BARCLAYS PLC
Form 6-K
July 30, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER
PURSUANT TO RULE 13A-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934

July 30, 2014

Barclays PLC and
Barclays Bank PLC
(Names of Registrants)

1 Churchill Place
London E14 5HP
England

(Address of Principal Executive Offices)

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

Form 20-F x Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No x

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):

This Report is a joint Report on Form 6-K filed by Barclays PLC and Barclays Bank PLC. All of the issued ordinary share capital of Barclays Bank PLC is owned by Barclays PLC.

This Report comprises:

Information given to The London Stock Exchange and furnished pursuant to General Instruction B to the General Instructions to Form 6-K.

EXHIBIT INDEX

Barclays announces Half Yearly Report - dated 30 July 2014

SIGNATURES

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

BARCLAYS PLC
(Registrant)

Date: July 30, 2014

By: /s/ Marie Smith

Marie Smith
Assistant Secretary

BARCLAYS BANK PLC
(Registrant)

Date: July 30, 2014

By: /s/ Marie Smith

Marie Smith
Assistant Secretary

Barclays PLC
Results Announcement

30 June 2014

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Notes

The term Barclays or Group refers to Barclays PLC together with its subsidiaries. Unless otherwise stated, the income statement analysis compares the six months to 30 June 2014 to the corresponding six months of 2013 and balance sheet analysis as at 30 June with comparatives relating to 31 December 2013. The abbreviations '£m' and '£bn' represent millions and thousands of millions of Pounds Sterling respectively; the abbreviations '$m' and '$bn' represent millions and thousands of millions of US Dollars respectively; '€m' and '€bn' represent millions and thousands of millions of Euros respectively; and 'C$m' and 'C$bn' represent millions and thousands of millions of Canadian Dollars respectively.

The comparatives have been restated to reflect the implementation of the Group structure changes and the reallocation of elements of the Head Office results under the revised business structure. These restatements were detailed in our announcement on 10 July 2014, accessible at http://www.barclays.com/barclays-investor-relations/results-and-reports. Balance sheet comparative figures have also been restated to adopt the offsetting amendments to IAS 32, Financial Instruments: Presentation.

Adjusted profit before tax, adjusted attributable profit and adjusted performance metrics have been presented to provide a more consistent basis for comparing business performance between periods. Adjusting items are considered to be significant and not representative of the underlying business performance. Items excluded from the adjusted measures are: the impact of own credit; the provision for Payment Protection Insurance redress payments and claims management costs (PPI redress); the provision for interest rate hedging products redress and claims management costs (interest rate hedging products redress); and goodwill impairment. As Management reviews adjusting items at a Group level, segmental results are presented excluding these items in accordance with IFRS 8: Operating Segments. Statutory and adjusted performance is reconciled at a Group level only.

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 www.Barclays.com/results.

The information in this announcement, which was approved by the Board of Directors on 29 July 2014 does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2013, which included 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 contained an unqualified audit report under Section 495 of the Companies Act 2006 (which did not make any statements under Section 498 of the Companies Act 2006) have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

These results will be furnished as a Form 6-K to the SEC as soon as practicable following their publication. Once furnished with the SEC, copies of the Form 6-K will also be available from the Barclays Investor Relations website www.barclays.com/investorrelations and from the SEC's website at http://www.sec.gov.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to certain of the Group's plans and its current goals and expectations relating to its future financial condition and performance. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Examples of forward-looking statements include, among others, statements regarding the Group's future financial position, income growth, assets, impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projected levels of growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the Transform Programme and Group Strategy Update, run-down of assets and businesses within Barclays Non-Core, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards (IFRS), evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; UK, 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 the Group; the potential for one or more countries exiting the Eurozone; the implementation of the Transform Programme; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, and expectations set forth in the Group's forward-looking statements. Additional risks and factors are identified in our filings with the SEC including our Annual Report on Form 20-F for the fiscal year ended 31 December 2013, which are available on the SEC's website at http://www.sec.gov.

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

Performance Highlights

Income Statement

Group performance

- Adjusted profit before tax was down 7% to £3,349m largely driven by currency movements and a reduction in the Investment Bank profitability, partially offset by improvements in Personal and Corporate Banking (PCB), Barclaycard, and Barclays Non-Core (BNC)

- Adjusted income decreased 12% to £13,332m whilst impairment reduced by 33% to £1,086m, resulting in a 9% decrease in net operating income to £12,246m

- Adjusted operating expenses were down 9% to £8,877m, including costs to achieve Transform (CTA) of £494m (2013: £640m) and litigation and conduct charges of £211m (2013: £126m), reflecting savings associated with prior Transform initiatives and currency movements

- Statutory profit before tax was £2,501m (2013: £1,677m), reflecting an additional £900m of provisions for PPI redress (2013: £1,350m) and the non-recurrence of a provision for interest rate hedging products redress compared to the prior year (2013: £650m)

- Adjusted Group attributable profit was £1,760m (2013: £2,055m). As a result adjusted Group return on average shareholders' equity reduced to 6.5% (2013: 7.8%) reflecting the equity raised from the rights issue in Q413 and the decrease in Core profit before tax partially offset by improvements in BNC

Core performance

- Profit before tax was down 10% to £3,840m, as improved performance across the majority of the Core businesses was more than offset by a reduction in Investment Bank profit

- Income decreased 7% to £12,674m, reflecting a 18% reduction in the Investment Bank, driven by a decrease in Markets and a reduction in Africa Banking due to currency movements, partially offset by growth in Barclaycard and PCB. Net interest income for PCB, Barclaycard and Africa Banking increased 3% to £5,564m reflecting strong savings, mortgage and card growth

- Credit impairment charges improved 13% to £937m. This reflected lower impairments in PCB as the improving economic environment had a positive impact on the majority of retail and wholesale portfolios in the UK and lower impairment in Africa Banking mortgages on a constant currency basis

- Operating expenses decreased £370m to £7,944m, reflecting improvements across each of the businesses as a result of Transform initiatives and currency movements partially offset by higher CTA charges of £453m (2013: £223m) and higher litigation and conduct charges of £177m (2013: £86m)

- Core return on equity decreased to 11.0% (2013: 15.1%)

Non-Core performance

- Loss before tax reduced by 27% to £491m. This reflected lower income, following asset disposals and risk reductions, to £658m (2013: £1,474m), more than offset by a £407m improvement in impairment to £149m and a 36% reduction in operating expenses to £934m including lower CTA of £41m (2013: £418m)

- Non-Core return on equity dilution improved to 4.5% (2013: 7.3%)

Balance Sheet, Leverage and Capital Management

• Fully loaded CRD IV Common Equity Tier 1 (CET1) ratio increased to 9.9% (2013: 9.1%) mainly driven by RWA reductions in BNC

• The PRA leverage ratio increased to 3.4% (2013: 3.0%), reflecting a reduction in the PRA leverage exposure of £99bn to £1,266bn and an increase in eligible PRA adjusted Tier 1 Capital to £43.2bn (2013: £40.5bn) principally from an exchange of existing T1 instruments into new AT1 securities. The estimated BCBS 270 leverage ratio was 3.4%

• Net tangible asset value per share decreased to 279p (2013: 283p) and net asset value per share decreased to 327p (2013: 331p) primarily due to an increase in the number of shares in issue and a decrease in currency translation reserves

