影響を通じて、行使価格、満期償還の方法及び本社債の中途売却価格に影響を及ぼす可能性がある。

課税

日本の税務当局は本社債についての日本の課税上の取扱いについて明確にしていない。上記の「課税上の取扱い 2. 日本国の租税」の項を参照のこと。本社債に投資しようとする投資家は、各投資家の状況に応じて、本社債に投資することによるリスクや本社債に投資することが適当か否かについて各自の会計・税務顧問に相談することが望ましい。

潜在的利益相反

本社債については、発行会社であるパークレイズ・バンク・ピーエルシーが計算代理人を務める。場合によっては、発行会社としての立場と、本社債の計算代理人としての立場の利害が相反することがありうる。計算代理人としてのパークレイズ・バンク・ピーエルシーは、計算代理人としての職務を忠実に遂行し、合理的な判断を下す義務を負っているが、このような潜在的な利益相反が起こりうることに留意する必要がある。

【募集又は売出しに関する特別記載事項】

パークレイズ・グループの銀行又は投資会社が破綻する又はその可能性がある場合における規制措置が、本社債の価値に重大な悪影響を与える可能性がある

金融機関及び投資会社の再建及び破綻処理に関する体制について定めた欧州議会及び理事会の2014年5月15日付EU指令2014/59/EU（その後の改正を含む。EU銀行再建・破綻処理指令（「BRRD」））が定める大多数の要件（ベイルイン・ツールを含む。）は、2009年英国銀行法（その後の改正を含む。）（「英国銀行法」）の修正によって英国において施行された。ベイルイン・ツールに関するより詳しい情報については、下記の「英国の破綻処理当局は発行会社及び本社債に関してベイルイン・ツールを行使することができ、その結果として、本社債の保有者は投資の一部又は全額を失うこととなる可能性がある。」の項目を参照のこと。

2016年11月23日、欧州委員会は、他の提案とともに、BRRDの改正案を公表した。これらの提案の大多数は草稿段階のもので、今後EUの立法手続及び国内実施を経ることになる。したがって、これらの提案がパークレイズ・グループ、発行会社及び本社債にどのような影響を及ぼすかは不明確である。

英国銀行法に基づき、多数の英国当局には、英国の銀行又は投資会社及びその一定の関連会社に関し、同じグループに属する銀行又は投資会社が破綻する又は破綻の可能性があると判断される場合において広範な措置を実行できるよう大きな権限が付与されている。発行会社に関連してこれらの措置が実行されることにより、本社債の価値が重大な悪影響を受ける可能性がある。

英国銀行法に基づき、イングランド銀行（又は一定の状況においては英国財務省）には、PRA、FCA及び英国財務省と適宜協議の上、特別破綻処理制度（「SRR」）の一環として、大きな権限が付与されている。これらの権限により、英国の銀行又は投資会社及びこれらの一定の関連会社（それぞれを「該当する事業体」という。）に関して、破綻処理の条件が満たされると英国の破綻処理当局が確信する状況において、英国の破綻処理当局は、破綻処理措置を実行することができる。かかる破綻処理の条件には、英国の銀行又は投資会社が、2000年金融サービス・市場法（「FSMA」）における、（FSMAのセクション55Bに定められる）特定の規制対象活動を継続する権限の付与に関する最低条件を満たしていないか、満たさなくなる可能性があること、又は、EEA加盟国若しくは第三国の金融機関若しくは投資会社である英国の銀行グループ会社の場合、破綻処理の条件が満たされると当該EEA加盟国又は第三国の関連当局が確信することが含まれる。

SRRは、5つの安定化に関するオプションからなる。すなわち、(a) 該当する事業体の事業又は株式の全部又は一部の民間部門への譲渡、(b) 該当する事業体の事業の全部又は一部の、イングランド銀行が設立した「承継銀行」への譲渡、(c) 英国財務省又はイングランド銀行が完全又は部分的に所有する資産管理機関への譲渡、(d) ベイルイン・ツール（以下に説明する。）、及び(e) 一時的な国有化である。

また、英国銀行法は、該当する事業体について破産及び行政に関する2つの新たな手続を定めている。これに付随して英国の破綻処理当局に付与されている権限には、特定の状況において契約上の取り決めを変更する権限（本社債の要項の変更を含む場合もある。）、一時的に支払を停止する権限、破綻処理権限の行使に伴い発生する可能性のある執行又は解除権を差し止める権限、及び英国銀行法に基づく権限を有効に行使することができるように（場合によっては遡及的効力をもって）英国の法律を適用しない若しくは修正する権限が含まれる。

本社債の保有者においては、破綻処理が行われる場合、該当する事業体への公的財政支援は、関連する英国の破綻処理当局によってベイルイン・ツール（以下に説明する。）を含む破綻処理ツールが可能な限り最大限検討され、利用された後に、最後の手段としてのみ利用可能となるものと捉えるべきである。

破綻処理権限が行使された場合、又は行使することが示唆された場合、いかなる社債の価値にも重大な悪影響が及び、本社債の保有者が本社債に対する投資の価値の一部又は全額を失うことにつながる可能性がある。

SRRは発行会社が破産手続前の段階で発動されるよう策定された制度であり、本社債の保有者は、英国の破綻処理当局による破綻処理権限（ベイルイン・ツールを含む。）の行使を予測することができない可能性がある。

安定化に関するオプションは、該当する事業体に関する破産手続が開始される前の段階で行使されることが想定されたものである。安定化に関するオプションの目的は、該当する事業体の事業の全部又は一部が幅広い公共の利益に関して懸念を生じさせるような財政難に陥る又はその可能性が高い場合において、かかる状況に対応することにある。

英国銀行法は破綻処理権限の行使に関して特定の条件を設けており、さらに、2015年5月に公表された欧州銀行監督局のガイドラインは金融機関が破綻している、あるいは破綻する可能性があるか否かの決定において破綻処理当局が適用する客観的な判断要素を定めているが、英国の破綻処理当局が、発行会社及び／又はパークレイズ・グループのその他のメンバーに影響を及ぼす破産手続前の特定の状況において、また破綻処理権限を行使するか否かを決定するにあたって、かかる条件についていかにして判断するかは、不明確である。英国の破綻処理当局はまた、破綻処理権限の行使の決定について、本社債の保有者に事前に通知する義務を負わない。そのため本社債の保有者

は、かかる権限の潜在的行使について、またその行使の結果、発行会社、パークレイズ・グループ及び本社債に及ぶ潜在的影響について予測できない可能性がある。

英国の破綻処理当局による破綻処理権限（英国のベイルイン・ツールを含む。）の行使に対し、不服を申し立てる本社債の保有者の権利は、非常に制限される可能性がある。

本社債の保有者は、英国の破綻処理当局が破綻処理権限（英国のベイルイン・ツールを含む。）を行使することを決定した場合に、その決定に対し、不服を申し立てる権利、停止を求める権利又は司法手続若しくは行政手続等による見直しを求める権利を非常に制限される可能性がある。

英国の破綻処理当局は発行会社及び本社債に関してベイルイン・ツールを行使することができ、その結果として、本社債の保有者は投資の一部又は全額を失うこととなる可能性がある。

ベイルイン・ツールの行使に関する法令上の条件が満たされている場合、英国の破綻処理当局は、本社債の保有者の承諾を得ることなく当該権限を行使することが予想される。BRRDに定められた一定の適用除外（担保付債務、EU加盟国の預金保険制度により保証された銀行預金、顧客資金の保有により生じた債務、当初の満期を7日未満とするグループ外の銀行又は投資会社に対する債務その他一定の適用除外を含む。）を前提として、金融機関及び／又はそのEEAの親会社の全ての債務は、潜在的にベイルイン・ツールの対象に含まれることが予定されている。そのため、発行会社及び本社債に関してベイルイン・ツールが行使された場合、本社債について支払われるべき元本、利息又はその他の金額の全部又は一部が削減され、あるいは本社債が発行会社若しくはその他の者の株式、その他の証券若しくはその他の債務に転換され、又は本社債の要項に対してその他の修正若しくは変更が行われる可能性がある。

英国銀行法は、資本要求指令（CRD）IVに基づく資本調達手段の優先順位を反映するとともに、その他通常の破産手続における債権の優先順位に従って、ベイルイン・ツールが適用されるべき順序を定めている。また、ベイルイン・ツールには、株主及び債権者が該当する事業体の通常の破産手続の場合と比べて不利な取扱いを受けないようにするための明示的な保障手段（いわゆる「清算価値保障」）が含まれている。他の提案とともに欧州委員会が2016年11月23日に提案したBRRD及びCRD IV規制の改正により、一定の無担保債券に関する債権者の優先順位が変更された（ただし、この改正はさらに国内実施を経ることになる。）。自己資本及び適格債務の最低基準（MREL）に関する改正等、その他のBRRD及びCRD IVの改正は草稿段階のもので、今後EUの立法手続を経ることになる。したがって、これらの改正がパークレイズ・グループ、発行会社及び本社債にどのような影響を及ぼすかは不明確である。

発行会社及び本社債に関するベイルイン・ツールの行使又は当該行使の提案は、本社債の保有者の権利、本社債に対する投資の価格又は価値、及び／又は発行会社の本社債に基づく義務を履行する能力に重大な悪影響を与える可能性があり、本社債の保有者が本社債に対する投資の一部又は全額を失うことにつながる可能性がある。さらに、破綻処理措置が講じられた後に行われた評価に従い「清算価値保障」に基づく補償の請求が行われた場合でも、本社債の保有者が破綻処理によって被った損害の全額に相当する補償が行われる可能性は低く、本社債の保有者が当該補償を迅速に受けられるという保証もない。

保証された預金はベイルイン・ツールの対象から除外されており、その他優先預金（及び保証された預金）は、当行が発行する社債よりも優先順位が高いため、かかる社債は、当行の（その他優先預金のような）その他の一定の非劣後債務よりもベイルインの対象となる可能性が高い。

BRRDの要求する改正の1つとして、英国の関連法令の改正が行われ（1986年英国倒産法を含む。）、破産手続における優先順位に関して法定の序列が設定された。（i）第一に、英国金融サービス補償機構に基づき保証されている預金（「保証された預金」）は、「通常の」優先債権として既存の優先債権と同順位とし、（ii）第二に、EEA

銀行のEEA支店又は非EEA支店における個人及び零細企業、中小企業のその他すべての預金（「その他優先預金」）は、「通常の」優先債権の次の「第2順位」の優先債権とする。また、英国におけるEU預金保険指令の実施は、法人預金（預金者が公共部門機関又は金融機関である場合を除く。）や一時的な大口預金を含めて広い範囲の預金を対象とするため、2015年7月から保証された預金の種類及び額を拡大した。これらの変更によって、優先債権者の種類の規模が拡大されることとなる。これらの優先預金は、本社債の保有者を含む当行のその他の無担保優先債権者よりも破産手続における優先順位が高い。さらに、保証された預金は、ペイルイン・ツールの対象から除外される。その結果、ペイルイン・ツールが英国の破綻処理当局によって行使された場合、本社債は、当行のその他優先預金等のその他の非劣後債務と比較して、ペイルインの対象となる可能性が高くなる。

信用格付機関による発行会社の信用格付の引き下げは、本社債の流動性又は時価に悪影響を及ぼす可能性がある。信用格付の引き下げは、とりわけ、信用格付機関が使用する格付方法の変更を要因として生じうる。

発行会社に付与された格付は、信用格付機関が格付の根拠に関する状況によって正当化されると判断した場合には、信用格付機関により完全に撤回され、保留され、又は引き下げられる可能性がある。格付は時間と共に変化する数多くの要因の影響を受けうるものである。かかる要因には、発行者の戦略及び経営能力、発行者の財務状態（資本、資金調達及び流動性に関するものを含む。）、発行者の主要市場における競争及び経済の状況、発行者が事業を営む業界への政治的支援の水準、構造改革の実施、並びに発行者の法的構造、事業活動及び債権者の権利に影響を及ぼす法律上及び規制上の枠組みのそれぞれに対する信用格付機関の評価が含まれる。信用格付機関は特定の業界又は政治的若しくは経済的地域に属する発行者に適用する格付方法を修正する可能性もある。発行者の信用格付に影響を及ぼす要因が悪化（適用する格付方法の変更による場合を含む。）したと信用格付機関が判断する場合、信用格付機関は発行者及び／又は発行者の証券に付与された格付を引き下げ、保留し、又は撤回する可能性がある。将来、信用格付機関による格付方法の修正及び発行会社の格付に対する格付アクションが発生する可能性がある。

発行会社が1つ又は複数の格付を維持しないと決定した場合、あるいは信用格付機関が発行会社の信用格付を撤回し、保留し、又は引き下げた場合、あるいはかかる撤回、保留又は引き下げが見込まれる場合（あるいは信用格付機関が引き下げ、保留又は撤回を意図して発行会社の信用格付を「クレジット・ウォッチ」に指定した場合）、かかる事由は、上記の要因の結果として発生したかその他により発生したかにかかわらず（また、かかる事由に先立って本社債が格付を付与されていたか否かにかかわらず）、本社債の流動性又は時価に悪影響を及ぼしうる。

第3【第三者割当の場合の特記事項】

該当なし。

第二部【公開買付けに関する情報】

該当なし。

第三部【参照情報】

第1【参照書類】

会社の概況及び事業の概況等法第5条第1項第2号に掲げる事項については、以下に掲げる書類を参照すること。

1【有価証券報告書及びその添付書類】

該当なし。

2【四半期報告書又は半期報告書】

該当なし。

3【臨時報告書】

該当なし。

4【外国会社報告書及びその補足書類】

事業年度 2016年度（自平成28年1月1日 至平成28年12月31日）
平成29年4月28日 EDINETにより関東財務局長に提出

5【外国会社四半期報告書及びその補足書類並びに外国会社半期報告書及びその補足書類】

事業年度 2017年度中（自平成29年1月1日 至平成29年6月30日）
平成29年9月29日 EDINETにより関東財務局長に提出

6【外国会社臨時報告書】

4の外国会社報告書及びその補足書類提出後、企業内容等の開示に関する内閣府令第19条第2項第9号の4の規定に基づく外国会社臨時報告書を平成29年5月11日に関東財務局長に提出

7【訂正報告書】

該当なし。

第2【参照書類の補完情報】

該当なし。

第3【参照書類を縦覧に供している場所】

該当なし。

第四部【保証会社等の情報】

第1【保証会社情報】

該当なし。

第2【保証会社以外の会社の情報】

本「第2 保証会社以外の会社の情報」には2本の異なる種類の社債についての記載がなされている。一定の記載事項について、ファーストリテイリング参照社債及び任天堂参照社債ごとに異なる取扱いがなされる場合には、＜ファーストリテイリング参照社債＞及び＜任天堂参照社債＞の見出しの下にそれぞれの社債ごとに記載内容を分けて記載している。その場合、＜ファーストリテイリング参照社債＞及び＜任天堂参照社債＞の見出しの下に記載された「本社債」等の用語は、それぞれの社債に係る用語を指すものとする。

＜ファーストリテイリング参照社債＞

株式会社ファーストリテイリングの情報

1【当該会社の情報の開示を必要とする理由】

(1) 対象株式発行会社の名称及び住所

株式会社ファーストリテイリング
山口県山口市佐山717番地1

(2) 理由

株式会社ファーストリテイリングは対象株式発行会社であり、前記「第一部 証券情報、第2 売出要項、2 売出しの条件、社債の要項の概要、2. 償還及び買入れ、(1) 満期償還」記載の条件に従い、ロックイン事由が発生し、最終価格が行使価格未満であった場合には、各本社債の満期償還額は最終価格に比例して減少する。さらに、本社債に関して、2018年7月18日（その日を含む。）から満期日（その日を含まない。）又は（場合により）早期償還日（その日を含まない。）までの利息計算期間に適用される利率並びに本社債に関してロックイン事由及び早期償還事由が発生しているか否かは、対象株式の株価終値に基づいて決定される。したがって、当該会社の企業情報は本社債の投資判断に重要な影響を及ぼすと判断される。但し、本社債の発行会社、ディーラー、売出人、その他の本社債の発行に係る関係者は独自に当該会社の情報に関しかなる調査も行っておらず、以下に記載される情報（以下に言及される書類に含まれる情報を含む。）の正確性及び完全性について何ら保証するものではない。なお、以下に記載した情報は公開の情報より抜粋したものである。

(3) 当該会社の株式の内容

種類：	普通株式
発行済株式数（平成30年1月12日現在）：	106,073,656株
上場金融商品取引所名又は	東京証券取引所（市場第一部）
登録認可金融商品取引業協会名：	香港証券取引所メインボード市場
内容：	単元株式数は100株

(注) 香港預託証券（HDR）が香港証券取引所メインボード市場に上場されている。

2【継続開示会社たる当該会社に関する事項】

(1) 当該会社が提出した書類

イ. 有価証券報告書及びその添付書類

事業年度（第56期）（自平成28年9月1日 至平成29年8月31日）
平成29年11月30日 関東財務局長に提出

ロ. 四半期報告書又は半期報告書

四半期会計期間（第57期第1四半期）（自平成29年9月1日 至平成29年11月30日）

平成30年1月12日 関東財務局長に提出

ハ. 臨時報告書

上記イ. の有価証券報告書提出後、金融商品取引法第24条の5第4項及び企業内容等の開示に関する内閣府令第19条第2項第9号の2の規定に基づく臨時報告書を平成29年11月30日に関東財務局長に提出

(2) 上記書類の写しを縦覧に供している場所

名 称	所 在 地
株式会社ファーストリテイリング 本店	山口県山口市佐山717番地1
株式会社東京証券取引所	東京都中央区日本橋兜町2番1号

3 【継続開示会社に該当しない当該会社に関する事項】

該当なし。

<任天堂参照社債>

任天堂株式会社の情報

1 【当該会社の情報の開示を必要とする理由】

(1) 対象株式発行会社の名称及び住所

任天堂株式会社

京都市南区上鳥羽鉾立町11番地1

(2) 理 由

任天堂株式会社は対象株式発行会社であり、前記「第一部 証券情報、第2 売出要項、2 売出しの条件、社債の要項の概要、2. 償還及び買入れ、(1) 満期償還」記載の条件に従い、ロックイン事由が発生し、最終価格が行使価格未満であった場合には、各本社債の満期償還額は最終価格に比例して減少する。さらに、本社債に関して、2018年7月18日（その日を含む。）から満期日（その日を含まない。）又は（場合により）早期償還日（その日を含まない。）までの利息計算期間に適用される利率並びに本社債に関してロックイン事由及び早期償還事由が発生しているか否かは、対象株式の株価終値に基づいて決定される。したがって、当該会社の企業情報は本社債の投資判断に重要な影響を及ぼすと判断される。但し、本社債の発行会社、ディーラー、売出人、その他の本社債の発行に係る関係者は独自に当該会社の情報に関しいかなる調査も行っておらず、以下に記載される情報（以下に言及される書類に含まれる情報を含む。）の正確性及び完全性について何ら保証するものではない。なお、以下に記載した情報は公開の情報より抜粋したものである。

(3) 当該会社の株式の内容

種類：	普通株式
発行済株式数（平成30年2月13日現在）：	141,669,000株
上場金融商品取引所名又は	東京証券取引所（市場第一部）
登録認可金融商品取引業協会名：	
内容：	単元株式数は100株

2【継続開示会社たる当該会社に関する事項】

(1) 当該会社が提出した書類

イ. 有価証券報告書及びその添付書類

事業年度（第77期）（自平成28年4月1日 至平成29年3月31日）

平成29年6月30日 関東財務局長に提出

ロ. 四半期報告書又は半期報告書

四半期会計期間（第78期第3四半期）（自平成29年10月1日 至平成29年12月31日）

平成30年2月13日 関東財務局長に提出

ハ. 臨時報告書

上記イ. の有価証券報告書提出後、金融商品取引法第24条の5第4項及び企業内容等の開示に関する内閣府令第19条第2項第9号の2の規定に基づく臨時報告書を平成29年7月3日に関東財務局長に提出

(2) 上記書類の写しを縦覧に供している場所

名 称	所 在 地
任天堂株式会社 本店	京都市南区上鳥羽鉾立町11番地1
株式会社東京証券取引所	東京都中央区日本橋兜町2番1号

3【継続開示会社に該当しない当該会社に関する事項】

該当なし。

第3【指数等の情報】

該当なし。

有価証券報告書に記載すべき事項に関し重要な事実が発生したことを示す書面

バークレイズ・バンク・ピーエルシーは有価証券報告書に記載すべき事項に関し重要な事実が発生したことを示す書面として、次の各書面を添付します。

- Barclays Bank PLC Annual Report and Accounts 2017
- THE BANK AND THE GROUP
- バークレイズ・バンク・ピーエルシーおよびその子会社に関するプロ・フォーマベースの要約連結財務情報（未監査）

22 February 2018

Barclays Bank PLC

Annual Report and Accounts 2017

UK Listing Authority submission

In compliance with Disclosure Guidance & Transparency Rule (DTR) 4.1, Barclays Bank PLC announces that its Annual Report 2017 will today be submitted to the National Storage Mechanism and will shortly be available for inspection at: www.Hemscott.com/nsm.do

The document may also be accessed via Barclays PLC's website at home.barclays/investorrelations

Additional information

The following information is extracted from the Barclays Bank PLC Annual Report 2017 (page references are to pages in the Annual Report) which can be found at home.barclays/investorrelations and, when read in conjunction with the Barclays PLC Final Results announcement released on 22 February 2018 (full text below), constitutes the material required by DTR 6.3.5 to be communicated to the media in unedited full text through a Regulatory Information Service. This material is not a substitute for reading the Barclays Bank PLC Annual Report 2017 in full.

Condensed Financial Statements and Responsibility Statement

More extensive disclosures are contained in the Barclays PLC Results Announcement for the period ended 31 December 2017, attached, including risk exposures and business performance, which are materially the same as those for Barclays Bank PLC.

Basis of Preparation

Barclays Bank PLC is a wholly owned subsidiary of Barclays PLC, which is the Group's ultimate parent company. The business activities of Barclays Bank PLC Group and Barclays PLC Group are fundamentally the same except for the following differences: the holding company, Barclays PLC, certain hedging activity and following a restructure in November 2016, the Group Service Company transferring from Barclays Bank PLC to Barclays PLC.

Differences between Barclays PLC and Barclays Bank PLC results can be summarised as follows:

- Balance Sheet asset size - Barclays PLC £1,133,248m, Barclays Bank PLC £1,129,343m
- Income Statement profit before tax - Barclays PLC £3,541m, Barclays Bank PLC £3,166m

The differences occur primarily due to the following reasons:

- Funding structures
- Cash flow hedging
- Group Service Company

More detail regarding the main differences is described below.

Funding structures

	Barclays PLC	Barclays Bank PLC
	£m	£m
Preference shares	-	5,827
Other shareholders' equity	-	272

Preference shares and capital notes issued by Barclays Bank PLC are included within share capital in Barclays Bank PLC, and where still outstanding are presented as non-controlling interests in the financial statements of Barclays PLC Group.

	Barclays PLC £m	Barclays Bank PLC £m
Treasury shares	(28)	-

Barclays PLC shares held for the purposes of employee share schemes and for trading are recognised as available for sale investments and trading portfolio assets respectively within Barclays Bank PLC. Barclays PLC deducts these treasury shares from shareholders' equity.

	Barclays PLC £m	Barclays Bank PLC £m
Capital Redemption Reserve (CRR)	394	51

Arising from the redemption or exchange of Barclays PLC or Barclays Bank PLC shares respectively.

	Barclays PLC £m	Barclays Bank PLC £m
Loans and advances to banks	35,663	36,209
Subordinated liabilities	(23,826)	(24,193)

Barclays Bank PLC has in issue two series of contingent capital notes (CCNs). These both pay interest and principal to the holder unless the consolidated CRD IV CET1 ratio (FSA October 2012 transitional statement) of Barclays PLC falls below 7%, in which case they are cancelled from the consolidated perspective. The coupon payable on the CCNs is higher than a market rate of interest for a similar note without this risk.

The accounting for these instruments differs between the consolidated financial statements of Barclays PLC and Barclays Bank PLC as follows:

- In the case of the 7.625% CCN issuance, the cancellation is effected by an automatic legal transfer of title from the holder to Barclays PLC. In these circumstances, Barclays Bank PLC remains liable to Barclays PLC. Barclays Bank PLC does not benefit from the cancellation feature although it pays a higher than market rate for a similar note, and therefore the initial fair value of the note recognised was higher than par. The difference between fair value and par is amortised to the income statement over time.
- In the case of the 7.75% CCN issuance, the cancellation is directly effected in Barclays Bank PLC. For Barclays Bank PLC, the cancellation feature is separately valued from the host liability as an embedded derivative with changes in fair value reported in the income statement. The initial fair value of the host liability recognised was higher than par by the amount of the initial fair value of the derivative and the difference is amortised to the income statement over time.

Cash flow hedging

	Barclays PLC £m	Barclays Bank PLC £m
Income Statement		
Net interest income	9,845	9,748
Tax	(2,240)	(2,125)
Equity		
Cash flow hedging reserve	1,161	184

Barclays PLC cash flow hedging reserve is larger than Barclays Bank PLC, as Barclays Bank PLC is no longer exposed to the same variable rate cash flows. This is as a direct result of anticipated bank ring fencing and transfer of assets to an entity which is not expected to be consolidated by Barclays Bank PLC (although is expected to be consolidated by Barclays PLC). There is also a difference in the income statement due to variance in income and tax due to cash flow hedging not included in Barclays Bank PLC.

Group Service Company

The ownership of Barclays Services Limited the Group Service Company was transferred in November 2016 contributing to the following key differences between Barclays PLC and Barclays Bank PLC.

	Barclays PLC £m	Barclays Bank PLC £m
Staff costs	(8,560)	(6,445)
Infrastructure costs	(2,949)	(2,068)
Administration and general expenses	(3,247)	(6,476)

Employees within the Group Service Company were reallocated from Barclays Bank PLC as part of the restructure. Therefore these staff costs are only shown in Barclays PLC. The Group Service Company recharges costs to Barclays Bank PLC leading to higher expenses. These are eliminated on consolidation in Barclays PLC.

	Barclays PLC £m	Barclays Bank PLC £m
Goodwill and intangibles	7,849	4,885
Property, plant and equipment	2,572	1,519

Customer accounts	(429,121)	(429,426)
Debt securities in issue	(73,314)	(69,386)
Provisions	(3,543)	(3,302)

The difference is driven by Group Service Company balances reflected in Barclays PLC only, or in the case of customer accounts, intercompany balances between the Group Service Company and Barclays Bank PLC, which eliminate on consolidation in Barclays PLC.

Each of the Directors (the names of whom are set out below) confirm that:

- to the best of their knowledge, the condensed consolidated financial statements, which have been prepared in accordance with the IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole. The condensed consolidated financial statements should be read in conjunction with the annual financial statements as included in the Annual Report for the year ended 31 December 2017; and
- to the best of their knowledge, the management information within this document includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face. This management information should be read in conjunction with the principal risks and uncertainties included in the Annual Report for the year ended 31 December 2017.

Signed on behalf of the Board by

James E Staley
Group Chief Executive

Tushar Morzaria
Group Finance Director

Barclays Bank PLC Board of Directors:

Chairman	Executive Directors	Non-executive Directors
<i>John McFarlane</i>	<i>James E Staley (Group Chief Executive)</i>	<i>Mike Ashley</i>
	<i>Tushar Morzaria (Group Finance Director)</i>	<i>Tim Breedon CBE</i>
		<i>Sir Ian Cheshire</i>
		<i>Mary Francis CBE</i>
		<i>Crawford Gillies</i>
		<i>Sir Gerry Grimstone</i>
		<i>Reuben Jeffery III</i>
		<i>Matthew Lester</i>
		<i>Dambisa Moyo</i>
		<i>Diane Schueneman</i>
		<i>Mike Turner CBE</i>

Condensed Financial Statements

Condensed consolidated income statement

	Year ended 31.12.17	Year ended 31.12.16
	Notes ¹	
	£m	£m
Continuing operations		
Net interest income	9,748	11,457
Net fee and commission income	6,874	6,836
Net trading income	3,387	2,795
Net investment income	859	1,324
Other income	69	57
Total income	20,937	22,469
Credit impairment charges and other provisions	(2,336)	(2,373)
Net operating income	18,601	20,096
Staff costs	(6,445)	(9,211)
Administration and general expenses ²	(9,244)	(7,137)
Operating expenses	(15,689)	(16,348)
Profit on disposal of undertakings, share of results of associates and joint ventures	254	635
Profit before tax	3,166	4,383
Tax charge	(2,125)	(1,245)
Profit after tax in respect of continuing operations	1,041	3,138
(Loss)/profit after tax in respect of discontinued operation	(2,195)	591
(Loss)/profit after tax	(1,154)	3,729
Attributable to:		
Ordinary equity holders of the parent	(1,937)	2,867
Other equity instrument holders ³	639	457
Total equity holders	(1,298)	3,324
Non-controlling interests in respect of continuing operations	1	3
Non-controlling interests in respect of discontinued operation	1	402
(Loss)/profit after tax	(1,154)	3,729

¹ For notes specific to Barclays Bank PLC see page 10 and for those that also relate to Barclays PLC see pages 47 to 54 in the Barclays PLC Results Announcement.

² Administration and general expenses includes £2,068m (2016: £2,937m) infrastructure costs and £700m (2016: £1,000m) provision for UK customer redress.

³ The profit after tax attributable to other equity holders of £639m (2016: £457m) is offset by a tax credit recorded in reserves of £174m (2016: £128m).

Condensed consolidated statement of comprehensive income

	Year ended 31.12.17	Year ended 31.12.16
	£m	£m
(Loss)/profit after tax	(1,154)	3,729
Profit after tax in respect of continuing operations	1,041	3,138
(Loss)/profit after tax in respect of discontinued operation	(2,195)	591
Other comprehensive (loss)/income that may be recycled to profit or loss from continuing operations:		
Currency translation reserve	(1,310)	3,027
Available for sale reserve	429	(356)
Cash flow hedge reserve	(774)	199
Other	(7)	47
Other comprehensive (loss)/profit that may be recycled to profit or loss from continuing operations	(1,662)	2,917
Other comprehensive income/(loss) not recycled to profit or loss from continuing operations:		
Retirement benefit re-measurements	53	(980)
Own credit	(11)	-
Other comprehensive income/(loss) not recycled to profit or loss from continuing operations	42	(980)
Other comprehensive (loss)/income from continuing operations	(1,620)	1,937
Other comprehensive income from discontinued operation	1,301	1,520
Total comprehensive (loss)/income:		
Total comprehensive (loss)/income, net of tax from continuing operations	(579)	5,075
Total comprehensive (loss)/income, net of tax from discontinued operation	(894)	2,111
Total comprehensive (loss)/income	(1,473)	7,186
Attributable to:		
Equity holders of the parent	(1,585)	5,947
Non-controlling interests	112	1,239
Total comprehensive (loss)/income for the period	(1,473)	7,186

Condensed consolidated balance sheet

		As at 31.12.17	As at 31.12.16
	Notes ¹	£m	£m
Assets			
Cash and balances at central banks		171,036	102,328
Items in the course of collection from other banks		2,153	1,467
Trading portfolio assets		113,755	80,255
Financial assets designated at fair value		116,282	78,608
Derivative financial instruments		237,987	346,820
Financial Investments		58,963	63,365
Loans and advances to banks		36,209	43,634
Loans and advances to customers		365,553	392,783
Reverse repurchase agreements and other similar secured lending		12,546	13,454
Non-current assets classified as held for sale		1,193	71,454
Other assets		13,666	19,787
Total assets		1,129,343	1,213,955
Liabilities			
Deposits from banks		37,906	48,214
Items in the course of collection due to other banks		446	636
Customer accounts		429,426	424,703
Trading portfolio liabilities		37,352	34,687
Financial liabilities designated at fair value		173,718	96,032
Derivative financial instruments		238,345	340,487
Debt securities in issue		69,386	75,369
Subordinated liabilities		24,193	23,871
Repurchase agreements and other similar secured borrowing		40,338	19,760
Liabilities included in disposal groups classified as held for sale		-	65,292
Other liabilities		12,499	13,949
Total liabilities		1,063,609	1,143,000
Equity			
Called up share capital and share premium	3	14,453	14,462
Other equity instruments		8,982	6,486
Other reserves	4	3,808	4,295
Retained earnings		38,490	42,190
Total equity excluding non-controlling interests		65,733	67,433
Non-controlling interests	1	1	3,522
Total equity		65,734	70,955
Total liabilities and equity		1,129,343	1,213,955

¹ For notes specific to Barclays Bank PLC see page 10 and for those that also relate to Barclays PLC see pages 47 to 54 in the Barclays PLC Results Announcement.

Condensed consolidated statement of changes in equity

	Called up share capital and share premium ¹	Other equity instruments	Other reserves	Retained earnings	Non- controlling Total interests ¹	Total equity
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Year ended 31.12.17	£m	£m	£m	£m	£m	£m	£m
Balance at 31 December 2016	14,462	6,486	4,295	42,190	67,433	3,522	70,955
Effects of changes in accounting policies	-	-	(175)	175	-	-	-
Balance at 1 January 2017	14,462	6,486	4,120	42,365	67,433	3,522	70,955
Profit after tax	-	639	-	398	1,037	4	1,041
Other comprehensive profit after tax for the period	-	-	(1,665)	46	(1,619)	(1)	(1,620)
Total comprehensive income net of tax from continuing operations	-	639	(1,665)	444	(582)	3	(579)
Total comprehensive income net of tax from discontinued operations	-	-	1,332	(2,335)	(1,003)	109	(894)
Total comprehensive income for the year	-	639	(333)	(1,891)	(1,585)	112	(1,473)
Issue and exchange of other equity instruments	-	2,496	-	-	2,496	-	2,496
Other equity instruments coupons paid	-	(639)	-	174	(465)	-	(465)
Redemption of preference shares	(9)	-	14	(1,343)	(1,338)	-	(1,338)
Equity settled share schemes	-	-	-	550	550	-	550
Vesting of Barclays PLC shares under share based payment schemes	-	-	-	(78)	(78)	-	(78)
Dividends on ordinary shares	-	-	-	(674)	(674)	(173)	(847)
Dividends on preference shares and other shareholders equity	-	-	-	(242)	(242)	-	(242)
Net equity impact of partial BAGL disposal	-	-	-	(359)	(359)	(3,462)	(3,821)
Other reserve movements	-	-	7	(12)	(5)	2	(3)
Balance at 31 December 2017	14,453	8,982	3,808	38,490	65,733	1	65,734
Year ended 31.12.16							
Balance at 1 January 2016	14,472	5,350	933	43,350	64,105	1,914	66,019
Profit after tax	-	457	-	2,678	3,135	3	3,138
Other comprehensive profit after tax for the period	(17)	-	2,868	(916)	1,935	2	1,937
Total comprehensive income net of tax from continuing operations	(17)	457	2,868	1,762	5,070	5	5,075
Total comprehensive income net of tax from discontinued operations	-	-	694	183	877	1,234	2,111
Total comprehensive income for the year	(17)	457	3,562	1,945	5,947	1,239	7,186
Issue and exchange of equity instruments	-	1,136	-	-	1,136	-	1,136
Other equity instruments coupons paid	-	(457)	-	128	(329)	-	(329)
Redemption of preference shares	-	-	(199)	(1,378)	(1,577)	-	(1,577)
Equity settled share schemes	-	-	-	577	577	-	577
Vesting of Barclays PLC shares under share based payment schemes	-	-	-	(414)	(414)	-	(414)
Dividends on ordinary shares	-	-	-	(638)	(638)	(235)	(873)
Dividends on preference shares and other shareholders equity	-	-	-	(340)	(340)	-	(340)
Capital contribution from Barclays PLC	-	-	-	114	114	-	114
Net equity impact of partial BAGL disposal	-	-	-	(349)	(349)	601	252
Net equity impact of Group Service Company disposal	-	-	-	(806)	(806)	-	(806)
Other reserve movements	7	-	(1)	1	7	3	10
Balance at 31 December 2016	14,462	6,486	4,295	42,190	67,433	3,522	70,955

1 Details of called up share capital and non-controlling interests are shown on page 10.

Condensed consolidated cash flow statement

	Year Ended 31.12.17	Year Ended 31.12.16
	£m	£m
Profit before tax	3,166	4,383
Adjustment for non-cash items	5,801	(16,377)
Changes in operating assets and liabilities	48,671	24,014
Corporate income tax paid	(672)	(742)
Net cash from operating activities	56,966	11,278
Net cash from investing activities	6,962	36,236
Net cash from financing activities	1,264	(1,011)
Net cash from discontinued operations	101	405
Effect of exchange rates on cash and cash equivalents	(4,773)	10,468
Net increase in cash and cash equivalents	60,520	57,376
Cash and cash equivalents at beginning of the period	143,932	86,556
Cash and cash equivalents at end of the period	204,452	143,932

1. Non-controlling interests

	Profit attributable to non-controlling interest		Equity attributable to non-controlling interest	
	Year Ended	Year Ended	As at	As at
	31.12.17	31.12.16	31.12.17	31.12.16
	£m	£m	£m	£m
Barclays Africa Group Limited	140	402	-	3,507
Other non-controlling interests	4	3	1	15
Total	144	405	1	3,522

2. Dividends

Dividends paid during the period	Year ended	Year ended
	31.12.17	31.12.16
	£m	£m
Ordinary shares	674	638
Preference shares	242	339
Total	916	977

3. Called up share capital

Ordinary shares

At 31 December 2017 and 31 December 2016 the issued ordinary share capital of Barclays Bank PLC, comprised 2,342 million ordinary shares of £1 each.