Performance Highlights

Barclays Group Results for the six months ended	Adjusted			Statutory		
	30.06.14	30.06.13	YoY	30.06.14	30.06.13	YoY
	£m	£m	% Change	£m	£m	% Change
Total income net of insurance claims	13,332	15,071	(12)	13,384	15,157	(12)
Credit impairment charges and other provisions	(1,086)	(1,631)	33	(1,086)	(1,631)	33
Net operating income	12,246	13,440	(9)	12,298	13,526	(9)
Operating expenses	(8,172)	(9,015)	9	(8,172)	(9,015)	9
Litigation and conduct1	(211)	(126)	(67)	(1,111)	(2,126)	48
Costs to achieve Transform	(494)	(640)	23	(494)	(640)	23
Total operating expenses	(8,877)	(9,781)	9	(9,777)	(11,781)	17
Other net expense	(20)	(68)	71	(20)	(68)	71
Profit before tax	3,349	3,591	(7)	2,501	1,677	49
Tax charge	(1,109)	(1,124)	1	(895)	(594)	(51)
Profit after tax	2,240	2,467	(9)	1,606	1,083	48
Non-controlling interests	(390)	(412)	5	(390)	(412)	5
Other equity interests2	(90)	-		(90)	-	
Attributable profit	1,760	2,055	(14)	1,126	671	68
Performance Measures						
Return on average tangible shareholders' equity2	7.5%	9.1%		4.9%	3.0%	
Return on average shareholders' equity2	6.5%	7.8%		4.2%	2.6%	
Cost: income ratio	67%	65%		73%	78%	
Compensation: net operating income ratio	38%	38%		38%	38%	
Loan loss rate	45bps	63bps		45bps	63bps	
Basic earnings per share2	10.9p	15.2p		7.0p	5.0p	
Dividend per share	2.0p	2.0p		2.0p	2.0p	
Balance Sheet and Leverage				30.06.14	31.12.13	
Net asset value per share				327p	331p	
				279p	283p	

Net tangible asset value per share		
PRA leverage exposure	£1,266bn	£1,365bn
Estimated BCBS 270 leverage exposure	£1,353bn	n/a
Capital Management		
CRD IV fully loaded		
Common equity tier 1 ratio3	9.9%	9.1%
Common equity tier 1 capital	£40.8bn	£40.4bn
PRA adjusted tier 1 capital	£43.2bn	£40.5bn
Risk weighted assets3	£411bn	£442bn
PRA leverage ratio	3.4%	3.0%
Estimated BCBS 270 leverage ratio	3.4%	n/a
Funding and Liquidity		
Group liquidity pool	£134bn	£127bn
Estimated CRD IV liquidity coverage ratio	107%	96%
Loan: deposit ratio4	92%	91%

Adjusted Profit Reconciliation	30.06.14	30.06.13
Adjusted profit before tax	3,349	3,591
Own credit	52	86
Provision for PPI redress	(900)	(1,350)
Provision for interest rate hedging products redress	-	(650)
Statutory profit before tax	2,501	1,677

1 Litigation and conduct charges include regulatory fines, litigation settlements and conduct related customer redress.
2 The profit after tax attributable to other equity holders of £90m (2013: £nil) is offset by a tax credit recorded in reserves of £19m (2013: £nil). The net amount of £71m, along with non-controlling interests (NCI) is deducted from profit after tax in order to calculate earnings per share, return on average tangible shareholders' equity and return on average shareholders' equity.
3 Following the full implementation of CRD IV reporting in 2014, the previously reported 31 December 2013 RWAs have been revised by £6.9bn to £442bn and the fully loaded CET1 ratio revised by (0.2)% to 9.1%. These additional RWAs have been included within Head Office and Other Operations.
4 Loan: deposit ratio for PCB, Barclaycard, Africa Banking and Non-Core retail.

Performance Highlights

Barclays Core and Non-Core Results for the six months ended

	Barclays Core			Barclays Non-Core		
	30.06.14	30.06.13	% Change	30.06.14	30.06.13	% Change
	£m	£m		£m	£m	
Total income net of insurance claims	12,674	13,597	(7)	658	1,474	(55)
Credit impairment charges and other provisions	(937)	(1,075)	13	(149)	(556)	73
Net operating income	11,737	12,522	(6)	509	918	(45)
Operating expenses	(7,314)	(8,005)	9	(860)	(1,010)	15
Litigation and conduct	(177)	(86)		(33)	(39)	15
Costs to achieve Transform	(453)	(223)		(41)	(418)	90
Total operating expenses	(7,944)	(8,314)	4	(934)	(1,467)	36
Other net income/(expense)	47	56	(16)	(66)	(124)	47
Profit/(loss) before tax	3,840	4,264	(10)	(491)	(673)	27
Attributable profit/(loss)	2,224	2,675	(17)	(464)	(619)	25
Performance Measures						
Return on average tangible shareholders' equity1	13.5%	19.3%		(6.0%)	(10.2%)	
Return on average shareholders' equity1	11.0%	15.1%		(4.5%)	(7.3%)	
Cost: income ratio	63%	61%		142%	100%	
Basic earnings per share contribution	13.8p	19.8p		(2.9p)	(4.6p)	
Capital Management	30.06.14	31.12.13		30.06.14	31.12.13	
CRD IV fully loaded						
Risk weighted assets	£324bn	£333bn		£87bn	£110bn	
Average allocated tangible equity	£33bn	£29bn		£14bn	£16bn	
Average allocated equity	£41bn	£37bn		£14bn	£17bn	

Income by Business	30.06.14	30.06.13	
	£m	£m	% Change
Personal and Corporate Banking	4,361	4,305	1
Barclaycard	2,124	2,019	5
Africa Banking	1,773	2,055	(14)
Investment Bank	4,257	5,222	(18)
Head Office	159	(4)	
Barclays Core	12,674	13,597	(7)
Barclays Non-Core	658	1,474	(55)
Barclays Group adjusted total income	13,332	15,071	(12)

Profit/(Loss) Before Tax by Business	30.06.14	30.06.13	
	£m	£m	% Change
Personal and Corporate Banking	1,468	1,197	23
Barclaycard	764	616	24
Africa Banking	484	547	(12)
Investment Bank	1,058	1,951	(46)
Head Office	66	(47)	
Barclays Core	3,840	4,264	(10)
Barclays Non-Core	(491)	(673)	27
Barclays Group adjusted profit before tax	3,349	3,591	(7)

1 Return on average equity and average tangible equity for Barclays Non-Core represents its impact on the Group, being the difference between Barclays Group returns and Barclays Core returns.

Group Chief Executive Officer's Review

"In our strategy announcement on 8 May, we committed to simplify, focus and rebalance the Group to deliver higher and more sustainable returns across the cycle, while structurally reducing our cost base and strengthening our capital position.

We are making encouraging progress in executing this plan. Profits before tax in Personal & Corporate Banking and Barclaycard were up 23% and 24% respectively. Africa Banking also delivered a good performance with profits increasing 13% on a constant currency basis. Performance in the Investment Bank was impacted by the repositioning underway as well as difficult trading conditions in the quarter, but it is where we expected it to be at this point. The strong performance of our Banking division is demonstrating the attractiveness of our new origination-led strategy to our clients.

I am pleased with the very good start made in managing down assets in our new non-core unit, with risk-weighted assets reducing by £22bn in the first half. The return on equity drag has also dropped from 7.3% to 4.5% in the quarter, placing us well on track to meet our 3% 2016 target.

Structural cost reduction is vital to achieving strong returns, and we continued to make progress on reducing operating expenses while maintaining controls and improving customer and client experience. Headcount across the Group is now at the lowest level since 2007 and adjusted operating expenses, including CTA, reduced nearly £1bn reflecting cost reductions across all businesses in the half.

The Transform strategy we have been pursuing since February 2013 was designed to create a business which can accommodate external pressures, including the impact of legacy issues, as well as to deliver sustainable performance. Notwithstanding the additional provision taken for Payment Protection Insurance redress, we continued to build our capital strength, with the CRD IV CET1 ratio increasing to 9.9% as at 30 June, keeping us on track to achieve our target of exceeding 11% by 2016. The PRA leverage ratio also increased to 3.4%, as a result of on-going leverage exposure reductions and a successful liability management exercise in June which resulted in the issuance of £2.3bn of new AT1 securities. The estimated BCBS 270 leverage ratio was 3.4%.

As I reflect on the half, I am pleased with our performance, excited by the potential for the Group, and confident in our plans to become the 'Go-To' bank."

Antony Jenkins, Group Chief Executive

Group Finance Director's Review

Income Statement

Group performance

· Adjusted profit before tax was down 7% to £3,349m largely driven by currency movements and a reduction in the Investment Bank profitability, partially offset by improvements in Personal and Corporate Banking (PCB), Barclaycard, and Barclays Non-Core (BNC)

· Adjusted income decreased 12% to £13,332m whilst impairment reduced by 33% to £1,086m, resulting in a 9% decrease in net operating income to £12,246m

· Adjusted operating expenses were down 9% to £8,877m, including costs to achieve Transform (CTA) of £494m (2013: £640m) and litigation and conduct charges of £211m (2013: £126m), reflecting savings associated with prior Transform initiatives and currency movements

· Statutory profit before tax was £2,501m (2013: £1,677m), reflecting an additional £900m of provisions for PPI redress (2013: £1,350m) and the non-recurrence of a provision for interest rate hedging products redress compared to the prior year (2013: £650m)

· The effective tax rate on adjusted profit before tax increased to 33.1% (2013: 31.3%). The effective tax rate on statutory profit before tax remained constant at 35.8% (2013: 35.4%).

· Adjusted Group attributable profit was £1,760m (2013: £2,055m), resulting in an adjusted Group return on average shareholders' equity of 6.5% (2013: 7.8%) reflecting the equity raised from the rights issue in Q413 and the decrease in Core profit before tax partially offset by improvements in BNC performance

Core Performance

· Profit before tax was down 10% to £3,840m, as improved performance across the majority of the Core businesses was more than offset by a reduction in Investment Bank profit

· Income decreased 7% to £12,674m, reflecting a 18% reduction in the Investment Bank, driven by a decrease in Markets, and a reduction in Africa Banking due to currency movements, partially offset by growth in Barclaycard and PCB

– Net interest income increased 10% to £5,899m driven by strong savings and mortgage growth in PCB, volume growth in Barclaycard, and lower funding costs, partially offset by a reduction in Africa Banking due to currency movements

– Investment Bank income was down 18% to £4,257m driven by a 22% decrease in Markets income, partially offset by a 5% increase in Banking income

· Credit impairment charges improved 13% to £937m. This reflected:

– Lower impairments in PCB as an improving UK economic environment has a positive impact on the majority of retail and wholesale portfolios in the UK

– Lower impairment in Africa Banking mortgages, on a constant currency basis, driven by improvements mainly in the South Africa mortgages portfolio

– Stable impairment in Barclaycard as volume growth was largely offset by currency movements

– Releases across a number of counterparties coupled with low level of new charges in Investment Bank

· Operating expenses decreased £370m to £7,944m, reflecting improvements across each of the businesses as a result of Transform initiatives and currency movements partially offset by higher CTA charges of £453m (2013: £223m) and higher litigation and conduct charges of £177m (2013: £86m)
· Core return on equity decreased to 11.0% (2013: 15.1%)

Non-Core performance

· Loss before tax reduced by 27% to £491m. This reflected lower income, following asset disposals and risk reductions, to £658m (2013: £1,474m), more than offset by a £407m improvement in impairment to £149m and a 36% reduction in operating expenses to £934m including lower CTA of £41m (2013: £418m)
· Non-Core return on equity dilution improved to 4.5% (2013: 7.3%)

Group Finance Director's Review

Balance Sheet and Leverage

Balance Sheet

· Total assets as at 30 June 2014 decreased by 2% to £1,315bn compared to December 2013
– Derivative assets decreased by £17bn primarily due to weakening of USD, tightening of credit spreads, reduced activity and balance sheet reduction initiatives, offset by a decrease in major forward interest rates
– Reverse repurchase agreements decreased by £15bn primarily driven by lower matched book trading due to a focus on deleveraging the balance sheet
· Total loans and advances were £486bn (2013: £474bn) with a £13bn increase due to higher settlement balances, £6bn growth in PCB through UK mortgage lending and £2bn growth in Barclaycard. These were offset by a £7bn reduction in Non Core assets as lending was managed down
· Customer accounts increased by 3% to £444bn due to an increase in settlement balances
· Total shareholders' equity including non-controlling interests, was £65bn (2013: £64bn). Excluding non-controlling interests, shareholders' equity increased £2.6bn to £58bn, primarily reflecting a £2.3bn increase in other equity instruments AT1 instruments were issued to investors in exchange for the cancellation of preference shares and subordinated debt instruments
· Net asset value per share was 327p (2013: 331p) and net tangible asset value per share was 279p (2013: 283p). This decrease was mainly attributable to the increase in the total number of shares in issue and a £0.9bn decrease in currency translation reserve as GBP strengthened

Leverage exposure

· The PRA leverage exposure reduced by £99bn to £1,266bn driven by a reduction in potential future exposures (PFEs) on derivatives, securities financing transactions (SFTs) and currency movements, partially offset by an increase in settlement balances. The estimated Basel Committee on Banking Supervision (BCBS) leverage exposure was £1,353bn

Capital Management

· Fully loaded CRD IV CET1 ratio increased to 9.9% (2013: 9.1%) primarily due to RWA reductions

· CRD IV RWAs reduced £31bn to £411bn, primarily driven by reductions in BNC of £22bn, reflecting rundown and exit of securities and reductions in derivatives risk

· Fully loaded CRD IV CET1 capital increased by £0.4bn to £40.8bn as a result of retained earnings generated

· The PRA leverage ratio increased to 3.4% (2013: 3.0%), reflecting a reduction in the PRA leverage exposure of £99bn and an increase in eligible PRA adjusted Tier 1 Capital to £43.2bn (2013: £40.5bn). Barclays exceeded the minimum of 3% requested by the PRA as at 30 June 2014. From 1 July 2014 the PRA expects Barclays to meet the 3% minimum on a fully loaded BCBS 270 basis. The estimated BCBS leverage ratio on this basis was 3.4% as at 30 June 2014

Group Finance Director's Review

Funding and Liquidity

· The Group liquidity pool was £134bn (2013: £127bn), remaining within the expected normal operational range, while maintaining compliance with internal liquidity risk appetite and external regulatory requirements

· The pool consists mainly of cash and deposits with central banks and high quality government bonds

· The estimated Liquidity Coverage Ratio (LCR) was 107% (2013: 96%) based upon the CRD IV rules, as implemented by the European Banking Authority (EBA). This is equivalent to a surplus of £9bn above the 100% ratio (2013: shortfall of £6bn). The Group estimated LCR based on the Basel Standards published in January 2013 was 112% (2013: 102%)

· The loan to deposit ratio for PCB, Africa Banking and Barclaycard remained stable at 92% (2013: 91%). The loan to deposit ratio for the Group was broadly unchanged at 100% (2013: 101%)