Preference shares

At 31 December 2017 the issued preference share capital of Barclays Bank PLC comprised 1,000 (2016: 1,000) Sterling Preference Shares of £1 each; 31,856 (2016: 31,856) Euro Preference Shares of €100 each; 58,133 (2016: 58,133) US Dollar Preference Shares of \$100 each; and 106 million (2016: 161 million) US Dollar Preference Shares of \$0.25 each. In the first quarter of 2017, 55 million US Dollar Preference Shares of \$0.25 each were redeemed. In the fourth quarter of 2017, 20,930 Sterling Preference Shares of £100 each were redeemed.

4. Other equity instruments

Other equity instruments of £8,982m (2016: £6,486m) include Additional Tier 1 (AT1) securities issued by Barclays Bank PLC. The increase was primarily due to two issuances of GBP AT1 securities (December 2016: one issuance of USD AT1 securities), with a principal amount of £2.5bn (December 2016: £1.1bn).

The AT1 securities are perpetual securities with no fixed maturity and are structured to qualify as AT1 instruments under CRD IV.

RISK FACTORS

Principal Risks relating to Barclays Bank PLC

Material risks are those to which senior management pay particular attention and which could cause the delivery of the Group's strategy, results of operations, financial condition and/or prospects to differ materially from current expectations. Emerging risks are those that have largely unknown components, the impact of which could crystallise over a longer time horizon. These could currently be considered immaterial but over time may individually or cumulatively affect the Group's strategy and cause the same outcomes as detailed above regarding material risks. In addition, certain factors beyond the Group's control, including escalation of terrorism or global conflicts, natural disasters and similar calamities, although not detailed below, could have a similar impact on the Group.

The risks described below are material risks that senior management has identified with respect to the Group. In connection with the planned implementation in the first half of 2018 of ring-fencing certain of the Group's UK businesses, Barclays Bank PLC will transfer what are materially the assets and business of the UK retail banking operations, UK consumer credit card business, UK wealth management business and corporate banking for smaller businesses (Barclays UK) division to another subsidiary of the Group, Barclays Bank UK PLC (the UK Ring-fenced Bank). Senior management expects that upon this transfer the material risks with respect to Barclays Bank PLC together with its subsidiaries (the Bank Group) will be the same in all material respects as those risks with respect to the Group. For more information on certain risks senior management has identified with respect to the Bank Group, see '*Certain potential consequences of ring-fencing to Barclays Bank PLC*'.

Material existing and emerging risks potentially impacting more than one Principal Risk

1. Business conditions, general economy and geopolitical issues

The Group offers a broad range of services, including to retail, institutional and government customers, in a large number of countries. The breadth of these operations means that deterioration in the economic environment, or an increase in political instability in countries where the Group is active, or in any systemically important economy, could adversely affect the Group's operating performance, financial condition and prospects.

Although economic activity continued to strengthen globally in 2017 a change in global economic conditions and the reversal of the improving trend may result in lower client activity of the Group and/or an increase of the Group's default rates, delinquencies, write-offs, and impairment charges, which in turn could adversely affect the Group's performance and prospects.

In several countries, reversals of capital inflows, as well as fiscal austerity, have already caused deterioration in political stability. This could be exacerbated by a renewed rise in asset price volatility or sustained pressure on government finances. In addition, geopolitical tensions in some areas of the world, such as the Korean Peninsula, the Middle East and Eastern Europe, are already acute and at risk of further deterioration, thus potentially increasing market uncertainties and adverse global economic and market conditions.

In the US, there is uncertainty around the policy platform of the administration which took office in 2017. There is the possibility of significant changes in policy in sectors including trade, healthcare and commodities which may have an impact on associated Group portfolios. A significant proportion of the Group's portfolio is located in the US, including a major credit card portfolio and a range of corporate and investment banking exposures. Stress in the US economy, weakening GDP, an unexpected rise in unemployment and/or an increase in interest rates could lead to increased levels of impairment.

Most major central banks have indicated that they expect prevailing loose monetary policies to tighten. Should 'normalisation' paths diverge substantially, flows of capital between countries could alter significantly, placing segments with sizeable foreign currency liabilities, in particular emerging markets, under pressure. In addition, possible divergence of monetary policies between major advanced economies risks triggering further financial market volatility (see also '*Interest rate rises adversely impacting credit conditions*' below).

In the UK, the vote in favour of leaving the EU (see '*Process of UK withdrawal from the European Union*' below) has given rise to political uncertainty with attendant consequences for investment and market confidence. The initial impact was a depreciation of Sterling resulting in higher costs for companies exposed to imports and a more favourable environment for exporters. Rising domestic costs resulting from higher import prices may impact household incomes and the affordability of consumer loans and mortgages. In turn this may affect businesses dependent on consumers for revenue. There has also been a reduction in activity in both commercial and residential real estate markets which has the potential to impact value of real estate assets and adversely affect mortgage assets.

Sentiment towards emerging markets as a whole continues to be driven in large part by developments in China, where there is some concern around the ability of authorities to manage growth while transitioning from manufacturing towards services. Although the Chinese government's efforts to stably increase the weight of domestic demand have had some success, the pace of credit growth remains a concern, given the high level of leverage and despite regulatory action. A stronger than expected slowdown could result if authorities fail to appropriately manage the end of the investment and credit-led boom.

Deterioration in emerging markets could affect the Group if it results in higher impairment charges for the Group via sovereign or counterparty defaults. More broadly, a deterioration of conditions in the key markets where the Group operates could affect performance in a number of ways including, for example: (i) deteriorating business, consumer or investor confidence leading to reduced levels of client activity, including demand for borrowing from creditworthy customers, or indirectly, a material adverse impact on GDP growth in significant markets and therefore on Group performance; (ii) higher levels of default rates and impairment; (iii) mark to market losses in trading portfolios resulting from changes in factors such as credit ratings, share prices and solvency of counterparties (iv) reduced ability to obtain capital from other financial institutions for the Group operations; and (v) lower levels of fixed asset investment and productivity growth overall.

2. Interest rate rises adversely impacting credit conditions

To the extent that central banks increase interest rates particularly in the Group's main markets, in the UK and the US, there could be an impact on consumer debt affordability and corporate profitability. While interest rate rises could positively impact the Group's profitability, as retail and corporate business income may increase due to margin de-compression, future interest rate increases, if larger or more frequent than expectations, could cause stress in the loan portfolio and underwriting activity of the Group. Higher credit losses driving an increased impairment allowance would most notably impact retail unsecured portfolios and wholesale non-investment grade lending.

Interest rates rising faster than expected could also have an adverse impact on the value of high quality liquid assets which are part of the Group Treasury function's investment activity that could consequently create more volatility through the Group's available for sale reserves than expected.

3. Process of UK withdrawal from the European Union

The uncertainty and increased market volatility following the UK's decision to leave the EU in 2019 is likely to continue until the exact nature of the future trading relationship with the EU becomes clear. The potential risks associated with an exit from the EU include:

- Increased market risk with the impact on the value of trading book positions, mainly in Barclays International, expected to be driven predominantly by currency and interest rate volatility.
- Potential for credit spread widening for UK institutions which could lead to reduced investor appetite for the Group's debt securities, which could negatively impact the cost of and/or access to funding. Potential for continued market and interest rate volatility could affect the interest rate risk underlying, and potentially affect the value of the assets in the banking book, as well as securities held by the Group for liquidity purposes.
- Changes in the long-term outlook for UK interest rates which may adversely affect IAS 19 pension liabilities and the market value of equity investments funding those liabilities.
- Increased risk of a UK recession with lower growth, higher unemployment and falling UK house prices. This would likely negatively impact a number of the Group's portfolios, particularly in Barclays UK, notably: higher Loan to Value mortgages, UK unsecured lending including credit cards and Commercial Real Estate exposures.
- Changes to current EU "Passporting" rights which will likely require adjustments to the current model for the Group's cross-border banking operation which could increase operational complexity and/or costs.
- The ability to attract, or prevent the departure of, qualified and skilled employees may be impacted by the UK's future approach to the EU freedom of movement and immigration from the EU countries and this may impact the Group's access to the EU talent pool.
- The legal framework within which the Group operates could change and become more uncertain as the UK takes steps to replace or repeal certain laws currently in force, which are based on EU legislation and regulation (including EU regulation of the banking sector). Certainty of existing contracts, enforceability of legal obligations and uncertainty around the outcome of disputes may be affected until the impacts of the loss of the current jurisdictional arrangements between UK and EU courts and the universal enforceability of judgements across the EU (including the status of existing EU case law) are fully known.

4. Regulatory change agenda and impact on business model

The Group remains subject to ongoing significant levels of regulatory change and scrutiny in many of the countries in which it operates (including, in particular, the UK and the US). As a result, regulatory risk will remain a focus for senior management and consume significant levels of business resources. Furthermore, a more intensive regulatory approach and enhanced requirements together with the uncertainty (particularly in light of the UK's decision to withdraw from the EU) and potential lack of international regulatory coordination as enhanced supervisory standards are developed and implemented may adversely affect the Group's business, capital and risk management strategies and/or may result in the Group deciding to modify its legal entity structure, capital and funding structures and business mix, or to exit certain business activities altogether or not to expand in areas despite otherwise attractive potential.

The most significant of the regulatory reforms affecting the Group in 2018 is the creation of the ring-fenced bank under the Group's structural reform programme. The implementation of these changes involves a number of risks which include:

- The Group is restructuring its intra-group and external capital, funding and liquidity arrangements to meet regulatory requirements and support business needs. The changes will impact the sources of funding available to the different entities including their respective ability to access the capital markets. These changes may affect funding costs.
- The changes to the Group structure may negatively impact the assessment made by credit rating agencies and creditors over time. The risk profile and key risk drivers of the ring-fenced bank and the non ring-fenced bank will be specific to the activities and risk profile of each entity. As a result, different Group entities such as Barclays Bank PLC may also be assessed differently in future which could result in differences in credit ratings. Changes to the credit assessment at the Group or individual entity level, including the potential for ratings downgrades and ratings differences across entities, could impact access and cost of certain sources of funding.
- Implementation of ring-fencing introduces a number of execution risks. Technology change could result in outages or operational errors. Legal challenge to the ring-fence transfer scheme may delay the transfer of assets and liabilities to the ring-fenced bank. Delayed delivery could increase reputational risk or result in regulatory non-compliance.
- There is a risk that the Group does not meet regulatory requirements across the new structure. Failure to meet these requirements may have an adverse impact on the Group's profitability, operating flexibility, flexibility of deployment of capital and funding, return on equity, ability to pay dividends, credit ratings, and/or financial condition.
- In addition to Structural Reform there are several other significant pieces of legislation/ areas of focus which will require significant management attention, cost and resource:
 - Changes in prudential requirements, including the proposals for amendment of the Capital Requirements Directive (CRD IV) and the EU Bank Recovery and Resolution Directive (BRRD) (as part of the EU's risk reduction measures package) may impact minimum requirements for own funds and eligible liabilities (MREL) (including requirements for internal MREL), leverage, liquidity or funding requirements, applicable buffers and/or add-ons to such minimum requirements and risk weighted assets calculation methodologies all as may be set by international, EU or national authorities from time to time. Such or similar changes to prudential requirements or additional supervisory and prudential expectations, either individually or in aggregate, may result in, among other things, a need for further management actions to meet the changed requirements, such as: increasing capital, MREL or liquidity resources, reducing leverage and risk weighted assets; restricting distributions on capital instruments; modifying the terms of outstanding capital instruments; modifying legal entity structure (including with regard to issuance and deployment of capital, MREL and funding for the Group); changing the Group's business mix or exiting other businesses; and/or undertaking other actions to strengthen the Group's position.
 - The derivatives market has been the subject of particular focus for regulators in recent years across the G20 countries and beyond, with regulations introduced which require the reporting and clearing of standardised over the counter (OTC) derivatives and the mandatory margining of non-cleared OTC derivatives. Reforms in this area are ongoing with further requirements expected to be implemented in the course of 2018. More broadly, the recast Markets in Financial Instruments Directive in Europe, which came into force in January 2018, has fundamentally changed the European regulatory framework, and entails significant operational changes for market participants in a wide range of financial instruments as well as changes in market structures and practices. In addition, the EU Benchmarks Regulation which also came into force in January 2018 regulates the administration and use of benchmarks in the EU. Compliance with this evolving regulatory framework entails significant costs for market participants and is having a significant impact on certain markets in which the Group, notably Barclays International, operates. Other regulations applicable to swap dealers, including those promulgated by the US Commodity Futures Trading Commission, have imposed significant costs on the Group's derivatives business. These and any future requirements, including the SEC's (as defined below) regulations relating to security-based swaps and the possibility of overlapping and/or contradictory requirements imposed on derivative transactions by regulators in different jurisdictions, are expected to continue to impact such business.
- The Group and certain of its members are subject to supervisory stress testing exercises in a number of jurisdictions. These exercises currently include the programmes of the Bank of England (BoE), the European Banking Authority, the Federal Deposit Insurance Corporation and the Federal Reserve Board. These exercises are designed to assess the resilience of banks to adverse economic or financial developments and enforce robust, forward- looking capital and liquidity management processes that account for the risks associated with their business profile. Assessment by regulators is on both a quantitative and qualitative basis, the latter focusing on the Group's or certain of its members' business model, data provision, stress testing capability and internal management processes and controls. The stress testing requirements to which the Group and its members are subject are becoming increasingly stringent. Failure to meet requirements of regulatory stress tests, or the failure by regulators to approve the stress test results and capital plans of the Group, could result in the Group being required to enhance its capital position, limit capital distributions or position additional capital in specific subsidiaries.
- The introduction and implementation of both the Second Payment Services Directive and the Open API standards and data sharing remedy imposed by the UK Competition and Markets Authority following its Retail Banking Market Investigation Order (together, Open Banking) from January 2018 is anticipated to transform the traditional UK banking model and conventional relationship between a customer and their bank. It will do this by providing customers with the ability to share their transactional data with authorised third party service providers either for aggregation or payment services. It is anticipated that these aggregation or payment services will be

offered by third parties to Group customers. Members of the Group will be able to offer these same services to customers of other banks. A failure to comply with Open Banking requirements could expose the Group to regulatory sanction, potential financial loss and reputational detriment. While Open Banking will affect the Group as a whole, the impact is likely to be particularly relevant for Barclays UK.

5. Certain potential consequences of ring-fencing to Barclays Bank PLC

In connection with the planned implementation in the first half of 2018 of ring-fencing certain of the Group's businesses, Barclays Bank PLC will transfer what are materially the assets and business of the Barclays UK division to another subsidiary of the Group, the UK Ring-fenced Bank. Senior management expects that upon this transfer, the material risks with respect to the Bank Group will be the same in all material respects as those risks with respect to the Group. However, senior management has identified certain potential differences in risks with respect to the Bank Group as compared to risks to the Group.

The transfer of the assets and liabilities of the Barclays UK division from Barclays Bank PLC will mean that the Bank Group will be less diversified than the Group as a whole. Barclays Bank PLC will not be the parent of the UK Ring-fenced Bank and thus will not have recourse to the assets of the UK Ring-fenced Bank. Relative to the Group, the Bank Group will be, among other things:

- more focused on businesses outside the UK, particularly in the US, and thus more exposed to the US economy and more affected by movements in the US Dollar (and other non-Sterling currencies) relative to Sterling, with a relatively larger portion of its business exposed to US regulation;
- more focused on wholesale businesses, such as corporate and investment banking and capital markets, which expose the Bank Group to a broader range of market conditions and to counterparty and operational risks and thus the financial performance of Barclays Bank PLC may be subject to greater fluctuations relative to that of the Group as a whole or that of the ring-fenced bank;
- more dependent on wholesale funding sources, as the UK retail deposit base will be transferred to the ring-fenced bank. The UK retail mortgage assets will also be transferred to the ring-fenced bank, which reduces Barclays Bank PLC's access to funding sources reliant on residential mortgage collateral. The Bank Group may therefore experience more difficult financing conditions and/or higher costs of funding including in situations of stress. As a result of the implementation of ring-fencing, different Group entities, such as Barclays Bank PLC, may be assessed differently by credit rating agencies, which may result in different, and possibly more negative, assessments of Barclays Bank PLC's credit and thus in lower credit ratings than the credit ratings of the Group, which in turn could adversely affect the sources and costs of funding for Barclays Bank PLC; and
- potentially subject to different regulatory obligations, including different liquidity requirements and capital buffers.

As a result of any or all of the foregoing, implementation of ring-fencing may adversely affect the market value and/or liquidity of securities issued by Barclays Bank PLC, including the Securities.

Material existing and emerging risks impacting individual Principal Risks

Credit risk

The risk of loss to the firm from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to the firm, including the whole and timely payment of principal, interest, collateral and other receivables.

1. Impairment

The introduction of the impairment requirements of IFRS 9 Financial Instruments, implemented on 1 January 2018, results in higher impairment loss allowances that are recognised earlier, on a more forward looking basis and on a broader scope of financial instruments than is the case under IAS 39 and, as a result, will have a material impact on the Group's financial condition. Measurement involves increased complex judgement and impairment charges will tend to be more volatile. Unsecured products with longer expected lives, such as revolving credit cards, are the most impacted. The capital treatment on the increased reserves has the potential to adversely impact regulatory capital ratios. In addition, the move from incurred to expected credit losses has the potential to impact the Group's performance under stressed economic conditions or regulatory stress tests.

2. Specific sectors

The Group is subject to risks arising from changes in credit quality and recovery rate of loans and advances due from borrowers and counterparties in a specific portfolio. Any deterioration in credit quality could lead to lower recoverability and higher impairment in a specific sector. The following are areas of uncertainties to the Group's portfolio which could have a material impact on performance.

(a) UK real estate market

With UK property representing a significant portion of the overall UK Corporate and Retail credit exposure, the Group is at risk from a fall in property prices in both the residential and commercial sectors in the UK. Strong house price growth in London and the South East of the UK, fuelled by foreign investment, strong buy-to-let demand and subdued housing supply, has resulted in affordability metrics becoming stretched. Average house prices as at the end of 2017 were more than 5.6 times average earnings.

(b) Large single name losses

The Group has large individual exposures to single name counterparties both in its lending activities and in its financial services and trading activities, including transactions in derivatives and transactions with brokers, central clearing houses, dealers, other banks, mutual and hedge funds and other institutional clients. The default of such counterparties could have a significant impact on the carrying value of these assets. In addition, where such counterparty risk has been mitigated by taking collateral, credit risk may remain high if the collateral held cannot be realised, or has to be liquidated at prices which are insufficient to recover the full amount of the loan or derivative exposure. Any such defaults could have a material adverse effect on the Group's results due to, for example, increased credit losses and higher impairment charges.

(c) Leverage finance underwriting

The Group takes on sub-investment grade underwriting exposure, including single name risk, particularly in the US and Europe. The Group is exposed to credit events and market volatility during the underwriting period. Any adverse events during this period may potentially result in loss for the Group, mainly through Barclays International, or an increased capital requirement should there be a need to hold the exposure for an extended period.

Market risk

The risk of a loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.

1. Market volatility

Elevated market volatility, which can be triggered and/or aggravated by disappointment in economic data, divergent monetary policies, political uncertainty or conflicts, would likely entail a significant deflation of assets which in turn may put under strain counterparties and have knock-on effects on the Group.

In addition, the Group's trading business is generally exposed to a prolonged period of elevated asset price volatility, particularly if it negatively affects the depth of marketplace liquidity. Such a scenario could impact the Group's ability to execute client trades and may also result in lower client flow-driven income and/or market-based losses on its existing portfolio of market risks. These can include having to absorb higher hedging costs from rebalancing risks that need to be managed dynamically as market levels and their associated volatilities change.

Treasury and capital risk

The risk that the firm (i) is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets, (ii) has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements, or (iii) is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its assets and liabilities.

The Group may not be able to achieve its business plans due to, among other things: a) being unable to maintain appropriate capital ratios; b) being unable to meet its obligations as they fall due; c) rating agency downgrades; d) adverse changes in foreign exchange rates on capital ratios; e) adverse movements in the pension fund; and f) non-traded market risk/interest rate risk in the banking book.

1. Inability to maintain prudential ratios and/or other regulatory requirements

Inability to maintain appropriate prudential ratios could lead to: an inability to support business activity; a failure to meet regulatory capital requirements including any additional capital add-ons or the requirements set for regulatory stress tests; increased cost of funding due to deterioration in investor appetite or credit ratings; restrictions on distributions including the ability to meet dividend targets; and/or the need to take additional measures to strengthen the Group's capital or leverage position.

2. Inability to manage liquidity and funding risk effectively

Inability to manage liquidity and funding risk effectively may result in the Group either not having sufficient financial resources to meet its payment obligations as they fall due or, although solvent, only being able to meet these obligations at excessive cost. This could cause the Group to fail to meet regulatory liquidity standards, be unable to support day-to-day banking activities (including meeting deposit withdrawals or funding new loans) or no longer be a going concern.

The stability of the Group's current funding profile, in particular that part which is based on accounts and savings deposits payable on demand or at short notice, could be affected by the Group failing to preserve the current level of customer and investor confidence. The Group also regularly accesses the capital markets to provide long-term funding to support its operations. Several factors, including adverse macroeconomic conditions, adverse outcomes in legal, regulatory or conduct matters and loss of confidence by investors, counterparties and/or customers in the Group, can affect the ability of the Group to access the capital markets and/or the cost and other terms upon which the Group is able to obtain market funding.

3. Credit rating changes and the impact on funding costs

Any potential or actual credit rating agency downgrades could significantly increase the Group's borrowing costs, credit spreads and materially adversely affect the Group's interest margins and liquidity position which may, as a result, significantly diverge from current expectations. Such adverse changes would also have a negative impact on the Group's overall performance.

4. Adverse changes in foreign exchange rates impacting capital ratios

The Group has capital resources, risk weighted assets and leverage exposures denominated in foreign currencies. Changes in foreign currency exchange rates may adversely impact the Sterling equivalent value of these items. As a result, the Group's regulatory capital ratios are sensitive to foreign currency movements, and any failure to appropriately manage the Group's balance sheet to take account of foreign currency movements could result in an adverse impact on regulatory capital and leverage ratios.

5. Adverse movements in the pension fund

Adverse movements in pension assets and liabilities for defined benefit pension schemes could result in a pension deficit which, depending on the specific circumstance, may require the Group to make substantial additional contributions to its pension plans. The liabilities discount rate is a key driver and, in accordance with IFRS (IAS 19), is derived from the yields of high quality corporate bonds (deemed to be those with AA ratings) and consequently includes exposure to both UK sovereign gilt yields and corporate credit spreads. Therefore, the valuation of the Group's defined benefits schemes would be adversely affected by a prolonged fall in the discount rate due to a persistent low rate and/or credit spread environment. Inflation is another significant risk driver to the pension fund, as the liabilities are adversely impacted by an increase in long-term inflation expectations.

6. Non-traded market risk/interest rate risk in the banking book

A liquidity buffer investment return shortfall could increase the Group's cost of funds and impact the capital ratios. The Group's structural hedge programmes for interest rate risk in the banking book rely heavily on behavioural assumptions, as a result, the success of the hedging strategy is not guaranteed. A potential mismatch in the balance or duration of the hedge assumptions could lead to earnings deterioration.

Operational risk

The risk of loss to the firm from inadequate or failed processes or systems, human factor or due to external events (for example fraud) where the root cause is not due to credit or market risks.

1. Cyber risk

The frequency of cyber attacks continues to grow on an annual basis and is a global threat and is inherent across all industries, including the financial sector. As the financial sector remains a primary target for cyber criminals, 2017 saw a number of highly publicised attacks involving ransomware, theft of intellectual property, customer data and service unavailability across a wide range of organisations.

The cyber threat increases the inherent risk to the availability of the Group's services and to the Group's data (whether it is held by the Group or in its supply chain), to the integrity of financial transactions of the Group, its clients, counterparties and customers. Failure to adequately manage this threat and to continually evolve enterprise security and provide an active cyber security response capability could result in increased fraud losses, inability to perform critical economic functions, customer detriment, potential regulatory censure and penalty, legal liability, reduction in shareholder value and reputational damage.

2. Service resilience

Loss of or disruption to the Group's business processing, whether arising through impacts on technology systems, real estate services, personnel availability or the support of major suppliers, represents a material inherent risk theme for the Group.

Building resilience into business processes and into the services of technology, real estate and suppliers on which those processes depend can reduce disruption to the Group's business activities or avoid it altogether. Failure to do so may result in significant customer detriment, cost to reimburse losses incurred by the Group's customers, potential regulatory censure or penalty, and reputational damage.

3. Outsourcing

The Group depends on suppliers for the provision of many of its services and the development of future technology driven product propositions, though the Group continues to be accountable for risk arising from the actions of such suppliers. Failure to monitor and control the Group's suppliers could potentially lead to client information, or critical infrastructures and services, not being adequately protected or available when required.

The dependency on suppliers and sub-contracting of outsourced services introduces concentration risk where the failure of specific suppliers could have an impact on the Group's ability to continue to provide services that are material to the Group, especially for those individual businesses within the Group to which many services are provided centrally by the newly established Group Service Company.

Failure to adequately manage outsourcing risk through control environments which remain robust to ever changing threats and challenges could result in increased losses, inability to perform critical economic functions, customer detriment, potential regulatory censure and penalty, legal liability and reputational damage.

4. Operational precision and payments

The risk of material errors in operational processes, including payments, are exacerbated during the present period of significant levels of structural and regulatory change, the evolving technology landscape, and a transition to digital channel capabilities.

Material operational or payment errors could disadvantage the Group's customers, clients or counterparties and could result in regulatory censure and penalties, legal liability, reputational damage and financial loss by the Group.

5. New and emergent technology

Technological advancements present opportunities to develop new and innovative ways of doing business across the Group, with new solutions being developed both in-house and in association with third party companies. Introducing new forms of technology has the potential to increase inherent risk. Failure to closely monitor risk exposure could lead to customer detriment, loss of business, regulatory censure, missed business opportunity and reputational damage.

6. Fraud

Fraud is a constantly evolving risk to the Group. This is exacerbated during periods of significant change, including the digitisation of products, which carry higher levels of inherent risk. As the Group continues to invest in new and upgraded fraud systems, criminals continually adapt and become ever more sophisticated in their approach. Risks from social engineering and attempts to trick customers into authorising payments also continue to grow and increasing regulatory focus is placing more responsibility on the industry to protect consumers.

In addition, internal fraud arising from areas such as failure of the Group's trading controls could result in high profile material losses together with regulatory censure, penalties and significant reputational damage.

7. Ability to hire and retain appropriately qualified employees

The Group has resource requirements to support existing revenue streams, moves into new business models and to deliver complex multi-year regulatory commitments and mandatory change. These commitments require diversified and specialist skilled colleagues and the Group's ability to attract, develop and retain such a diverse mix of talent is key to the delivery of its core business activity and strategy. This is impacted by a range of external and internal factors.

External regulation such as the introduction of the Individual Accountability Regime and the required deferral and clawback provisions of the Group's compensation arrangements may make the Group a less attractive proposition relative to both the Group's international competitors and other industries. Similarly, the impact of the exit of the UK from the EU in March 2019 could potentially have a more immediate impact on the Group's ability to hire and retain key employees.

Failure to attract or prevent the departure of appropriately qualified and skilled employees who are dedicated to overseeing and managing current and future regulatory standards and expectations, or who have the necessary diversified skills required to deliver the Group strategy, could negatively impact the Group's financial performance, control environment and level of employee engagement. Additionally, this may result in disruption to service which could in turn lead to disenfranchising certain customer groups, customer detriment and reputational damage.

8. Tax risk

The Group is required to comply with the domestic and international tax laws and practice of all countries in which it has business operations. There is a risk that the Group could suffer losses due to additional tax charges, other financial costs or reputational damage as a result of failing to comply with such laws and practice or by failing to manage its tax affairs in an appropriate manner, with much of this risk attributable to the international structure of the Group. The Tax Cuts and Jobs Act has introduced substantial changes to the US tax system, including the introduction of a new tax, the Base Erosion Anti-Abuse Tax. These changes have increased the Group's tax compliance obligations and require a number of system and process changes which introduce additional operational risk. In addition, increasing customer tax reporting requirements around the world and the digitisation of the administration of tax has potential to increase the Group's tax compliance burden further.

9. Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying relevant accounting policies. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements include credit impairment charges for amortised cost assets, taxes, fair value of financial instruments, pensions and post-retirement benefits, and provisions including conduct and legal, competition and regulatory matters. There is a risk that if the judgement exercised, or the estimates or assumptions used, subsequently turn out to be incorrect, this could result in significant loss to the Group, beyond what was anticipated or provided for. The further development of standards and interpretations under IFRS could also significantly impact the financial results, condition and prospects of the Group.

10. Data management and information protection

The Group holds and processes large volumes of data, including personally identifiable information, intellectual property, and financial data. Failure to accurately collect and maintain this data, protect it from breaches of confidentiality and interference with its availability exposes the Group to the risk of loss or unavailability of data (including customer data covered under 'Data protection and privacy' below), data integrity issues and could result in regulatory censure, legal liability and reputational damage.

Model risk

The risk of the potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and reports.

1. Enhanced model risk management requirements

The Group relies on models to support a broad range of business and risk management activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures (including the calculation of impairment), conducting stress testing, assessing capital adequacy, supporting new business acceptance and risk/reward evaluation, managing client assets, and meeting reporting requirements.

Models are, by their nature, imperfect and incomplete representations of reality because they rely on assumptions and inputs, and so they may be subject to errors affecting the accuracy of their outputs. For instance, the quality of the data used in models across the Group has a material impact on the accuracy and completeness of the Group's risk and financial metrics. Models may also be misused. Model errors or misuse may result in the Group making inappropriate business decisions and being subject to financial loss, regulatory risk, reputational risk and/or inadequate capital reporting.

Conduct risk

There is the risk of detriment to customers, clients, market integrity, competition or the Group from the inappropriate supply of financial services, including instances of wilful or negligent misconduct. This risk could manifest itself in a variety of ways.

1. Product governance and life cycle

Ineffective product governance, including design, approval and review of products, inappropriate controls over internal and third-party sales channels and post-sales services could lead to poor customer outcomes, as well as regulatory sanctions, financial loss and reputational damage.

2. Financial crime

The Group may be adversely affected if it fails to effectively mitigate the risk that its employees or third parties facilitate, or that its products and services are used to facilitate financial crime (money laundering, terrorist financing, bribery and corruption and sanctions evasion). A major focus of US and UK government policy relating to financial institutions continues to be combating money laundering and enforcing compliance with US and EU economic sanctions. The failure to comply with such regulations may result in enforcement actions by the regulators and in the imposition of severe penalties, with a consequential impact on the Group's reputation and financial results.

3. Data protection and privacy

Proper handling of personal data is critical to sustaining long-term relationships with the Group's customers and clients and to meeting privacy laws and obligations. Failure to protect personal data can lead to potential detriment to the Group's customers and clients, reputational damage, regulatory sanctions and financial loss, which under the new EU Data Protection Regulation may be substantial.

4. Regulatory focus on culture and accountability

Regulators around the world continue to emphasise the importance of culture and personal accountability and the adoption and enforcement of adequate internal reporting and whistleblowing procedures in helping to promote appropriate conduct and drive positive outcomes for customers, clients and markets. Failure to meet the requirements and expectations of the UK Senior Managers Regime, Certification Regime and Conduct Rules may lead to regulatory sanctions, both for the individuals and the Group.

Reputation risk

The risk that an action, transaction, investment or event will reduce trust in the firm's integrity and competence by clients, counterparties, investors, regulators, employees or the public.

1. The Group's association with sensitive sectors and its impact on reputation

A risk arising in one business area can have an adverse effect upon the Group's overall reputation. Any one transaction, investment or event that, in the perception of key stakeholders reduces their trust in the Group's integrity and competence, has the potential to give rise to reputation risk for the Group and may result in loss of business, regulatory censure and missed business opportunity. The Group's association with sensitive sectors is an area of concern for stakeholders and the following topics are of regular interest:

- Disclosure of climate risks and opportunities, including the activities of certain sections of the client base. This is becoming the subject of increased scrutiny from regulators, NGOs and other stakeholders.

- The risks of association with human rights violations through the perceived indirect involvement in human rights abuses committed by clients and customers.
- The manufacture and export of military and riot control goods and services by clients and customers.

Legal risk and legal, competition and regulatory matters

The risk of loss or imposition of penalties, damages or fines from the failure of the firm to meet its legal obligations including regulatory or contractual requirements.

Legal disputes, regulatory investigations, fines and other sanctions relating to conduct of business and breaches of legislation and/or regulations may negatively affect the Group's results, reputation and ability to conduct its business. Legal outcomes can arise as a consequence of legal risk or because of past and future actions, behaviours and business decisions as a result of other Principal Risks.

The Group conducts diverse activities in a highly regulated global market and therefore is exposed to the risk of fines and other sanctions relating to the conduct of its business. In recent years authorities have increasingly investigated past practices, pursued alleged breaches and imposed heavy penalties on financial services firms. This trend is expected to continue. A breach of applicable legislation and/or regulations could result in the Group or its staff being subject to criminal prosecution, regulatory censure, fines and other sanctions in the jurisdictions in which it operates, particularly in the UK and the US. Where clients, customers or other third parties are harmed by the Group's conduct this may also give rise to legal proceedings, including class actions. Other legal disputes may also arise between the Group and third parties relating to matters such as breaches, enforcement of legal rights or obligations arising under contracts, statutes or common law. Adverse findings in any such matters may result in the Group being liable to third parties seeking damages, or may result in the Group's rights not being enforced as intended.

The outcome of legal, competition and regulatory matters, both those to which the Group is currently exposed and any others which may arise in the future, is difficult to predict. However, in connection with such matters the Group may incur significant expense, regardless of the ultimate outcome, and any such matters could expose the Group to any of the following outcomes: substantial monetary damages, settlements and/or fines; remediation of affected customers and clients; other penalties and injunctive relief; additional litigation; criminal prosecution in certain circumstances; the loss of any existing agreed protection from prosecution; regulatory restrictions on the Group's business operations including the withdrawal of authorisations; increased regulatory compliance requirements; suspension of operations; public reprimands; loss of significant assets or business; a negative effect on the Group's reputation; loss of confidence by investors, counterparties, clients and/or customers; risk of credit rating agency downgrades; potential negative impact on the availability and/or cost of funding and liquidity; and/or dismissal or resignation of key individuals. In light of the uncertainties involved in legal, competition and regulatory matters, there can be no assurance that the outcome of a particular matter or matters will not be material to the Group's results of operations or cash flow for a particular period, depending on, among other things, the amount of the loss resulting from the matter(s) and the amount of income otherwise reported for the period.

In January 2017, Barclays PLC was sentenced to serve three years of probation from the date of the sentencing order in accordance with the terms of its May 2015 plea agreement with the Department of Justice. During the term of probation Barclays PLC must, among other things, (i) commit no crime whatsoever in violation of the federal laws of the US, (ii) implement and continue to implement a compliance programme designed to prevent and detect the conduct that gave rise to the plea agreement and (iii) strengthen its compliance and internal controls as required by relevant regulatory or enforcement agencies. Potential consequences of breaching the plea agreement include the imposition of additional terms and conditions on the Group, an extension of the agreement, or the criminal prosecution of Group entities, which could, in turn, entail further financial penalties and collateral consequences and have a material adverse effect on the Group's business, operating results or financial position.

There is also a risk that the outcome of any legal, competition or regulatory matters in which the Group is involved may give rise to changes in law or regulation as part of a wider response by relevant law makers and regulators. A decision in any matter, either against the Group or another financial institution facing similar claims, could lead to further claims against the Group.

Related party transactions and Directors' remuneration (Note 41)

Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both. The definition includes subsidiaries, associates, joint ventures and the Group's pension schemes.

(i) The Group

Parent company

The parent company, which is also the ultimate parent company, is Barclays PLC, which holds 100% of the issued ordinary shares of Barclays Bank PLC.

Subsidiaries

Transactions between Barclays Bank PLC and its subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the Group Financial Statements. A list of the Group's principal subsidiaries is shown in Note 36.

Associates, joint ventures and other entities

The Group provides banking services to its associates, joint ventures, the Group pension funds (principally the UK Retirement Fund) and to entities under common directorships, providing loans, overdrafts, interest and non-interest bearing deposits and current accounts to these entities as well as other services. Group companies also provide investment management and custodian services to the Group pension schemes. The Group also provides banking services for unit trusts and investment funds managed by Group companies, which are not individually material. All of these transactions are conducted on the same terms as third party transactions. Summarised financial information for the Group's investments in associates and joint ventures is set out in Note 38.

Amounts included in the Group's financial statements, in aggregate, by category of related party entity are as follows

	Parent £m	Fellow subsidiaries £m	Associates £m	Joint Ventures £m	Pension funds, unit trusts and investment funds £m
For the year ended and as at 31 December 2017					
Income / (expense)	(996)	(4,008)	(20)	38	4
Impairment releases	-	-	2	-	-
Total assets	716	163	2	1,048	2
Total liabilities	24,205	1,015	75	2	162
For the year ended and as at 31 December 2016					
Income / (expense)	(60)	(354)	(20)	7	4
Impairment charges	-	-	(13)	-	-
Total assets	801	1,265	72	2,244	-
Total liabilities (a)	19,470	2,313	94	95	260

Note

(a) The comparative for liabilities with the Parent company has been restated. This is to reflect funding provided by Barclays PLC which was not treated as a related party transaction in the prior year. The impact on Total liabilities is an increase from £0.8bn to £19.5bn.

Guarantees, pledges or commitments given in respect of these transactions in the year were £27m (2016: £940m) predominantly relating to joint ventures. No guarantees, pledges or commitments were received in the year. Derivatives transacted on behalf of the pensions funds, unit trusts and investment funds were £3m (2016: £3m).

In September 2017, the Group transferred all brand related Intellectual property (IP) to the parent, Barclays PLC under Brand Master Assignment Agreements.