· Total wholesale funding outstanding (excluding repurchase agreements) was £179bn (2013: £186bn), of which £86bn (2013: £82bn) matures in less than one year and £22bn (2013: £20bn) matures within one month

· The Group issued £9bn of term funding net of early redemptions during 2014. Additionally, £6bn of funding was raised through participation in the Bank of England's Funding for Lending Scheme. Barclays has £12bn of term funding maturing in the reminder of 2014 and £24bn in 2015. The Group expects to issue more public wholesale debt in the reminder of 2014 and 2015, in order to maintain a stable and diverse funding base by type, currency and distribution channel

Dividends

· A second interim dividend of 1.0p will be paid on 19 September 2014

Outlook

· 2014 will be a transition year as we continue to make investments and focus on balance sheet optimisation and cost reduction

Tushar Morzaria, Group Finance Director

Condensed Consolidated Financial Statements

Condensed Consolidated Income Statement (Unaudited)

Continuing Operations	Notes1	Half Year Ended 30.06.14 £m	Half Year Ended 31.12.13 £m	Half Year Ended 30.06.13 £m
Net interest income		6,082	6,023	5,577
Net fee and commission income		4,256	4,335	4,396
Net trading income		2,575	1,979	4,574
Net investment income		356	263	417
Net premiums from insurance contracts		336	345	387
Other income		19	74	74
Total income		13,624	13,019	15,425
Net claims and benefits incurred on insurance contracts		(240)	(241)	(268)
Total income net of insurance claims		13,384	12,778	15,157
Credit impairment charges and other provisions		(1,086)	(1,440)	(1,631)
Net operating income		12,298	11,338	13,526
Staff costs	2	(5,730)	(5,724)	(6,431)
Administration and general expenses	3	(3,147)	(4,467)	(3,350)
Operating expenses excluding provisions for PPI and interest rate hedging products redress		(8,877)	(10,191)	(9,781)
Provision for PPI redress	11	(900)	-	(1,350)
Provision for interest rate hedging products redress	11	-	-	(650)
Operating expenses		(9,777)	(10,191)	(11,781)
(Loss)/profit on disposal of undertakings and share of results of associates and joint ventures		(20)	44	(68)
Profit before tax		2,501	1,191	1,677
Tax	4	(895)	(977)	(594)
Profit after tax :		1,606	214	1,083
Attributable to:				
Ordinary equity holders of the parent:		1,126	(131)	671
Other equity holders2		90	-	-
Total equity holders of the parent2		1,216	(131)	671
Non-controlling interests	5	390	345	412
Profit after tax		1,606	214	1,083
Earnings per Share from Continuing Operations				
Basic earnings/(loss) per ordinary share2	6	7.0p	(0.9p)	5.0p
Diluted earnings/(loss) per ordinary share2	6	7.0p	(0.9p)	4.8p

1 For notes to the Financial Statements see pages 55 to 88.

2 The profit after tax attributable to other equity holders of £90m (2013: £nil) is offset by a tax credit recorded in reserves of £19m (2013: £nil). The net amount of £71m, along with NCI, is deducted from profit after tax in order to

calculate earnings per share.

Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Profit or Loss and other Comprehensive Income (Unaudited)

Continuing Operations	Notes1	Half Year Ended 30.06.14 £m	Half Year Ended 31.12.13 £m	Half Year Ended 30.06.13 £m
Profit after tax		1,606	214	1,083
Other comprehensive loss that may be recycled to profit or loss:				
Currency translation reserve	15	(1,056)	(2,278)	511
Available for sale reserve	15	341	(288)	(94)
Cash flow hedge reserve	15	254	(753)	(1,137)
Other		(53)	(57)	20
Total comprehensive loss that may be recycled to profit or loss		(514)	(3,376)	(700)
Other comprehensive gain/(loss) not recycled to profit or loss:				
Retirement benefit remeasurements	12	236	(478)	(37)
Other comprehensive loss for the period		(278)	(3,854)	(737)
Total comprehensive profit/(loss) for the period		1,328	(3,640)	346
Attributable to:				
Equity holders of the parent		1,064	(3,638)	232
Non-controlling interests		264	(2)	114
Total comprehensive profit/(loss) for the period		1,328	(3,640)	346

1 For notes, see pages 55 to 88.

Condensed Consolidated Financial Statements

Condensed Consolidated Balance Sheet (Unaudited)

Assets	Notes1	As at 30.06.14 £m	As at 31.12.13 £m
Cash and balances at central banks		44,047	45,687
Items in the course of collection from other banks		1,746	1,282

Trading portfolio assets		128,812	133,069
Financial assets designated at fair value		39,746	38,968
Derivative financial instruments	8	333,220	350,300
Loans and advances to banks		43,448	39,422
Loans and advances to customers		442,549	434,237
Reverse repurchase agreements and other similar secured lending		171,934	186,779
Available for sale investments		87,224	91,756
Current and deferred tax assets	4	4,461	5,026
Prepayments, accrued income and other assets		5,092	4,415
Investments in associates and joint ventures		704	653
Goodwill		4,829	4,878
Intangible assets		3,049	2,807
Property, plant and equipment		3,983	4,216
Retirement benefit assets	12	55	133
Total assets		1,314,899	1,343,628
Liabilities			
Deposits from banks		62,167	55,615
Items in the course of collection due to other banks		1,958	1,359
Customer accounts		443,638	431,998
Repurchase agreements and other similar secured borrowing		173,669	196,748
Trading portfolio liabilities		56,815	53,464
Financial liabilities designated at fair value		62,248	64,796
Derivative financial instruments	8	326,501	347,118
Debt securities in issue		83,832	86,693
Accruals, deferred income and other liabilities		13,128	12,934
Current and deferred tax liabilities	4	1,429	1,415
Subordinated liabilities	10	19,301	21,695
Provisions	11	3,445	3,886
Retirement benefit liabilities	12	1,743	1,958
Total liabilities		1,249,874	1,279,679
Equity			
Called up share capital and share premium	13	20,655	19,887
Other reserves	15	(154)	249
Retained earnings		33,241	33,186
Shareholders' equity attributable to ordinary shareholders of parent		53,742	53,322
Other equity instruments	14	4,326	2,063
Total equity excluding non-controlling interests		58,068	55,385
Non-controlling interests	5	6,957	8,564
Total equity		65,025	63,949

1 For notes, see pages 55 to 88.

Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Changes in Equity (Unaudited)

Half Year Ended 30.06.14	Called up Share Capital and Share Premium1	Other Equity Instruments1	Other Reserves1	Retained Earnings	Total	Non-controlling Interests2	Total Equity
	£m	£m	£m	£m	£m	£m	£m
Balance at 1 January 2014	19,887	2,063	249	33,186	55,385	8,564	63,949
Profit after tax	-	90	-	1,126	1,216	390	1,606
Currency translation movements	-	-	(941)	-	(941)	(115)	(1,056)
Available for sale investments	-	-	345	-	345	(4)	341
Cash flow hedges	-	-	260	-	260	(6)	254
Retirement benefit remeasurements	-	-	-	237	237	(1)	236
Other	-	-	-	(53)	(53)	-	(53)
Total comprehensive income for the year	-	90	(336)	1,310	1,064	264	1,328
Issue of new ordinary shares	64	-	-	-	64	-	64
Issue of shares under employee share schemes	704	-	-	379	1,083	-	1,083
Issue and exchange of equity instruments	-	2,263	-	(155)	2,108	(1,527)	581
Other equity instruments coupons paid	-	(90)	-	19	(71)	-	(71)
Increase in treasury shares	-	-	(842)	-	(842)	-	(842)
Vesting of shares under employee share schemes	-	-	775	(775)	-	-	-
Dividends paid	-	-	-	(728)	(728)	(334)	(1,062)
Other reserve movements	-	-	-	5	5	(10)	(5)
Balance at 30 June 2014	20,655	4,326	(154)	33,241	58,068	6,957	65,025
Half Year Ended 31.12.13							
Balance at 1 July 2013	13,988	-	3,233	33,862	51,083	9,054	60,137
(Loss)/profit after tax	-	-	-	(131)	(131)	345	214
Currency translation movements	-	-	(1,951)	-	(1,951)	(327)	(2,278)
Available for sale investments	-	-	(283)	-	(283)	(5)	(288)
Cash flow hedges	-	-	(746)	-	(746)	(7)	(753)
Retirement benefit remeasurements	-	-	-	(470)	(470)	(8)	(478)
Other	-	-	-	(57)	(57)	-	(57)
Total comprehensive income for the period	-	-	(2,980)	(658)	(3,638)	(2)	(3,640)
Issue of new ordinary shares	5,870	-	-	-	5,870	-	5,870
Issue of shares under employee share schemes	29	-	-	352	381	-	381
Issue of other equity instruments	-	2,063	-	-	2,063	-	2,063
Increase in treasury shares	-	-	(17)	-	(17)	-	(17)
Vesting of shares under employee share schemes	-	-	13	(13)	-	-	-

Dividends paid	-	-	-	(289)	(289)	(490)	(779)
Other reserve movements	-	-	-	(68)	(68)	2	(66)
Balance at 31 December 2013	19,887	2,063	249	33,186	55,385	8,564	63,949
Half Year Ended 30.06.13							
Balance at 1 January 2013	12,477	-	3,674	34,464	50,615	9,371	59,986
Profit after tax	-	-	-	671	671	412	1,083
Currency translation movements	-	-	750	-	750	(239)	511
Available for sale investments	-	-	(96)	-	(96)	2	(94)
Cash flow hedges	-	-	(1,080)	-	(1,080)	(57)	(1,137)
Retirement benefit remeasurements	-	-	-	(33)	(33)	(4)	(37)
Other	-	-	-	20	20	-	20
Total comprehensive income for the period	-	-	(426)	658	232	114	346
Issue of new ordinary shares	750	-	-	-	750	-	750
Issue of shares under employee share schemes	761	-	-	337	1,098	-	1,098
Increase in treasury shares	-	-	(1,049)	-	(1,049)	-	(1,049)
Vesting of shares under employee share schemes	-	-	1,034	(1,034)	-	-	-
Dividends paid	-	-	-	(570)	(570)	(323)	(893)
Other reserve movements	-	-	-	7	7	(108)	(101)
Balance at 30 June 2013	13,988	-	3,233	33,862	51,083	9,054	60,137

1 Details of Share Capital, Other Equity Instruments and Other Reserves are shown on page 72 to 73.
2 Details of Non-controlling Interests are shown on page 58.

Condensed Consolidated Financial Statements

Condensed Consolidated Cash Flow Statement (Unaudited)

Continuing Operations	Half Year Ended 30.06.14 £m	Half Year Ended 31.12.13 £m	Half Year Ended 30.06.13 £m
Profit before tax	2,501	1,191	1,677
Adjustment for non-cash items	1,760	6,230	351
Changes in operating assets and liabilities	(3,082)	(42,699)	9,866
Corporate income tax paid	(586)	(764)	(794)
Net cash from operating activities	593	(36,042)	11,100
Net cash from investing activities	7,463	(6,017)	(16,628)
Net cash from financing activities	(2,202)	7,122	(1,212)
Effect of exchange rates on cash and cash equivalents	(1,380)	(3,125)	3,323
Net increase/(decrease) in cash and cash equivalents	4,474	(38,062)	(3,417)
Cash and cash equivalents at beginning of the period	81,754	119,816	123,233
Cash and cash equivalents at end of the period	86,228	81,754	119,816

Results by Business

Personal and Corporate Banking

Income Statement Information	Half Year ended 30.06.14 £m	Half Year ended 31.12.13 £m	Half Year ended 30.06.13 £m	YoY % Change
Net interest income	3,057	3,033	2,860	7
Net fee and commission income	1,257	1,320	1,403	(10)
Other income	47	65	42	12
Total income	4,361	4,418	4,305	1
Credit impairment charges and other provisions	(230)	(322)	(299)	23
Net operating income	4,131	4,096	4,006	3
Operating expenses	(2,554)	(2,706)	(2,754)	7
Costs to achieve Transform	(115)	(292)	(92)	(25)
UK bank levy	-	(66)	-	-
Total operating expenses	(2,669)	(3,064)	(2,846)	6
Other net income	6	4	37	(84)
Profit before tax	1,468	1,036	1,197	23
Attributable profit	1,039	800	881	18
Balance Sheet Information and Key Facts				
Loans and advances to customers at amortised cost	£216.7bn	£212.2bn	£211.3bn	
Total assets	£268.1bn	£278.5bn	£288.3bn	
Customer deposits	£298.3bn	£295.9bn	£289.5bn	
Risk weighted assets - CRD IV fully loaded	£117.9bn	£118.3bn	n/a	
Average allocated tangible equity	£13.0bn	£13.3bn	£13.1bn	
Average allocated equity	£17.3bn	£17.5bn	£17.2bn	
Average LTV of mortgage portfolio1	55%	56%	58%	
Average LTV of new mortgage lending1	64%	64%	64%	
Number of branches	1,546	1,560	1,577	
Performance Measures				
Return on average tangible equity	16.1%	12.0%	13.5%	
Return on average equity	12.1%	9.1%	10.3%	
Cost: income ratio	61%	69%	66%	

Loan loss rate (bps)	21	29	28

1 Average LTV of mortgage portfolio and new mortgage lending calculated on the balance weighted basis.

Results by Business

Personal and Corporate Banking

Personal and Corporate Banking (PCB) comprises personal banking, mortgages, wealth and investment management and corporate banking. Through these businesses we serve the needs of our customers and clients in the UK and in selected international markets. Managing these businesses together will help drive product and customer segment capabilities as well as cost synergies through platform integration and leveraging expertise, particularly within digital channels.

The number of customers using digital channels continued to grow substantially; mobile banking users almost doubled to 3.0m customers and Pingit users more than doubled to 1.7m. PCB continued to support the UK economy advancing £2.3bn of net mortgage lending in the first half of the year and advancing £0.9bn of gross term lending to small businesses1 in addition to helping close to 60,000 start-ups.

Progress continues to be made on the Transform strategy. During H114, the business incurred £115m (2013: £92m) of costs to achieve Transform. Operational efficiency has been enhanced through ongoing rationalisation to focus on target markets and simplify operations, with continued investment in the customer experience across multiple channels.