Barclays PLC then granted two exclusive licences to Barclays Bank PLC to use and exploit the brand IP related to Barclays International (BI) and Barclays UK (BUK) activities. Barclays Bank PLC then entered into sub-licence agreements with its subsidiaries where relevant to allow use of the BI and BUK brand IP. No royalties will be payable under the terms of these licences and sub-licences.

Subsidiaries

Details of principal subsidiaries are shown in Note 36.

The Bank provides certain banking and financial services to subsidiaries as well as a number of normal current and interest bearing cash accounts to the Group pension funds (principally the UK Retirement Fund) in order to facilitate the day-to-day financial administration of the funds. Group companies also provide investment management and custodian services.

Amounts included in the Bank's financial statements, in aggregate, by category of related party entity are as follows:

	Parent £m	Subsidiaries £m	Fellow subsidiaries £m	Associates £m	Joint Ventures £m	Pension funds, unit trusts and investment funds £m
For the year ended and as at 31 December 2017						
Total assets	716	148,542	159	2	1,048	2
Total liabilities	24,205	123,795	969	75	2	162
For the year ended and as at 31 December 2016						
Total assets	1,501	202,451	1,265	72	2,244	-
Total liabilities (a)	19,470	178,077	2,232	94	95	260

Note

(a) The comparative for liabilities with the Parent company has been restated. This is to reflect funding provided by Barclays PLC which was not treated as a related party transaction in the prior year. The impact on Total liabilities is an increase from £1.6bn to £19.5bn.

It is the normal practice of the Bank to provide its subsidiaries with support and assistance by way of guarantees, indemnities, letters of comfort and commitments, as may be appropriate, with a view to enabling them to meet their obligations and to maintain their good standing, including commitment of capital and facilities. For dividends paid to Barclays PLC refer to Note 11.

Key Management Personnel

The Group's Key Management Personnel, and persons connected with them, are also considered to be related parties for disclosure purposes. Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Barclays Bank PLC (directly or indirectly) and comprise the Directors of Barclays Bank PLC and the Officers of the Group, certain direct reports of the Group Chief Executive and the heads of major business units and functions.

There were no material related party transactions with entities under common directorship where a Director or other member of Key Management Personnel (or any connected person) is also a Director or other member of Key Management Personnel (or any connected person) of Barclays.

The Group provides banking services to Directors and other Key Management Personnel and persons connected to them. Transactions during the year and the balances outstanding were as follows:

Loans outstanding

	2017 £m	2016 £m
As at 1 January	9.2	9.8
Loans issued during the year	0.5	0.6
Loan repayments during the year/change of key management personnel	(4.9)	(1.2)
As at 31 December	4.8	9.2

No allowances for impairment were recognised in respect of loans to Directors or other members of Key Management Personnel (or any connected person).

Deposits outstanding

	2017 £m	2016 £m
As at 1 January	7.3	116.5
Deposits received during the year	25.7	18.9
Deposits repaid during the year/change of key management personnel	(26.1)	(128.1)
As at 31 December	6.9	7.3

Total commitments outstanding

Total commitments outstanding refers to the total of any undrawn amounts on credit cards and/or overdraft facilities provided to Key Management Personnel. Total commitments outstanding as at 31 December 2017 were £0.3m (2016: £0.2m).

All loans to Directors and other Key Management Personnel (and persons connected to them), (a) were made in the ordinary course of business, (b) were made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other persons and (c) did not involve more than a normal risk of collectability or present other unfavourable features.

Remuneration of Directors and other Key Management Personnel

Total remuneration awarded to Directors and other Key Management Personnel below represents the awards made to individuals that have been approved by the Board Remuneration Committee as part of the latest remuneration decisions, and is consistent with the approach

adopted for disclosures set out on pages 93 to 116. Costs recognised in the income statement reflect the accounting charge for the year included within operating expenses. The difference between the values awarded and the recognised income statement charge principally relates to the recognition of deferred costs for prior year awards. Figures are provided for the period that individuals met the definition of Directors and other Key Management Personnel.

	2017 £m	2016 £m
Salaries and other short-term benefits	33.9	32.2
Pension costs	0.1	0.2
Other long-term benefits	18.4	11.0
Share-based payments	26.8	21.9
Employer social security charges on emoluments	9.6	6.2
Costs recognised for accounting purposes	88.8	71.5
Employer social security charges on emoluments	(9.6)	(6.2)
Other long-term benefits - difference between awards granted and costs recognised	(9.8)	(2.5)
Share-based payments - difference between awards granted and costs recognised	(11.7)	(8.9)
Total remuneration awarded	57.7	53.9

Disclosure required by the Companies Act 2006

The following information regarding Directors is presented in accordance with the Companies Act 2006:

	2017 £m	2016 £m
Aggregate emoluments (a)	8.5	8.1
Amounts paid under LTIPs (b)	1.1	-
	9.6	8.1

Notes

(a) The aggregate emoluments include amounts paid for the 2017 year. In addition, deferred share awards for 2017 will be made to James E Staley and Tushar Morzaria which will only vest subject to meeting certain conditions. The total of the deferred share awards is £1m (2016: £1.4m).

(b) The figure above for "Amounts paid under LTIPs" relates to an LTIP award that was released to Tushar Morzaria in 2017. Dividend shares released on the award are excluded. The LTIP figure in the single total figure table for executive Directors' 2017 remuneration in the Directors' Remuneration report relates to the award that is scheduled to be released in 2018 in respect of the 2015-2017 LTIP cycle.

There were no pension contributions paid to defined contribution schemes on behalf of Directors (2016: £nil). There were no notional pension contributions to defined contribution schemes.

As at 31 December 2017, there were no Directors accruing benefits under a defined benefit scheme (2016: nil).

Advances and credit to Directors and guarantees on behalf of Directors

In accordance with Section 413 of the Companies Act 2006, the total amount of advances and credits made available in 2017 to persons who served as Directors during the year was £0.2m (2016: £0.2m). The total value of guarantees entered into on behalf of Directors during 2017 was £nil (2016: £nil).

Directors' Responsibilities Statement (Corporate Governance Code)

The Directors have responsibility for ensuring that the Company and the Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Group and which enable them to ensure that the accounts comply with the Companies Act 2006.

The Directors are also responsible for preparing a Strategic Report, Directors' Report, and Corporate Governance Statement in accordance with applicable law and regulations.

The Directors are responsible for the maintenance and integrity of the Annual Report and Financial Statements as they appear on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities.

The Directors, whose names and functions are set out in the Barclays Bank PLC Annual Report, confirm to the best of their knowledge that:

- (a) The financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and
- (b) The management report incorporated into the Directors' Report of the Barclays Bank PLC Annual Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Stephen Shapiro
Company Secretary
21 February 2018

Barclays Bank PLC
Registered in England, Company no: 1026167
Forward looking Statement

This announcement may contain certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, structural reform, capital, leverage and other regulatory ratios, payment of dividends (including dividend payout ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets and the impact of any regulatory deconsolidation resulting from the sell down of the Group's interest in Barclays Africa Group Limited, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers, IFRS 9 impacts 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 including the implementation of IFRS 9, 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, US, Africa, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; the implications of the exercise by the United Kingdom of Article 50 of the Treaty of Lisbon and the disruption that may result in the UK and globally from the withdrawal of the United Kingdom from the European Union and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in our filings with the SEC (including, without limitation, our annual report on form 20-F for the fiscal year ended 31 December 2017), which will be available on the SEC's website at www.sec.gov.

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

Barclays PLC

Results Announcement

31 December 2017

Table of Contents

Results Announcement

Notes

Performance

Highlights

Group Chief Executive Officer's Review

Group Finance Director's Review

Results by Business

- Barclays UK
- Barclays International
- Head Office

Barclays Non-Core Results

Discontinued Operation Results

Quarterly Results Summary

Quarterly Results by Business

Performance Management

- Margins and Balances
- Remuneration

Risk Management

- Overview
- Credit Risk
- Treasury and Capital Risk

Statement of Directors' Responsibilities

Condensed Consolidated Financial Statements

Financial Statement Notes

Appendix: Non-IFRS Performance Measures

Notes

The terms Barclays or Group refer to Barclays PLC together with its subsidiaries. Unless otherwise stated, the income statement analysis compares the year ended 31 December 2017 to the corresponding twelve months of 2016 and balance sheet analysis as at 31 December 2017 with comparatives relating to 31 December 2016. 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; and the abbreviations '€m' and '€bn' represent millions and thousands of millions of Euros respectively.

There are a number of key judgement areas, for example impairment calculations, which are based on models and which are subject to ongoing adjustment and modifications. Reported numbers reflect best estimates and judgements at the given point in time.

Relevant terms that are used in this document but are not defined under applicable regulatory guidance or International Financial Reporting Standards (IFRS) are explained in the results glossary that can be accessed at home.barclays/results.

The information in this announcement, which was approved by the Board of Directors on 21 February 2018, does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2017, which includes certain information required for the Joint Annual Report on Form 20-F of Barclays PLC and Barclays Bank PLC to the US Securities and Exchange Commission (SEC) and which contain an unqualified audit report under Section 495 of the Companies Act 2006 (which does not make any statements under Section 498 of the Companies Act 2006) will be delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

These results will be furnished as a Form 20-F to the SEC as soon as practicable following their publication. Once furnished with the SEC, copies of the Form 20-F will also be available from the Barclays Investor Relations website at home.barclays/results and from the SEC's website at www.sec.gov.

Barclays is a frequent issuer in the debt capital markets and regularly meets with investors via formal road-shows and other ad hoc meetings. Consistent with its usual practice, Barclays expects that from time to time over the coming quarter it will meet with investors globally to discuss these results and other matters relating to the Group.

Non-IFRS performance measures

Barclays' management believes that the non-IFRS performance measures included in this document provide valuable information to the readers of the financial statements as 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 performance measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. Refer to the appendix on pages 55-57 for further information and calculations of non-IFRS performance measures included throughout this document, and the most directly comparable IFRS measures.

Forward-looking statements

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Performance Highlights

Transatlantic Consumer and Wholesale Bank with Global Reach

Significant strategic progress was made in 2017, as profit before tax improved and the CET1 ratio strengthened further, enabling a reset of the dividend in 2018 and enhanced focus on driving improved returns

<ul style="list-style-type: none"> Returns: 	<ul style="list-style-type: none"> Group profit before tax increased 10% to £3.5bn. The attributable loss of £1.9bn (2016: profit of £1.6bn) and Return on Tangible Equity (RoTE) of negative 3.6% (2016: positive 3.6%) included: <ul style="list-style-type: none"> litigation and conduct of £1.2bn, including charges for Payment Protection Insurance (PPI) of £0.7bn, losses related to the sell down of Barclays Africa Group Limited (BAGL) of £2.5bn, and a one-off net tax charge of £0.9bn due to the re-measurement of US deferred tax assets (DTAs) in Q417 Group RoTE, excluding the material items listed above, was 5.6% Group RoTE target, excluding litigation and conduct, of greater than 9% in 2019 and greater than 10% in 2020, based on a Group Common Equity Tier 1 (CET1) ratio of c.13%
<ul style="list-style-type: none"> Cost efficiency: 	<ul style="list-style-type: none"> Group operating expenses were £15.5bn (2016: £16.3bn), including litigation and conduct charges of £1.2bn (2016: £1.4bn), resulting in a cost: income ratio of 73% (2016: 76%) Excluding litigation and conduct charges, Group operating expenses were £14.2bn, in line with 2017 guidance Guidance for Group operating expenses of £13.6-13.9bn in 2019, excluding litigation and conduct

<ul style="list-style-type: none"> Capital and dividends: 	<ul style="list-style-type: none"> CET1 ratio increased to 13.3% (December 2016: 12.4%), within the end-state target range of c.13% Improvement driven by organic capital generation from continuing operations, and the benefit of the proportional consolidation of BAGL and the rundown of Non-Core, partially offset by adverse movements in reserves and the net impact of the re-measurement of US DTAs Declared dividend of 3.0p per share for 2017 and the intention to pay 6.5p in 2018
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- Group profit before tax increased 10% to £3,541m** driven by positive operating jaws as operating expenses reduced 5%, primarily reflecting lower Non-Core related costs. Income decreased 2%, primarily driven by lower revenue in Barclays International and Head Office, whilst impairment was broadly stable
 - Barclays UK profit before tax increased to £1,747m (2016: £1,738m)** reflecting 2% lower income, a 13% reduction in impairment and a cost: income ratio of 66% (2016: 65%), including charges for PPI of £700m (2016: £1,000m)
 - Barclays International profit before tax declined to £3,275m (2016: £4,211m)** driven by a 4% decrease in income, largely as a result of weak market conditions impacting the Corporate and Investment Bank (CIB) in H217, while operating expenses increased 4% and credit impairment charges increased 11%
- Group attributable loss of £1,922m (2016: profit of £1,623m)** included losses of £2,525m related to the sell down of BAGL and the one-off net tax charge of £901m due to the re-measurement of US DTAs
- Group basic loss per share was 10.3p (2016: earnings per share of 10.4p).** Excluding litigation and conduct, losses related to the sell down of BAGL and the net charge due to the re-measurement of US DTAs, earnings per share was 16.2p
- Tangible net asset value per share decreased to 276p (December 2016: 290p)** as profit before tax was more than offset by the net impact of the re-measurement of US DTAs in Q417 and adverse movements across reserves

Barclays Group results for the year ended

	31.12.17	31.12.16	% Change
	£m	£m	
Total income	21,076	21,451	(2)
Credit impairment charges and other provisions	(2,336)	(2,373)	2
Net operating income	18,740	19,078	(2)
Operating expenses excluding UK bank levy and litigation and conduct	(13,884)	(14,565)	5
UK bank levy	(365)	(410)	11
Litigation and conduct	(1,207)	(1,363)	11
Operating expenses	(15,456)	(16,338)	5
Other net income	257	490	(48)
Profit before tax	3,541	3,230	10
Tax charge	(2,240)	(993)	
Profit after tax in respect of continuing operations	1,301	2,237	(42)
(Loss)/profit after tax in respect of discontinued operation	(2,195)	591	
Non-controlling interests in respect of continuing operations	(249)	(346)	28
Non-controlling interests in respect of discontinued operation	(140)	(402)	65
Other equity instrument holders ¹	(639)	(457)	(40)
Attributable (loss)/profit	(1,922)	1,623	

Performance measures

Return on average tangible shareholders' equity ¹	(3.6%)	3.6%
Average tangible shareholders' equity (£bn)	48.9	48.7
Cost: income ratio	73%	76%
Loan loss rate (bps)	57	53

Basic (loss)/earnings per share ¹	(10.3p)	10.4p
Basic earnings per share in respect of continuing operations ¹	3.5p	9.3p
Dividend per share	3.0p	3.0p

Balance sheet and capital management

Tangible net asset value per share	276p	290p
Common equity tier 1 ratio	13.3%	12.4%
Common equity tier 1 capital (£bn)	41.6	45.2
Risk weighted assets (£bn)	313	366
Average UK leverage ratio ²	4.9%	4.5%
Average fully loaded tier 1 capital ² (£bn)	51.2	51.6
Average UK leverage exposure ² (£bn)	1,045	1,137

Funding and liquidity

Group liquidity pool (£bn)	220	165
CRD IV liquidity coverage ratio	154%	131%
Loan: deposit ratio ³	80%	89%

¹ The profit after tax attributable to other equity instrument holders of £639m (2016: £457m) is offset by a tax credit recorded in reserves of £174m (2016: £128m). The net amount of £465m (2016: £329m), along with non-controlling interests, is deducted from profit after tax in order to calculate earnings per share and return on average tangible shareholders' equity.

² The average UK leverage ratio uses capital and exposure measures based on the last day of each month in the quarter; additionally the average exposure measure excludes qualifying central bank claims.

³ Loan: deposit ratio excludes Head Office and investment banking balances other than interest earning lending. Comparative has been restated to include interest earning lending balances within the investment banking business.

Group Chief Executive Officer's Review

"2017 was a year of considerable strategic progress for Barclays. The sell down of our shareholding in Barclays Africa, closure of our Non-Core unit, the establishment of our Service Company, and the creation of our UK ring-fenced bank, mean that, in terms of size and structure, we are now the diversified Transatlantic Consumer and Wholesale bank we set out in our strategy in March 2016.

We have a portfolio of profitable businesses, producing significant earnings, and have plans and investments in place to grow those earnings over time.

We have already started to see some of the benefits of our work in 2017. Group profit before tax increased 10% year-on-year as a result of our team's focus on execution. Barclays UK navigated the year well, reaching a digital banking milestone with our ten millionth customer. Within Barclays International, we increased Banking fee share in our Corporate and Investment Bank in 2017, and our Consumer, Cards and Payments business continued to produce very strong income while managing risk effectively.

Although we are only seven weeks into the first quarter, and it is too early to offer formal guidance, we are pleased with the start to the year, and in particular in the markets businesses in CIB, where income is tracking above the level for the corresponding period in 2017 in dollars, and also in sterling, despite the weaker dollar we are currently experiencing.

Critically, as we have carried out the work to reshape the business, we have continued to generate capital organically. Our CET1 ratio today stands at 13.3%, comfortably within our end-state target range.

While we still have a number of legacy conduct issues to address, I am confident in the capacity of this business to generate excess capital going forward, and it remains our intention over time to return a greater proportion of that excess capital to shareholders through dividends, and other means of capital distribution, including share buybacks.

As a first demonstration of that intent, we are pleased to be able to announce today the restoration of the dividend to six and a half pence for 2018."

James E Staley, Group Chief Executive Officer

Group Finance Director's Review

Financial performance in 2017 was encouraging, with increased profit before tax, a reduced cost: income ratio and strong capital ratio progression. Significant progress was also made on strategic objectives in the year, with the closure of Barclays Non-Core and the sale of a stake in, and consequent accounting deconsolidation of, BAGL. New Group returns targets were set: to achieve RoTE of greater than 9% in 2019 and greater than 10% in 2020, excluding litigation and conduct, based on a CET1 ratio of c.13%. The 2017 financial results provide a firm platform on which to build towards these.

Following the closure of Barclays Non-Core on 1 July 2017, Group results for 2017 included a Barclays Non-Core loss before tax for the six months ended 30 June 2017 of £647m, compared to a loss before tax of £2,786m for the full year in 2016. From 1 July 2017, residual Barclays Non-Core assets and liabilities were reintegrated into, and associated financial performance subsequently reported in, Barclays UK, Barclays International and Head Office.

Group performance

- Profit before tax increased 10% to £3,541m driven by a 5% reduction in operating expenses, partially offset by a 2% reduction in income and lower other net income. Results were impacted by the appreciation of average USD and EUR against GBP of 5% and 7% respectively, compared to 2016, which positively impacted income and adversely affected impairment and operating expenses
- Total income decreased to £21,076m (2016: £21,451m) reflecting a £613m decrease in Barclays International and a £262m reduction in Head Office, partially offset by a reduction in losses related to Non-Core
- Credit impairment charges were broadly stable at £2,336m (2016: £2,373m) and reflected a charge of £168m in 2017 relating to deferred consideration from an asset sale in US Cards and the non-recurrence of a £320m charge in 2016 following the management review of the UK and US cards portfolio impairment modelling. Impairment increased in Barclays International driven by an increase in underlying delinquency trends and business growth in US Cards. The Group loan loss rate increased 4bps to 57bps
- Operating expenses reduced 5% to £15,456m driven primarily by lower Non-Core related operating expenses. The cost: income ratio reduced to 73% (2016: 76%)
- Other net income of £257m (2016: £490m) primarily reflected a gain of £109m on the sale of Barclays' share in Vocalink to MasterCard and a gain of £76m on the sale of a joint venture in Japan
- Profit after tax in respect of continuing operations was £1,301m (2016: £2,237m). The tax charge of £2,240m included a one-off tax charge of £1,177m due to the re-measurement of US DTAs as a result of the US Tax Cuts and Jobs Act, partially offset by an unrelated £276m increase in US DTAs due to a re-measurement of Barclays Bank PLC's (BBPLC) US branch DTAs
- Loss after tax in respect of the Africa Banking discontinued operation of £2,195m included a £1,090m impairment of Barclays' holding in BAGL and a £1,435m loss on the sale of 33.7% of BAGL's issued share capital, primarily due to recycling of currency translation reserve losses to the income statement on accounting deconsolidation
- RoTE was negative 3.6% (2016: positive 3.6%) and basic loss per share was 10.3p (2016: earnings per share of 10.4p). Excluding litigation and conduct, losses related to the sell down of BAGL and the one-off net charge due to the re-measurement of US DTAs, RoTE was 5.6% and earnings per share was 16.2p
- Refer to pages 8-14 for further detail on Results by Business

Group capital and leverage

- The fully loaded CET1 ratio increased to 13.3% (December 2016: 12.4%) principally due to a reduction in risk weighted assets (RWAs) of £52.6bn to £313.0bn. CET1 capital decreased £3.6bn to £41.6bn
 - The sell down of Barclays' holding in BAGL to 14.9%, resulting in regulatory proportional consolidation, increased the CET1 ratio by c.60bps with a £31.1bn reduction in RWAs, offset by a £1.8bn reduction due to BAGL minority interests no longer being included in CET1 capital
 - Losses in respect of the discontinued operation due to the impairment of Barclays' holding in BAGL allocated to goodwill, and the recycling of the BAGL currency translation reserve losses to the income statement, had no impact on CET1
 - The CET1 ratio increased by a further c.50bps as a result of other RWA reductions, excluding the impact of foreign currency movements, including reductions in Non-Core
 - Excluding the impacts of BAGL and foreign currency movements, CET1 capital decreased further, as profits relating to continuing operations, after absorbing the net impact of the re-measurement of US DTAs, were offset by the redemption of USD preference shares and the payment of pension deficit reduction contributions in the year
- The average UK leverage ratio increased to 4.9% (December 2016: 4.5%) primarily driven by the issuance of additional tier 1 (AT1) securities, the reduction in Non-Core related exposures and due to regulatory proportional consolidation of BAGL
- Tangible net asset value per share decreased to 276p (December 2016: 290p) as profit before tax was more than offset by the net impact of the re-measurement of US DTAs in Q417 and adverse movements across reserves

Group funding and liquidity

- The Group continued to maintain surpluses to its internal and regulatory requirements. The liquidity pool increased to £220bn (December 2016: £165bn) reflecting the approach of holding a conservative liquidity position and through net deposit growth, the unwind of legacy Non-Core portfolios, money market borrowing and drawdown from the Bank of England Term Funding Scheme. The liquidity coverage ratio (LCR) increased to 154% (December 2016: 131%), equivalent to a surplus of £75bn (December 2016: £39bn) to 100%
- Wholesale funding outstanding excluding repurchase agreements was £157bn (December 2016: £158bn). The Group issued £11.5bn equivalent of capital and term senior unsecured debt from Barclays PLC (the Parent company) of which £6.1bn was in public senior unsecured debt and £5.4bn in capital instruments. In the same period, £6.1bn of BBPLC capital and senior public term instruments either matured or were redeemed, including the \$1.375bn 7.1% Series 3 USD preference shares

Other matters

- On 1 June 2017, Barclays sold 286 million ordinary shares of BAGL, representing 33.7% of BAGL's issued share capital. The sale resulted in the accounting deconsolidation of BAGL from the Barclays Group. Following the sale, BAGL was no longer reported as a discontinued operation, with the retained investment accounted for as an Available for Sale (AFS) asset in Barclays' financial statements. The contribution of a further 1.5% of BAGL's ordinary shares to a Black Economic Empowerment scheme in Q317 resulted in Barclays accounting for 126 million ordinary shares in BAGL, representing 14.9% of BAGL's issued share capital. For regulatory reporting purposes, BAGL is treated on a proportional consolidated basis
- Barclays' measurement of its US DTAs reduced £0.9bn in Q417, as a £1.2bn decrease as result of the US Tax Cuts and Jobs Act, enacted on 22 December 2017, was partially offset by an unrelated £0.3bn increase due to a re-measurement of BBPLC's US branch DTAs, as a result of BBPLC making a tax election in the period to exclude the future profits and losses of its overseas branches from UK taxation. The net reduction in the measurement of US DTAs resulted in a one-off net charge of £0.9bn to Group profit after tax, a c.20bps reduction to the Group CET1 ratio and a decrease in tangible net asset value of 5p per share
- Additional charges of £700m (2016: £1,000m) relating to PPI were recognised in Q217. The remaining PPI provision as at 31 December 2017 was £1.6bn (December 2016: £2.0bn). Management views its current PPI provision as appropriate, however, will continue to closely monitor complaint trends and the associated provision adequacy
- A provision of £240m in respect of Foreign Exchange matters was recognised in Q417
- In June 2017, the Serious Fraud Office (SFO) brought certain charges against Barclays PLC in relation to matters that arose in the context of Barclays' capital raisings in 2008. Further to that development, in February 2018, the SFO has also charged BBPLC in respect of this matter
- Certain legal proceedings and investigations relating to legacy issues remain outstanding. Resolving outstanding legacy issues in an appropriate timeframe and manner will continue to be a priority

IFRS 9 Financial Instruments¹

- IFRS 9 Financial Instruments is effective for periods beginning on or after 1 January 2018. Barclays' estimated IFRS 9 impact is a decrease in shareholders' equity of approximately £2.2bn post-tax. The estimated reduction in shareholders' equity equates to a decrease in tangible net asset value of approximately 13p per share
- The Group's CET1 ratio will be impacted by IFRS 9 primarily from an increase in credit impairment provisions net of tax, offset by a reduction in the regulatory deduction where expected loss is greater than impairment
- As at 1 January 2018, the expected fully loaded CET1 ratio impact without transitional arrangements would be an estimated reduction of approximately 34bps. The Group intends to use transitional arrangements, under which the impact is negligible as at 1 January 2018 and is expected to remain immaterial during 2018

1 Note:

- *The estimated decrease in shareholders' equity includes the impact of both balance sheet classification and measurement changes, and the increase to credit impairment provisions compared to those at 31 December 2017 under IAS 39.*
- *This impact assessment has been estimated under an interim control environment with models that continue to undergo validation. The implementation of the comprehensive end state control environment will continue as Barclays introduces business-as-usual controls throughout 2018.*

Structural reform

- Barclays' plans for UK ring-fencing remain on track. The relevant court processes began in November 2017 with the Sanction Hearing to be held on 26 and 27 February 2018 at which the Court will be requested to sanction Barclays' ring-fencing transfer scheme. We intend to complete the reorganisation and establish the UK ring-fenced bank in April 2018, ahead of the 1 January 2019 legislative deadline for implementation
- Barclays Services Limited (the "Group Service Company") was established in September 2017 as a direct subsidiary of Barclays PLC to deliver operational continuity and to drive operational efficiencies across the Group
- Illustrative, unaudited pro-forma financials for Barclays Bank UK PLC (BBUKPLC) and BBPLC will be available at home.barclays/annualreport

Dividends

- A final dividend for 2017 of 2.0p per share will be paid on 5 April 2018, resulting in a total 3.0p dividend per share for the year
- Barclays understands the importance of the ordinary dividend for our shareholders. Barclays is therefore committed to maintaining an appropriate balance between total cash returns to shareholders, investment in the business and maintaining a strong capital position. Going forward, Barclays intends to pay an annual ordinary dividend that takes into account these objectives and the medium-term earnings outlook of the Group. It is also the Board's intention to supplement the ordinary dividends with additional returns to shareholders as and when appropriate
- For 2018, Barclays anticipates resuming a total cash dividend of 6.5p per share, subject to regulatory approvals

Outlook and financial targets

- The Group is targeting RoTE, excluding litigation and conduct, of greater than 9% in 2019 and greater than 10% in 2020, based on a Group CET1 ratio of c.13%
- Guidance for Group operating expenses, excluding litigation and conduct, is £13.6-13.9bn in 2019
- As part of the US Tax Cuts and Jobs Act, the US federal corporate income tax rate has been reduced from 35% to 21% with effect from 1 January 2018. Given the Group's substantial US operations, this is expected to result in a reduction of the Group's effective tax rate in 2018 and future periods to mid-20 percent. Some of the provisions introduced into US tax law by the Act are complex and present uncertainties, in particular the new US Base Erosion and Anti-Abuse Tax (BEAT). Our current expectation is that in the event that BEAT liabilities are incurred by the Group these should not be sufficiently material to cause the Group's effective tax rate to exceed mid-20 percent

Tushar Morzaria, Group Finance Director

Results by Business

Barclays UK

	Year ended 31.12.17	Year ended 31.12.16	
	£m	£m	% Change
Income statement information			
Net interest income	6,086	6,048	1
Net fee, commission and other income	1,297	1,469	(12)
Total income	7,383	7,517	(2)
Credit impairment charges and other provisions	(783)	(896)	13
Net operating income	6,600	6,621	-
Operating expenses excluding UK bank levy and litigation and conduct	(4,030)	(3,792)	(6)
UK bank levy	(59)	(48)	(23)
Litigation and conduct	(759)	(1,042)	27
Operating expenses	(4,848)	(4,882)	1
Other net expenses	(5)	(1)	
Profit before tax	1,747	1,738	1
Attributable profit	853	828	3

Balance sheet information

	£bn	£bn
Loans and advances to customers at amortised cost	183.8	166.4
Total assets	237.4	209.6
Customer deposits	193.4	189.0
Loan: deposit ratio	95%	88%
Risk weighted assets	70.9	67.5
Period end allocated tangible equity	9.6	8.5

Key facts

Average LTV of mortgage portfolio ¹	48%	48%
Average LTV of new mortgage lending ¹	64%	63%
Number of branches	1,208	1,305
Mobile banking active customers	6.4m	5.4m
30 day arrears rate - Barclaycard Consumer UK	1.8%	1.9%

Performance measures

Return on average allocated tangible equity	9.8%	9.6%
Average allocated tangible equity (£bn)	9.1	8.9
Cost: income ratio	66%	65%
Loan loss rate (bps)	42	52
Net interest margin	3.49%	3.62%

¹ Average loan to value (LTV) of mortgage portfolio and new mortgage lending calculated on the balance weighted basis.

Analysis of Barclays UK

	Year ended 31.12.17	Year ended 31.12.16	
	£m	£m	% Change
Analysis of total income			
Personal Banking	3,823	3,891	(2)
Barclaycard Consumer UK	1,977	2,022	(2)
Wealth, Entrepreneurs & Business Banking	1,583	1,604	(1)
Total income	7,383	7,517	(2)
Analysis of credit impairment charges and other provisions			
Personal Banking	(222)	(183)	(21)
Barclaycard Consumer UK	(541)	(683)	21
Wealth, Entrepreneurs & Business Banking	(20)	(30)	33
Total credit impairment charges and other provisions	(783)	(896)	13
Analysis of loans and advances to customers at amortised cost			
	£bn	£bn	
Personal Banking	139.8	135.0	
Barclaycard Consumer UK	16.4	16.5	
Wealth, Entrepreneurs & Business Banking ¹	27.6	14.9	
Total loans and advances to customers at amortised cost	183.8	166.4	
Analysis of customer deposits			
Personal Banking	141.1	139.3	
Barclaycard Consumer UK	-	-	
Wealth, Entrepreneurs & Business Banking	52.3	49.7	
Total customer deposits	193.4	189.0	

¹ Includes the integration of the ESHLA portfolio at amortised cost from Barclays Non-Core.

2017 compared to 2016

Income statement

- Profit before tax increased 1% to £1,747m as lower PPI charges of £700m (2016: £1,000m) and a reduction in credit impairment charges were partially offset by the non-recurrence of the gain on disposal of Barclays' share of Visa Europe Limited in 2016, higher costs of setting up the ring-fenced bank and increased investment, primarily in cyber resilience, digital and technology
- Total income decreased 2% to £7,383m, of which £151m reflected the non-recurrence of the gain on disposal of Barclays' share of Visa Europe Limited in 2016
 - Personal Banking income decreased 2% to £3,823m driven by the non-recurrence of the Visa gain and the impact of the UK base rate reduction in 2016, partially offset by deposit pricing initiatives, growth in balances and an update to effective interest rate (EIR) modelling
 - Barclaycard Consumer UK income decreased 2% to £1,977m reflecting a provision for remediation in H217
 - Wealth, Entrepreneurs & Business Banking (WEBB) income decreased 1% to £1,583m driven by the non-recurrence of the Visa gain, partially offset by growth in balances
 - Net interest income increased 1% to £6,086m due to deposit pricing initiatives and growth in loans and advances to customers and deposits, partially offset by the impact of the UK base rate reduction in 2016
 - Net interest margin decreased 13bps to 3.49% reflecting the integration of the Education, Social Housing and Local Authority (ESHLA) portfolio from Non-Core on 1 July 2017
 - Net fee, commission and other income decreased 12% to £1,297m driven by the non-recurrence of the Visa gain
- Credit impairment charges decreased 13% to £783m principally reflecting the non-recurrence of a £200m charge in 2016 following the management review of the cards portfolio impairment modelling, partially offset by higher charges in Barclaycard Consumer UK and Personal Banking
- Operating expenses decreased 1% to £4,848m due to lower charges for PPI of £700m (2016: £1,000m), partially offset by the costs of setting up the ring-fenced bank and increased investment, primarily in cyber resilience, digital and technology. The cost: income ratio was 66% (2016: 65%)

Balance sheet

- Loans and advances to customers increased 10% to £183.8bn and total assets increased 13% to £237.4bn, reflecting the integration of the ESHLA portfolio from Non-Core into WEBB on 1 July 2017 and mortgage growth in Personal Banking in H217
- Customer deposits increased 2% to £193.4bn due to deposit growth, partially offset by the realignment of certain clients between Barclays UK and Barclays International in preparation for structural reform
- RWAs increased to £70.9bn (December 2016: £67.5bn) reflecting the integration of the ESHLA portfolio

Barclays International

	Year ended 31.12.17	Year ended 31.12.16	
	£m	£m	% Change
Income statement information			
Net interest income	4,307	4,512	(5)
Net trading income	3,971	4,580	(13)
Net fee, commission and other income	6,104	5,903	3
Total income	14,382	14,995	(4)
Credit impairment charges and other provisions	(1,506)	(1,355)	(11)
Net operating income	12,876	13,640	(6)
Operating expenses excluding UK bank levy and litigation and conduct	(9,321)	(9,129)	(2)
UK bank levy	(265)	(284)	7
Litigation and conduct	(269)	(48)	
Operating expenses	(9,855)	(9,461)	(4)
Other net income	254	32	
Profit before tax	3,275	4,211	(22)
Attributable profit	847	2,412	(65)

Balance sheet information

	£bn	£bn
Loans and advances to banks and customers at amortised cost ¹	198.7	211.3
Trading portfolio assets	113.0	73.2
Derivative financial instrument assets	236.2	156.2
Derivative financial instrument liabilities	237.8	160.6
Reverse repurchase agreements and other similar secured lending	12.4	13.4
Financial assets designated at fair value	104.1	62.3
Total assets	856.1	648.5
Customer deposits ²	225.1	216.2
Loan: deposit ratio ³	62%	78%
Risk weighted assets	210.3	212.7
Period end allocated tangible equity	27.5	25.6

Performance measures

	31.12.17	31.12.16
Return on average allocated tangible equity	3.4%	9.8%
Average allocated tangible equity (£bn)	28.1	25.5
Cost: income ratio	69%	63%
Loan loss rate (bps)	75	63
Net interest margin	4.16%	3.98%

- 1 As at 31 December 2017 loans and advances included £170.4bn (December 2016: £185.9bn) of loans and advances to customers (including settlement balances of £15.7bn (December 2016: £19.5bn) and cash collateral of £35.9bn (December 2016: £30.1bn)), and £28.3bn (December 2016: £25.4bn) of loans and advances to banks (including settlement balances of £2.3bn (December 2016: £1.7bn) and cash collateral of £18.0bn (December 2016: £6.3bn)). Loans and advances to banks and customers in respect of Consumer, Cards and Payments were £38.6bn (December 2016: £39.7bn).
- 2 As at 31 December 2017 customer deposits included settlement balances of £15.2bn (December 2016: £16.6bn) and cash collateral of £27.3bn (December 2016: £20.8bn).
- 3 Loan: deposit ratio excludes investment banking balances other than interest earning lending. Comparative has been restated to include interest earning lending balances within the investment banking business.