Income Statement - H114 compared to H113

· Total income increased 1% to £4,361m driven by strong savings and mortgage growth partially offset by lower fees

· Net interest income increased 7% to £3,057m driven by strong savings and mortgage growth. Net interest margin was up 8bps to 296bps due to lower funding costs and lower customer deposit rates

· Net fee and commission income declined 10% to £1,257m primarily due to lower fees from current account and insurance products, and corporate banking

· Credit impairment charges reduced £69m to £230m due to the improving economic environment in the UK. Personal banking benefited from lower write-offs in overdrafts and in home loans. Corporate banking benefited from higher levels of releases and recoveries in the UK

· Operating expenses reduced 6% to £2,669m reflecting benefits from headcount reduction, partially offset by increased costs to achieve Transform of £115m (2013: £92m)

· Profit before tax increased 23% to £1,468m

Income Statement - Q214 compared to Q114

· Profit before tax increased 13% to £780m driven by £40m lower impairment due to the improving economic environment in the UK and higher levels of releases in corporate banking, in addition to £41m lower operating expenses reflecting benefits from Transform programmes

Balance Sheet - 30 June 2014 compared to 31 December 2013

· Loans and advances to customers increased £4.5bn to £216.7bn due to increases in mortgage balances and UK corporate loans

· Total assets decreased 4% to £268.1bn primarily driven by a reduction in the Group liquidity pool allocation partly offset by the increase in loans and advances to customers

· Customer deposits increased £2.4bn to £298.3bn due to increases in UK corporate and personal deposits, partially offset by net reductions in wealth and investment management deposits primarily driven by reduced institutional cash deposits

· RWAs reduced to £117.9bn (2013: £118.3bn) driven by changes in risk profile and the treatment of high quality liquidity assets, partially offset by balance sheet growth

1 Small businesses with a turnover of less than £5m.

Results by Business

Barclaycard

Income Statement Information	Half Year Ended 30.06.14	Half Year Ended 31.12.13	Half Year Ended 30.06.13	YoY
	£m	£m	£m	% Change
Net interest income	1,500	1,444	1,385	8
Net fee and commission income	613	631	625	(2)
Other income	11	9	9	22
Total income	2,124	2,084	2,019	5
Credit impairment charges and other provisions	(537)	(556)	(540)	1
Net operating income	1,587	1,528	1,479	7
Operating expenses	(822)	(912)	(874)	6
Costs to achieve Transform	(36)	(44)	(5)	
UK bank levy	-	(22)	-	-
Total operating expenses	(858)	(978)	(879)	2
Other net income	35	17	16	
Profit before tax	764	567	616	24
Attributable profit	539	383	439	23
Balance Sheet Information and Key Facts				
Loans and advances to customers at amortised cost	£33.2bn	£31.5bn	£30.1bn	

Total assets	£36.2bn	£34.4bn	£34.3bn
Customer deposits	£5.9bn	£5.1bn	£4.4bn
Risk weighted assets - CRD IV fully loaded	£37.7bn	£35.7bn	n/a
Average allocated tangible equity	£4.6bn	£4.2bn	£4.0bn
Average allocated equity	£5.7bn	£5.4bn	£5.2bn
30 day arrears rates - UK cards	2.4%	2.4%	2.5%
30 day arrears rates - US cards	1.9%	2.1%	2.0%
Performance Measures			
Return on average tangible equity	23.6%	18.2%	21.7%
Return on average equity	18.9%	14.3%	16.8%
Cost:income ratio	40%	47%	44%
Loan loss rate (bps)	311	334	342

Results by Business

Barclaycard

Barclaycard was largely unchanged by the Group Strategy Update, with the exception of the African Card business moving to Africa Banking and the UK secured lending portfolio moving to Barclays Non-Core.

Barclaycard continued to grow across all businesses, delivering 5% income growth, with a net increase of 2.3m customers since June 2013. Innovation remained a key priority, with the launch of the open-market bPay band - a wearable contactless payment device - and Barclaycard Anywhere, a new mobile point-of-sale solution that makes it easy for businesses to take card payments securely, anywhere in the UK.

On the journey to become the 'Go-To' bank for consumer payments, Barclaycard focuses on providing customers and clients with simple solutions that offer clear value. The business looks to improve the customer experience through operational enhancements, improved technical capability and digitalisation.

Income Statement - H114 compared to H113

- Income improved 5% to £2,124m reflecting net lending growth across the business

- UK income, including both the consumer and merchant sides of payments, increased by 8% to £1,368m reflecting net lending growth and lower funding costs

- International income remained flat at £756m reflecting higher customer asset balances in the US and Germany, offset by depreciation of USD against GBP

- Net interest income increased by 8% to £1,500m driven by volume growth. Net interest margin remained stable at 9.05% (2013: 9.03%). The impact of promotional offers and a change in product mix, with growth through the US partner portfolio, were offset by lower funding costs

- Net fees and commission income remained broadly stable at £613m (2013: £625m)

- Credit impairment charges remained flat at £537m (2013: £540m), with the impact of volume growth being offset by a reduction in impairment rates and depreciation of USD against GBP. Loan loss rates reduced by 31bps to 311bps and 30 day delinquency rates fell in UK and US consumer cards businesses

- Operating expenses reduced 2% to £858m driven by depreciation of USD against GBP, a VAT refund and improved efficiency, partially offset by costs associated with volume growth and costs to achieve Transform

- Profit before tax improved 24% to £764m

Income Statement - Q214 compared to Q114

- Profit before tax increased 8% to £396m driven by higher volumes

Balance Sheet - 30 June 2014 compared to 31 December 2013

- Total assets increased £1.8bn to £36.2bn driven by the increase in loans and advances to customers across the business

- Customer deposits increased by £0.8bn to £5.9bn due to funding initiatives in the US

- RWAs increased to £37.7bn (2013: £35.7bn) driven by increased customer lending

Results by Business

Africa Banking

					Constant Currency1		
Income Statement Information	Half Year Ended 30.06.14	Half Year Ended 31.12.13	Half Year Ended 30.06.13	YoY	Half Year Ended 30.06.14	Half Year ended 30.06.13	YoY
	£m	£m	£m	% Change	£m	£m	% Change
Net interest income	1,007	1,105	1,140	(12)	1,261	1,140	11
Net fee and commission income	527	633	621	(15)	661	621	6
Net premiums from insurance contracts	167	182	192	(13)	211	192	10
Net trading income	144	114	143	1	181	143	27
Other income	12	40	54	(78)	15	54	(72)
Total income	1,857	2,074	2,150	(14)	2,329	2,150	8
Net claims and benefits incurred under insurance contracts	(84)	(90)	(95)	12	(106)	(95)	(12)
Total income net of insurance claims	1,773	1,984	2,055	(14)	2,223	2,055	8
Credit impairment charges and other provisions	(196)	(205)	(274)	28	(249)	(274)	9
Net operating income	1,577	1,779	1,781	(11)	1,974	1,781	11
Operating expenses	(1,082)	(1,221)	(1,230)	12	(1,344)	(1,230)	(9)
Costs to achieve Transform	(17)	(17)	(9)	(89)	(22)	(9)	
UK bank levy	-	(42)	-	-	-	-	
Total operating expenses	(1,099)	(1,280)	(1,239)	11	(1,366)	(1,239)	(10)

Other net income	6	3	5	20	8	5	60
Profit before tax	484	502	547	(12)	616	547	13
Attributable profit	181	134	222	(18)	231	222	4

Balance Sheet Information and Key Facts	Half Year Ended 30.06.14	Half Year Ended 31.12.13	Half Year Ended 30.06.13		Half Year Ended 30.06.14	Half Year ended 31.12.13
Loans and advances to customers at amortised cost	£33.8bn	£34.9bn	£38.7bn		£35.3bn	£34.9bn
Total assets	£52.4bn	£54.9bn	£61.2bn		£54.8bn	£54.9bn
Customer deposits	£33.2bn	£34.6bn	£37.9bn		£34.6bn	£34.6bn
Risk weighted assets - CRD IV fully loaded	£36.5bn	£38.0bn	n/a			
Average tangible equity2	£2.7bn	£2.9bn	£3.4bn			
Average equity2	£3.8bn	£4.1bn	£4.7bn			
Average LTV of mortgage portfolio3	61.2%	62.3%	63.7%			
Average LTV of new mortgage lending3	75.0%	74.9%	74.1%			
Number of distribution points	1,369	1,396	1,433			
ZAR/£ - Period end	18.17	17.37	15.11			
ZAR/£ - Average	17.82	15.94	14.20			
Performance Measures						
Return on average tangible equity	13.3%	9.3%	13.0%			
Return on average equity	9.6%	6.6%	9.4%			
Cost: income ratio	62%	65%	60%			
Loan loss rate (bps)	110	107	134			

1 Constant currency results are calculated by converting ZAR results into GBP using the average H113 exchange rate for the income statement and the FY13 exchange rate for the balance sheet to eliminate the impact of movement in exchange rates between the two periods.
2 For Africa Banking the equity used for return on average equity is Barclays' share of the statutory equity of the BAGL entity (together with that of the Barclays Egypt and Zimbabwe businesses which remain outside the BAGL corporate entity), as well as the Barclays' goodwill on acquisition of these businesses. The tangible equity for return on tangible equity uses the same basis but excludes both Barclays' goodwill on acquisition and the goodwill and intangibles held within the BAGL statutory equity.
3 Average LTV of mortgage portfolio and new mortgage lending calculated on the balance weighted basis.

Results by Business

Africa Banking

The combined Africa Banking business is managed under three primary businesses: Retail and Business Banking (RBB); Wealth, Investment Management and Insurance (WIMI); Corporate and Investment Banking (CIB) as well as an Africa Head Office function.

The current focus areas of execution are:

- The RBB turnaround strategy which is gaining early traction and key indicators around client numbers, cheque account growth, transactional deposits balances and debit card turnover are reflected in a stabilisation in income

- CIB investment across Africa has seen the roll-out of BARX in markets across Africa and strong growth in income generated outside South Africa

- WIMI growth in net premium income reflects the close collaboration with other business areas and also the expansion outside South Africa

Africa Banking results showed strong underlying momentum in H114, with constant currency profit before tax increasing 13%. Reported results were adversely affected by currency movements with the average ZAR for H114 compared to H113 depreciating 25% against GBP.

Income Statement - H114 compared to H113

- Total income net of insurance claims declined 14% to £1,773m. On a constant currency basis, total income grew 8% reflecting balance sheet growth and strong non-interest income growth in the CIB Markets business, in addition to improved income in RBB despite modest balance sheet growth. WIMI showed modest growth, impacted by higher weather-related short term claims

- Net interest income decreased 12% to £1,007m. On a constant currency basis, net interest income increased 11% driven by higher average loans and advances to customers in CIB, growth in RBB customer deposits and an increased net interest margin following the rise in the South African benchmark interest rate

- Net fee and commission income decreased 15% to £527m. On a constant currency basis, net fee and commission income increased 6% reflecting strong performance particularly in cards

- Credit impairment charges decreased 28% to £196m. On a constant currency basis, credit impairment charges reduced 9% driven by improvements mainly in the South Africa mortgages portfolio, partially offset by increased provisions in the cards portfolio. The loan loss rate improved 24bps to 110bps

- Operating expenses decreased 11% to £1,099m. On a constant currency basis, operating expenses increased 10% largely reflecting increased spend on key initiatives including costs to achieve Transform, in addition to higher staff costs

- Profit before tax decreased 12% to £484m. On a constant currency basis, profit before tax increased 13%

Income Statement - Q214 compared to Q114

- Profit before tax of £244m (Q114: £240m) is largely in line with stronger performance in CIB

Balance Sheet - 30 June 2014 compared to 31 December 2013

-

Loans and advances to customers decreased 3% to £33.8bn. On a constant currency basis, loans and advances increased 1%

- Total assets decreased by 5% to £52.4bn. On a constant currency basis, total assets were broadly in line

- Customer deposits decreased 4% to £33.2bn. On a constant currency basis, customer deposits remained broadly in line

- RWAs decreased 4% to £36.5bn. On a constant currency basis RWAs decreased 1% driven by lower operational risk

Results by Business

Investment Bank

Income Statement Information	Half Year Ended 30.06.14	Half Year Ended 31.12.13	Half Year Ended 30.06.13	YoY
	£m	£m	£m	% Change
Net interest income	334	229	164	
Net fee and commission income	1,726	1,622	1,610	7
Net trading income	2,137	1,792	3,177	(33)
Net investment income1	60	(10)	271	(78)
Total income	4,257	3,633	5,222	(18)
Credit impairment releases/(charges) and other provisions	26	(16)	38	(32)
Net operating income	4,283	3,617	5,260	(19)
Operating expenses	(2,943)	(2,979)	(3,193)	8
Costs to achieve Transform	(282)	(74)	(116)	
UK bank levy	-	(236)	-	-
Total operating expenses	(3,225)	(3,289)	(3,309)	3
Profit before tax	1,058	328	1,951	(46)
Attributable profit	435	209	1,306	(67)
Balance Sheet Information				
Trading portfolio assets	£101.2bn	£96.6bn	£107.4bn	
Derivative financial instrument assets	£104.2bn	£108.7bn	£128.4bn	
Reverse repurchase agreements and other similar secured lending	£83.0bn	£78.2bn	£93.1bn	
Total assets	£447.8bn	£439.6bn	£515.5bn	
Risk weighted assets - fully loaded CRD IV	£125.5bn	£126.0bn	n/a	
Average allocated tangible equity	£14.9bn	£15.0bn	£16.0bn	
Average allocated equity	£15.6bn	£15.6bn	£16.6bn	
Performance measures				
Return on average tangible equity	5.9%	2.8%	16.3%	
Return on average equity	5.7%	2.7%	15.7%	

Cost: income ratio	76%	91%	63%	

Analysis of Total Income

Investment Banking fees	1,174	1,097	1,063	10
Lending2	169	110	215	(21)
Banking	1,343	1,207	1,278	5
Credit3	616	539	718	(14)
Equities	1,220	945	1,352	(10)
Macro3	1,056	951	1,629	(35)
Markets	2,892	2,435	3,699	(22)
Banking & Markets	4,235	3,642	4,977	(15)
Other1	22	(9)	245	(91)
Total income	4,257	3,633	5,222	(18)

1 Net investment income and other income includes the £259m gain recognised in Q2 2013 in respect of assets not yet received from the 2008 US Lehman acquisition.
2 Lending income includes net interest income, fee income and risk management income or losses. H114 net interest and fee income was £268m (2013: £264m), while risk management losses were £99m (2013: £49m). While net interest and fee income tends to be broadly stable over time, there is volatility in risk management income or losses.
3 Macro represents Rates, Currencies and Commodities income. Credit represents Credit, Securitised Products and Municipals income.

Results by Business

Investment Bank

The Investment Bank now consists of origination led and returns focused markets and banking businesses. Non-strategic and lower returning businesses have been moved to Barclays Non-Core, and the African Investment Banking business has been moved to Africa Banking. Investment Bank treasury operations have been moved to be reported where they are now managed alongside the Group treasury operations within Head Office and Other Operations.

Markets income reduced in H114 compared to H113 due to lower volatility and elevated activity in the prior year. In H114 strong growth was seen in the Banking franchise, which continued to outperform the market1 with Equity underwriting having experienced record half-yearly revenues.