Analysis of Barclays International

	Year ended 31.12.17	Year ended 31.12.16	
	£m	£m	% Change
Corporate and Investment Bank			
Income statement information			
Macro	1,634	2,304	(29)

Credit	1,241	1,185	5
Equities	1,629	1,790	(9)
Markets	4,504	5,279	(15)
Banking fees	2,612	2,397	9
Corporate lending	1,093	1,195	(9)
Transaction banking	1,629	1,657	(2)
Banking	5,334	5,249	2
Other	40	5	
Total income	9,878	10,533	(6)
Credit impairment charges and other provisions	(213)	(260)	18
Operating expenses	(7,742)	(7,624)	(2)
Other net income	133	1	
Profit before tax	2,056	2,650	(22)

Balance sheet information

	£bn	£bn
Loans and advances to banks and customers at amortised cost	160.1	171.6
Customer deposits	165.9	166.2
Risk weighted assets	176.2	178.6

Performance measures

Return on average allocated tangible equity	1.1%	6.1%
Average allocated tangible equity (£bn)	24.0	21.9

Consumer, Cards and Payments

Income statement information

	£m	£m	% Change
Total income	4,504	4,462	1
Credit impairment charges and other provisions	(1,293)	(1,095)	(18)
Operating expenses	(2,113)	(1,837)	(15)
Other net income	121	31	
Profit before tax	1,219	1,561	(22)

Balance sheet information

	£bn	£bn
Loans and advances to banks and customers at amortised cost	38.6	39.7
Customer deposits	59.2	50.0
Risk weighted assets	34.1	34.1

Key facts

30 day arrears rate - Barclaycard US	2.6%	2.6%
Total number of Barclaycard business clients	366,000	355,000
Value of payments processed (£bn)	322	296

Performance measures

Return on average allocated tangible equity	16.7%	31.4%
Average allocated tangible equity (£bn)	4.2	3.6

2017 compared to 2016

Income statement

- Profit before tax decreased 22% to £3,275m driven by a 4% decrease in total income, an 11% increase in credit impairment charges and a 4% increase in operating expenses
- Total income decreased 4% to £14,382m, including the 5% appreciation of average USD and the 7% appreciation of average EUR against GBP, as CIB income decreased 6% to £9,878m, partially offset by a 1% increase in Consumer, Cards and Payments income to £4,504m
 - Markets income decreased 15% to £4,504m
 - Macro income decreased 29% to £1,634m driven by lower market volatility in rates, the exit of the energy-related commodities business and the integration of Non-Core assets on 1 July 2017
 - Credit income increased 5% to £1,241m due to improved performance in municipals
 - Equities income decreased 9% to £1,629m driven by US equity derivatives as a result of lower market volatility, partially offset by improved performance in equity financing
 - Banking income increased 2% to £5,334m
 - Banking fee income increased 9% to £2,612m due to higher debt and equity underwriting fees, with fee share gains in banking overall and debt underwriting
 - Corporate lending declined 9% to £1,093m driven by lower lending balances due to the realignment of certain clients between Barclays UK and Barclays International in preparation for structural reform and the reallocation of RWAs within CIB, as well as the non-recurrence of prior year treasury gains and lower work-out gains
 - Transaction banking declined 2% to £1,629m driven by lower trade balances and the non-recurrence of prior year treasury gains, partially offset by higher average deposit balances
 - Consumer, Cards and Payments income increased 1% to £4,504m driven by continued business growth, a gain of £192m relating to the Q117 asset sale in US Cards and a valuation gain on Barclays' preference shares in Visa Inc. of £74m, partially offset by the non-recurrence of the £464m gain on the disposal of Barclays' share of Visa Europe Limited in 2016
- Credit impairment charges increased 11% to £1,506m, including the appreciation of average USD and EUR against GBP
 - CIB credit impairment charges decreased 18% to £213m primarily due to the non-recurrence of oil and gas single name charges in 2016, offset by a single name charge in 2017
 - Consumer, Cards and Payments credit impairment charges increased 18% to £1,293m primarily due to a £168m charge in Q317 relating to deferred consideration from the Q117 asset sale in US Cards, an increase in underlying delinquency trends and business growth in US Cards. This was partially offset by the non-recurrence of a £120m charge in 2016 following the management review of the cards portfolio impairment modelling. The 30 and 90 day arrears rates within US Cards were stable at 2.6% (December 2016: 2.6%) and 1.3% (December 2016: 1.3%) respectively, including a benefit from the Q117 asset sale in US Cards
- Operating expenses increased 4% to £9,855m, including the appreciation of average USD and EUR against GBP
 - CIB operating expenses increased 2% to £7,742m reflecting a provision of £240m in respect of Foreign Exchange matters recognised in Q417, continued investment in technology, partially offset by lower restructuring charges and the reduced impact of the change in compensation awards introduced in Q416
 - Consumer, Cards and Payments increased 15% to £2,113m including continued growth and investment, primarily within the US Cards and merchant acquiring businesses

- Other net income increased to £254m (2016: £32m) due to a gain of £109m on the sale of Barclays' share in VocaLink to MasterCard and a gain of £76m on the sale of a joint venture in Japan
- Attributable profit reduced to £847m (2016: £2,412m) including the net tax charge due to the re-measurement of US DTAs in Q417

Balance sheet

- Loans and advances to banks and customers at amortised cost decreased £12.6bn to £198.7bn with CIB decreasing £11.5bn to £160.1bn due to a reduction in lending. Consumer, Cards and Payments decreased £1.1bn to £38.6bn due to the depreciation of period end USD against GBP, partially offset by the realignment of certain clients from Barclays UK to Barclays International in preparation for structural reform
- Trading portfolio assets increased £39.8bn to £113.0bn due to increased activity
- Derivative financial instrument assets and liabilities increased £80.0bn to £236.2bn and £77.2bn to £237.8bn respectively, reflecting the integration of balances from Non-Core on 1 July 2017, partially offset by adoption of daily settlements under the Chicago Mercantile Exchange (CME), an increase in major interest rate forward curves and the depreciation of period end USD against GBP
- Financial assets designated at fair value increased £41.8bn to £104.1bn primarily due to increased reverse repurchase agreements activity
- Customer deposits increased £8.9bn to £225.1bn, with Consumer, Cards and Payments increasing £9.2bn to £59.2bn driven by the realignment of certain clients from Barclays UK to Barclays International in preparation for structural reform
- RWAs decreased £2.4bn to £210.3bn due to the net impact of the re-measurement of US DTAs and the depreciation of period end USD against GBP, partially offset by increased trading portfolio and securities financing transaction volumes

Head Office

	Year ended 31.12.17	Year ended 31.12.16	
	£m	£m	% Change
Income statement information			
Net interest income	(435)	(183)	
Net fee, commission and other income ¹	276	286	(3)
Total income	(159)	103	
Credit impairment charges and other provisions	(17)	-	
Net operating (expenses)/income	(176)	103	
Operating expenses excluding UK bank levy and litigation and conduct	(277)	(135)	
UK bank levy	(41)	(2)	
Litigation and conduct	(151)	(27)	
Operating expenses	(469)	(164)	
Other net (expenses)/income	(189)	128	
(Loss)/profit before tax	(834)	67	
Attributable (loss)/profit	(868)	110	
Balance sheet information			
	£bn	£bn	
Total assets	39.7	75.2	
Risk weighted assets ²	31.8	53.3	
Period end allocated tangible equity	10.0	9.7	
Performance measures			
Average allocated tangible equity (£bn)	9.3	6.5	

¹ Following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017, own credit, which was previously reported in net fee, commission and other income, is now recognised in other comprehensive income. The comparative figure for net fee, commission and other income included own credit.

² Includes Africa Banking RWAs of £6.4bn (December 2016: £42.3bn).

2017 compared to 2016

Income statement

- Loss before tax was £834m (2016: profit of £67m)
- Total income reduced to an expense of £159m (2016: income of £103m) primarily due to lower net income from treasury operations
- Operating expenses increased to £469m (2016: £164m) due to costs associated with Non-Core assets and businesses, which were integrated on 1 July 2017, and increased litigation and conduct costs, including a settlement to resolve the civil action brought by the US Federal Energy Regulatory Commission's Office of Enforcement and provisions for other legacy redress
- Other net expenses were £189m (2016: income of £128m) driven by an expense of £180m on the recycling of the currency translation reserve to the income statement on the sale of Barclays Bank Egypt. 2016 included a gain due to recycling of the currency translation reserve on disposal of the Southern European cards business

Balance sheet

- Total assets decreased to £39.7bn (December 2016: £75.2bn) primarily due to the accounting deconsolidation of BAGL, which accounted for £65bn of total assets on deconsolidation from the Barclays Group. This was partially offset by the integration of Non-Core assets on 1 July 2017, of which c.£9bn related to Italian mortgages
- RWAs decreased to £31.8bn (December 2016: £53.3bn) reflecting a £31.1bn reduction as a result of the proportional consolidation of BAGL, partially offset by the integration of Non-Core assets

Barclays Non-Core Results

The Non-Core segment was closed on 1 July 2017 with the residual assets and liabilities reintegrated into, and associated financial performance subsequently reported in, Barclays UK, Barclays International and Head Office. Financial results up until 30 June 2017 are reflected in the Non-Core segment within the Group's results for the year ended 31 December 2017.

Barclays Non-Core

	Six months ended 30.06.17	Year ended 31.12.16
	£m	£m
Income statement information		

Net interest income	(112)	160
Net trading income	(488)	(1,703)
Net fee, commission and other income	70	379
Total income	(530)	(1,164)
Credit impairment charges and other provisions	(30)	(122)
Net operating expenses	(560)	(1,286)
Operating expenses excluding UK bank levy and litigation and conduct	(256)	(1,509)
UK bank levy	-	(76)
Litigation and conduct	(28)	(246)
Operating expenses	(284)	(1,831)
Other net income	197	331
Loss before tax	(647)	(2,786)
Attributable loss	(419)	(1,916)

Income statement information	Q417	Q317	Q217	Q117	Q416	Q316	Q216	Q116
	£m	£m	£m	£m	£m	£m	£m	£m
Net interest income	-	-	(123)	11	(54)	78	40	96
Net trading income	-	-	(411)	(77)	(462)	(288)	(463)	(490)
Net fee, commission and other income	-	-	78	(8)	97	51	79	152
Total income	-	-	(456)	(74)	(419)	(159)	(344)	(242)
Credit impairment charges and other provisions	-	-	(27)	(3)	(47)	(20)	(26)	(29)
Net operating expenses	-	-	(483)	(77)	(466)	(179)	(370)	(271)
Operating expenses excluding UK bank levy and litigation and conduct	-	-	(108)	(148)	(341)	(311)	(368)	(489)
UK bank levy	-	-	-	-	(76)	-	-	-
Litigation and conduct	-	-	(19)	(9)	(51)	(102)	(27)	(66)
Operating expenses	-	-	(127)	(157)	(468)	(413)	(395)	(555)
Other net income/(expenses)	-	-	204	(7)	146	498	(324)	11
Loss before tax	-	-	(406)	(241)	(788)	(94)	(1,089)	(815)
Tax credit	-	-	207	75	322	194	229	237
(Loss)/profit after tax	-	-	(199)	(166)	(466)	100	(860)	(578)
Non-controlling interests	-	-	(8)	(9)	(14)	(13)	(12)	(10)
Other equity instrument holders	-	-	(19)	(18)	(18)	(15)	(15)	(15)
Attributable (loss)/profit	-	-	(226)	(193)	(498)	72	(887)	(603)

Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
	Loans and advances to banks and customers at amortised cost	-	-	48.3	49.5	51.1	58.7	68.5
Derivative financial instrument assets	-	-	150.3	164.2	188.7	253.2	262.8	249.7
Derivative financial instrument liabilities	-	-	143.0	155.3	178.6	243.0	253.4	239.1
Reverse repurchase agreements and other similar secured lending	-	-	-	-	0.1	0.1	0.1	0.7
Financial assets designated at fair value	-	-	12.1	13.4	14.5	15.5	15.4	23.4
Total assets	-	-	233.0	249.1	279.7	359.8	379.1	365.4
Customer deposits	-	-	11.8	12.9	12.5	16.0	17.4	19.3
Risk weighted assets	-	-	22.8	27.4	32.1	43.9	46.7	50.9

Discontinued Operation Results

On 1 March 2016, Barclays announced its intention to reduce the Group's 62.3% interest in BAGL to a level which would permit Barclays to deconsolidate BAGL from a regulatory perspective and, prior to that, from an accounting perspective. From this date, BAGL was treated as a discontinued operation. On 5 May 2016, Barclays sold 12.2% of the Group's interest in BAGL and on 1 June 2017 Barclays sold a further 33.7% of BAGL's issued share capital, resulting in the accounting deconsolidation of BAGL from the Barclays Group. At this time, Barclays' holding in BAGL technically met the requirements to be treated as an Associate. However, following a revision of its governance rights in July 2017 and the difference being immaterial, the holding was treated as an AFS asset from the transaction date.

In Q317 Barclays contributed 1.5% of BAGL's ordinary shares to a Black Economic Empowerment scheme, resulting in Barclays accounting for 126 million ordinary shares in BAGL, representing 14.9% of BAGL's issued share capital. The retained investment is reported as an AFS asset in the Head Office segment, with Barclays' share of BAGL's dividend recognised in the Head Office income statement.

For regulatory reporting purposes, BAGL is treated on a proportional consolidated basis based on a holding of 14.9% as at Q417. Subject to regulatory approval, Barclays expects to fully deconsolidate BAGL from a regulatory perspective by the end of 2018.

Africa Banking

Income statement information	Year ended	Year ended
	31.12.17 ¹	31.12.16
	£m	£m
Net interest income	1,024	2,169
Net fee, commission and other income	762	1,577
Total income	1,786	3,746
Credit impairment charges and other provisions	(177)	(445)
Net operating income	1,609	3,301
Operating expenses excluding UK bank levy and impairment of Barclays' holding in BAGL	(1,130)	(2,345)
UK bank levy	-	(65)
Other net income excluding loss on sale of BAGL	5	6
Profit before tax excluding impairment of Barclays' holding in BAGL and loss on sale of BAGL	484	897
Impairment of Barclays' holding in BAGL	(1,090)	-
Loss on sale of BAGL	(1,435)	-
(Loss)/profit before tax	(2,041)	897
Tax charge	(154)	(306)
(Loss)/profit after tax	(2,195)	591
Attributable (loss)/profit	(2,335)	189

¹ The Africa Banking income statement represents five months of results as a discontinued operation to 31 May 2017.

Income statement information	Q417	Q317	Q217 ¹	Q117	Q416	Q316	Q216	Q116
	£m	£m	£m	£m	£m	£m	£m	£m
Net interest income	-	-	407	617	626	561	502	480
Net fee, commission and other income	-	-	297	465	441	421	377	338
Total income	-	-	704	1,082	1,067	982	879	818
Credit impairment charges and other provisions	-	-	(71)	(106)	(105)	(96)	(133)	(111)

Net operating income	-	-	633	976	962	886	746	707
Operating expenses excluding UK bank levy and impairment of Barclays' holding in BAGL	-	-	(477)	(653)	(727)	(598)	(543)	(477)
UK bank levy	-	-	-	-	(65)	-	-	-
Other net income excluding loss on sale of BAGL	-	-	3	2	2	2	1	1
Profit before tax excluding impairment of Barclays' holding in BAGL and loss on sale of BAGL	-	-	159	325	172	290	204	231
Impairment of Barclays' holding in BAGL	-	-	(206)	(884)	-	-	-	-
Loss on sale of BAGL	-	-	(1,435)	-	-	-	-	-
(Loss)/profit before tax	-	-	(1,482)	(559)	172	290	204	231
(Loss)/profit after tax	-	-	(1,537)	(658)	71	209	145	166
Attributable (loss)/profit	-	-	(1,534)	(801)	(52)	85	70	86
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Total assets	-	-	-	66.0	65.1	61.1	56.0	52.7
Risk weighted assets ²	-	-	9.8	41.3	42.3	39.9	36.1	33.9

1 The Q217 Africa Banking income statement represents two months of results as a discontinued operation to 31 May 2017.

2 RWAs at 31 December 2017 of £6.4bn (September 2017: £8.6bn) are reported in Head Office.

Quarterly Results Summary

Barclays Group

Income statement information	Q417	Q317	Q217	Q117	Q416	Q316	Q216	Q116
	£m							
Net interest income	2,272	2,475	2,579	2,519	2,523	2,796	2,530	2,688
Net fee, commission and other income	2,750	2,698	2,479	3,304	2,469	2,650	3,442	2,353
Total income	5,022	5,173	5,058	5,823	4,992	5,446	5,972	5,041
Credit impairment charges and other provisions	(573)	(709)	(527)	(527)	(653)	(789)	(488)	(443)
Net operating income	4,449	4,464	4,531	5,296	4,339	4,657	5,484	4,598
Operating expenses excluding UK bank levy and litigation and conduct	(3,621)	(3,274)	(3,398)	(3,591)	(3,812)	(3,581)	(3,425)	(3,747)
UK bank levy	(365)	-	-	-	(410)	-	-	-
Litigation and conduct	(383)	(81)	(715)	(28)	(97)	(741)	(447)	(78)
Operating expenses	(4,369)	(3,355)	(4,113)	(3,619)	(4,319)	(4,322)	(3,872)	(3,825)
Other net income/(expenses)	13	(2)	241	5	310	502	(342)	20
Profit before tax	93	1,107	659	1,682	330	837	1,270	793
Tax (charge)/credit	(1,138)	(324)	(305)	(473)	50	(328)	(467)	(248)
(Loss)/profit after tax in respect of continuing operations	(1,045)	783	354	1,209	380	509	803	545
(Loss)/profit after tax in respect of discontinued operation	-	-	(1,537)	(658)	71	209	145	166

Attributable to:

Ordinary equity holders of the parent	(1,294)	583	(1,401)	190	99	414	677	433
Other equity instrument holders	181	157	162	139	139	110	104	104
Non-controlling interests	68	43	56	222	213	194	167	174

Balance sheet information

	£bn							
Total assets	1,133.2	1,149.3	1,135.3	1,203.8	1,213.1	1,324.0	1,351.3	1,248.9
Risk weighted assets	313.0	324.3	327.4	360.9	365.6	373.4	366.3	363.0
CRR leverage exposure	1,124.5	1,150.6	1,122.1	1,196.9	1,125.5	1,185.1	1,155.4	1,082.0

Performance measures

Return on average tangible shareholders' equity	(10.3%)	5.1%	(11.0%)	1.8%	1.1%	3.6%	5.8%	3.8%
Average tangible shareholders' equity (£bn)	48.1	48.9	49.3	49.4	48.9	49.4	48.3	48.3
Cost: income ratio	87%	65%	81%	62%	87%	79%	65%	76%
Loan loss rate (bps)	56	66	49	47	58	66	41	40
Basic (loss)/earnings per share	(7.3p)	3.7p	(8.0p)	1.3p	0.8p	2.6p	4.2p	2.7p
Basic (loss)/earnings per share in respect of continuing operations	(7.3p)	3.7p	1.0p	6.1p	1.1p	2.1p	3.8p	2.2p

Quarterly Results by Business

Barclays UK

Income statement information	Q417	Q317	Q217	Q117	Q416	Q316	Q216	Q116
	£m	£m	£m	£m	£m	£m	£m	£m
Net interest income	1,540	1,501	1,534	1,511	1,502	1,569	1,476	1,501
Net fee, commission and other income	330	351	286	330	326	374	467	302
Total income	1,870	1,852	1,820	1,841	1,828	1,943	1,943	1,803
Credit impairment charges and other provisions	(184)	(201)	(220)	(178)	(180)	(350)	(220)	(146)
Net operating income	1,686	1,651	1,600	1,663	1,648	1,593	1,723	1,657
Operating expenses excluding UK bank levy and litigation and conduct	(1,117)	(980)	(974)	(959)	(989)	(904)	(947)	(952)
UK bank levy	(59)	-	-	-	(48)	-	-	-
Litigation and conduct	(53)	(11)	(699)	4	(28)	(614)	(399)	(1)
Operating expenses	(1,229)	(991)	(1,673)	(955)	(1,065)	(1,518)	(1,346)	(953)
Other net (expenses)/income	(5)	1	(1)	-	-	-	(1)	-
Profit/(loss) before tax	452	661	(74)	708	583	75	376	704
Attributable profit/(loss)	245	423	(285)	470	383	(163)	141	467
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to customers at amortised cost	183.8	182.2	166.6	164.5	166.4	166.6	166.0	166.2
Total assets	237.4	230.4	203.4	203.0	209.6	209.1	204.6	201.7
Customer deposits	193.4	189.3	187.4	184.4	189.0	185.5	181.7	179.1
Risk weighted assets	70.9	70.0	66.1	66.3	67.5	67.4	67.1	69.7

Performance measures

Return on average allocated tangible equity	10.7%	18.4%	(12.7%)	21.6%	18.2%	(7.1%)	6.6%	20.5%
Average allocated tangible equity (£bn)	9.6	9.4	8.7	8.9	8.6	8.7	9.0	9.3
Cost: income ratio	66%	54%	92%	52%	58%	78%	69%	53%
Loan loss rate (bps)	39	43	52	43	42	82	52	34
Net interest margin	3.32%	3.28%	3.70%	3.69%	3.56%	3.72%	3.56%	3.62%

Analysis of Barclays UK

Analysis of total income	£m							
Personal Banking	1,020	926	933	944	934	970	1,068	919
Barclaycard Consumer UK	445	539	495	498	507	561	463	491
Wealth, Entrepreneurs & Business Banking	405	387	392	399	387	412	412	393
Total income	1,870	1,852	1,820	1,841	1,828	1,943	1,943	1,803

Analysis of credit impairment (charges)/releases and other provisions

Personal Banking	(56)	(60)	(56)	(50)	(50)	(47)	(44)	(42)
Barclaycard Consumer UK	(124)	(145)	(149)	(123)	(118)	(291)	(169)	(105)
Wealth, Entrepreneurs & Business Banking	(4)	4	(15)	(5)	(12)	(12)	(7)	1
Total credit impairment charges and other provisions	(184)	(201)	(220)	(178)	(180)	(350)	(220)	(146)

Analysis of loans and advances to customers at amortised cost

	£bn							
Personal Banking	139.8	138.4	136.5	134.4	135.0	135.3	134.7	134.7
Barclaycard Consumer UK	16.4	16.3	16.2	16.1	16.5	16.2	16.2	16.0
Wealth, Entrepreneurs & Business Banking	27.6	27.5	13.9	14.0	14.9	15.1	15.1	15.5
Total loans and advances to customers at amortised cost	183.8	182.2	166.6	164.5	166.4	166.6	166.0	166.2

Analysis of customer deposits

Personal Banking	141.1	140.1	138.5	137.3	139.3	137.2	134.8	132.9
Barclaycard Consumer UK	-	-	-	-	-	-	-	-
Wealth, Entrepreneurs & Business Banking	52.3	49.2	48.9	47.1	49.7	48.3	46.9	46.2
Total customer deposits	193.4	189.3	187.4	184.4	189.0	185.5	181.7	179.1

Barclays International

Income statement information	Q417	Q317	Q217	Q117	Q416	Q316	Q216	Q116
	£m							
Net interest income	987	1,148	1,060	1,112	1,046	1,355	1,001	1,110
Net trading income	935	815	1,039	1,182	1,131	1,074	1,130	1,245
Net fee, commission and other income	1,397	1,352	1,511	1,844	1,415	1,422	1,908	1,158
Total income	3,319	3,315	3,610	4,138	3,592	3,851	4,039	3,513
Credit impairment charges and other provisions	(386)	(495)	(279)	(346)	(426)	(420)	(240)	(269)
Net operating income	2,933	2,820	3,331	3,792	3,166	3,431	3,799	3,244
Operating expenses excluding UK bank levy and litigation and conduct	(2,428)	(2,182)	(2,276)	(2,435)	(2,497)	(2,337)	(2,074)	(2,221)
UK bank levy	(265)	-	-	-	(284)	-	-	-
Litigation and conduct	(255)	(5)	4	(13)	(17)	(17)	(10)	(4)
Operating expenses	(2,948)	(2,187)	(2,272)	(2,448)	(2,798)	(2,354)	(2,084)	(2,225)
Other net income	21	19	202	12	5	8	11	8
Profit before tax	6	652	1,261	1,356	373	1,085	1,726	1,027
Attributable (loss)/profit	(1,168)	359	819	837	43	623	1,171	575

Balance sheet information

	£bn							
Loans and advances to banks and customers at amortised cost	198.7	220.7	204.8	226.1	211.3	233.7	230.6	215.9
Trading portfolio assets	113.0	91.2	83.3	83.0	73.2	73.8	68.1	64.3
Derivative financial instrument assets	236.2	242.8	108.4	105.3	156.2	155.6	181.4	150.1
Derivative financial instrument liabilities	237.8	242.9	116.8	112.8	160.6	160.5	187.5	155.4
Reverse repurchase agreements and other similar secured lending	12.4	15.5	17.2	17.6	13.4	17.3	19.7	19.1
Financial assets designated at fair value	104.1	103.7	94.1	81.3	62.3	72.0	68.3	59.6
Total assets	856.1	867.1	681.6	677.2	648.5	681.9	679.9	618.4
Customer deposits	225.1	241.0	230.3	241.0	216.2	224.1	226.5	213.1
Risk weighted assets	210.3	218.2	212.2	214.3	212.7	214.6	209.3	202.2

Performance measures

Return on average allocated tangible equity	(15.9%)	5.4%	12.4%	12.5%	1.0%	10.0%	19.2%	9.5%
Average allocated tangible equity (£bn)	28.5	28.9	27.4	27.7	26.6	25.7	24.8	25.1
Cost: income ratio	89%	66%	63%	59%	78%	61%	52%	63%
Loan loss rate (bps)	76	88	54	62	78	71	41	50
Net interest margin	4.31%	4.21%	4.07%	4.06%	3.91%	4.21%	3.92%	3.78%

Analysis of Barclays International

Corporate and Investment Bank

	Q417	Q317	Q217	Q117	Q416	Q316	Q216	Q116
Income statement information	£m							
Macro	320	368	456	490	505	614	612	573
Credit	287	259	296	399	261	333	269	322
Equities	362	350	455	462	410	461	406	513
Markets	969	977	1,207	1,351	1,176	1,408	1,287	1,408
Banking fees	605	607	674	726	650	644	622	481
Corporate lending	269	277	278	269	303	284	312	296
Transaction banking	408	419	404	398	401	458	390	408
Banking	1,282	1,303	1,356	1,393	1,354	1,386	1,324	1,185
Other	1	-	1	38	1	1	-	3
Total income	2,252	2,280	2,564	2,782	2,531	2,795	2,611	2,596

Credit impairment (charges)/releases and other provisions	(127)	(36)	1	(51)	(90)	(38)	(37)	(95)
Operating expenses	(2,384)	(1,661)	(1,756)	(1,941)	(2,287)	(1,872)	(1,665)	(1,800)
Other net income	7	10	116	-	1	-	-	-
(Loss)/profit before tax	(252)	593	925	790	155	885	909	701

Balance sheet information	£bn							
Loans and advances to banks and customers at amortised cost	160.1	181.7	166.3	187.4	171.6	196.9	195.2	183.0
Customer deposits	165.9	182.7	173.0	183.4	166.2	175.8	179.6	168.9
Risk weighted assets	176.2	185.2	178.9	180.6	178.6	182.5	178.4	172.6

Performance measures

Return on average allocated tangible equity	(20.2%)	5.9%	11.1%	8.2%	(1.2%)	9.2%	9.5%	7.3%
Average allocated tangible equity (£bn)	24.3	24.8	23.3	23.5	22.6	21.9	21.3	21.6

Consumer, Cards and Payments

Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Total income	1,067	1,035	1,046	1,356	1,061	1,056	1,428	917
Credit impairment charges and other provisions	(259)	(459)	(280)	(295)	(336)	(382)	(203)	(174)
Operating expenses	(564)	(526)	(516)	(507)	(511)	(482)	(419)	(425)
Other net income	14	9	86	12	4	8	11	8
Profit before tax	258	59	336	566	218	200	817	326

Balance sheet information	£bn							
Loans and advances to banks and customers at amortised cost	38.6	39.0	38.5	38.7	39.7	36.8	35.4	32.9
Customer deposits	59.2	58.3	57.3	57.6	50.0	48.3	46.9	44.2
Risk weighted assets	34.1	33.0	33.3	33.7	34.1	32.1	30.9	29.6

Performance measures

Return on average allocated tangible equity	8.9%	2.2%	19.4%	36.4%	13.2%	14.8%	77.9%	23.4%
Average allocated tangible equity (£bn)	4.2	4.2	4.1	4.2	4.0	3.7	3.5	3.4

Head Office

Income statement information	Q417	Q317	Q217	Q117	Q416	Q316	Q216	Q116
	£m	£m	£m	£m	£m	£m	£m	£m
Net interest income	(254)	(174)	108	(115)	29	(206)	14	(20)
Net fee, commission and other income ¹	87	180	(24)	33	(38)	17	320	(13)
Total income	(167)	6	84	(82)	(9)	(189)	334	(33)
Credit impairment (charges)/releases and other provisions	(3)	(13)	(1)	-	-	1	(2)	1
Net operating (expenses)/income	(170)	(7)	83	(82)	(9)	(188)	332	(32)
Operating expenses excluding UK bank levy and litigation and conduct	(76)	(112)	(40)	(49)	15	(29)	(36)	(85)
UK bank levy	(41)	-	-	-	(2)	-	-	-
Litigation and conduct	(75)	(65)	(1)	(10)	(1)	(8)	(11)	(7)
Operating expenses	(192)	(177)	(41)	(59)	12	(37)	(47)	(92)
Other net (expenses)/income	(3)	(22)	(164)	-	159	(4)	(28)	1
(Loss)/profit before tax	(365)	(206)	(122)	(141)	162	(229)	257	(123)
Attributable (loss)/profit	(371)	(199)	(175)	(123)	223	(203)	182	(92)

Balance sheet information	£bn							
Total assets	39.7	51.7	17.3	74.5	75.2	73.3	87.7	63.4
Risk weighted assets ²	31.8	36.1	26.2	52.9	53.3	47.5	43.2	40.3

Performance measures

Average allocated tangible equity (£bn)	10.0	10.5	8.8	7.6	7.2	7.4	6.6	5.0
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¹ Following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017, own credit, which was previously reported in net fee, commission and other income, is now recognised in other comprehensive income from Q117.

² Includes Africa Banking RWAs.

Performance Management

Margins and balances

	Year ended 31.12.17				Year ended 31.12.16		
	Net interest income	Average customer assets	Net interest margin	Net interest income	Average customer assets	Net interest margin	
		£m			£m		£m
Barclays UK	6,086	174,484	3.49	6,048	167,233	3.62	
Barclays International ¹	4,326	104,039	4.16	4,275	107,333	3.98	
Total Barclays UK and Barclays International	10,412	278,523	3.74	10,323	274,566	3.76	
Other ²	(567)			214			
Total net interest income	9,845			10,537			

¹ Barclays International margins include interest earning lending balances within the investment banking business.

² Other includes Head Office and non-lending related investment banking balances. Barclays Non-Core is included for the full comparative period and the first six months of the current period.

Total Barclays UK and Barclays International net interest income increased 1% to £10.4bn due to an increase in average customer assets to £278.5bn (2016: £274.6bn) with growth in Barclays UK partially offset by a reduction in Barclays International.

Net interest margin decreased 2bps to 3.74% primarily reflecting the integration of ESHLA loans from Non-Core on 1 July 2017 into Barclays UK, partially offset by broadly stable net interest income in Barclays International, despite reducing average customer assets. Group net interest income decreased to

£9.8bn (2016: £10.5bn) including net structural hedge contributions of £1.3bn (2016: £1.5bn).

Net interest margin by business reflects movements in the Group's internal funding rates which are based on the cost to the Group of alternative funding in wholesale markets. The internal funding rate prices intra-group funding and liquidity to appropriately give credit to businesses with net surplus liquidity and to charge those businesses in need of alternative funding at a rate that is driven by prevailing market rates and includes a term premium.

Quarterly analysis for Barclays UK and Barclays International

	Net interest income £m	Average customer assets £m	Net interest margin %
Three months ended 31.12.17			
Barclays UK	1,540	184,058	3.32
Barclays International ¹	1,071	98,500	4.31
Total Barclays UK and Barclays International	2,611	282,558	3.67
Three months ended 30.09.17			
Barclays UK	1,501	181,419	3.28
Barclays International ¹	1,070	100,828	4.21
Total Barclays UK and Barclays International	2,571	282,247	3.61
Three months ended 30.06.17			
Barclays UK	1,534	166,345	3.70
Barclays International ¹	1,064	104,899	4.07
Total Barclays UK and Barclays International	2,598	271,244	3.84
Three months ended 31.03.17			
Barclays UK	1,511	166,065	3.69
Barclays International ¹	1,121	112,060	4.06
Total Barclays UK and Barclays International	2,632	278,125	3.84
Three months ended 31.12.16			
Barclays UK	1,502	167,935	3.56
Barclays International ¹	1,110	112,936	3.91
Total Barclays UK and Barclays International	2,612	280,871	3.70

¹ Barclays International margins include interest earning lending balances within the investment banking business.

Remuneration

Deferred bonuses are payable only once an employee meets certain conditions, including a specified period of service. This creates a timing difference between the communication of the bonus pool and the charges that are recognised in the income statement which are reconciled in the table below to show the charge for performance costs. In 2016, there was a change in the proportion of bonuses which were deferred, to harmonise deferral structures across the Group, and amendments to the deferred bonuses, which accelerated the rate at which these are charged in the income statement, as illustrated on page 24. The combined effect of these changes was to increase the charge for 2016 by £395m, with lesser effects in 2017 and 2018. The changes were designed to more closely align the incentive awards granted with the income statement charge. Refer to the Remuneration Report on pages 93-116 of the Annual Report for further detail on remuneration. The table below includes the other elements of compensation and staff costs.

	Year ended 31.12.17 £m	Year ended 31.12.16 £m	% Change
Incentive awards granted:			
Current year bonus	990	1,018	3
Deferred bonus	442	441	-
Commissions and other incentives ¹	74	74	-
Total incentive awards granted	1,506	1,533	2
Reconciliation of incentive awards granted to income statement charge:			
Less: deferred bonuses granted but not charged in current year	(302)	(300)	(1)
Add: current year charges for deferred bonuses from previous years	457	690	34
Other differences between incentive awards granted and income statement charge	29	(26)	
Income statement charge for performance costs	1,690	1,897	11
Other income statement charges:			
Salaries	3,982	4,121	3
Social security costs	580	589	2
Post-retirement benefits	493	486	(2)
Other compensation costs	378	352	(7)
Total compensation costs²	7,123	7,445	4
Other resourcing costs ³	1,437	1,978	27
Total staff costs	8,560	9,423	9
Group compensation as % of total income⁴	33.8	34.7	

¹ Represents the difference between incentive awards granted and the income statement charge for commissions, commitments and other long-term incentives.

² In addition, Group compensation of £312m (2016: £212m) was capitalised as internally generated software.

³ Other resourcing costs include outsourcing, redundancy and restructuring costs, and other temporary staff costs.

⁴ Within the Corporate and Investment Bank, front office compensation as a percentage of total income was 25.5% (2016: 26.0%).

Deferred bonuses have been awarded and are expected to be charged to the income statement in the years outlined in the table that follows:

Year in which income statement charge is expected to be taken for deferred bonuses awarded to date¹

Actual	Expected ²
Year ended	Year ended 2019 and

	31.12.16	31.12.17	31.12.18	beyond
Barclays Group	£m	£m	£m	£m
Deferred bonuses from 2014 and earlier bonus pools	301	96	12	-
Deferred bonuses from 2015 bonus pool	389	202	81	12
Deferred bonuses from 2016 bonus pool	141	159	86	56
Deferred bonuses from 2017 bonus pool	-	140	124	120
Income statement charge for deferred bonuses	831	597	303	188

1 The actual amount charged depends upon whether conditions have been met and will vary compared with the above expectation.

2 Does not include the impact of grants which will be made in 2018 and beyond.

Charging of deferred bonus profile

Grant date	Expected payment date(s) ¹	Year	Income statement charge profile ²	
			Post-2016 awards	Pre-2016 awards
March 2018		2017	33%	0%
		2018	33%	48%
	March 2019 (33.3%)	2019	22%	35%
	March 2020 (33.3%)	2020	10%	15%
	March 2021 (33.3%)	2021	2%	2%

1 Share awards may be subject to an additional holding period.

2 The income statement charge is based on the period over which conditions are met.

Risk Management

Risk management and principal risks

The roles and responsibilities of the business groups, Risk and Compliance, in the management of risk in the firm are defined in the Enterprise Risk Management Framework. The purpose of the framework is to identify the principal risks of the firm, the process by which the firm sets its appetite for these risks in its business activities, and the consequent limits which it places on related risk taking. The framework identifies eight principal risks: Credit Risk; Market Risk; Treasury and Capital Risk; Operational Risk; Conduct Risk; Reputation Risk; Model Risk; and Legal Risk. Further detail on these risks and how they are managed is available in the 2017 Annual Report or online at: home.barclays/annualreport.

The following section gives an overview of Credit Risk and Treasury and Capital Risk for the period.

Credit Risk

Analysis of retail and wholesale loans and advances and impairment

	Gross loans and advances	Impairment allowance	Loans and advances net of impairment	Credit risk loans (CRL)	CRLs % of gross loans and advances	Loan impairment charges ¹	Loan loss rate
As at 31.12.17	£m	£m	£m	£m	%	£m	bps
Barclays UK	159,397	1,649	157,748	1,950	1.2	764	48
Barclays International	30,775	1,542	29,233	1,275	4.1	1,285	418
Head Office	9,333	296	9,037	710	7.6	16	17
Barclays Non-Core ²	-	-	-	-	-	30	n/a
Total Group retail	199,505	3,487	196,018	3,935	2.0	2,095	105
Barclays UK	28,960	190	28,770	432	1.5	19	7
Barclays International	170,299	862	169,437	1,421	0.8	219	13
Head Office	7,103	113	6,990	206	2.9	1	1
Barclays Non-Core ²	-	-	-	-	-	(1)	n/a
Total Group wholesale	206,362	1,165	205,197	2,059	1.0	238	12
Group total	405,867	4,652	401,215	5,994	1.5	2,333	57
Traded loans	3,140	n/a	3,140	n/a			
Loans and advances designated at fair value	11,037	n/a	11,037	n/a			
Loans and advances held at fair value	14,177	n/a	14,177	n/a			
Total loans and advances	420,044	4,652	415,392	5,994			
As at 31.12.16							
Barclays UK	155,729	1,519	154,210	2,044	1.3	866	56
Barclays International	33,485	1,492	31,993	1,249	3.7	1,085	324
Barclays Non-Core	10,319	385	9,934	838	8.1	102	99
Total Group retail	199,533	3,396	196,137	4,131	2.1	2,053	103
Barclays UK	15,204	282	14,922	591	3.9	30	20
Barclays International	180,102	748	179,354	1,470	0.8	258	14
Head Office	4,410	-	4,410	-	-	-	-
Barclays Non-Core	41,406	194	41,212	299	0.7	11	3
Total Group wholesale	241,122	1,224	239,898	2,360	1.0	299	12
Group total	440,655	4,620	436,035	6,491	1.5	2,352	53
Traded loans	2,975	n/a	2,975	n/a			
Loans and advances designated at fair value	10,519	n/a	10,519	n/a			
Loans and advances held at fair value	13,494	n/a	13,494	n/a			
Total loans and advances	454,149	4,620	449,529	6,491			

1 Excludes impairment charges on available for sale investments and reverse repurchase agreements.

2 Barclays Non-Core represents charges for the six months ended 30 June 2017, primarily relating to Italian mortgages transferred into Head Office on 1 July 2017.

Total loans and advances decreased £34.1bn to £415.4bn, including a £12.7bn decrease in net settlements and cash collateral and a £21.4bn decrease in other lending, primarily in Barclays International.

Credit risk loans (CRL) decreased to £6.0bn (December 2016: £6.5bn) and the ratio of CRLs to gross loans and advances remained stable at 1.5% (December 2016: 1.5%). Loan impairment charges decreased £19m to £2,333m. Overall, this resulted in a 4bps increase in the loan loss rate to 57bps.

Analysis of specific portfolios and asset types

This section provides an analysis of principal portfolios and businesses in the retail and wholesale segments. In particular, home loans, credit cards, overdrafts and unsecured loans are covered for retail segments.

Secured home loans

The UK home loans portfolio comprises first lien home loans and accounts for 90% (December 2016: 89%) of the Group's total home loans balance.

Home loans principal portfolios

	Barclays UK	
	As at 31.12.17	As at 31.12.16
Gross loans and advances (£m)	132,132	129,136
90 day arrears rate, excluding recovery book (%)	0.1	0.2
Non-performing proportion of outstanding balances (%)	0.4	0.6
Annualised gross charge-off rate (%)	0.2	0.3
Recovery book proportion of outstanding balances (%)	0.3	0.4
Recovery book impairment coverage ratio (%)	11.2	9.1
Average LTV on home loans: balance weighted (%)	47.6	47.7
Average LTV on home loans: valuation weighted (%)	35.2	35.6
Average LTV on new mortgages: balance weighted (%)	63.8	63.4
Average LTV on new mortgages: valuation weighted (%)	56.0	54.4

Portfolio performance remained steady reflecting the continuing low base rate environment and stable economic conditions. The non-performing proportion of outstanding balances decreased due to improved performance and a reduction in repossession stock. The recovery book impairment coverage ratio increased driven by a reduction in the number of customers entering recoveries, reflecting lower entries into collections and better customer payment rates from those in collections.

Within the UK home loans portfolio:

- owner-occupied interest-only home loans comprised 28% (December 2016: 31%) of total balances. The decrease was driven by a greater attrition rate compared to new business flow. The average balance weighted LTV on these loans reduced to 39.7% (December 2016: 41.7%), primarily driven by increases in the house price index across core regions, while the 90 day arrears rate excluding the recovery book remained steady at 0.3% (December 2016: 0.2%)
- buy-to-let home loans comprised 11% (December 2016: 9%) of total balances. The average balance weighted LTV increased to 53.7% (December 2016: 52.6%), and the 90 day arrears rate excluding recovery book remained steady at 0.1% (December 2016: 0.1%)

Italian home loans of £9.2bn (December 2016: £10.0bn) are secured on residential property with an average balance weighted marked to market LTV of 61.0% (December 2016: 61.8%) and CRL coverage of 41% (December 2016: 36%). 90 day arrears and gross charge-off rates remained stable at 1.4% (December 2016: 1.2%) and 0.8% (December 2016: 0.8%) respectively, while the CRL book coverage ratio increased due to an update in the collateral valuation for accounts in the recovery book.

Credit cards, unsecured loans and other retail lending

The principal portfolios listed below accounted for 87% (December 2016: 88%) of the Group's total credit cards, unsecured loans and other retail lending.

Credit cards, unsecured loans and other retail lending principal portfolios

	Gross loans and advances ¹	30 day arrears rate, excluding recovery book	90 day arrears rate, excluding recovery book	Annualised gross charge-off rate	Recovery book proportion of outstanding balances	Recovery book impairment coverage ratio
As at 31.12.17	£m	%	%	%	%	%
Barclays UK						
UK cards ²	17,686	1.8	0.8	5.0	3.4	80.5
UK personal loans	6,255	2.5	1.2	3.3	4.7	77.2
Barclays International						
US cards ²	21,350	2.6	1.3	5.0	2.8	82.9
Barclays Partner Finance	3,814	1.3	0.5	2.6	2.4	78.1
Germany cards	1,976	2.5	1.0	3.8	2.7	78.0
As at 31.12.16						
Barclays UK						
UK cards ²	17,833	1.9	0.9	5.5	3.0	83.8
UK personal loans	6,076	2.1	0.9	3.1	4.7	77.2
Barclays International						
US cards ²	23,915	2.6	1.3	4.5	2.4	83.6
Barclays Partner Finance	4,041	1.5	0.6	2.5	2.6	81.5
Germany cards	1,812	2.6	1.0	3.7	2.7	79.0

1 Gross loans and advances includes loans and advances to banks and customers. Risk metrics are based on exposures to customers.

2 For UK and US cards, outstanding recovery book balances for acquired portfolios recognised at fair value (which have no related impairment allowance) have been excluded from the recovery book impairment coverage ratio. Losses have been recognised where related to additional spend from acquired accounts in the period post-acquisition.

UK cards: The annualised gross charge-off rate, which was higher in 2016 due to accelerated asset sales, normalised in 2017 to 5.0% (2016: 5.5%) and was in line with expectations. The recovery book proportion of outstanding balances increased reflecting accelerated charge-off of non-compliant

forbearance plans. However, the recovery book impairment coverage ratio decreased, reflecting the one-time debt sale impact of accounts with lower recovery expectations.

UK personal loans: The 30 day arrears rate increased to 2.5% (December 2016: 2.1%) and the 90 day arrears rate increased to 1.2% (December 2016: 0.9%) reflecting increased flow into delinquency from 2016 bookings due to higher incidences of fraud and poorer performance in customers with multiple loans, coupled with a weaker performance in collections operations. Both the recovery book proportion of outstanding balances ratio of 4.7% (December 2016: 4.7%) and the recovery book impairment coverage ratio of 77.2% (December 2016: 77.2%) remained stable.

US cards: The annualised gross charge-off rate increased to 5.0% (December 2016: 4.5%) broadly in line with trends across the industry and also reflecting a one-off asset sale contributing to a reduction in outstanding balances. As a result, recovery as a proportion of total outstanding balances increased to 2.8% (December 2016: 2.4%).

Barclays Partner Finance: Portfolio arrears and the annualised gross charge-off rates remained broadly stable during 2017.

Germany cards: 90 day arrears and the annualised gross charge-off rates remained stable, while the recovery book coverage ratio improved reflecting better recoveries. In addition, Germany consumer loan balances increased to £1.4bn (December 2016: £1.2bn).

Treasury and Capital Risk

The Group has a comprehensive Key Risk Control Framework for managing the Group's liquidity risk. The Liquidity Framework meets the Prudential Regulation Authority's (PRA) standards and is designed to maintain that the Group has liquidity resources that are sufficient in amount and quality, and a funding profile that is appropriate to meet the liquidity risk appetite (LRA). The Liquidity Framework is delivered via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

Liquidity risk stress testing

As at 31 December 2017, the Group held eligible liquid assets well in excess of 100% of net stress outflows for both the 30 day combined market-wide and Barclays specific LRA scenario, and the LCR. During the year, the combined LRA scenario has been enhanced and improved to capture a Barclays specific stress coinciding with a market stress over the full stress horizon.

Compliance with internal and regulatory stress tests

	Barclays' short-term LRA (30 day combined stress requirement) ¹	CRD IV LCR
	£bn	£bn
Eligible liquidity buffer	220	215
Net stress outflows	(175)	(140)
Surplus	45	75
Liquidity pool as a percentage of anticipated net outflows as at 31 December 2017	126%	154%
Liquidity pool as a percentage of anticipated net outflows as at 31 December 2016²	120%	131%

¹ Of the three stress scenarios monitored as part of the short-term LRA, the 30 day combined stress scenario results in the lowest ratio at 126% (2016: 144%). This compared to 139% (2016: 134%) under the 90 day market-wide scenario and 131% (2016: 120%) under the 30 day Barclays specific scenario.

² 31 December 2016 reflected the Barclays specific scenario ratio of 120%, being the lowest ratio of the three scenarios. LCR and LRA included BAGL in 2016.

The Group plans to maintain its surplus to the internal and regulatory stress requirements at an efficient level, while considering risks to market funding conditions and its liquidity position. The continuous reassessment of these risks may lead to appropriate actions being taken with respect to sizing of the liquidity pool.

Composition of the Group liquidity pool

	Liquidity pool As at 31.12.17	Liquidity pool of which CRD IV LCR-eligible			Liquidity pool As at 31.12.16
	£bn	Cash £bn	Level 1 £bn	Level 2A £bn	£bn
Cash and deposits with central banks¹	173	169	-	-	103
Government bonds²					
AAA to AA-	31	-	29	-	
BBB+ to BBB-	2	-	2	-	
Other LCR ineligible government bonds	1	-	-	-	
Total government bonds	34	-	31	-	39
Other					
Government guaranteed issuers, PSEs and GSEs	6	-	5	2	
International organisations and MDBs	4	-	4	-	
Covered bonds	2	-	2	-	
Other	1	-	1	-	
Total other	13	-	12	2	23
Total as at 31 December 2017	220	169	43	2	
Total as at 31 December 2016	165	101	55	3	

¹ Of which over 99% (2016: over 98%) was placed with the Bank of England, US Federal Reserve, European Central Bank, Bank of Japan and Swiss National Bank.

² Of which over 84% (2016: over 90%) are comprised of UK, US, Japanese, French, German, Danish, Swiss and Dutch securities.

The Group liquidity pool was £220bn as at 31 December 2017 (December 2016: £165bn). During 2017, the month end liquidity pool ranged from £165bn to £232bn (December 2016: £132bn to £175bn), and the month end average balance was £202bn (December 2016: £153bn). The liquidity pool is held unencumbered and is not used to support payment or clearing requirements. Such requirements are treated as part of our regular business funding. The liquidity pool is intended to offset stress outflows, and comprises the above cash and unencumbered assets.

As at 31 December 2017, 93% (December 2016: 91%) of the liquidity pool was located in BBPLC and was available to meet liquidity needs across the Barclays Group. The residual liquidity pool is held predominantly within Barclays Capital Inc., a subsidiary of BBPLC. The portion of the liquidity pool outside of BBPLC is held against entity-specific stressed outflows and regulatory requirements. To the extent that the use of this portion of the liquidity pool is restricted due to regulatory requirements, it is assumed to be unavailable to the rest of the Group.

Deposit funding

	As at 31.12.17		As at 31.12.16	
	Loans and advances to customers £bn	Customer deposits £bn	Loan: deposit ratio %	Loan: deposit ratio %
Funding of loans and advances to customers				
Barclays UK	184	193		
Barclays International	101	162		
Total retail and corporate funding¹	285	355	80%	89%
Barclays International and Head Office ²	81	74		
Total Barclays Group	366	429	85%	93%

¹ Loan: deposit ratio excludes investment banking balances other than interest earning lending. Comparative has been restated to include interest earning lending balances within the investment banking business.

² Includes investment banking balances other than interest earning lending.

Retail and corporate loans and advances are largely funded by customer deposits. As at 31 December 2017, the loan: deposit ratio for these businesses was 80% (December 2016: 89%). The customer deposits in excess of loans and advances are primarily used to fund liquidity buffer requirements for these businesses. The loan: deposit ratio for the Group was 85% (December 2016: 93%).

As at 31 December 2017, £153bn (December 2016: £139bn) of total customer deposits were insured through the UK Financial Services Compensation Scheme and other similar schemes. In addition to these customer deposits, there were £4bn (December 2016: £4bn) of other liabilities insured or guaranteed by governments.

Wholesale funding

Composition of wholesale funding¹

The Group's total wholesale funding outstanding (excluding repurchase agreements) was £157.4bn (December 2016: £157.8bn). Wholesale funding of £57.2bn (December 2016: £70.3bn) matures in less than one year, of which £13.8bn (December 2016: £21.5bn) relates to term funding.

As at 31 December 2017, outstanding wholesale funding comprised of £20.4bn (December 2016: £25.8bn) secured funding and £137.0bn (December 2016: £132.0bn) unsecured funding.

In 2017, the Group issued £11.5bn equivalent of capital and senior unsecured term debt from Barclays PLC (the Parent company) of which £6.1bn was in public senior unsecured debt and £5.4bn in capital instruments. In the same period, £6.1bn of BBPLC capital and senior public term instruments either matured or were redeemed, including the \$1.375bn 7.1% Series 3 USD preference shares.

The Group expects to continue to issue public wholesale debt in 2018 from Barclays PLC (the Parent company), in order to maintain compliance with indicative MREL requirements and maintain a stable and diverse funding base by type, currency and market.

Maturity profile of wholesale funding²

	<1 month £bn	1-3 months £bn	3-6 months £bn	6-12 months £bn	<1 year £bn	1-2 years £bn	2-3 years £bn	3-4 years £bn	4-5 years £bn	>5 years £bn	Total £bn
Barclays PLC (the Parent company)											
Senior unsecured (public benchmark)	-	0.7	-	0.1	0.8	1.5	1.0	4.2	4.0	9.6	21.1
Senior unsecured (privately placed)	-	-	-	0.1	0.1	-	-	0.2	-	0.5	0.8
Subordinated liabilities	-	-	-	-	-	-	1.1	-	-	5.4	6.5
Barclays Bank PLC (including subsidiaries)											
Deposits from banks	5.4	4.7	0.7	0.6	11.4	0.1	0.1	0.3	-	-	11.9
Certificates of deposit and commercial paper	2.4	8.1	7.1	7.0	24.6	1.2	0.8	0.6	0.4	0.1	27.7
Asset backed commercial paper	1.9	4.1	0.4	-	6.4	-	-	-	-	-	6.4
Senior unsecured (public benchmark)	-	-	-	-	-	2.5	0.6	0.6	-	1.1	4.8
Senior unsecured (privately placed) ³	0.5	0.9	3.6	2.9	7.9	9.9	6.7	1.8	3.1	14.6	44.0
Covered bonds	-	1.0	-	-	1.0	1.8	1.0	1.0	2.4	1.3	8.5
Asset backed securities	-	-	0.6	0.2	0.8	1.7	1.0	-	0.1	1.8	5.4
Subordinated liabilities	2.3	0.1	0.8	-	3.2	0.1	0.8	5.2	3.5	4.5	17.3
Other ⁴	0.5	-	0.1	0.4	1.0	0.2	0.2	0.3	-	1.3	3.0
Total as at 31 December 2017	13.0	19.6	13.3	11.3	57.2	19.0	13.3	14.2	13.5	40.2	157.4
Of which secured	1.9	5.1	1.1	0.2	8.3	3.5	2.0	1.0	2.5	3.1	20.4
Of which unsecured	11.1	14.5	12.2	11.1	48.9	15.5	11.3	13.2	11.0	37.1	137.0
Total as at 31 December 2016	16.6	17.3	16.4	20.0	70.3	14.3	14.4	8.6	14.1	36.1	157.8
Of which secured	3.7	5.6	3.4	2.3	15.0	1.8	3.2	0.4	1.0	4.4	25.8
Of which unsecured	12.9	11.7	13.0	17.7	55.3	12.5	11.2	8.2	13.1	31.7	132.0

¹ The composition of wholesale funds comprised the balance sheet reported deposits from banks, financial liabilities at fair value, debt securities in issue and subordinated liabilities, excluding cash collateral and settlement balances. It does not include participation in the central bank facilities reported within repurchase agreements and other similar secured borrowing.

² Term funding comprised of public benchmark and privately placed senior unsecured notes, covered bonds, asset-backed securities (ABS) and subordinated debt where the original maturity of the instrument was more than 1 year.

³ Included structured notes of £33.4bn, £7.2bn of which matures within 1 year.

⁴ Primarily comprised of fair value deposits of £1.7bn.

Minimum requirement for own funds and eligible liabilities (MREL)

Under the Bank of England's statement of policy on MREL, the Bank of England will set MREL for UK Global Systemically Important Banks (G-SIBs) as necessary to implement the total loss-absorbing capacity (TLAC) standard. Institution or group-specific MREL requirements will depend on the preferred resolution strategy for that institution or group.

The MREL requirements will be phased in from 1 January 2019 and will be fully implemented by 1 January 2022, at which time G-SIBs with resolution entities incorporated in the UK, including Barclays, will be required to meet an MREL equivalent to the higher of either: (i) two times the sum of its Pillar 1 and Pillar 2A requirements; or (ii) the higher of two times its leverage ratio, or 6.75% of leverage exposures. However, the PRA will review the MREL calibration by the end of 2020, including assessing the proposal for Pillar 2A recapitalisation which may drive a different 1 January 2022 MREL requirement than currently proposed. In addition, it is proposed that CET1 capital cannot be counted towards both MREL and the combined buffer requirement (CBR), meaning that the CBR will effectively be applied above both the Pillar 1 and Pillar 2A requirements relating to own funds and MREL.

Barclays' indicative MREL requirement is currently expected to be 29.1% of RWAs from 1 January 2022 consisting of the following components:

- Loss absorption and recapitalisation amounts consisting of 8% Pillar 1 and 4.3% Pillar 2A buffers, respectively;
- Regulatory buffers including a 1.5% Global Systemically Important Institution (G-SII) buffer, 2.5% Capital Conservation Buffer (CCB) and 0.5% from the planned introduction of a 1% Countercyclical Capital Buffer (CCyB) for the UK¹

MREL ratios and position

MREL ratios	As at 31.12.17	As at 31.12.16
Fully loaded CET1 capital	13.3%	12.4%
AT1 capital instruments and related share premium accounts	2.9%	1.8%
Tier 2 (T2) capital instruments and related share premium accounts	2.1%	1.0%
Term senior unsecured funding	6.8%	4.6%
Total Barclays PLC (the Parent company) MREL ratio	25.0%	19.8%
Qualifying AT1 capital (including minority interests) issued by subsidiaries ²	1.1%	1.5%
Qualifying T2 capital (including minority interests) issued by subsidiaries ²	2.2%	3.0%
Total MREL ratio on a transitional basis, including eligible BBPLC instruments	28.2%	24.2%
MREL position	£m	£m
Fully loaded CET1 capital	41,565	45,204
AT1 capital instruments and related share premium accounts	8,941	6,449
T2 capital instruments and related share premium accounts	6,472	3,769
Term senior unsecured funding	21,166	16,785
Total Barclays PLC (the Parent company) MREL position	78,144	72,207
Qualifying AT1 capital (including minority interests) issued by subsidiaries ²	3,408	5,315
Qualifying T2 capital (including minority interests) issued by subsidiaries ²	6,789	11,109
Total MREL position on a transitional basis, including eligible BBPLC instruments	88,341	88,631
Total RWAs	313,033	365,649

¹ 2022 requirements subject to Bank of England review by the end of 2020.

² Included other AT1 capital regulatory adjustments and deductions of £130m (December 2016: £130m) and other T2 capital regulatory adjustments and deductions of £251m (December 2016: £257m).

Credit ratings

In addition to monitoring and managing key metrics related to the financial strength of the Group, Barclays also solicits independent credit ratings from Standard & Poor's Global (S&P), Moody's, Fitch, and Rating and Investment Information (R&I). These ratings assess the creditworthiness of the Group, its subsidiaries and its branches, and are based on reviews of a broad range of business and financial attributes including capital strength, profitability, funding, liquidity, asset quality, strategy and governance.

Barclays Bank PLC	Standard & Poor's	Moody's	Fitch
Long-term	A	A1	A
Short-term	A-1	P-1	F1
Outlook	Stable	Negative	Rating watch positive
Barclays Bank UK PLC			
Long-term	A (prelim)	(P) A1	A+ (EXP)
Short-term	A-1 (prelim)	(P) P-1	F1 (EXP)
Outlook	Stable	Unassigned	Stable
Barclays PLC			
Long-term	BBB	Baa2	A
Short-term	A-2	P-3	F1
Outlook	Stable	Negative	Stable

All credit rating agencies took rating actions during the year to assign initial ratings to BBUKPLC in anticipation of the establishment of this entity as the UK ring-fenced bank in April 2018. There were also rating actions on the existing entities of BBPLC and Barclays PLC by some of the credit rating agencies as detailed below.

In September 2017, Fitch assigned an expected rating to BBUKPLC of A+, reflecting a one notch uplift from the expected stand-alone rating of A. This is due to the sufficient amount of junior debt they expect to be outstanding in BBUKPLC, referred to as qualifying junior debt (QJD). In the same rating action, Fitch revised the outlook of BBPLC from stable to rating watch positive in anticipation of assigning QJD uplift of one notch during 2018.

In October 2017, S&P upgraded long and short-term ratings of BBPLC by one notch to A/A-1 from A-/A-2 as S&P finalised their view of the status of BBPLC. They determined that BBPLC would remain core to the Group revising their previous expectation of a highly strategic status. Simultaneously, BBUKPLC was assigned a preliminary rating of A in anticipation that it too would be core to the Group. In November 2017, S&P also revised their view of UK economic risk for the UK banking sector, which led to outlooks for Barclays PLC, BBPLC and BBUKPLC being revised from negative to stable.

Moody's assigned a provisional rating to BBUKPLC in October 2017 of (P)A1. The negative outlooks for Barclays PLC and BBPLC have remained in place since the outcome of the EU referendum in June 2016. Since October 2017, the implementation of ring-fencing has been included in the rationale for the maintenance of BBPLC's negative outlook.

Barclays also solicits issuer ratings from R&I and the ratings of A- for Barclays PLC and A for BBPLC were affirmed in July 2017 with stable outlooks.

CRD IV capital

Barclays' end point CET1 regulatory requirement is expected to be 11.4% comprising of a 4.5% Pillar 1 minimum, a 2.5% CCB, a 1.5% G-SII buffer, a 2.4% Pillar 2A requirement and an expected 0.5% CCyB.

The CCB and the G-SII buffer, determined by the PRA in line with guidance from the Financial Stability Board (FSB), are subject to phased implementation at 25% per annum from 2016 with full effect from 2019. The CCB has been set at 2.5% with 1.25% applicable for 2017. The G-SII buffer was set at 2% with 1% applicable for 2017. On 21 November 2016 the FSB confirmed that the G-SII buffer has been set at 1.5% with 1.1% applicable for 2018. On 21 November 2017 the FSB confirmed that the G-SII buffer will remain at 1.5% applicable for 2019.

On 25 September 2017 the Financial Policy Committee (FPC) reaffirmed that it expects to increase the UK CCyB rate from 0% to 0.5% applicable from 27 June 2018 and to 1% applicable from 28 November 2018. Based on current UK exposures, Barclays' CCyB is expected to be approximately 0.5% from

November 2018. Other national authorities also determine the appropriate CCyBs that should be applied to exposures in their jurisdiction, however based on current exposures these are not material.

Barclays' Pillar 2A requirement as per the PRA's Individual Capital Guidance (ICG) for Q417 and 2018 is 4.3% of which at least 56.25% needs to be met in CET1 form, equating to approximately 2.4% of RWAs. Certain elements of the Pillar 2A requirement are a fixed quantum whilst others are a proportion of RWAs and are based on a point in time assessment. The Pillar 2A requirement is subject to at least annual review.

For regulatory reporting purposes, BAGL is treated on a proportional consolidation basis based on Barclays' holding in BAGL of 14.9%.

As at 31 December 2017, Barclays' CET1 ratio was 13.3% which exceeded the 2017 transitional minimum requirement of 9.2%, which comprised of a 4.5% Pillar 1 minimum, a 2.4% Pillar 2A requirement, a 1.25% CCB, a 1% G-SII buffer and a 0% CCyB.

Capital ratios	As at 31.12.17	As at 30.09.17	As at 31.12.16
Fully loaded CET1 ^{1,2}	13.3%	13.1%	12.4%
PRA transitional tier 1 ^{3,4}	17.2%	16.9%	15.6%
PRA transitional total capital ^{3,4}	21.5%	21.2%	19.6%

Capital resources

	£m	£m	£m
Total equity (excluding non-controlling interests) per the balance sheet	63,905	64,649	64,873
Less: other equity instruments (recognised as AT1 capital)	(8,941)	(8,940)	(6,449)
Adjustment to retained earnings for foreseeable dividends	(392)	(284)	(388)
Minority interests (amount allowed in consolidated CET1)	-	-	1,825
Other regulatory adjustments and deductions			
Additional value adjustments (PVA)	(1,385)	(1,462)	(1,571)
Goodwill and intangible assets	(7,908)	(7,787)	(9,054)
Deferred tax assets that rely on future profitability excluding temporary differences	(593)	(482)	(494)
Fair value reserves related to gains or losses on cash flow hedges	(1,161)	(1,195)	(2,104)
Excess of expected losses over impairment	(1,239)	(1,423)	(1,294)
Gains or losses on liabilities at fair value resulting from own credit	83	28	86
Defined benefit pension fund assets	(732)	(683)	(38)
Direct and indirect holdings by an institution of own CET1 instruments	(50)	(50)	(50)
Deferred tax assets arising from temporary differences (amount above 10% threshold)	-	-	(183)
Other regulatory adjustments	(22)	(42)	45
Fully loaded CET1 capital	41,565	42,329	45,204
AT1 capital			
Capital instruments and related share premium accounts	8,941	8,940	6,449
Qualifying AT1 capital (including minority interests) issued by subsidiaries	3,538	3,802	5,445
Other regulatory adjustments and deductions	(130)	(130)	(130)
Transitional AT1 capital⁵	12,349	12,612	11,764
PRA transitional tier 1 capital	53,914	54,941	56,968
T2 capital			
Capital instruments and related share premium accounts	6,472	6,371	3,769
Qualifying T2 capital (including minority interests) issued by subsidiaries	7,040	7,839	11,366
Other regulatory adjustments and deductions	(251)	(251)	(257)
PRA transitional total regulatory capital	67,175	68,900	71,846
Total RWAs	313,033	324,296	365,649

1 The transitional regulatory adjustments to CET1 capital are no longer applicable resulting in CET1 capital on a fully loaded basis being equal to that on a transitional basis.

2 The CRD IV CET1 ratio (FSA October 2012 transitional statement) as applicable to Barclays' tier 2 Contingent Capital Notes was 13.9% based on £43.5bn of transitional CRD IV CET1 capital and £313bn of RWAs.

3 The PRA transitional capital is based on the PRA Rulebook and accompanying supervisory statements.

4 As at 31 December 2017, Barclays' fully loaded tier 1 capital was £50,376m, and the fully loaded tier 1 ratio was 16.1%. Fully loaded total regulatory capital was £64,646m and the fully loaded total capital ratio was 20.7%. The fully loaded tier 1 capital and total capital measures are calculated without applying the transitional provisions set out in CRD IV and assessing compliance of AT1 and T2 instruments against the relevant criteria in CRD IV.

5 Of the £12.3bn transitional AT1 capital, fully loaded AT1 capital comprised the £8.9bn of contingent convertible instruments issued by Barclays PLC (the Parent company) and related share premium accounts, and £0.1bn capital deductions. It excludes £3.5bn legacy tier 1 capital instruments issued by subsidiaries that are subject to grandfathering. For the leverage ratio, only the AT1 capital on a fully loaded basis is applicable.

Movement in CET1 capital

	Three months ended 31.12.17	Year ended 31.12.17
	£m	£m
Opening CET1 capital	42,329	45,204
Loss for the period attributable to equity holders	(1,113)	(1,283)
Own credit relating to derivative liabilities	9	78
Dividends paid and foreseen	(240)	(978)
Decrease in retained regulatory capital generated from earnings	(1,344)	(2,183)
Net impact of share schemes	133	86
Available for sale reserve	477	438
Currency translation reserve	(86)	3
Other reserves	27	(920)
Increase/(decrease) in other qualifying reserves	551	(393)
Pension re-measurements within reserves	30	53
Defined benefit pension fund asset deduction	(49)	(694)

Net impact of pensions	(19)	(641)
Minority interests	-	(1,825)
Additional value adjustments (PVA)	77	186
Goodwill and intangible assets	(121)	1,146
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(111)	(99)
Excess of expected loss over impairment	184	55
Deferred tax assets arising from temporary differences (amount above 10% threshold)	-	183
Other regulatory adjustments	19	(68)
Increase/(decrease) in regulatory capital due to adjustments and deductions	48	(422)
Closing CET1 capital	41,565	41,565

CET1 capital decreased to £41.6bn (December 2016: £45.2bn) due to the following:

- A £1.3bn loss for the period attributable to equity holders reflecting profit after tax of £1.1bn, including the net tax charge of £0.9bn due to the re-measurement of US DTAs in Q417, offset by £2.3bn of losses in respect of the discontinued operation. The discontinued operation losses, resulting from the impairment of Barclays' holding in BAGL allocated to goodwill and the recycling of BAGL currency translation reserve losses to the income statement, had no impact on CET1 capital with offsetting movements in the goodwill and intangible assets deduction and other qualifying reserves
- A £1.0bn decrease for dividends paid and foreseen
- A £0.4bn increase in the available for sale reserve primarily due to gains from changes in fair value on BAGL's remaining shares held as available for sale
- The currency translation reserve remained in line largely due to the £1.4bn recycling of BAGL losses to the income statement which were offset by a £1.3bn decrease driven by the depreciation of period end USD against GBP
- A £0.9bn decrease in other reserves which included a £0.5bn decrease as a result of USD preference share redemptions and £0.4bn of separation payments in relation to the sale of Barclays' holding in BAGL
- A £0.6bn decrease net of tax as a result of movements relating to pensions. The pension asset capital deduction increase relates to the UK Retirement Fund (UKRF) which is the Group's main pension scheme, moving from a small deficit in December 2016 to a £1.0bn surplus, largely due to payment of deficit contributions
- A £1.8bn decrease due to BAGL minority interests which are no longer eligible as a result of proportional consolidation of BAGL
- A £1.1bn increase due to a reduced goodwill and intangible assets deduction largely as a result of the impairment of Barclays' holding in BAGL allocated to goodwill

Risk weighted assets by risk type and business

	Credit risk		Counterparty credit risk Settlement				Market risk		Operational risk	Total RWAs
	Std £m	IRB £m	Std £m	IRB £m	risk £m	CVA £m	Std £m	IMA £m	£m	£m
As at 31.12.17										
Barclays UK	3,811	54,955	-	-	-	-	-	-	12,167	70,933
Barclays International	49,058	69,520	17,000	17,243	101	2,776	13,313	13,547	27,708	210,266
Head Office ¹	2,907	9,766	65	633	-	225	88	1,365	16,785	31,834
Barclays Group	55,776	134,241	17,065	17,876	101	3,001	13,401	14,912	56,660	313,033
As at 30.09.17										
Barclays UK	4,278	53,364	3	-	-	31	-	-	12,338	70,014
Barclays International	47,775	79,013	17,830	17,387	68	2,847	12,985	12,774	27,537	218,216
Head Office ¹	4,241	12,274	89	585	-	151	114	1,827	16,785	36,066
Barclays Group	56,294	144,651	17,922	17,972	68	3,029	13,099	14,601	56,660	324,296
As at 31.12.16										
Barclays UK	5,592	49,591	47	-	-	-	-	-	12,293	67,523
Barclays International	53,201	82,327	13,515	13,706	30	3,581	9,343	9,460	27,538	212,701
Head Office ¹	9,048	27,122	77	1,157	-	927	482	2,323	12,156	53,292
Barclays Non-Core	4,714	9,945	1,043	6,081	37	2,235	477	2,928	4,673	32,133
Barclays Group	72,555	168,985	14,682	20,944	67	6,743	10,302	14,711	56,660	365,649

¹ Includes Africa Banking RWAs.

Movement analysis of RWAs

	Credit risk £bn	Counterparty credit risk £bn	Market risk £bn	Operational risk £bn	Total RWAs £bn
As at 01.01.17	241.5	42.4	25.0	56.7	365.6
Book size	(11.0)	(1.2)	5.4	-	(6.8)
Acquisitions and disposals	(31.7)	(1.5)	(1.6)	-	(34.8)
Book quality	(3.5)	0.5	0.1	-	(2.9)
Model updates	(1.4)	-	-	-	(1.4)
Methodology and policy	0.6	(2.2)	(0.6)	-	(2.2)
Foreign exchange movements ¹	(4.5)	-	-	-	(4.5)
As at 31.12.17	190.0	38.0	28.3	56.7	313.0

¹ Foreign exchange movements do not include foreign exchange for counterparty credit risk or market risk.

RWAs decreased £52.6bn to £313.0bn:

- Book size decreased RWAs £6.8bn primarily due to portfolio rundowns related to Barclays Non-Core, the re-measurement of US DTAs as a result of the US Tax Cuts and Jobs Act, and securitisation transactions, partially offset by increased trading activity in the investment banking business
- Acquisitions and disposals decreased RWAs £34.8bn primarily as a result of the proportional consolidation of BAGL
- Book quality decreased RWAs £2.9bn primarily due to changes in risk profile in CIB
- Model updates decreased RWAs £1.4bn primarily due to model changes in Africa Banking prior to the sell down of Barclays' holding in BAGL

- Methodology and policy decreased RWAs £2.2bn primarily due to a revised calculation basis for modelled derivative exposures
- Foreign exchange movements decreased RWAs £4.5bn primarily due to the depreciation of period end USD against GBP

Leverage ratios and exposures

In October 2017, following the FPC recommendation, the PRA increased the minimum requirement for the UK leverage ratio from 3% to 3.25%. Barclays is subject to a leverage ratio requirement that is implemented on a phased basis, with a transitional requirement of 3.6% as at 31 December 2017; this comprises the 3.25% minimum requirement, a transitional G-SII additional leverage ratio buffer (G-SII ALRB) of 0.35% and a countercyclical leverage ratio buffer (CCLB) which is currently nil. Although the leverage ratio is expressed in terms of tier 1 capital, 75% of the minimum requirement, equating to 2.4375%, needs to be met with CET1 capital. In addition, the G-SII ALRB and CCLB must be covered solely with CET1 capital. The CET1 capital held against the 0.35% transitional G-SII ALRB was £3.4bn. The fully loaded expected end point UK leverage requirement is 4.0%.

Barclays is required to disclose an average UK leverage ratio which is based on capital and exposure measures on the last day of each month in the quarter; as well as a UK leverage ratio which is based on the last day of the quarter. Both approaches exclude qualifying claims on central banks from the leverage exposures. Barclays is also required to disclose a Capital Requirements Regulation (CRR) leverage ratio, which is based on the end point CRR definition of tier 1 capital and the CRR definition of leverage exposure.

	As at 31.12.17 £bn	As at 30.09.17 £bn	As at 31.12.16 £bn
Leverage ratios			
Average UK leverage exposure	1,045	1,035	1,137
Average fully loaded tier 1 capital	51.2	51.2	51.6
Average UK leverage ratio	4.9%	4.9%	4.5%
UK leverage ratio	5.1%	5.1%	5.0%
CRR leverage ratio	4.5%	4.4%	4.6%

UK leverage exposure

Accounting assets			
Derivative financial instruments	238	244	347
Cash collateral	53	56	67
Reverse repurchase agreements and other similar secured lending	12	15	13
Financial assets designated at fair value ¹	116	116	79
Loans and advances and other assets	714	718	707
Total IFRS assets	1,133	1,149	1,213
Regulatory consolidation adjustments	8	13	(6)
Derivatives adjustments			
Derivatives netting	(217)	(222)	(313)
Adjustments to cash collateral	(42)	(42)	(50)
Net written credit protection	14	15	12
Potential future exposure (PFE) on derivatives	120	124	136
Total derivatives adjustments	(125)	(125)	(215)
Securities financing transactions (SFTs) adjustments	19	23	29
Regulatory deductions and other adjustments	(13)	(13)	(15)
Weighted off-balance sheet commitments	103	104	119
CRR leverage exposure	1,125	1,151	1,125
Qualifying central bank claims	(140)	(148)	(75)
UK leverage exposure	985	1,002	1,050
Fully loaded CET1 capital	41.6	42.3	45.2
Fully loaded AT1 capital	8.8	8.8	6.8
Fully loaded tier 1 capital	50.4	51.1	52.0

¹ Included within financial assets designated at fair value are reverse repurchase agreements designated at fair value of £100bn (December 2016: £63bn).

The average UK leverage ratio increased to 4.9% (December 2016: 4.5%) primarily driven by the issuance of AT1 securities, the reduction in Non-Core related exposures and due to regulatory proportional consolidation of BAGL.

The CRR leverage ratio decreased to 4.5% (December 2016: 4.6%). The difference between the average UK leverage ratio and the CRR leverage ratio movement is primarily driven by an increase in cash at central banks, which are excluded from the UK leverage ratio calculation. Additionally, the year end fully loaded tier 1 capital is lower than the average due to the re-measurement of US DTAs as a result of the US Tax Cuts and Jobs Act.

- Loans and advances and other assets increased £7bn to £714bn. This was primarily due to a £69bn increase in cash and balances at central banks largely driven by an increase in the cash contribution to the Group liquidity pool mainly exempt under UK leverage rules and a £70bn decrease in assets held for sale driven by the sell down of Barclays' holding in BAGL
- Reverse repurchase agreements increased £36bn to £112bn primarily due to an increase in matched book trading
- Net derivative leverage exposures decreased £33bn to £166bn due to a reduction in interest rate and foreign exchange derivatives, the rundown of Non-Core related assets, a decrease in cash collateral and the depreciation of period end USD and JPY against GBP
- Regulatory consolidation adjustments increased £14bn to £8bn primarily due to the proportional consolidation of BAGL following the sell down of Barclays' holding
- Weighted off balance sheet commitments decreased £16bn to £103bn primarily due to the proportional consolidation of BAGL following the sell down of Barclays' holding

Additional Barclays regulatory disclosures are prepared in accordance with the European Banking Authority (EBA) Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 (refer to the Barclays Pillar 3 Report) and will be disclosed on 22 February 2018, available at home.barclays/results.

Net interest income sensitivity (AEaR) by business unit

The table below shows a sensitivity analysis on pre-tax net interest income for non-trading financial assets and financial liabilities, including the effect of any hedging. The sensitivity has been measured using the Annual Earnings at Risk (AEaR) methodology as described on page 168 of the Barclays Pillar 3 Report. Note that this metric assumes an instantaneous parallel change to interest rate forward curves. The model floors shocked market rates at zero; changes in net interest income sensitivity are only observed where forward rates are greater than zero. The main model assumptions are: (i) one year time horizon; (ii) balance sheet is held constant; (iii) balances are adjusted for assumed behavioural profiles (e.g. considers that customers may remortgage before the contractual maturity); and (iv) behavioural assumptions are kept unchanged in all rate scenarios.

	Barclays UK	Barclays International	Barclays Non-Core	Total
As at 31.12.17 ^{1,2,3}	£m	£m	£m	£m
+100bps	45	31	-	76
+25bps	11	9	-	20
-25bps	(61)	(22)	-	(83)
As at 31.12.16^{1,2,3}				
+100bps	19	46	6	71
+25bps	5	16	1	22
-25bps	(130)	(90)	-	(220)

1 Excludes the investment banking business.

2 Excludes treasury operations, which are driven by the firm's investments in the liquidity pool, which are risk managed using value-based risk measures described on pages 168-169 of the Barclays Pillar 3 Report. Treasury's net interest income (AEaR) sensitivity to a +25/-25bps move is £13m/£(2)m respectively.

3 Expected fixed rate mortgage pipeline completions in Barclays UK assumed to be consistent with level and timing of pipeline hedging.

Net interest income asymmetry arises due to the current low level of interest rates. Modelled net interest income sensitivity to a -25bp shock to rates has however reduced year-on-year as a result of the change in UK base rate increasing from 0.25% to 0.5% in November 2017.

Both Barclays UK and Barclays International exposures to falling rates have reduced as a result of the higher base rate environment and the movement of customer savings rates away from the implicit customer savings market 0% floor.

Net interest income sensitivity (AEaR) by currency¹

	As at 31.12.17		As at 31.12.16	
	+25 basis points	-25 basis points	+25 basis points	-25 basis points
	£m	£m	£m	£m
GBP	12	(76)	9	(215)
USD	1	(1)	3	(5)
EUR	4	(1)	7	1
Other currencies	3	(5)	3	(1)
Total	20	(83)	22	(220)
As a percentage of net interest income	0.20%	(0.84%)	0.21%	(2.09%)

1 Excludes the investment banking business and treasury operations.

Statement of Directors' Responsibilities

Each of the Directors (the names of whom are set out below) confirm that:

- to the best of their knowledge, the condensed consolidated financial statements (set out on pages 42 to 46), which have been prepared in accordance with the IFRSs as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole. The condensed consolidated financial statements should be read in conjunction with the annual financial statements as included in the Annual Report for the year ended 31 December 2017; and
- to the best of their knowledge, the management information (set out on pages 1 to 40) includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face. This management information should be read in conjunction with the principal risks and uncertainties included in the Annual Report for the year ended 31 December 2017.

Signed on behalf of the Board by

James E Staley
Group Chief Executive

Tushar Morzaria
Group Finance Director

Barclays PLC Board of Directors:

Chairman
John McFarlane

Executive Directors
James E Staley (Group Chief Executive)
Tushar Morzaria (Group Finance Director)

Non-executive Directors
Mike Ashley
Tim Breedon CBE
Sir Ian Cheshire
Mary Francis CBE
Crawford Gillies
Sir Gerry Grimstone
Reuben Jeffery III
Matthew Lester
Dambisa Moyo
Diane Schueneman
Mike Turner CBE

Condensed Consolidated Financial Statements

Condensed consolidated income statement

	Notes ¹	Year ended 31.12.17	Year ended 31.12.16
		£m	£m
Continuing operations			
Net interest income		9,845	10,537
Net fee and commission income		6,814	6,768

Net trading income		3,500	2,768
Net investment income		861	1,324
Other income		56	54
Total income		21,076	21,451
Credit impairment charges and other provisions		(2,336)	(2,373)
Net operating income		18,740	19,078
Staff costs		(8,560)	(9,423)
Administration and general expenses		(6,896)	(6,915)
Operating expenses		(15,456)	(16,338)
Profit on disposal of undertakings and share of results of associates and joint ventures		257	490
Profit before tax		3,541	3,230
Tax charge	1	(2,240)	(993)
Profit after tax in respect of continuing operations		1,301	2,237
(Loss)/profit after tax in respect of discontinued operation	12	(2,195)	591
(Loss)/profit after tax		(894)	2,828
Attributable to:			
Ordinary equity holders of the parent		(1,922)	1,623
Other equity instrument holders ²	10	639	457
Total equity holders		(1,283)	2,080
Profit attributable to non-controlling interests in respect of continuing operations	2	249	346
Profit attributable to non-controlling interests in respect of discontinued operation	2	140	402
(Loss)/profit after tax		(894)	2,828
Earnings per share			
		p	p
Basic (loss)/earnings per ordinary share ²	3	(10.3)	10.4
Basic earnings per ordinary share in respect of continuing operations	3	3.5	9.3
Basic (loss)/earnings per ordinary share in respect of discontinued operation	3	(13.8)	1.1
Diluted (loss)/earnings per ordinary share ²	3	(10.1)	10.3
Diluted earnings per ordinary share in respect of continuing operations	3	3.4	9.2
Diluted (loss)/earnings per ordinary share in respect of discontinued operation	3	(13.5)	1.1

1 For notes to the Financial Statements see pages 47 to 54.

2 The profit after tax attributable to other equity instrument holders of £639m (2016: £457m) is offset by a tax credit recorded in reserves of £174m (2016: £128m). The net amount of £465m (2016: £329m), along with non-controlling interests, is deducted from profit after tax in order to calculate earnings per share and return on average tangible shareholders' equity.

Condensed consolidated statement of comprehensive income

		Year ended 31.12.17	Year ended 31.12.16
	Notes ¹	£m	£m
(Loss)/profit after tax		(894)	2,828
Profit after tax in respect of continuing operations		1,301	2,237
(Loss)/profit after tax in respect of discontinued operation		(2,195)	591
Other comprehensive (loss)/income that may be recycled to profit or loss from continuing operations:			
Currency translation reserve ²	11	(1,337)	3,024
Available for sale reserve	11	449	(387)
Cash flow hedge reserve	11	(948)	798
Other		(5)	13
Other comprehensive (loss)/income that may be recycled to profit or loss from continuing operations		(1,841)	3,448
Other comprehensive income/(loss) not recycled to profit or loss from continuing operations:			
Retirement benefit re-measurements		53	(980)
Own credit ³	11	(11)	-
Other comprehensive income/(loss) not recycled to profit or loss from continuing operations		42	(980)
Other comprehensive (loss)/income from continuing operations		(1,799)	2,468
Other comprehensive income from discontinued operation		1,301	1,520
Total comprehensive (loss)/income:			
Total comprehensive (loss)/income, net of tax from continuing operations		(498)	4,705
Total comprehensive (loss)/income, net of tax from discontinued operation		(894)	2,111
Total comprehensive (loss)/income		(1,392)	6,816
Attributable to:			
Equity holders of the parent		(1,749)	5,233
Non-controlling interests	2	357	1,583
Total comprehensive (loss)/income for the period		(1,392)	6,816

1 For notes to the Financial Statements see pages 47 to 54.

2 Included a £189m loss (2016: £101m gain) on recycling of currency translation differences.

3 As a result of the early adoption of the own credit provisions of IFRS 9 on 1 January 2017, own credit, which was previously recorded in the income statement, is now recognised within other comprehensive income. The cumulative unrealised own credit net loss of £175m has therefore been reclassified from retained earnings to a separate own credit reserve, within other reserves. During the year ended 31 December 2017, a £4m loss (net of tax) on own credit has been booked in the reserve.

Condensed consolidated balance sheet

		As at 31.12.17	As at 31.12.16
	Notes ¹	£m	£m
Assets			
Cash and balances at central banks		171,082	102,353
Items in the course of collection from other banks		2,153	1,467
Trading portfolio assets		113,760	80,240
Financial assets designated at fair value		116,281	78,608

Derivative financial instruments	237,669	346,626
Financial investments	58,916	63,317
Loans and advances to banks	35,663	43,251
Loans and advances to customers	365,552	392,784
Reverse repurchase agreements and other similar secured lending	12,546	13,454
Current and deferred tax assets	3,939	5,430
Prepayments, accrued income and other assets	2,389	2,893
Investments in associates and joint ventures	718	684
Goodwill and intangible assets	7,849	7,726
Property, plant and equipment	2,572	2,825
Retirement benefit assets	8	966
Assets included in disposal groups classified as held for sale	12	1,193
Total assets	1,133,248	1,213,126
Liabilities		
Deposits from banks	37,723	48,214
Items in the course of collection due to other banks	446	636
Customer accounts	429,121	423,178
Repurchase agreements and other similar secured borrowing	40,338	19,760
Trading portfolio liabilities	37,351	34,687
Financial liabilities designated at fair value	173,718	96,031
Derivative financial instruments	238,345	340,487
Debt securities in issue ²	73,314	75,932
Subordinated liabilities	6	23,826
Accruals, deferred income and other liabilities	8,565	8,871
Current and deferred tax liabilities	630	766
Provisions	7	3,543
Retirement benefit liabilities	8	312
Liabilities included in disposal groups classified as held for sale	12	-
Total liabilities	1,067,232	1,141,761
Equity		
Called up share capital and share premium	9	22,045
Other reserves	11	5,383
Retained earnings		27,536
Shareholders' equity attributable to ordinary shareholders of the parent	54,964	58,424
Other equity instruments	10	8,941
Total equity excluding non-controlling interests	63,905	64,873
Non-controlling interests	2	2,111
Total equity	66,016	71,365

1 For notes to the Financial Statements see pages 47 to 54.

2 Debt securities in issue included covered bonds of £8.5bn (December 2016: £12.4bn).

Condensed consolidated statement of changes in equity

Year ended 31.12.17	Called up share capital and share premium ¹	Other equity instruments ¹	Other reserves ¹	Retained earnings	Total	Non-controlling interests ²	Total equity
	£m	£m	£m	£m	£m	£m	£m
Balance as at 31 December 2016	21,842	6,449	6,051	30,531	64,873	6,492	71,365
Effects of changes in accounting policies ³	-	-	(175)	175	-	-	-
Balance as at 1 January 2017	21,842	6,449	5,876	30,706	64,873	6,492	71,365
Profit after tax	-	639	-	413	1,052	249	1,301
Other comprehensive profit after tax for the period	-	-	(1,846)	48	(1,798)	(1)	(1,799)
Total comprehensive income net of tax from continuing operations	-	639	(1,846)	461	(746)	248	(498)
Total comprehensive income net of tax from discontinued operation	-	-	1,332	(2,335)	(1,003)	109	(894)
Total comprehensive income for the year	-	639	(514)	(1,874)	(1,749)	357	(1,392)
Issue of new ordinary shares	117	-	-	-	117	-	117
Issue of shares under employee share schemes	86	-	-	505	591	-	591
Issue and exchange of other equity instruments	-	2,490	-	-	2,490	-	2,490
Dividends paid	-	-	-	(509)	(509)	(415)	(924)
Coupons paid on other equity instruments	-	(639)	-	174	(465)	-	(465)
Redemption of preference shares	-	-	-	(479)	(479)	(860)	(1,339)
Treasury shares	-	-	14	(636)	(622)	-	(622)
Net equity impact of partial BAGL disposal	-	-	-	(359)	(359)	(3,462)	(3,821)
Other movements	-	2	7	8	17	(1)	16
Balance as at 31 December 2017	22,045	8,941	5,383	27,536	63,905	2,111	66,016
Year ended 31.12.16							
Balance as at 1 January 2016	21,586	5,305	1,898	31,021	59,810	6,054	65,864
Profit after tax	-	457	-	1,434	1,891	346	2,237
Other comprehensive profit after tax for the period	-	-	3,433	(968)	2,465	3	2,468
Total comprehensive income net of tax from continuing operations	-	457	3,433	466	4,356	349	4,705
Total comprehensive income net of tax from discontinued operation	-	-	694	183	877	1,234	2,111
Total comprehensive income for the year	-	457	4,127	649	5,233	1,583	6,816
Issue of new ordinary shares	68	-	-	-	68	-	68
Issue of shares under employee share schemes	188	-	-	668	856	-	856
Issue and exchange of other equity instruments	-	1,132	-	-	1,132	-	1,132
Dividends paid	-	-	-	(757)	(757)	(575)	(1,332)
Coupons paid on other equity instruments	-	(457)	-	128	(329)	-	(329)
Redemption of preference shares	-	-	-	(417)	(417)	(1,170)	(1,587)
Treasury shares	-	-	26	(415)	(389)	-	(389)

Net equity impact of partial BAGL disposal	-	-	-	(349)	(349)	601	252
Other movements	-	12	-	3	15	(1)	14
Balance as at 31 December 2016	21,842	6,449	6,051	30,531	64,873	6,492	71,365

1 Details of called up share capital and share premium, other equity instruments and other reserves are shown on pages 51-52.

2 Details of non-controlling interests are shown on page 47.

3 As a result of the early adoption of the own credit provisions of IFRS 9 on 1 January 2017, own credit, which was previously recorded in the income statement, is now recognised within other comprehensive income. The cumulative unrealised own credit net loss of £175m has therefore been reclassified from retained earnings to a separate own credit reserve, within other reserves. During the year ended 31 December 2017, a £4m loss (net of tax) on own credit has been booked in the reserve.

Condensed consolidated cash flow statement

	Year ended 31.12.17	Year ended 31.12.16
	£m	£m
Profit before tax	3,541	3,230
Adjustment for non-cash items	6,023	(15,355)
Changes in operating assets and liabilities	51,855	24,191
Corporate income tax paid	(708)	(780)
Net cash from operating activities	60,711	11,286
Net cash from investing activities	3,502	36,707
Net cash from financing activities	961	(1,317)
Effect of exchange rates on cash and cash equivalents	(4,773)	10,473
Net increase in cash and cash equivalents from continuing operations	60,401	57,149
Net cash from discontinued operation	101	405
Net increase in cash and cash equivalents	60,502	57,554
Cash and cash equivalents at beginning of the period	144,110	86,556
Cash and cash equivalents at end of the period	204,612	144,110

Financial Statement Notes

1. Tax

The effective tax rate of 63.3% is higher than the UK corporation tax rate of 19.25% and higher than the effective tax rate for 2016 of 30.7%, primarily due to the impact of the Tax Cuts and Jobs Act ("US Tax Reform"), enacted on 22 December 2017, which reduced the US federal corporate income tax rate from 35% to 21%. This has resulted in a one-off tax charge as a result of the re-measurement of the Group's US deferred tax assets in 2017. This downward re-measurement of the Group's US DTAs as a result of the rate reduction is partially offset by the increase in the value of BBPLC's US branch DTAs as a result of BBPLC making a tax election in the period to exclude the future profits and losses of its overseas branches from UK taxation.

	Assets		Liabilities	
	As at 31.12.17	As at 31.12.16	As at 31.12.17	As at 31.12.16
	£m	£m	£m	£m
Current and deferred tax assets and liabilities				
Current tax	482	561	(586)	(737)
Deferred tax	3,457	4,869	(44)	(29)
Total	3,939	5,430	(630)	(766)

	As at 31.12.17	As at 31.12.16
	£m	£m
Deferred tax assets and liabilities		
Intermediate Holding Company (IHC) - US tax group	1,413	2,207
Barclays Bank PLC (US branch) - US tax group	1,234	1,766
Barclays PLC - UK tax group	492	575
Other	318	321
Deferred tax assets	3,457	4,869
Deferred tax liabilities	(44)	(29)
Net deferred tax	3,413	4,840

Analysis of net deferred tax

	As at 31.12.17	As at 31.12.16
	£m	£m
Temporary differences	2,817	4,337
Tax losses	596	503
Net deferred tax	3,413	4,840

2. Non-controlling interests

	Profit attributable to non-controlling interests		Equity attributable to non-controlling interests	
	Year ended 31.12.17	Year ended 31.12.16	As at 31.12.17	As at 31.12.16
	£m	£m	£m	£m
Barclays Bank PLC issued:				
- Preference shares	242	340	1,838	2,698
- Upper tier 2 instruments	3	3	272	272
Barclays Africa Group Limited	140	402	-	3,507
Other non-controlling interests	4	3	1	15
Total	389	748	2,111	6,492

Equity attributable to non-controlling interests decreased £4,381m to £2,111m in 2017 driven by the sale of 33.7% of BAGL's issued share capital and the redemption of preference shares issued by BBPLC.

3. Earnings per share

	Year ended 31.12.17	Year ended 31.12.16
	£m	£m
(Loss)/profit attributable to ordinary equity holders of the parent in respect of continuing and discontinued operations	(1,922)	1,623
Tax credit on profit after tax attributable to other equity instrument holders	174	128
Total (loss)/profit attributable to ordinary equity holders of the parent in respect of continuing and discontinued operations¹	(1,748)	1,751
Continuing operations		
Profit attributable to ordinary equity holders of the parent in respect of continuing operations	413	1,434
Tax credit on profit after tax attributable to other equity instrument holders	174	128

Profit attributable to equity holders of the parent in respect of continuing operations	587	1,562
Discontinued operation		
(Loss)/profit attributable to ordinary equity holders of the parent in respect of discontinued operation	(2,335)	189
Dilutive impact of convertible options in respect of discontinued operation	-	(1)
(Loss)/profit attributable to equity holders of the parent in respect of discontinued operation including dilutive impact on convertible options	(2,335)	188
(Loss)/profit attributable to equity holders of the parent in respect of continuing and discontinued operations including dilutive impact on convertible options	(1,748)	1,750
	m	m
Basic weighted average number of shares in issue	16,996	16,860
Number of potential ordinary shares	288	184
Diluted weighted average number of shares	17,284	17,044
	p	p
Basic (loss)/earnings per ordinary share ¹	(10.3)	10.4
Basic earnings per ordinary share in respect of continuing operations ¹	3.5	9.3
Basic (loss)/earnings per ordinary share in respect of discontinued operation	(13.8)	1.1
Diluted (loss)/earnings per ordinary share ¹	(10.1)	10.3
Diluted earnings per ordinary share in respect of continuing operations ¹	3.4	9.2
Diluted (loss)/earnings per ordinary share in respect of discontinued operation	(13.5)	1.1

¹ The profit after tax attributable to other equity instrument holders of £639m (2016: £457m) is offset by a tax credit recorded in reserves of £174m (2016: £128m). The net amount of £465m (2016: £329m), along with non-controlling interests, is deducted from profit after tax in order to calculate earnings per share and return on average tangible shareholders' equity.

4. Dividends on ordinary shares

It is Barclays' policy to declare and pay dividends on a semi-annual basis. A final dividend in respect of 2017 of 2.0p per ordinary share will be paid on 5 April 2018 to shareholders on the Share Register on 2 March 2018 and accounted for as a distribution of retained earnings in the year ending 31 December 2018. The financial statements for 2017 include the following dividends paid during the year:

Dividends paid during the period	Year ended 31.12.17		Year ended 31.12.16	
	Per share p	Total £m	Per share p	Total £m
Final dividend paid during period	2.0	339	3.5	588
Interim dividend paid during period	1.0	170	1.0	169
Total	3.0	509	4.5	757

5. Fair value of assets and liabilities

The following table shows the Group's assets and liabilities that are held at fair value disaggregated by valuation technique (fair value hierarchy) and balance sheet classification:

Assets and liabilities held at fair value

	Valuation technique using			Total £m
	Quoted market prices (Level 1)	Observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
As at 31.12.17	£m	£m	£m	£m
Trading portfolio assets	63,925	47,858	1,977	113,760
Financial assets designated at fair value	4,347	104,187	7,747	116,281
Derivative financial instruments	3,786	228,549	5,334	237,669
Available for sale investments	22,841	30,571	395	53,807
Investment property	-	-	116	116
Assets included in disposal groups classified as held for sale ¹	-	-	29	29
Total assets	94,899	411,165	15,598	521,662
Trading portfolio liabilities	(20,905)	(16,442)	(4)	(37,351)
Financial liabilities designated at fair value	-	(173,238)	(480)	(173,718)
Derivative financial liabilities	(3,631)	(229,517)	(5,197)	(238,345)
Liabilities included in disposal groups classified as held for sale ¹	-	-	-	-
Total liabilities	(24,536)	(419,197)	(5,681)	(449,414)
As at 31.12.16				
Trading portfolio assets	41,550	36,625	2,065	80,240
Financial assets designated at fair value	4,031	64,630	9,947	78,608
Derivative financial assets	5,261	332,819	8,546	346,626
Available for sale investments	21,218	36,551	372	58,141
Investment property	-	-	81	81
Assets included in disposal groups classified as held for sale ¹	6,754	8,511	6,009	21,274
Total assets	78,814	479,136	27,020	584,970
Trading portfolio liabilities	(20,205)	(14,475)	(7)	(34,687)
Financial liabilities designated at fair value	(70)	(95,121)	(840)	(96,031)
Derivative financial liabilities	(5,051)	(328,265)	(7,171)	(340,487)
Liabilities included in disposal groups classified as held for sale ¹	(397)	(5,224)	(6,201)	(11,822)
Total liabilities	(25,723)	(443,085)	(14,219)	(483,027)

¹ Disposal groups held for sale and measured at fair value less cost to sell are included in the fair value table.

6. Subordinated liabilities

Dated and undated subordinated liabilities	Year ended 31.12.17	Year ended 31.12.16
	£m	£m
Balance as at 1 January	23,383	21,467
Issuances	3,041	1,457
Redemptions	(1,378)	(1,143)

Other	(1,220)	1,602
Balance as at 31 December	23,826	23,383

Issuances totalling £3,041m were made up of \$2,000m 4.836% Fixed Rate Subordinated Callable Notes (£1,547m), €1,500m 2% Fixed Rate Subordinated Callable Notes (£1,384m) and SGD 200m 3.75% Fixed Rate Resetting Subordinated Callable Notes (£110m). Redemptions totalling £1,378m included £133m 6.375% Undated Subordinated Notes, \$1,556m 6.05% Fixed Rate Subordinated Notes (£1,151m), \$117m 7.434% Step-up Callable Perpetual Reserve Capital Instruments (£87m) and instruments issued by other subsidiaries (£7m). Other movements included a decrease of £1,220m largely due to the depreciation of period end USD against GBP.

7. Provisions

	As at 31.12.17 £m	As at 31.12.16 £m
UK customer redress:		
- Payment Protection Insurance redress	1,606	1,979
- Other customer redress	639	712
Legal, competition and regulatory matters	435	455
Redundancy and restructuring	159	206
Undrawn contractually committed facilities and guarantees	79	67
Onerous contracts	225	385
Sundry provisions	400	330
Total	3,543	4,134

Payment Protection Insurance (PPI) redress

As at 31 December 2017, Barclays had recognised cumulative provisions totalling £9.2bn (December 2016: £8.4bn) against the cost of PPI redress and associated processing costs, with utilisation of £7.6bn (December 2016: £6.4bn), leaving a residual provision of £1.6bn (December 2016: £2.0bn).

Through to 31 December 2017, 2.1m (December 2016: 1.8m) customer initiated claims¹ had been received and processed. The volume of claims received during 2017 increased 16% from 2016. This increase was impacted by a Financial Conduct Authority (FCA) advertising campaign launched in H217.

The current provision reflects the estimate of costs of PPI redress primarily relating to customer initiated complaints and on-going remediation programmes, based on information at year end. This also includes liabilities managed by third parties arising from portfolios previously sold where Barclays remains liable, based on information at year end.

As at 31 December 2017, the provision of £1.6bn represents Barclays' best estimate of expected PPI redress reflecting the complaints deadline implemented by the FCA of 29 August 2019. However, it is possible the eventual outcome may differ from the current estimate. We will continue to review the adequacy of provision level in respect of the future impacts.

The PPI provision is calculated using a number of key assumptions which continue to involve significant modelling and management judgement:

- Customer initiated claim volumes - claims received but not yet processed plus an estimate of future claims initiated by customers, where the volume is anticipated to cease after the PPI deadline
- Average claim redress - the expected average payment to customers for upheld claims based on the type and age of the policy/policies
- Processing cost per claim - the cost to Barclays of assessing and processing each valid claim

These assumptions remain subjective, mainly due to the uncertainty associated with future claims levels, which include complaints driven by claims management company (CMC) activity and the FCA advertising campaigns.

The following table details actual data through to 31 December 2017, key forecast assumptions used in the provision calculation and a sensitivity analysis illustrating the impact on the provision if the future expected assumptions prove too high or too low.

Assumption	Cumulative actual		Sensitivity analysis
	to 31.12.17	Future expected	increase/decrease in provision
Customer initiated claims received and processed ¹	2,130k	570k	50k = £104m
Average uphold rate per claim ²	87%	87%	1% = £11m
Average redress per valid claim ³	£2,036	£1,989	£100 = £50m

¹ Total claims received directly by Barclays to date, including those received via CMCs but excluding those for which no PPI policy exists, and excluding responses to proactive mailing. The sensitivity analysis has been calculated to show the impact a 50,000 increase or decrease in the number of customer initiated claims would have on the provision level.

² Average uphold rate per customer initiated claim received directly by Barclays and proactive mailings, excluding those for which no PPI policy exists. The sensitivity analysis has been calculated to show the impact a 1% change in the average uphold rate per claim would have on the provision level.

³ Average redress stated on a per policy basis for future customer initiated complaints received directly by Barclays. The sensitivity analysis has been calculated to show the impact a £100 increase or decrease in the average redress per claim would have on the provision level.

8. Retirement benefits

As at 31 December 2017, the Group's IAS 19 pension surplus across all schemes was £0.7bn (2016: £0.4bn deficit). The UK Retirement Fund (UKRF), which is the Group's main scheme, had a surplus of £1.0bn (2016: £27m deficit). The movement for the UKRF was driven by payment of deficit contributions, higher than assumed asset returns, updated mortality assumptions and lower expected future price inflation, offset by a decrease in the discount rate, transfers out of the scheme and the introduction of an assumption for future transfers out.

UKRF funding valuations

The scheme actuary prepares an annual update of the UKRF funding position in addition to the full triennial actuarial valuation. The latest annual update was carried out as at 30 September 2017 and showed a deficit of £4.8bn and a funding level of 86.8%.

The last triennial actuarial valuation of the UKRF had an effective date of 30 September 2016 and was completed in July 2017. This valuation showed a funding deficit of £7.9bn and a funding level of 81.5%.

The improvement in funding position between 30 September 2016 and 30 September 2017 was largely due to payment of deficit contributions, higher than assumed asset returns, higher government bond yields and transfers out of the scheme.

The recovery plan agreed as part of the 2016 triennial actuarial valuation requires BBPLC to pay deficit contributions of £0.5bn per annum between 2018 and 2020, followed by £1.0bn per annum between 2021 and 2026. The deficit reduction contributions are in addition to the regular contributions to meet the Group's share of the cost of benefits accruing over each year. The agreement with the UKRF Trustee also takes into account the changes to the Group structure that will be implemented as a result of ring-fencing¹. BBPLC will remain as the principal employer of the UKRF. Additional support measures

agreed include a collateral arrangement, joint participation of BBUKPLC until 2025, and support from Barclays PLC should BBPLC not pay the deficit contributions to the UKRF.

The next triennial actuarial valuation of the UKRF is due to be completed in 2020 with an effective date of 30 September 2019.

1 Refer to page 204 of the Annual Report for further information on structural reform.

9. Called up share capital

Called up share capital comprised of 17,060m (2016: 16,963m) ordinary shares of 25p each. The increase was due to the issuance of 46m (2016: 116m) shares under employee share schemes and a further 51m (2016: 42m) issued as part of the Barclays PLC Scrip Dividend Programme.

10. Other equity instruments

Other equity instruments of £8,941m (2016: £6,449m) included AT1 securities issued by Barclays PLC. The increase was primarily due to two issuances of GBP AT1 securities (December 2016: one issuance of USD AT1 securities), with a principal amount of £2.5bn (December 2016: £1.1bn).

The AT1 securities are perpetual securities with no fixed maturity and are structured to qualify as AT1 instruments under CRD IV.

All AT1 securities will be converted into ordinary shares of Barclays PLC, at a pre-determined price, should the fully loaded CET1 ratio of Barclays PLC fall below 7.0%.

11. Other reserves

	As at 31.12.17	As at 31.12.16
	£m	£m
Currency translation reserve	3,054	3,051
Available for sale reserve	364	(74)
Cash flow hedging reserve	1,161	2,105
Own credit reserve	(179)	-
Other reserves and treasury shares	983	969
Total	5,383	6,051

Currency translation reserve

As at 31 December 2017 there was a credit balance of £3,054m (2016: £3,051m credit) in the currency translation reserve. The movement in the credit balance of £3m (2016: £3,674m credit) principally reflected the depreciation of period end USD against GBP, offset by a £1,566m net loss (2016: £101m net gain) from recycling of the currency translation reserve to the income statement. This included a £1,377m loss on the recycling of the currency translation reserve associated with the disposal of BAGL.

Available for sale reserve

As at 31 December 2017 there was a credit balance of £364m (2016: £74m debit) in the available for sale reserve. The increase of £438m (2016: £391m decrease) was primarily due to £340m of gains from changes in fair value on BAGL's remaining shares held as AFS. The remaining movements mostly relate to changes in fair value of government bonds predominantly held in the liquidity pool and related hedging. There was also £291m of net gains transferred to the income statement. A tax charge of £27m was recognised in the period relating to these items.

Cash flow hedging reserve

As at 31 December 2017, there was a credit balance of £1,161m (2016: £2,105m credit) in the cash flow hedging reserve. The decrease of £944m (2016: £844m increase) principally reflected a £621m decrease in the fair value of interest rate swaps held for hedging purposes as interest rate forward curves increased, £632m of gains recycled to the income statement in line with when the hedged item affects profit or loss and a tax credit of £321m.

Own credit reserve

Changes in own credit in respect of debt instruments recognised at fair value through the income statement under the fair value option are recognised in the Group's other comprehensive income from 1 January 2017 upon the early adoption of the own credit provisions of IFRS 9.

As at 31 December 2017, the amount of own credit recognised in the Group's other comprehensive income was a debit balance of £179m. Upon adoption of IFRS 9, an opening debit balance of £175m was recognised, with a further £4m loss (net of tax) recorded during 2017.

Other reserves and treasury shares

As at 31 December 2017 there was a credit balance of £983m (2016: £969m credit) in other reserves and treasury shares. The increase principally reflected £329m (2016: £166m) transferred from treasury shares reflecting the vesting of deferred share based payments, partially offset by £315m (2016: £140m) net purchases of treasury shares held for the purposes of employee share schemes.

12. Non-current assets held for sale and associated liabilities

	As at 31.12.17	As at 31.12.16
	£m	£m
Assets included in disposal groups classified as held for sale		
Cash and balances at central banks	-	2,930
Items in the course of collection from other banks	-	570
Trading portfolio assets	-	3,084
Financial assets designated at fair value	3	6,984
Derivative financial instruments	-	1,992
Financial investments	-	7,737
Loans and advances to banks	-	1,666
Loans and advances to customers	1,164	43,504
Prepayments, accrued income and other assets	-	696
Investments in associates and joint ventures	-	87
Property, plant and equipment	26	954
Goodwill	-	997
Intangible assets	-	570
Current and deferred tax assets	-	149
Retirement benefit assets	-	33
Total	1,193	71,953
Balance of impairment unallocated under IFRS 5	-	(499)
Total assets classified as held for sale	1,193	71,454

Liabilities included in disposal groups classified as held for sale

Deposits from banks	-	2,149
Items in the course of collection due to banks	-	373
Customer accounts	-	42,431
Repurchase agreements and other similar secured borrowing	-	597
Trading portfolio liabilities	-	388
Financial liabilities designated at fair value	-	7,325
Derivative financial instruments	-	1,611
Debt securities in issue	-	7,997
Subordinated liabilities	-	934
Accruals, deferred income and other liabilities	-	1,180
Provisions	-	103
Current and deferred tax liabilities	-	162
Retirement benefit liabilities	-	42
Total liabilities classified as held for sale	-	65,292
Net assets classified as held for sale	1,193	6,162
Expected contributions to BAGL	-	866
Disposal group post contribution	1,193	7,028

During the year, a number of disposal groups classified as held for sale were disposed of. The £70.3bn decrease in assets was driven by the disposals of BAGL (£65.1bn), the French retail business (£4.0bn), the Egypt business (£1.0bn), Barclays Vida Pensiones (£0.7bn) and the Zimbabwe business (£0.4bn). The associated liabilities of the above disposal groups were also sold in the year.

Discontinued Operation

On 1 March 2016, Barclays announced its intention to reduce the Group's 62.3% interest in BAGL to a level which would permit Barclays to deconsolidate BAGL from a regulatory perspective and, prior to that, from an accounting perspective. From this date, BAGL was treated as a discontinued operation. On 5 May 2016, Barclays sold 12.2% of the Group's interest in BAGL and on 1 June 2017 Barclays sold a further 33.7% of BAGL's issued share capital, resulting in the accounting deconsolidation of BAGL from the Barclays Group. At this time, Barclays' holding in BAGL technically met the requirements to be treated as an Associate. However, following a revision of its governance rights in July 2017 and the difference being immaterial, the holding was treated as an AFS asset from the transaction date.

In Q317 Barclays contributed 1.5% of BAGL's ordinary shares to a Black Economic Empowerment scheme, resulting in Barclays accounting for 126 million ordinary shares in BAGL, representing 14.9% of BAGL's issued share capital. The retained investment is reported as an AFS asset, in the Head Office segment, with Barclays' share of BAGL's dividend recognised in the Head Office income statement.

Prior to the disposal of shares on 1 June 2017, BAGL met the requirements for presentation as a discontinued operation. As such, the results, which have been presented as the profit after tax and non-controlling interest in respect of the discontinued operation on the face of the Group income statement, are analysed in the income statement below. The income statement, statement of other comprehensive income and cash flow statement below represent five months of results as a discontinued operation to 31 May 2017, compared to the full year ended 31 December 2016.

Barclays Africa disposal group income statement

	Year ended 31.12.17	Year ended 31.12.16
	£m	£m
Net interest income	1,024	2,169
Net fee and commission income	522	1,072
Net trading income	149	281
Net investment income	30	45
Net premiums from insurance contracts	161	362
Other (expenses)/income	(16)	8
Total income	1,870	3,937
Net claims and benefits incurred on insurance contracts	(84)	(191)
Total income net of insurance claims	1,786	3,746
Credit impairment charges and other provisions	(177)	(445)
Net operating income	1,609	3,301
Staff costs	(586)	(1,186)
Administration and general expenses ¹	(1,634)	(1,224)
Operating expenses	(2,220)	(2,410)
Share of post-tax results of associates and joint ventures	5	6
(Loss)/profit before tax	(606)	897
Tax charge	(154)	(306)
(Loss)/profit after tax	(760)	591
Attributable to:		
Equity holders of the parent	(900)	189
Non-controlling interests	140	402
(Loss)/profit after tax²	(760)	591

¹ Included impairment of £1,090m (2016: £nil).

² Total loss in respect of the discontinued operation was £2,195m which included the £60m loss on sale and the £1,375m loss on recycling of other comprehensive loss on reserves.

Statement of other comprehensive income from discontinued operation

	Year ended 31.12.17	Year ended 31.12.16
	£m	£m
Available for sale assets	(3)	(9)
Currency translation reserves	(38)	1,451
Cash flow hedge reserves	19	89
Other comprehensive (loss)/income, net of tax from discontinued operation	(22)	1,531

Cash flow statement from discontinued operation

	Year ended 31.12.17	Year ended 31.12.16
	£m	£m
Net cash flows from operating activities	540	1,164
Net cash flows from investing activities	(245)	(691)
Net cash flows from financing activities	(165)	(105)
Effect of exchange rates on cash and cash equivalents	(29)	37
Net increase in cash and cash equivalents	101	405

Appendix: Non-IFRS Performance Measures

Barclays' management believes that the non-IFRS performance measures included in this document provide valuable information to the readers of the financial statements as 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 Barclays PLC and its subsidiaries (the Group). They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays' management.

Any non-IFRS performance measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well.

Non-IFRS performance measures glossary

Measure	Definition
Loan: deposit ratio	Loans and advances divided by customer accounts calculated for Barclays UK and Barclays International, excluding investment banking balances other than interest earning lending. This excludes particular liabilities issued by the retail businesses that have characteristics comparable to retail deposits (for example structured Certificates of Deposit and retail bonds), which are included within debt securities in issue. The components of the calculation have been included on page 30.
Period end allocated tangible equity	Allocated tangible equity is calculated as 12.0% (2016: 11.5%) of CRD IV fully loaded risk weighted assets for each business, adjusted for CRD IV fully loaded capital deductions, excluding goodwill and intangible assets, reflecting the assumptions the Group uses for capital planning purposes. Head Office allocated tangible equity represents the difference between the Group's tangible shareholders' equity and the amounts allocated to businesses.
Average tangible shareholders' equity	Calculated as the average of the previous month's period end tangible equity and the current month's period end tangible equity. The average tangible shareholders' equity for the period is the average of the monthly averages within that period.
Average allocated tangible equity	Calculated as the average of the previous month's period end allocated tangible equity and the current month's period end allocated tangible equity. The average allocated tangible equity for the period is the average of the monthly averages within that period.
Return on average tangible shareholders' equity	Statutory profit after tax attributable to ordinary shareholders, including an adjustment for the tax credit in reserves in respect of other equity instruments, as a proportion of average shareholders' equity excluding non-controlling interests and other equity instruments adjusted for the deduction of intangible assets and goodwill. The components of the calculation have been included on pages 56-57.
Return on average allocated tangible equity	Statutory profit after tax attributable to ordinary shareholders, including an adjustment for the tax credit in reserves in respect of other equity instruments, as a proportion of average allocated tangible equity. The components of the calculation have been included on pages 56-57.
Cost: income ratio	Operating expenses divided by total income.
Operating expenses excluding litigation and conduct	Operating expenses excluding charges for litigation and conduct. The components of the calculation have been included on page 57.
Loan loss rate	Quoted in basis points and represents total loan impairment divided by gross loans and advances to banks and customers held at amortised cost at the balance sheet date. The components of the calculation have been included on page 26.
Net interest margin	Net interest income divided by the sum of average customer assets. The components of the calculation have been included on page 22.
Tangible net asset value per share	Calculated by dividing shareholders' equity, excluding non-controlling interests and other equity instruments, less goodwill and intangible assets, by the number of issued ordinary shares. The components of the calculation have been included on page 57.

Returns

Return on average tangible equity is calculated as profit for the period attributable to ordinary equity holders of the parent (adjusted for the tax credit recorded in reserves in respect of interest payments on other equity instruments) divided by average tangible equity for the period, excluding non-controlling and other equity interests for businesses. Allocated tangible equity has been calculated as 12.0% (2016: 11.5%) of CRD IV fully loaded RWAs for each business, adjusted for CRD IV fully loaded capital deductions, excluding goodwill and intangible assets, reflecting the assumptions the Group uses for capital planning purposes. Head Office average allocated tangible equity represents the difference between the Group's average tangible shareholders' equity and the amounts allocated to businesses.

	Tax credit in Profit/(loss) respect of interest payments on equity to ordinary holders of the parent			Average tangible equity	Return on average tangible equity
	Attributable profit/(loss)	other equity instruments	equity holders of the parent		
For the year ended 31.12.17	£m	£m	£m	£bn	%
Barclays UK	853	40	893	9.1	9.8
Corporate and Investment Bank	167	102	269	24.0	1.1
Consumer, Cards and Payments	680	18	698	4.2	16.7
Barclays International	847	120	967	28.1	3.4
Head Office ¹	(868)	4	(864)	9.3	n/m
Barclays Non-Core	(419)	10	(409)	2.4	n/m
Africa Banking discontinued operation ¹	(2,335)	-	(2,335)	n/m	n/m
Barclays Group	(1,922)	174	(1,748)	48.9	(3.6)
For the year ended 31.12.16					
Barclays UK	828	29	857	8.9	9.6
Corporate and Investment Bank	1,270	72	1,342	21.9	6.1
Consumer, Cards and Payments	1,142	11	1,153	3.6	31.4
Barclays International	2,412	83	2,495	25.5	9.8
Head Office ¹	110	(1)	109	6.5	n/m
Barclays Non-Core	(1,916)	17	(1,899)	7.8	n/m
Africa Banking discontinued operation ¹	189	-	189	n/m	n/m
Barclays Group	1,623	128	1,751	48.7	3.6

¹ Average allocated tangible equity for Africa Banking is included within Head Office.

Performance measures excluding litigation and conduct, losses related to Barclays' sell down of BAGL and the re-measurement of US DTAs

Year ended

31.12.17

£m

Barclays Group profit attributable to ordinary equity holders of the parent¹

Barclays Group profit attributable to ordinary equity holders	(1,748)
Impact of litigation and conduct	1,150
Impact of impairment of Barclays' holding in BAGL	1,008
Impact of loss on the sale of BAGL	1,435
Net impact of the re-measurement of US DTAs	901
Barclays Group profit attributable to ordinary equity holders of the parent excluding litigation and conduct, losses related to Barclays' sell down of BAGL and the re-measurement of US DTAs	2,746

Barclays Group return on average tangible shareholders' equity

Barclays Group average tangible shareholders' equity (£bn)	48.9
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Barclays Group return on average tangible shareholders' equity excluding litigation and conduct, losses related to Barclays' sell down of BAGL and the re-measurement of US DTAs	5.6%
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Barclays Group basic earnings per ordinary share

Basic weighted average number of shares (m)	16,996
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Barclays Group basic earnings per ordinary share excluding litigation and conduct, losses related to Barclays' sell down of BAGL and the re-measurement of US DTAs	16.2p
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¹ The profit after tax attributable to other equity instrument holders of £639m (2016: £457m) is offset by a tax credit recorded in reserves of £174m (2016: £128m). The net amount of £465m (2016: £329m), along with non-controlling interests, is deducted from profit after tax in order to calculate earnings per share and return on average tangible shareholders' equity.

Operating expenses excluding litigation and conduct

	Year ended 31.12.17 £m	Year ended 31.12.16 £m
Barclays Group operating expenses	(15,456)	(16,338)
Impact of litigation and conduct	1,207	1,363
Barclays Group operating expenses excluding litigation and conduct	(14,249)	(14,975)

Tangible net asset value

	As at 31.12.17 £m	As at 31.12.16 £m
Total equity excluding non-controlling interests	63,905	64,873
Other equity instruments	(8,941)	(6,449)
Goodwill and intangibles ¹	(7,849)	(9,245)
Tangible shareholders' equity excluding non-controlling interests attributable to ordinary shareholders of the parent	47,115	49,179
	m	m
Shares in issue	17,060	16,963
	p	p
Tangible net asset value per share	276	290

¹ Comparative figure for 2016 included goodwill and intangibles in relation to Africa Banking.

Shareholder Information

Results timetable¹

	Date
Ex-dividend date	1 March 2018
Dividend record date	2 March 2018
Scrip reference share price set and made available to shareholders	8 March 2018
Cut off time of 4.30pm (UK time) for the receipt of Mandate Forms or Revocation Forms (as applicable)	16 March 2018
Dividend payment date/first day of dealing in new shares	5 April 2018
Q1 2018 Results Announcement	26 April 2018

For qualifying US and Canadian resident ADR holders, the final dividend of 2.0p per ordinary share becomes 8.0p per ADS (representing four shares). The ex-dividend, dividend record and dividend payment dates for ADR holders are as shown above.

	Year ended 31.12.17	Year ended 31.12.16	% Change ³
Exchange rates²			
Period end - USD/GBP	1.35	1.23	10
Average - USD/GBP	1.29	1.36	(5)
3 month average - USD/GBP	1.33	1.24	7
Period end - EUR/GBP	1.13	1.17	(3)
Average - EUR/GBP	1.14	1.23	(7)
3 month average - EUR/GBP	1.13	1.15	(2)

Share price data

Barclays PLC (p)	203.10	223.45
Barclays PLC number of shares (m)	17,060	16,963

For further information please contact

Investor relations

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More information on Barclays can be found on our website: home.barclays.

Registered office

1 Churchill Place, London, E14 5HP, United Kingdom. Tel: +44 (0) 20 7116 1000. Company number: 48839.

Registrar

Equiniti, Aspect House, Spencer Road, Lancing, West Sussex, BN99 6DA, United Kingdom.

Tel: 0371 384 2055⁴ from the UK or +44 121 415 7004 from overseas.

- 1 *Note that these dates are provisional and subject to change. Any changes to the Scrip Dividend Programme dates will be made available at home.barclays/dividends.*
- 2 *The average rates shown above are derived from daily spot rates during the year.*
- 3 *The change is the impact to GBP reported information.*
- 4 *Lines open 8.30am to 5.30pm UK time, Monday to Friday, excluding UK public holidays in England and Wales.*

- Ends -

THE BANK AND THE GROUP

The Bank (together with its subsidiary undertakings (Bank Group)) is a public limited company registered in England and Wales under number 1026167. The liability of the members of the Bank is limited. It has its registered and head office at 1 Churchill Place, London, E14 5HP, United Kingdom (telephone number +44 (0)20 7116 1000). The Bank was incorporated on 7 August 1925 under the Colonial Bank Act 1925 and on 4 October 1971 was registered as a company limited by shares under the Companies Acts 1948 to 1967. Pursuant to The Barclays Bank Act 1984, on 1 January 1985, the Bank was re-registered as a public limited company and its name was changed from 'Barclays Bank International Limited' to 'Barclays Bank PLC'. The whole of the issued ordinary share capital of the Bank is beneficially owned by Barclays PLC. Barclays PLC (together with its subsidiary undertakings (Group)) is the ultimate holding company of the Group.

The Group is a transatlantic consumer and wholesale bank with global reach offering products and services across personal, corporate and investment banking, credit cards and wealth management, with a strong presence in the Group's two home markets of the UK and the US. The Group is focused on two core divisions – Barclays UK and Barclays International. Barclays UK comprises the UK retail banking operations, UK consumer credit card business, UK wealth management business and corporate banking for smaller businesses. Barclays International comprises the corporate banking franchise, the Investment Bank, the US and international cards business and international wealth management.

Both Barclays UK and Barclays International currently operate within the legal entity Barclays Bank PLC. Barclays UK offers everyday products and services to retail and consumer customers and small to medium sized enterprises based in the UK and Barclays International delivers products and services designed for the Group's larger corporate, wholesale and international banking clients. During April 2018, the Barclays UK division will be formally separated into a new legal entity – the UK Ring-fenced Bank, which will become the Group's UK ring-fenced business. Products and services designed for the Group's larger corporate, wholesale and international banking clients will continue to be offered by Barclays International from within the Bank. The UK Ring-fenced Bank and the Bank will operate alongside, but independently from, one another as part of the Group under the listed entity, Barclays PLC.

The short term unsecured obligations of the Bank are rated A-1 by Standard & Poor's Credit Market Services Europe Limited, P-1 by Moody's Investors Service Ltd. and F1 by Fitch Ratings Limited and the long-term unsecured unsubordinated obligations of Barclays Bank PLC are rated A by Standard & Poor's Credit Market Services Europe Limited, A1 by Moody's Investors Service Ltd. and A by Fitch Ratings Limited.

Based on the Bank Group's audited financial information for the year ended 31 December 2017, the Bank Group had total assets of £1,129,343m (2016: £1,213,955m), total net loans and advances¹ of £401,762m (2016: £436,417m), total deposits² of £467,332m (2016: £472,917m), and total equity of £65,734m (2016: £70,955m) (including non-controlling interests of £1m (2016: £3,522m)). The profit before tax of the Bank Group for the year ended 31 December 2017 was £3,166m (2016: £4,383m) after credit impairment charges and other provisions of £2,336m (2016: £2,373m). The financial information in this paragraph is extracted from the audited consolidated financial statements of the Bank for the year ended 31 December 2017.

Acquisitions, Disposals and Recent Developments

Nothing relevant at this stage

Legal Proceedings

Barclays PLC, Barclays Bank PLC and the Group face legal, competition and regulatory challenges, many of which are beyond the Group's control. The extent of the impact on Barclays PLC, Barclays Bank PLC and the Group of these matters cannot always be predicted but may materially impact the Group's operations, financial results, condition and prospects. Matters arising from a set of similar circumstances can give rise to either a contingent liability or a provision, or both, depending on the relevant facts and circumstances. The recognition of provisions in relation to such matters involves critical accounting estimates and judgments in accordance with the relevant accounting policies as described in Note 27 (*Provisions*) to the consolidated financial statements of Barclays PLC. The Group has not disclosed an estimate of the potential financial effect on the Group of contingent liabilities where it is not currently practicable to do so.

Investigations into certain advisory services agreements and other matters and civil action

The UK Serious Fraud Office (SFO), the Financial Conduct Authority (FCA), the US Department of Justice (DOJ) and the US Securities and Exchange Commission (SEC) have been conducting investigations into certain advisory services agreements entered into by Barclays Bank PLC.

¹ Total net loans and advances include balances relating to both bank and customer accounts.

² Total deposits include deposits from bank and customer accounts.

Background Information

Barclays Bank PLC entered into two advisory services agreements with Qatar Holding LLC (Qatar Holding) in June and October 2008 (the Agreements). The FCA commenced an investigation into whether the Agreements may have related to Barclays PLC's capital raisings in June and November 2008 (the Capital Raisings). The existence of the June 2008 advisory services agreement was disclosed, but the entry into the advisory services agreement in October 2008 and the fees payable under the Agreements, which amounted to a total of £322m payable over a period of five years, were not disclosed in the announcements or public documents relating to the Capital Raisings. The SFO also commenced an investigation into the Agreements and into a \$3bn loan (the Loan) provided by Barclays Bank PLC in November 2008 to the State of Qatar.

SFO Proceedings

In June 2017, the SFO charged Barclays PLC with two offences of conspiring with certain former senior officers and employees of the Group to commit fraud by false representations relating to the Agreements and one offence of unlawful financial assistance contrary to section 151 of the Companies Act 1985 in relation to the Loan. In February 2018, the SFO also charged Barclays Bank PLC with the same offence in respect of the Loan. Barclays PLC and Barclays Bank PLC intend to defend the respective charges brought against them (the Charges). The trial of the Charges has been scheduled to begin in January 2019.

FCA Proceedings and other investigations

In September 2013, the FCA issued warning notices (the Notices) finding that while, Barclays PLC and Barclays Bank PLC believed at the time of the execution of the Agreements that there should be at least some unspecified and undetermined value to be derived from them, the primary purpose of the Agreements was not to obtain advisory services but to make additional payments, which would not be disclosed, for the Qatari participation in the Capital Raisings. The Notices concluded that Barclays PLC and Barclays Bank PLC were in breach of certain disclosure-related listing rules and Barclays PLC was also in breach of Listing Principle 3 (the requirement to act with integrity towards holders and potential holders of the company's shares). In this regard, the FCA considers that Barclays PLC and Barclays Bank PLC acted recklessly. The financial penalty provided in the Notices against the Group is £50m. Barclays PLC and Barclays Bank PLC continue to contest the findings.

The FCA action has been stayed due to the SFO proceedings.

In addition, the DOJ and the SEC have been conducting investigations relating to the Agreements.

Civil Action

In January 2016, PCP Capital Partners LLP and PCP International Finance Limited (PCP) served a claim on Barclays Bank PLC seeking damages of £721.4m plus interest and costs for fraudulent misrepresentation and deceit, arising from alleged statements made by Barclays Bank PLC to PCP in relation to the terms on which securities were to be issued to potential investors, allegedly including PCP, in the November 2008 capital raising. Following amendment of their claim in November 2017, PCP now seeks damages of up to £1,477m (plus interest from November 2017) and costs. Barclays Bank PLC is defending the claim and trial is scheduled to commence in October 2019.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period. PCP has made a claim against Barclays Bank PLC for damages of up to £1,477m plus interest and costs. This amount does not necessarily reflect Barclays Bank PLC's potential financial exposure if a ruling were to be made against it in that matter.

Investigations into certain business relationships

In 2012, the DOJ and SEC commenced investigations in relation to whether certain relationships with third parties who assist Barclays PLC to win or retain business are compliant with the US Foreign Corrupt Practices Act. Various regulators in other jurisdictions are also being briefed on the investigations. Separately, the Group is cooperating with the DOJ and SEC in relation to an investigation into certain of its hiring practices in Asia and elsewhere and is keeping certain regulators in other jurisdictions informed.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period.

Investigations relating to whistleblowing systems and controls

The FCA and Prudential Regulation Authority (PRA) are conducting investigations in relation to the Group Chief Executive Officer (CEO) and Barclays Bank PLC in connection with certain whistleblowing issues.

Background Information

In April 2017, the FCA and PRA commenced investigations into the CEO as to his individual conduct and senior manager responsibilities relating to the Group's whistleblowing programme and to his attempt in 2016 to identify the author of a letter that was treated by Barclays Bank PLC as a whistleblow and Barclays Bank PLC, as to its responsibilities relating to the attempt by the CEO to identify the author of the letter, as well as the Group's systems and controls and culture relating to whistleblowing. The attempt to identify the author of the letter first came to the attention of the Barclays PLC Board (Board) early in 2017. The Board instructed an external law firm to conduct a focussed investigation into the matter and also notified the FCA and PRA and other relevant authorities. The investigation found, and the Board concluded, that the CEO honestly, but mistakenly, believed that it was permissible to identify the author. However, the Board concluded that the CEO made an error in becoming involved with, and not applying appropriate governance around the matter, and in taking action to attempt to identify the author of the letter. The Group and the CEO are cooperating fully with the FCA and PRA investigations. The Group is also providing information to, and cooperating with, authorities in the US with respect to these matters.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period.

Investigations relating to retail structured deposits and capital protected structured notes

The FCA is conducting enforcement investigations in relation to certain structured deposits and notes provided by the Group in the past.

Background Information

In 2015, the FCA commenced an enforcement investigation relating to the design, manufacture and sale of structured deposits by the Group from November 2009. The investigation is at an advanced stage. In January 2018, the FCA also commenced an enforcement investigation relating to the design, manufacture and sale of capital protected structured notes by the Group from June 2008 to July 2014.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period.

Investigation into collections and recoveries relating to unsecured lending

In February 2018, the FCA commenced an enforcement investigation in relation to whether or not Barclays Bank PLC, from July 2015, implemented effective systems and controls with respect to collections and recoveries and whether or not it paid due consideration to the interests of customers in default and arrears.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the investigation on the Group or what effect that it might have upon the Group's operating results, cash flows or financial position in any particular period.

Investigation into Americas Wealth & Investment Management advisory business

The SEC has carried out an investigation into certain practices in the Group's former Wealth Americas investment advisory business relating to certain due diligence failures, fee and billing practices and mutual fund fee waivers and related disclosures. In May 2017, the SEC announced a settlement pursuant to which Barclays Capital Inc. (BCI) agreed to

resolve this matter for USD97m, consisting of a penalty of USD30m paid to the SEC and USD67m paid to the clients, in remediation and disgorgement.

Investigation into suspected money laundering related to foreign exchange transactions in South African operation

Absa Bank Limited, a subsidiary of Barclays Africa Group Limited, which was a Group subsidiary at the relevant time, identified potentially fraudulent activity by certain of its customers using advance payments for imports in 2014 and 2015 to effect foreign exchange transfers from South Africa to beneficiary accounts located in East Asia, UK, Europe and the US. As a result, the Group conducted a review of relevant activity, processes, systems and controls. The Group is continuing to provide information to relevant authorities as part of the Group's ongoing cooperation.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period.

Investigations into LIBOR and other benchmarks

Regulators and law enforcement agencies, including certain competition authorities, from a number of governments have been conducting investigations relating to Barclays Bank PLC's involvement in manipulating certain financial benchmarks, such as LIBOR and EURIBOR.

Background Information

In 2012, Barclays Bank PLC announced that it had reached settlements with the Financial Services Authority (FSA) (as predecessor to the FCA), the US Commodity Futures Trading Commission (CFTC) and the DOJ in relation to their investigations concerning certain benchmark interest rate submissions, and Barclays Bank PLC paid total penalties of £290m. The settlement with the DOJ was made by entry into a Non-Prosecution Agreement (NPA) which has now expired. Barclays PLC, Barclays Bank PLC and BCI have reached settlements with certain other regulators and law enforcement agencies. Barclays Bank PLC continues to respond to requests for information from the SFO in relation to its ongoing LIBOR investigation, including in respect of Barclays Bank PLC. The investigation by the prosecutor's office in Trani, Italy also remains pending.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period.

LIBOR and other benchmark civil actions

A number of individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Group and other banks in relation to LIBOR and/or other benchmarks.

Background Information

Following settlement of the investigations referred to above in 'Investigations into LIBOR and other Benchmarks' various individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Group. While certain cases have been dismissed or settled subject to approval from the court (and in the case of class actions, the right of class members to opt out of the settlement and to seek to file their own claims), other actions remain pending and their ultimate impact is unclear.

USD LIBOR Cases in MDL Court

The majority of the USD LIBOR cases, which have been filed in various US jurisdictions, have been consolidated for pre-trial purposes before a single judge in the US District Court in the Southern District of New York (SDNY) (MDL Court).

The complaints are substantially similar and allege, amongst other things, that Barclays Bank PLC and the other banks individually and collectively violated provisions of the US Sherman Antitrust Act (Antitrust Act), the US Commodity Exchange Act (CEA), the US Racketeer Influenced and Corrupt Organizations Act (RICO) and various state laws by manipulating USD LIBOR rates.

The proposed class actions purported to be brought on behalf of (amongst others) plaintiffs that (i) engaged in USD LIBOR-linked over-the-counter transactions (OTC Class); (ii) purchased USD LIBOR-linked financial instruments on an exchange (Exchange-Based Class); (iii) purchased USD LIBOR-linked debt securities (Debt Securities Class); (iv) purchased adjustable-rate mortgages linked to USD LIBOR (Homeowner Class); or (v) issued loans linked to USD LIBOR (Lender Class).

The lawsuits seek unspecified damages with the exception of five lawsuits, in which the plaintiffs are seeking a combined total in excess of \$1.25bn in actual damages against all defendants, including Barclays Bank PLC, plus punitive damages. Some of the lawsuits also seek trebling of damages under the Antitrust Act and RICO.

Between 2013 and 2016, the MDL Court issued a series of decisions effectively dismissing the majority of claims, including antitrust claims, against Barclays Bank PLC and other

foreign defendants in both class actions and individual actions. In May 2016, the appeal court reversed the MDL Court's decision and remanded the antitrust claims to the MDL Court for further consideration. Following further consideration, the MDL Court dismissed the majority of antitrust claims against foreign defendants, including Barclays Bank PLC, for lack of personal jurisdiction. Plaintiffs in a number of individual actions and class actions are appealing the MDL Court's personal jurisdiction ruling.

In 2014, the MDL Court granted preliminary approval for the settlement of the Exchange-Based Class claims for \$20m, of which \$5m was paid in October 2014 and the remaining \$15m in September 2017. The settlement remains subject to court approval and the right of class members to opt out of the settlement and to seek to file their own claims.

In 2015, the OTC Class claims were settled for \$120m which was paid in 2017. The settlement remains subject to final approval.

In November 2016, \$7.1m was paid in settlement of the Debt Securities Class claims. The settlement has been preliminarily approved by the court but remains subject to final approval and the right of class members to opt out of the settlement and seek to file their own claims.

EURIBOR Case in the SDNY

In 2015, \$94m was paid in settlement of a EURIBOR-related class action. The settlement has been preliminarily approved by the court but remains subject to final approval and the right of class members to opt out of the settlement and to seek to file their own claims.

Additional USD LIBOR Case in the SDNY

In 2015, an individual action against Barclays Bank PLC and other panel bank defendants was dismissed by the SDNY. The plaintiff alleged that the panel bank defendants conspired to increase USD LIBOR, which caused the value of bonds pledged as collateral for a loan to decrease, ultimately resulting in the sale of the bonds at a low point in the market. The plaintiff's motion to file a further amended complaint is pending.

Sterling LIBOR Case in SDNY

In 2015, a putative class action was filed in the SDNY against Barclays Bank PLC and other Sterling LIBOR panel banks by a plaintiff involved in exchange-traded and over-the-counter derivatives that were linked to Sterling LIBOR. The complaint alleges, among other things, that defendants manipulated the Sterling LIBOR rate between 2005 and 2010 and, in so doing, committed CEA, Antitrust Act, and RICO violations. In early 2016, this class action was consolidated with an additional putative class action making similar allegations

against Barclays Bank PLC and BCI and other Sterling LIBOR panel banks. Defendants have filed a motion to dismiss.

Japanese Yen LIBOR Cases in SDNY

In 2012, a putative class action was filed in the SDNY against Barclays Bank PLC and other Japanese Yen LIBOR panel banks by a plaintiff involved in exchange-traded derivatives. The complaint also names members of the Japanese Bankers Association's Euroyen Tokyo Interbank Offered Rate (Euroyen TIBOR) panel, of which Barclays Bank PLC is not a member. The complaint alleges, amongst other things, manipulation of the Euroyen TIBOR and Yen LIBOR rates and breaches of the CEA and Antitrust Act between 2006 and 2010. In 2014, the court dismissed the plaintiff's antitrust claims in full, but the plaintiff's CEA claims remain pending. Discovery is ongoing. In March 2017, a second putative class action concerning Yen LIBOR filed in the SDNY against Barclays PLC, Barclays Bank PLC and BCI was dismissed in full. The complaint makes similar allegations to the 2012 class action. Plaintiffs have appealed the dismissal.

SIBOR/SOR Case in the SDNY

A putative class action filed in the SDNY against Barclays PLC, Barclays Bank PLC, BCI, and other defendants, alleging manipulation of the Singapore Interbank Offered Rate (SIBOR) and Singapore Swap Offer Rate (SOR) was dismissed by the court in relation to claims against the Group for failure to state a claim. Plaintiffs amended their complaint in September 2017, and defendants have filed a motion to dismiss.

Non-US Benchmarks Cases

In addition to US actions, legal proceedings have been brought or threatened against the Group in connection with alleged manipulation of LIBOR and EURIBOR and other benchmarks in a number of jurisdictions in Europe and Argentina. Additional proceedings in non-US jurisdictions may be brought in the future.

Claimed Amounts/Financial Impact

Aside from the settlements discussed above, it is not currently practicable to provide an estimate of any further financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period.

Foreign Exchange investigations

Various regulatory and enforcement authorities across multiple jurisdictions have been investigating a range of issues associated with Foreign Exchange sales and trading, including electronic trading.

Background Information

In 2015 the Group reached settlements with the CFTC, the DOJ, the New York State Department of Financial Services (NYDFS), the Board of Governors of the Federal Reserve System (Federal Reserve) and the FCA (together, the 2015 Resolving Authorities) in relation to investigations into certain sales and trading practices in the Foreign Exchange market. In connection with these settlements, the Group paid total penalties of approximately \$2.38bn and agreed to undertake certain remedial actions.

Under the plea agreement with the DOJ, in addition to a criminal fine, Barclays PLC agreed to a term of probation of three years during which Barclays PLC must, amongst other things, (i) commit no crime whatsoever in violation of the federal laws of the US, (ii) implement and continue to implement a compliance program designed to prevent and detect the conduct that gave rise to the plea agreement, (iii) report credible evidence of criminal violations of US antitrust or fraud laws to the relevant US authority, and (iv) strengthen its compliance and internal controls as required by relevant regulatory or enforcement agencies. In January 2017, the US District Court for the District of Connecticut accepted the plea agreement and in accordance with the agreement sentenced Barclays PLC to pay \$650m as a fine and \$60m for violating the NPA (which amounts are part of the \$2.38bn referred to above) and to serve three years of probation from the date of the sentencing order. The Group also continues to provide relevant information to certain of the 2015 Resolving Authorities.

The full text of the DOJ plea agreement, the orders of the CFTC, NYDFS and Federal Reserve, and the Final Notice issued by the FCA related to the settlements referred to above are publicly available on the 2015 Resolving Authorities' respective websites.

The European Commission is one of several authorities conducting an investigation into certain trading practices in the Foreign Exchange market. The DOJ is also conducting an investigation into conduct relating to certain trading activities in connection with certain transactions during 2011 and 2012. The Group is providing information to the DOJ and other relevant authorities reviewing this conduct. In January 2018, a Group employee currently under suspension was indicted in US federal court in connection with this matter. In February 2017 the South African Competition Commission (SACC) referred Barclays Bank PLC, BCI and Absa Bank Limited, a subsidiary of Barclays Africa Group Limited, which at the relevant time was a subsidiary of Barclays Bank PLC, among other banks, to the Competition Tribunal to be prosecuted for breaches of South African antitrust law related to Foreign Exchange trading of South African Rand. The Group was the first to bring the conduct to the attention of the SACC under its leniency programme. The SACC is

therefore not seeking an order from the Tribunal to impose any fine on Barclays Bank PLC, BCI or Absa Bank Limited.

Claimed Amounts/Financial Impact

Aside from the settlements discussed above, and a provision of £240m recognised in Q4 2017, it is not currently practicable to provide an estimate of any further financial impact of the actions described on the Group or what effect they might have on the Group's operating results, cash flows or financial position in any particular period.

Civil actions in respect of Foreign Exchange

A number of individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Group and other banks in relation to Foreign Exchange.

Background Information

Following settlement of certain investigations referred to above in 'Foreign Exchange Investigations' a number of individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Group and other banks in relation to Foreign Exchange or may do so in future. Certain of these cases have been dismissed or have been settled subject to final approval from the relevant court (and in the case of class actions, the right of class members to opt out of the settlement and to seek to file their own claims).

Consolidated FX Action

In 2014, a number of civil actions filed in the SDNY on behalf of proposed classes of plaintiffs alleging manipulation of Foreign Exchange markets under the Antitrust Act and New York state law and naming several international banks as defendants, including Barclays Bank PLC, were combined into a single consolidated action (Consolidated FX Action). In 2015, Barclays Bank PLC and BCI settled the Consolidated FX Action and paid \$384m. Certain class members have opted out of the settlement to seek to file their own claims. The settlement is also subject to final court approval.

ERISA FX Action

Since 2015, several civil actions have been filed in the SDNY on behalf of proposed classes of plaintiffs purporting to allege different legal theories of injury (other than those alleged in the Consolidated FX Action) related to alleged manipulation of Foreign Exchange rates, including claims under the US Employee Retirement Income Security Act (ERISA) statute (ERISA Claims), and naming several international banks as defendants,

including Barclays PLC, Barclays Bank PLC and BCI. The Court has dismissed the ERISA Claims, and the plaintiffs have appealed this decision.

Retail Basis Action

A putative action was filed in the Northern District of California (and subsequently transferred to the SDNY) against several international banks, including Barclays PLC and BCI, on behalf of a putative class of individuals that exchanged currencies on a retail basis at bank branches (Retail Basis Claims). The Court has ruled that the Retail Basis Claims are not covered by the settlement agreement in the Consolidated FX Action. The Court subsequently dismissed all Retail Basis Claims against the Group and all other defendants. Plaintiffs amended their complaint and defendants (including the Group) have moved to dismiss the amended complaint.

Last Look Actions

In 2015, two putative class actions were filed in the SDNY on behalf of proposed classes of plaintiffs alleging injuries based on the Group's purported improper rejection of customer trades through Group Last Look functionality in the Group's FX e-trading platforms. In 2016, Barclays Bank PLC and BCI paid \$50m and settled one of the actions on a class-wide basis. (The other action was voluntarily dismissed.) The deadline for opting out of the class has expired (a small number of class members have opted out), and the Court has granted final approval of the settlement.

State Law FX Action

In 2016, a putative class action was filed in the SDNY under federal, New York and California law on behalf of proposed classes of stockholders of Exchange Traded Funds and others who supposedly were indirect investors in FX Instruments. The defendants (including the Group) moved to dismiss the action. Plaintiffs' counsel then amended the complaint to bring claims on behalf of a proposed class of investors under federal and various state laws who traded FX Instruments through FX dealers or brokers not alleged to have manipulated Foreign Exchange Rates. A different group of plaintiffs subsequently filed another action based on the same theories and asserted substantively similar claims. These two actions have been consolidated and a consolidated complaint was filed in June 2017. Defendants (including the Group) have moved to dismiss the action.

Canadian FX Action

Civil actions similar to the Consolidated FX Action have been filed in Canadian courts on behalf of proposed classes of plaintiffs containing similar factual allegations of manipulation of Foreign Exchange rates and of damages resulting from such manipulation,

in violation of Canadian law. The parties' settlement for \$14.8m has been approved by the court.

Claimed Amounts/Financial Impact

Aside from the settlements discussed above, it is not currently practicable to provide an estimate of any further financial impact of the actions described above on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period.

Civil actions in respect of ISDAFIX

In 2014, a number of ISDAFIX related civil actions were filed in the SDNY on behalf of proposed class of plaintiffs, alleging that Barclays Bank PLC, a number of other banks and one broker violated the Antitrust Act and several state laws by engaging in a conspiracy to manipulate the USD ISDAFIX. In 2016, Barclays Bank PLC and BCI entered into a settlement agreement with plaintiffs to resolve the consolidated action and paid \$30m, fully resolving all ISDAFIX-related claims that were or could have been brought by the class. The court has preliminarily approved the settlement, which remains subject to final approval and to the right of class members to opt out of the settlement and to seek to file their own claims.

Claimed Amounts/Financial Impact

The principal financial impact of the actions described on the Group is reflected in the settlement described above.

Metals investigations

Barclays Bank PLC has provided information to the DOJ, the CFTC and other authorities in connection with investigations into metals and metals-based financial instruments.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period.

Civil actions in respect of the gold and silver fix

Various civil actions have been filed against Barclays Bank PLC and others alleging manipulation of the prices of gold and silver.

Background Information

A number of civil complaints, each on behalf of a proposed class of plaintiffs, have been consolidated and transferred to the SDNY. The complaints allege that Barclays Bank PLC and other members of The London Gold Market Fixing Ltd. manipulated the prices of gold and gold derivative contracts in violation of the CEA, the Antitrust Act, and state antitrust and consumer protection laws. Also in the US, a proposed class of plaintiffs has filed a complaint against a number of banks, including Barclays Bank PLC, BCI and Barclays Capital Services Ltd., alleging manipulation of the price of silver in violation of the CEA and antitrust laws. Defendants have moved to dismiss these actions.

Civil actions have also been filed in Canadian courts against Barclays PLC, Barclays Bank PLC, Barclays Capital Canada Inc., BCI and Barclays Capital PLC on behalf of proposed classes of plaintiffs alleging manipulation of gold and silver prices in violation of Canadian law.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period.

US residential and commercial mortgage-related activity and litigation

There have been various investigations and civil litigation relating to secondary market trading of US residential mortgage-backed securities (RMBS) and US commercial mortgage-backed securities (CMBS).

Background Information

The Group's activities within the US residential mortgage sector during the period from 2005 through 2008 included:

- sponsoring and underwriting of approximately \$39bn of private-label securitisations;
- economic underwriting exposure of approximately \$34bn for other private-label securitisations;
- sales of approximately \$0.2bn of loans to government sponsored enterprises (GSEs);
- sales of approximately \$3bn of loans to others; and
- sales of approximately \$19.4bn of loans (net of approximately \$500m of loans sold during this period and subsequently repurchased) that were originated and sold to third parties by mortgage originator affiliates of an entity that the Group acquired in 2007 (Acquired Subsidiary).

DOJ Civil Action

In December 2016, the DOJ filed a civil complaint against Barclays Bank PLC, Barclays PLC, BCI, Barclays Group US Inc., Barclays US LLC, BCAP LLC, Securitized Asset Backed Receivables LLC and Sutton Funding LLC, as well as two former employees, in the US District Court in the Eastern District of New York (EDNY) containing a number of allegations, including mail and wire fraud, relating to mortgage-backed securities sold between 2005 and 2007. The DOJ complaint seeks, amongst other relief, unspecified monetary penalties. The Group is defending the complaint and has filed a motion to dismiss.

RMBS Repurchase Requests

The Group was the sole provider of various loan-level representations and warranties (R&Ws) with respect to:

- approximately \$5bn of Group sponsored securitisations;
- approximately \$0.2bn of sales of loans to GSEs; and
- approximately \$3bn of loans sold to others.

In addition, the Acquired Subsidiary provided R&Ws on all of the \$19.4bn of loans it sold to third parties.

R&Ws on the remaining Group sponsored securitisations were primarily provided by third-party originators directly to the securitisation trusts with a Group subsidiary, such as the depositor for the securitisation, providing more limited R&Ws. There are no stated expiration provisions applicable to most R&Ws made by the Group, the Acquired Subsidiary or these third parties.

Under certain circumstances, the Group and/or the Acquired Subsidiary may be required to repurchase the related loans or make other payments related to such loans if the R&Ws are breached.

The unresolved repurchase requests received on or before 31 December 2017 associated with all R&Ws made by the Group or the Acquired Subsidiary on loans sold to GSEs and others and private-label activities had an original unpaid principal balance of approximately \$2.1bn at the time of such sale.

The unresolved repurchase requests discussed above relate to civil actions that have been commenced by the trustees for certain RMBS securitisations in which the trustees allege that the Group and/or the Acquired Subsidiary must repurchase loans that violated the operative R&Ws. Such trustees and other parties making repurchase requests have also alleged that the operative R&Ws may have been violated with respect to a greater (but unspecified) amount of loans than the amount of loans previously stated in specific repurchase requests made by such trustees. Cumulative realised losses reported at 31

December 2017 on loans covered by R&Ws made by the Group or the Acquired Subsidiary are approximately \$1.3bn. This litigation is ongoing.

In addition, the Acquired Subsidiary is subject to a more advanced civil action seeking, among other things, indemnification for losses allegedly suffered by a loan purchaser as a result of alleged breaches of R&Ws provided by the Acquired Subsidiary in connection with loan sales to the purchaser during the period 1997 to 2007. This litigation is ongoing.

RMBS Securities Claims

As a result of some of the RMBS activities described above, the Group has been party to a number of lawsuits filed by purchasers of RMBS sponsored and/or underwritten by the Group between 2005 and 2008. As a general matter, these lawsuits alleged, among other things, that the RMBS offering materials allegedly relied on by such purchasers contained materially false and misleading statements and/or omissions and generally demanded rescission and recovery of the consideration paid for the RMBS and recovery of monetary losses arising out of their ownership. The Group has resolved the majority of these claims, and only one action currently remains pending.

Approximately \$0.1bn of the original face amount of RMBS related to the remaining pending action was outstanding as at 31 December 2017. There were virtually no cumulative realised losses reported on these RMBS as at 31 December 2017. The Group does not expect that, if it were to lose the remaining pending action, any such loss to be material.

Secondary Trading Investigation

The Group has received requests for information and subpoenas from the SEC, the US Attorney's Office for the District of Connecticut and the Special Inspector General for the US Troubled Asset Relief Program related to trading practices in the secondary market for both RMBS and CMBS. A settlement was announced in May 2017 pursuant to which BCI agreed to resolve this matter for \$16.56m.

Claimed Amounts/Financial Impact

Save for the remaining pending action described under 'RMBS Securities Claims' and the May 2017 settlement above, it is not currently practicable to provide an estimate of any further financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period. The cost of resolving these actions could individually or in aggregate prove to be substantial.

Alternative trading systems and high-frequency trading

The SEC, the New York State Attorney General (NYAG) and regulators in certain other jurisdictions have been investigating a range of issues associated with alternative trading systems (ATSs), including dark pools, and the activities of high-frequency traders.

Background Information

In 2014, the NYAG filed a complaint (NYAG Complaint) against Barclays PLC and BCI in the Supreme Court of the State of New York alleging, amongst other things, that Barclays PLC and BCI engaged in fraud and deceptive practices in connection with LX, the Group's SEC-registered ATS. In February 2016, the Group reached separate settlement agreements with the SEC and the NYAG to resolve those agencies' claims against Barclays PLC and BCI relating to the operation of LX and paid \$35m to each.

Barclays PLC and BCI have been named in a purported class action by an institutional financial services firm under California law based on allegations similar to those in the NYAG Complaint. In October 2016, the federal court in California granted the motion of Barclays PLC and BCI to dismiss the entire complaint and plaintiffs have appealed the court's decision.

Following the filing of the NYAG Complaint, Barclays PLC and BCI were also named in a putative shareholder securities class action along with certain of its former CEOs, and its current and a former CFO, as well as an employee (Shareholder Class Action). The plaintiffs claim that holders of Barclays American Depository Receipts (ADRs) suffered damages when the ADRs declined in value as a result of the allegations in the NYAG Complaint. A motion to dismiss the complaint filed by the defendants (including Barclays PLC and BCI), was granted in part and denied in part by the court. In February 2016, the court certified the action as a class action. In November 2017, the appellate court affirmed the class certification. The Group has petitioned the appellate court to stay the action pending review by the US Supreme Court of the class certification.

Claimed Amounts/Financial Impact

The class actions seek unspecified monetary damages and injunctive relief. It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect they might have upon the Group's operating results, cash flows or financial position in any particular period.

FERC and other civil actions

The US Federal Energy Regulatory Commission (FERC) filed a civil action against Barclays Bank PLC and certain of its former traders in connection with allegations that Barclays Bank PLC manipulated the electricity markets in the Western US.

Background Information

In 2012, FERC issued an Order to Show Cause and Notice of Proposed Penalties (Order and Notice) against Barclays Bank PLC and four of its former traders asserting that Barclays Bank PLC and its former traders violated FERC's Anti-Manipulation Rule by manipulating the electricity markets in and around California from 2006 to 2008, and proposed civil penalties and profit disgorgement to be paid by Barclays Bank PLC.

In 2013, FERC filed a civil action against Barclays Bank PLC and its former traders in the US District Court in California seeking to collect a \$435m civil penalty and disgorgement of \$34.9m of profits, plus interest. The action was settled for \$105m (\$70m penalty and \$35m disgorgement) which was paid in 2017.

In 2015, a civil class action complaint seeking damages of \$139.3m was filed in the US District Court for the SDNY against Barclays Bank PLC by Merced Irrigation District, a California utility company, asserting antitrust allegations in connection with Barclays Bank PLC's purported manipulation of the electricity markets in and around California. The action has been settled in principle for \$29m (subject to court approval and to the right of class members to opt out of the settlement and to seek to file their own claims).

Claimed Amounts/Financial Impact

Apart from the settlement amounts referred to above, the Group does not expect the financial impact of the actions described above to be material to the Group's operating results, cash flows or financial position.

Treasury auction securities civil actions and related matters

Various civil actions have been filed against Barclays Bank PLC, BCI and other financial institutions alleging violations of anti-trust and other laws relating to the markets for US Treasury securities and Supranational, Sovereign and Agency securities. Certain governmental authorities are also conducting investigations relating to trading of certain government securities in various markets.

Background information

Numerous putative class action complaints have been filed in US Federal Court against Barclays Bank PLC, BCI and other financial institutions that have served as primary dealers in US Treasury securities. Those actions have been consolidated and in November 2017, plaintiffs in the putative class action filed a consolidated amended complaint in the US Federal Court in New York against the defendants as well as certain corporations that operate electronic trading platforms on which US Treasury securities are traded. The complaint purports to assert claims under US federal antitrust laws and state common law based on allegations that defendants (i) conspired to manipulate the US Treasury

securities market and/or (ii) conspired to prevent the creation of certain platforms by boycotting or threatening to boycott such trading platforms. Defendants intend to move to dismiss the action.

In addition, certain plaintiffs have filed a related, direct action against BCI and certain other financial institutions that have served as primary dealers in US Treasury securities. This complaint alleges that defendants conspired to fix and manipulate the US Treasury securities market in violation of US federal antitrust laws, the CEA and state common law.

In 2017, Barclays PLC, Barclays Bank PLC, BCI, Barclays Services Limited, Barclays Capital Securities Limited and certain other financial institutions were named as defendants in a civil anti-trust complaint that alleges that the defendants engaged in a conspiracy to fix prices and restrain competition in the market for US Dollar-denominated Supranational, Sovereign and Agency bonds from 2005 through 2015. Defendants have moved to dismiss the action.

Certain governmental authorities are conducting investigations into activities relating to the trading of certain government securities in various markets and the Group has been providing information to various authorities on an ongoing basis.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period.

American Depositary Shares

Barclays PLC, Barclays Bank PLC and various former members of Barclays Bank PLC's Board of Directors have been named as defendants in a securities class action consolidated in the SDNY.

Background Information

The securities class action against Barclays PLC, Barclays Bank PLC and various former members of Barclays Bank PLC's Board of Directors alleges misstatements and omissions in offering documents for certain American Depositary Shares issued by Barclays Bank PLC in April 2008 with an original face amount of approximately \$2.5bn (the April 2008 Offering). The plaintiffs assert claims under the Securities Act of 1933, alleging misstatements and omissions concerning (amongst other things) Barclays Bank PLC's portfolio of mortgage-related (including US subprime-related) securities, Barclays Bank PLC's exposure to mortgage and credit market risk, and Barclays Bank PLC's financial condition. The plaintiffs have not specifically alleged the amount of their damages. In June 2016, the SDNY certified the action as a class action. In September 2017, the SDNY

granted the defendants' motion for summary judgment. Plaintiffs are appealing this decision.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the action described on the Group or what effect that it might have upon the Group's operating results, cash flows or financial position in any particular period.

BDC Finance L.L.C.

BDC Finance L.L.C. (BDC) has filed a complaint against Barclays Bank PLC alleging breach of contract in connection with a portfolio of total return swaps governed by an ISDA Master Agreement (collectively, the Agreement).

Background Information

In 2008, BDC filed a complaint in the NY Supreme Court alleging that Barclays Bank PLC breached the Agreement when it failed to transfer approximately \$40m of alleged excess collateral in response to BDC's 2008 demand (Demand). BDC asserts that under the Agreement Barclays Bank PLC was not entitled to dispute the Demand before transferring the alleged excess collateral and that even if the Agreement entitled Barclays Bank PLC to dispute the Demand before making the transfer, Barclays Bank PLC failed to dispute the Demand. BDC demands damages totalling \$298m plus attorneys' fees, expenses, and pre-judgement interest. A trial on liability issues concluded in April 2017 and the court's decision is pending.

In 2011, BDC's investment advisor, BDCM Fund Adviser, L.L.C. and its parent company, Black Diamond Capital Holdings, L.L.C. also sued Barclays Bank PLC and BCI in Connecticut State Court for unspecified damages allegedly resulting from Barclays Bank PLC's conduct relating to the Agreement, asserting claims for violation of the Connecticut Unfair Trade Practices Act and tortious interference with business and prospective business relations. The parties agreed to stay this case.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period. BDC has made claims against the Group totalling \$298m plus attorneys' fees, expenses, and pre-judgement interest. This amount does not necessarily reflect the Group's potential financial exposure if a ruling were to be made against it.

Civil actions in respect of the US Anti-Terrorism Act

Civil complaints against Barclays Bank PLC and other banks allege engagement in a conspiracy and violation of the US Anti-Terrorism Act (ATA).

Background Information

In 2015, an amended civil complaint was filed in the US Federal Court in the EDNY by a group of approximately 250 plaintiffs, alleging that Barclays Bank PLC and a number of other banks engaged in a conspiracy and violated the ATA by facilitating US Dollar-denominated transactions for the Government of Iran and various Iranian banks, which in turn funded Hezbollah and other attacks that injured or killed the plaintiffs' family members. Plaintiffs seek to recover for pain, suffering and mental anguish pursuant to the provisions of the ATA, which allows for the tripling of any proven damages and attorneys' fees. Plaintiffs filed a second amended complaint in July 2016 (the Second Amended Complaint), which, among other things, added various plaintiffs, bringing the total number of plaintiffs to approximately 350. Defendants have moved to dismiss the Second Amended Complaint. In November 2017, a separate civil complaint was filed in the US Federal Court in the SDNY by a group of approximately 160 plaintiffs, alleging claims under the ATA against Barclays Bank PLC and a number of other banks substantially similar to those in the Second Amended Complaint. Defendants intend to move to dismiss this complaint.

In November 2016, a civil complaint was filed alleging claims under the ATA against Barclays Bank PLC (and a number of other banks) substantially similar to those in the Second Amended Complaint. In October 2017, plaintiffs voluntarily dismissed the case, without prejudice.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect that they might have upon the Group's operating results, cash flows or financial position in any particular period.

Interest rate swap and credit default swap US civil actions

Barclays PLC, Barclays Bank PLC, and BCI, together with other financial institutions are defendants in interest rate swap and credit default swap antitrust civil actions in the SDNY.

Background Information

Barclays PLC, Barclays Bank PLC, and BCI, together with other financial institutions that act as market makers for interest rate swaps (IRS), Trade Web, and ICAP, are named as defendants in several antitrust class actions which were consolidated in the SDNY in 2016. The complaints allege defendants conspired to prevent the development of exchanges for IRS and demand unspecified money damages, treble damages and legal fees. Plaintiffs include certain swap execution facilities, as well as buy-side investors. The buy-side investors claim to represent a class that transacted in fixed-for-floating IRS with defendants in the US from 2008 to the present, including, for example, US retirement and pension funds, municipalities, university endowments, corporations, insurance companies and investment funds. The case is in discovery. In June 2017, a separate suit was filed in the US District Court in the SDNY against the same financial institution defendants in the IRS cases, including Barclays PLC, Barclays Bank PLC, and BCI, claiming that certain conduct alleged in the IRS cases also caused plaintiff to suffer harm with respect to the Credit Default Swaps market. Defendants have moved to dismiss this action.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the actions described on the Group or what effect they might have upon the Group's operating results, cash flows or financial position in any particular period.

CCUK Finance Limited and CIAC Corporation

In May 2017, Barclays Bank PLC was served with a civil claim by CUK Finance Limited and CIAC Corporation issued in the English High Court alleging breach of a contractual indemnity, fraudulent misrepresentation and breach of warranty arising out of the sale of a portfolio of credit cards in 2007. Barclays Bank PLC has filed a defence and counterclaim.

Claimed Amounts/Financial Impact

The claim seeks damages of not less than £1bn plus interest and costs. The damages claimed do not necessarily reflect Barclays Bank PLC's potential financial exposure if a ruling were to be made against it. It is not currently practicable to provide an estimate of the financial impact of the action described or what effect it might have upon operating results, cash flows or the Group's financial position in any particular period.

Portuguese Competition Authority investigation

The Portuguese Competition Authority is investigating whether competition law was infringed by the exchange of information about retail credit products amongst 15 banks in Portugal, including the Group, over a period of 11 years with particular reference to

mortgages, consumer lending and lending to small and medium enterprises. The Group is cooperating with the investigation.

Claimed Amounts/Financial Impact

It is not currently practicable to provide an estimate of the financial impact of the action described or what effect it might have upon operating results, cash flows or the Group's financial position in any particular period.

Provisions for Legal, competition and regulatory matters

Payment Protection Insurance Redress

As at 31 December 2017, the Group had recognised cumulative provisions totalling £9.2bn (2016: £8.4bn) against the cost of Payment Protection Insurance (PPI) redress and associated processing costs with utilisation of £7.6bn (2016: £6.4bn), leaving a residual provision of £1.6bn (2016: £2.0bn).

Through to 31 December 2017, 2.1m (2016: 1.8m) customer initiated claims had been received and processed. The volume of claims received during 2017 increased 16% from 2016. This increase may have been impacted by a FCA advertising campaign launched in H2 2017.

The current provision reflects the estimated costs of PPI redress primarily relating to customer initiated complaints and ongoing remediation programmes, based on information at year end. This also includes liabilities managed by third parties arising from portfolios previously sold where the Group remains liable, based on information at year end.

As at 31 December 2017, the provision of £1.6bn represents the Group's best estimate of expected PPI redress reflecting the complaints deadline implemented by the FCA of 29 August 2019. However, it is possible the eventual outcome may differ from the current estimate. The Group will continue to review the adequacy of provision level in respect of the future impacts.

The PPI provision is calculated using a number of key assumptions which continue to involve significant modelling and management judgement. These assumptions remain subjective, mainly due to the uncertainty associated with future claims levels, which include complaints driven by CMC activity and the FCA advertising campaign.

General

The Group is engaged in various other legal, competition and regulatory matters in the UK and US and a number of other overseas jurisdictions. It is subject to legal proceedings by and against the Group which arise in the ordinary course of business from time to time, including (but not limited to) disputes in relation to contracts, securities, debt collection, consumer credit, fraud, trusts, client assets, competition, data protection, money laundering, financial crime, employment, environmental and other statutory and common law issues.

The Group is also subject to enquiries and examinations, requests for information, audits, investigations and legal and other proceedings by regulators, governmental and other public bodies in connection with (but not limited to) consumer protection measures, compliance with legislation and regulation, wholesale trading activity and other areas of banking and business activities in which the Group is or has been engaged. The Group is cooperating with the relevant authorities and keeping all relevant agencies briefed as appropriate in relation to these matters and others described in this note on an ongoing basis.

At the present time, the Group does not expect the ultimate resolution of any of these other matters to have a material adverse effect on its financial position. However, in light of the uncertainties involved in such matters and the matters specifically described in this note, there can be no assurance that the outcome of a particular matter or matters will not be material to the Group's results of operations or cash flow for a particular period, depending on, amongst other things, the amount of the loss resulting from the matter(s) and the amount of income otherwise reported for the reporting period.

パークレイズ・バンク・ピーエルシーおよびその子会社に関する
プロ・フォーマベースの要約連結財務情報（未監査）

定義

本書において、以下のとおりとする。

- 「2017年財務書類」とは、当社およびその子会社の2017年12月31日現在の監査済み連結貸借対照表およびこれに関連する連結損益計算書、連結包括利益計算書、連結株主資本変動計算書および連結キャッシュフロー計算書ならびに2017年12月31日に終了した年度に関する経営成績およびキャッシュフローであって、IFRSに準拠し、2018年2月22日付で米国証券取引委員会に提出されたForm 6-K (Film No. 18631855) に含まれるものをいう。
- 「パークレイズ」とは、パークレイズ・ピーエルシーをいう。
- 「パークレイズ・グループ」とは、パークレイズ・ピーエルシーおよびその連結子会社をいう。
- 「パークレイズ・インターナショナル」とは、IFRS第8号「事業セグメント」に従って決定された当グループのパークレイズ・インターナショナル事業セグメントをいう。
- 「パークレイズ UK」とは、IFRS第8号「事業セグメント」に従って決定された当グループのパークレイズ UK 事業セグメントをいう。
- 「パークレイズ UK 事業」とは、パークレイズ UK を構成する子会社、資産、負債および事業をいう。
- 「当社」とは、パークレイズ・バンク・ピーエルシーをいう。
- 「当グループ」とは、当社およびその連結子会社をいう。
- 「BBUKPLC」とは、パークレイズ・バンク UK ピーエルシーをいう。
- 「BBUKPLC グループ」とは、BBUKPLC およびその連結子会社をいう。
- 「裁判所」とは、イングランド・ウェールズ高等法院をいう。
- 「グループのサービス会社」とは、パークレイズ・サービセス・リミテッドおよびその連結子会社をいう。
- 「本社」とは、IFRS第8号「事業セグメント」に従って決定された当グループの本社事業セグメントをいう。
- 「IFRS」とは、国際会計基準審議会が公表する国際財務報告基準をいう。
- 「PRA」とは、英国プルードENS（健全性）規制機構をいう。
- 「本件譲渡」とは、提案されている当社から BBUKPLC へのパークレイズ UK 事業の譲渡およびその後の当社からパークレイズへの BBUKPLC の持分所有権の分配をいう。

背景

2008年に発生した金融危機を受けて英国政府が自国の金融システムの強化を目的として実施した規制改革に伴い、パークレイズは、英国のリングフェンス制度の条件に対応するため、当社から隔離されたリングフェンス銀行として BBUKPLC を設立する意向である。かかる2つの事業体は、同じパークレイズ・グループの一部として、但し互いに独立して運営されることとなる。かかるリングフェンス銀行を設立するため、PRAの許可、裁判所の許可および経営陣の決定を条件として、2018年4月に本件譲渡が実施される予定である。

本書に定められる本プロ・フォーマベースの要約連結財務情報（未監査）（以下「本プロ・フォーマ財務情報」という。）は、当グループに関する(i)2017年12月31日現在のプロ・フォーマベースの要約連結貸借対照表（未監査）、(ii)2017年12月31日に終了した年度の要約連結損益計算書（未監査）および(iii)注記によって構成される。

本プロ・フォーマ財務情報は、2017年財務書類に用いられた会計方針に基づき、かつこれに則している。本プロ・フォーマ財務情報はまた、(i)2017年財務書類、(ii)2017年財務書類に即して報告されたパークレイズ UK の内部管理財務情報、ならびに(iii)本件譲渡に含まれる集中管理された資金運用資産、負債および株式を調整するための経営陣による調整に基づいている。

本プロ・フォーマ財務情報は、（米国証券取引所規制 S-X に従い）本件譲渡が2017年1月1日に実施されたとみなした場合に当グループの監査済み損益計算書に生じうる影響、および2017年12月31日に実施されたとみなした場合に当グループの監査済み貸借対照表に生じうる影響を示すことを目的としている。本プロ・フォーマ財務情報はまた、譲渡対象となる子会社、事業、資産および負債に関する見積および仮定に基づき、例示のみを目的として作成されている。英国のリングフェンスに関する計画は、順調に進行しているものの、依然として PRA の許可、裁判所の許可および経営陣の決定の状況に左右される。本プロ・フォーマ財務情報は、仮定上の状況に関するものであり、そのため、当グループの実際の財政状態または業績を表すものではなく、また、必ずしも本件譲渡が該当する日付に実施されていた場合における当グループの実際の財政状態または業績を示すものでもない。当グループの実際の財政状態および経営成績は、さまざまな要因により、本書に含まれる見積額と著しく異なる可能性がある。

本件譲渡が本プロ・フォーマ財務情報の作成に用いられた価額で実施されるか否か、または本件譲渡自体が実施されるか否かは未確定である。いかなる者も、投資判断その他の目的において、本プロ・フォーマ財務情報に過度に依拠すべきではなく、また、必要な場合または当社（その絶対的な裁量による。）、規制当局もしくは裁判所が商業上その他の理由により望ましいと判断した場合には、本件譲渡は変更（譲渡または留保の対象となる子会社、事業、資産および負債、最終的にかかる子会社、事業、資産および負債の譲渡が行われる方法、ならびに譲渡が行われる時期に関する変更を含むが、これらに限定されない。）される可能性がある。したがって、本プロ・フォーマ財務情報のいかなる内容も、言及された子会社、事業、資産および負債の譲渡もしくは留保が、上述した時期に、本プロ・フォーマ財務情報に含まれる数値に即して行われる旨、またはかかる譲渡もしくは留保自体が行われる旨の表明とみなされるべきではない（また、かかる旨の表明ではない。）。疑義を避けるために付言すると、本プロ・フォーマ財務情報は、規制 S-X 第 11 条を遵守するためにのみ作成され配布されるものであり、いかなる者に対する募集を構成するものでもない。

プロ・フォーマベースの要約連結貸借対照表（未監査）
2017年12月31日現在

（百万ポンド）	当グループ (1)	プロ・フォー マ調整 (2)	プロ・フォー マ合計 (3)	注記
資産				
現金、中央銀行預け金および金融投資	229,999	(40,426)	189,573	2 (c) (i)
リバース・レポ取引、類似の担保付貸付およびトレーディング・ポートフォリオ資産	126,301	1,937	128,238	2 (c) (i)
公正価値で測定すると指定された金融資産	116,282	(7,193)	109,089	
デリバティブ	237,987	7,794	245,781	2 (c) (ii)
貸付金	401,762	(187,962)	213,800	2 (b) (i)
のれんおよび無形資産	4,885	(3,538)	1,347	
その他の資産	12,127	(2,086)	10,041	
資産合計	1,129,343	(231,474)	897,869	
負債				
銀行預かり金および顧客預かり金	467,332	(186,604)	280,728	2 (c) (ii)
レポ取引およびその他類似の担保付借入	40,338	(8,600)	31,738	2 (b) (ii)
トレーディング・ポートフォリオ負債	37,352	(2,425)	34,927	
公正価値で測定すると指定された金融負債	173,718		173,718	
デリバティブ	238,345	1,566	239,911	2 (c) (ii)
発行債券および劣後負債	93,579	(15,507)	78,072	2 (b) (ii)
その他の負債	12,945	(4,017)	8,928	
負債合計	1,063,609	(215,587)	848,022	
株主資本合計	65,734	(15,887)	49,847	2 (b) (iii)
負債および株主資本合計	1,129,343	(231,474)	897,869	

注釈：

- (1) 当グループの本財務情報は、2017年財務書類からの抜粋である。
- (2) 「プロ・フォーマ調整」は、2017年12月31日における資産、負債および株主資本の価値見積への調整であり、本件譲渡後の当グループを反映すると予測される。別途注記に記載がない限りにおいて、本件譲渡はパークレイズ UKに関連している。詳細については、下記の「プロ・フォーマベースの財務情報（未監査）に対する注記」参照。
- (3) 「プロ・フォーマ合計」は、2017年12月31日に本件譲渡が発生したとみなした上での、2017年12月31日付の当グループの保有資産、負債および株主資本の価値見積を表すものである。

プロ・フォーマベースの要約連結損益計算書（未監査）
2017年12月31日に終了した年度

（百万ポンド）	当グループ (1)	プロ・フォー マ調整(2)	プロ・フ ォーマ合 計(3)	注記
継続事業				
利益収入純額	9,748	(5,753)	3,995	2 (b) (iv)
手数料収入純額	6,874	(1,176)	5,698	
トレーディング収益純額	3,387	9	3,396	
投資収益純額	859	(160)	699	
その他の収益	69	(7)	62	
収益合計	20,937	(7,087)	13,850	
信用に関する減損費用およびその他の引当金繰入額	(2,336)	783	(1,553)	
営業収益純額	18,601	(6,304)	12,297	
人件費	(6,445)	2,052	(4,393)	
一般管理費	(9,244)	2,959	(6,285)	
営業費用	(15,689)	5,011	(10,678)	
事業売却益ならびに関連会社および合併企業の損益に 対する持分	254	5	259	
税引前利益	3,166	(1,288)	1,878	
税金	(2,125)	566	(1,559)	
継続事業に係る税引後利益	1,041	(722)	319	
非継続事業に係る税引後（損失）／利益	(2,195)		(2,195)	
税引後（損失）／利益	(1,154)	(722)	(1,876)	

注釈：

- (1) 当グループの本財務情報は、2017年財務書類からの抜粋である。
- (2) 「プロ・フォーマ調整」は、2017年12月31日に終了した年度の収益および費用への調整であり、本件譲渡後の当グループを反映すると予測される。別途注記に記載がない限りにおいて、本件譲渡はパークレイズ UKに関連している。詳細については、下記の「プロ・フォーマベースの財務情報（未監査）に対する注記」参照。
- (3) 「プロ・フォーマ合計」は、2017年1月1日に本件譲渡が発生したとみなした上での、2017年12月31日に終了した年度の当グループの収益および費用を表すものである。

プロ・フォーマベースの財務情報（未監査）に対する注記

(1) 本件譲渡の一部として譲渡される事業

譲渡の対象となる事業は、現在パークレイズ UK 事業を構成する各事業（および、下記(2) (b)に詳述する一定の関連財務業務）である。パークレイズの見通しでは、現在パークレイズ・インターナショナルおよび本社を構成する各事業（グループのサービス会社を除く。）は、引き続き当グループに属することとなる。パークレイズ・グループ・レベルの事業セグメントの財務成績と当グループ・レベルのそれとの間には、とりわけ資金構造、グループのサービス会社およびキャッシュフローのヘッジに起因し、主に本社の経営成績に影響を及ぼす一定の差異が存在する。

(2) 作成の基準

本プロ・フォーマ財務情報は、(i)2017年財務書類、(ii)2017年財務書類に即して報告されたパークレイズ UK の内部管理財務情報、ならびに(iii)本件譲渡に含まれる予定の集中管理された資金運用資産、負債および株式を調整するための経営陣による調整に基づいている。

本件譲渡は、英国リングフェンス関連法に従うために、当社から BBUKPLC へ譲渡される予定の子会社、事業、資産および負債に関する経営陣の最良の見積を表している。認識および評価に関する同様の原則が、IASB により公表され欧州連合により採用された国際財務報告基準に準拠した 2017 年財務書類の作成においても適用されている。

本プロ・フォーマ財務情報は、規制 S-X 第 11 条に従って作成されている。2017 年 12 月 31 日現在の当グループのプロ・フォーマベースの要約連結貸借対照表（未監査）は、本件譲渡が 2017 年 12 月 31 日に実施されたと見なした場合に生じる影響を示すために表示されている。2017 年 12 月 31 日に終了した年度に関する当グループのプロ・フォーマベースの要約連結損益計算書（未監査）は、本件譲渡が 2017 年 1 月 1 日に実施されたと見なした場合に生じる影響を示すために表示されている。

2017 年 7 月 1 日のノンコア部門閉鎖を受けて、旧ノンコア部門の一定の資産および負債は、パークレイズ英国事業に再統合された。このことが 2017 年 6 月 30 日に終了した 6 ヶ月に関する損益計算書に及ぼした影響は、本件譲渡が当グループに及ぼす影響の判断には反映されていない。これは、かかる再統合の影響を合理的に推定することができず、また重要な影響は生じていないものと見込まれるためである。

本件譲渡に直接起因する重要な経常外費用または債権（およびこれに関連する税効果）はないものと見込まれる。

本プロ・フォーマ財務情報は、以下の基準に従って作成されている。

- (a) パークレイズ UK は、本件譲渡に完全に反映されている。
- (b) 現在本社において報告されている一定の財務項目は、BBUKPLC グループに譲渡される予定である。これには、資金調達、リスク管理および流動性バッファの維持に関連する収益、費用、資産、負債および株主資本が含まれる。かかる譲渡対象の資産、負債および株主資本は、パークレイズ UK 財務部門が管理する 2017 年 12 月 31 日付の貸借対照表ならびに本件譲渡に含まれる予定の集中管理された資金運用資産、負債および株主資本を調整するための経営陣による調整に基づいている。これには、以下の重要な項目が含まれる。
 - i. 主にイングランド銀行に差し入れられた担保を表す、銀行に対する貸付金 14 億ポンド
 - ii. 主に 147 億ポンドの発行済み債券および劣後債務ならびに 86 億ポンドのレポ取引およびその他類似の担保付借入から成る 234 億ドルの負債

- iii. BBUKPLCグループが必要とする資本の水準に関する経営陣の現在の見通しを反映した、159億ポンドの株主資本（株式資本および資本剰余金を含む。）およびその他の資本性金融商品
 - iv. 当グループの財務部門は現在、バークレイズUKの金利リスクのヘッジを行っている。本件譲渡後には、当グループおよびBBUKPLCグループの両方に関して新たな外部ヘッジが設けられる予定である。かかる新たなヘッジおよびこれに関連する新たなヘッジ会計処理は、本件譲渡の時点における実勢レートに基づいて実施される予定であり、そのため（2017年1月1日付のレートに基づく）本プロ・フォーマ財務情報にはかかる新たなヘッジ処理が完全には反映されていない可能性がある。本プロ・フォーマ財務情報は、本件譲渡の一部として、バークレイズUKと比較して推定3億ポンドの正味支払利息の削減が含まれている。
- (c) 2017年財務書類上の内部取引が、当社の対外取引となること。これには、以下が含まれる。
- i. リバース・レポ取引の19億ポンドの増加。これは、中央銀行預け金の19億ポンドの減少によって相殺された。
 - ii. デリバティブ資産の84億ポンドの増加ならびにデリバティブ負債および銀行預かり金および顧客預かり金（現金担保を含む。）の84億ポンドの増加。

事業内容の概要及び主要な経営指標等の推移

本書中の「パークレイズ」、「グループ」は、パークレイズ・ピーエルシー及びその子会社を表し、「パークレイズ・バンク・ピーエルシー・グループ」は、パークレイズ・バンク・ピーエルシー及びその子会社を表す。

1 事業内容の概要

2016 年度中パークレイズ・バンク・ピーエルシー・グループの活動は、リングフェンス規制要件への準備として、パークレイズ UK 及びパークレイズ・インターナショナルに再編された。さらに、パークレイズ・アフリカ・グループ・リミテッドに対するパークレイズの持分を非継続事業に再編したため、ノンコア事業が拡大した。

パークレイズ UK

パークレイズ UK は、相応のスケールを誇るパーソナル・バンキング及びビジネス・バンキングのフランチャイズであり、顧客のニーズとともに構築され、その中枢にイノベーションを据える。

グループのパークレイズ UK における目標は、顧客が前進することを手助けすることにある。これは、顧客に対して関連する商品及びサービスを提供し、適合性及び卓越した顧客経験の提供を確保するために、グループの優れたデータ及び分析に係る能力を活用し、顧客と有意な関係を構築することにより実現する。

2018 年度において、パークレイズ UK は、英国のリングフェンス銀行となる予定であり、トランザクション・バンキング商品、貸付商品及び投資商品並びにサービスを 24 百万を超えるパーソナル、ウェルス及びビジネス・バンキング顧客に対して別個の法的主体を通じて引き続き提供する。

パークレイズ UK は、パーソナル・バンキング、パークレイカード・コンシューマーUK 及びウェルス、アントレプレナー&ビジネス・バンキングにより構成される。

パーソナル・バンキング

パーソナル・バンキングは、約 16 百万の顧客に対してその財務ニーズを予測し、実現するために簡易で分かりやすい金融商品を提供する。これは、若年者が最初の銀行口座を開設することから退職後の財産管理まで、又は日々の保険から家の購入まで範囲が及ぶことがある。

パーソナル・バンキング事業の中核的な要素は、顧客が何を重視しているか、いつどのようにして入手したいのかについて接客を可能とするべく、取引を自動化するための技術を利用することにある。

パークレイカード・コンシューマーUK

パークレイカード・コンシューマーUK は、英国における大手クレジットカード提供会社である。

グループは、責任ある貸し手であり、顧客の信用実績、支払履行能力及びグループのリスク選好度に基づき信用を提供することにより顧客の購買に資金を提供する手助けを行う。グループは、パークレイカード・コンタクトレス・モバイル又はアップルペイを含むカード、オンライン、モバイル又はウェアラブル・デバイスの利用した支払いで、顧客が望む方法により支払いを行うことを可能とする。

グループは、顧客に注力しており、業界において大手であり続け、また、グループの顧客が日々前進することを支援するために人的、プロセス及び将来の技術の分野に対して投資を行っている。

ウェルス、アントレプレナー&ビジネス・バンキング

パークレイズのウェルス事業は、国内のプライベート・バンキング、資産計画、信託業務、投資運用及び仲介業務を含む、真に全体的な資産管理サービスを提供している。

ビジネス・バンキングは、英国全土にわたる1百万を超える顧客に対し、新興企業から中堅企業まで事業の運営及び成長を補佐している。グループのモデルは、リレーションシップ・ベースであり、デジタル取引が主体である。

グループは、顧客が必要とする商品を、オンライン、モバイル又はリレーションシップ・マネージャーを通じた当該顧客が希望する入手方法により入手可能とすることに努めている。グループは、事業の中心に顧客を据えており、顧客が必要とするサービスを希望する入手方法にて提供している。

パークレイズ・インターナショナル

パークレイズ・インターナショナルは、環大西洋のホールセール向け及び消費者向けの総合的な銀行であり、パークレイズ・バンク・ピーエルシーに内包される予定の将来的な非リングフェンス銀行である。グループは、業界最高のサービスを顧客に対して提供するために、競争力及びスケール・メリットのある市場において競争することを追求している。グループは、法人、機関及び個人に対して財務サービスを提供するにあたり最大手のポジションを維持し、また拡大することを目指す。

パークレイズ・インターナショナルは、コーポレート・アンド・インベストメント・バンク（CIB）及びコンシューマー、カード及び決済事業（CC&P）により構成される。

コーポレート・アンド・インベストメント・バンク

CIBは、ホールセール・バンキング商品及びサービスを、法人及び機関投資家顧客に対して提供する。当該事業は、グループの2つの母国市場（世界最大規模の市場のうちの2つでもある）周辺に根付いている。グループは、規制及び市場の変化に早くから対応し、ヨーロッパにおける大手CIBとしてのポジションを維持するよう事業を位置づけている。

コンシューマー、カード及び決済事業

コンシューマー、カード及び決済事業は、パークレイカード・インターナショナル及びプライベート・バンク及び海外サービス事業の報告部門である。

パークレイズ・インターナショナルは、独自ブランド及び提携ブランドによる消費者向けクレジットカード並びに貸付を顧客に対して、さらにビジネス・ソリューションを世界中で提供する。

プライベート・バンク及び海外サービス事業は、銀行業務、投資サービス及び資産管理サービスを世界中の163,000を超える顧客に対して提供する。

ノンコア事業

ノンコア事業は、パークレイズの非戦略的な資産及び事業の売却を監督するために2014年に組織され、グループのコア事業の戦略的成長を補佐するための資金力を提供している。ノンコア事業は、グループの戦略に合致せず、成長機会が限られ規模が拡大せず、又は規制上の自己資本環境に課題を抱えた事業及び資産を集約している。

ノンコア事業の縮小は、パークレイズの簡素化における主要な原動力であり、グループの収益を改善し、株主価値の提供を補佐する。2016年度における前倒しの結果、ノンコア事業は、現在当初予定より6カ月早い2017年6月30日に閉鎖される予定である。

アフリカ

パークレイズ・アフリカ・グループ・リミテッド（BAGL）は、南アフリカに本拠地を有する汎アフリカの総合的な金融サービス業者である。アフリカ大陸全土（ボツワナ、ガーナ、ケニア、モーリシャス、モザンビーク、セーシェル、南アフリカ、タンザニア、ウガンダ及びザンビア）において有意な業務を展開し、ヨハネスブルグ証券取引所に上場している。

2016年3月1日に、戦略的見直しの一環として、パークレイズは BAGL に対する持分を規制上非連結化することが認められている水準にまで売却する意向を発表した。

2 主要な経営指標等の推移

	パークレイズ・バンク・ピーエルシー・グループ					パークレイズ・バンク・ピーエルシー				
	2016年	2015年	2014年	2013年	2012年	2016年	2015年	2014年	2013年	2012年
主要損益計算書データ ^{1,2}	百万ポンド	百万ポンド	百万ポンド	百万ポンド	百万ポンド	百万ポンド	百万ポンド	百万ポンド	百万ポンド	百万ポンド
利息収入純額	11,457	11,363	12,138	11,653	11,650					
手数料収入純額	6,836	6,883	8,188	8,752	8,536					
収益合計	22,469	22,808	25,815	28,463	25,457					
営業収益純額	20,096	21,046	23,167	24,883	21,517					
税引後利益	3,729	1,238	854	1,308	33					
親会社の株主に帰属するもの	2,867	566	528	963	(306)					
当期包括利益／(損失)合計	7,186	303	3,492	(3,279)	(1,292)					
主要貸借対照表データ										
非支配持分を除く株主資本合計	67,433	64,105	63,794	61,009	57,067	57,998	57,524	56,712	52,978	45,300
資産合計	1,213,955	1,120,727	1,358,693	1,344,201	1,512,777	1,135,320	1,077,317	1,265,756	1,315,189	1,490,702
主要キャッシュフロー・データ										
営業活動からのキャッシュ純額	11,278	14,650	(12,091)	(25,282)	(15,121)	9,004	10,455	(7,862)	(26,356)	(4,256)
投資活動からのキャッシュ純額	36,236	(6,551)	10,661	(22,655)	(6,718)	39,447	(6,019)	4,066	(24,424)	(9,286)
財務活動からのキャッシュ純額	(1,011)	110	(1,414)	6,260	(1,923)	(639)	617	(1,012)	6,650	(4,264)
現金及び現金同等物 期末現在	143,932	86,556	78,479	81,754	121,896	122,150	66,938	60,728	66,355	107,664
平均従業員数 ³	119,300	129,400	132,300	140,300	143,700					

- 2006年会社法第408条(3)に基づき、パークレイズ・バンク・ピーエルシー単体の損益計算書又は包括利益計算書は表示していない。
- 2015年度及び2014年度の比較数値は、グループ事業の再編の実施を反映するために修正再表示されている。
- 従業員数は全員、パークレイズ・バンク・ピーエルシー・グループの従業員である。