The Investment Bank continued to make progress in delivering the Transform strategy, with a focus on driving cost and capital efficiency, strengthening the control environment, and capitalising on the build out of Equities and Banking. The business incurred costs to achieve Transform of £282m primarily related to restructuring across Europe, Asia and the Americas.

Income Statement - H114 compared to H113

· Total income decreased 18% to £4,257m including a 4% reduction due to a fair value adjustment in the prior year of £259m relating to the 2008 US Lehman acquisition and a 5% reduction due to currency movements. Excluding these items income decreased 10%

- Investment Banking fee income increased 10% driven by increased financial advisory and record equity underwriting fees with debt underwriting largely in line with prior year

- Markets income decreased 22%

· Credit decreased 14% to £616m driven by lower client activity amid challenging trading conditions and tightening credit spreads

· Equities decreased 10% to £1,220m due to declines in the cash equities business reflecting lower client volumes, partially offset by higher income in equity financing

· Macro decreased 35% to £1,056m reflecting decreased volatility in currency markets and subdued client activity in rates

- Other income decreased £223m to £22m primarily related to a fair value adjustment in the prior year of £259m as a result of greater certainty regarding the recoverability of certain assets not yet received from the 2008 US Lehman acquisition

· Net credit impairment release of £26m (2013: £38m) across a number of counterparties

• Operating expenses decreased 3% to £3,225m due to lower compensation costs, benefits from Transform programmes, including business restructuring and operational streamlining, and favourable currency movements. This was partially offset by costs to achieve Transform of £282m (2013: £116m), primarily related to restructuring initiatives across Europe, Asia and the Americas, and litigation and conduct charges

· Including costs to achieve Transform, the cost: income ratio increased 13% to 76%

· Profit before tax decreased 46% to £1,058m

1 Source: Dealogic daily feed, 1 July 2014.

Results by Business

Income Statement - Q214 compared to Q213

· Total income decreased 16% to £2,154m including a 8% reduction due to a fair value adjustment in the prior year of £259m relating to the 2008 US Lehman acquisition and a 6% reduction due to currency movements. Excluding these items total income decreased 2%

- Investment Banking fee income increased 35% to £661m driven by increased debt and equity underwriting deal issuance and financial advisory

- Markets income decreased 16% to £1,403m

· Credit increased 13% to £270m driven by increased income from securitised products

· Equities decreased 16% to £629m due to a decline in client activity in cash equities as Q213 benefitted from improved global equity markets driven by increased market confidence

· Macro decreased 27% to £504m reflecting lower client activity across rates and currency in Q214

· Operating expenses increased 12% to £1,594m due to costs to achieve Transform, including business restructuring and operational streamlining, and increased litigation and conduct charges more than offsetting savings from Transform programmes and favourable currency movements

· Profit before tax decreased 50% to £567m

Balance Sheet - 30 June 2014 compared to 31 December 2013

· Trading portfolio assets increased 5% to £101.2bn due to increased client demand for securitised products within Credit

· Derivative financial instrument assets decreased 4% to £104.2bn due to the strengthening of GBP against USD and reduced volumes

· Reverse repurchase agreements increased 6% to £83.0bn in line with mandated limits

· RWAs remained broadly in line at £125.5bn (2013: £126.0bn)

Results by Business

Head Office and Other Operations

Income Statement Information	Half year Ended 30.06.14 £m	Half year Ended 31.12.13 £m	Half year Ended 30.06.13 £m
Net interest income/(expense)	1	98	(166)
Net fee and commission expense	(181)	(69)	(48)
Net trading income	117	25	146
Net investment income	204	51	17
Net premiums from insurance contracts	9	12	13
Other income	9	29	34
Total income/(expense)	159	146	(4)
Credit impairment releases	-	3	-
Net operating income/(expense)	159	149	(4)
Operating expenses	(91)	(72)	(41)
Costs to achieve Transform	(2)	(22)	-
UK bank levy	-	(29)	-

Total operating expenses	(93)	(123)	(41)
Other net (expense)/income	(0)	6	(2)
Profit/(loss) before tax	66	32	(47)
Attributable profit/(loss)	30	84	(173)
Balance Sheet Information			
Total assets	£41.7bn	£25.0bn	£45.6bn
Risk weighted assets - fully loaded CRD IV1	£6.0bn	£14.6bn	n/a
Average allocated tangible equity2	£(2.1bn)	£(6.4bn)	£(8.7bn)
Average allocated equity2	£(1.8bn)	£(6.0bn)	£(8.3bn)

1 Following the full implementation of CRD IV reporting in 2014, the previously reported 31 December 2013 RWAs have been revised by £6.9bn to £14.6bn.
2 Average allocated tangible equity and equity for the Head Office and Other Operations include risk weighted assets and capital deductions in Head Office and Other Operations, plus the residual balance of average ordinary shareholders' equity and tangible ordinary shareholders' equity caused by allocating equity at the target 10.5% of average risk weighted assets as opposed to the lower actual Core Tier 1 ratio of between 9.1 and 9.9% during H114.

Results by Business

Head Office and Other Operations

Head Office and Other Operations now include treasury operations previously reported in the Investment Bank, while the Africa Head Office function has been transferred to Africa Banking

Income Statement - H114 compared to H113

· Total income increased to £159m (2013: expense of £4m) predominantly driven by a net gain of £69m from foreign exchange recycling arising from the restructure of group subsidiaries

· Operating expenses increased £52m to £93m, mainly due to litigation and conduct charges

· Profit before tax of £66m moved from a loss of £47m in 2013

Income Statement - Q214 compared to Q114

- Profit before tax of £6m (Q114: £60m) due to operating expenses increasing £49m to £71m, mainly due to litigation and conduct charges

Balance Sheet - 30 June 2014 compared to 31 December 2013

· Total assets increased to £41.7bn (2013: £25.0bn) primarily reflecting an increase in surplus Group liquidity pool assets

· RWAs decreased to £6.0bn (2013: £14.6bn). Excluding the impact of the £6.9bn comparative revisions, the decrease was primarily driven by changes in the treatment of high quality liquidity assets.

Results by Business

Barclays Non-Core

Income Statement Information	Half Year Ended 30.06.14 £m	Half Year Ended 31.12.13 £m	Half Year Ended 30.06.13 £m	YoY % Change
Net interest income	183	113	194	(6)
Net fee and commission income	314	198	185	70
Net trading income	116	327	1,000	(88)
Net premiums from insurance contracts	147	140	166	(11)
Other income	53	192	101	(48)
Total income	813	970	1,646	(51)
Net claims and benefits incurred under insurance contracts	(155)	(152)	(172)	10
Total income net of insurance claims	658	818	1,474	(55)
Credit impairment charges and other provisions	(149)	(344)	(556)	73
Net operating income	509	474	918	(45)
Operating expenses	(893)	(1,149)	(1,049)	15
Costs to achieve Transform	(41)	(120)	(418)	90
UK bank levy	-	(109)	-	
Total operating expenses	(934)	(1,378)	(1,467)	36
Other net (expense)/income	(66)	14	(124)	47
Loss before tax	(491)	(890)	(673)	27
Attributable loss	(464)	(1,271)	(619)	25
Balance Sheet Information				
Loans and advances to banks and customers at amortised cost	£75.5bn	£81.9bn	£95.9bn	
Loans and advances to customers at fair value	£17.0bn	£17.6bn	£18.6bn	
Trading portfolio assets	£22.9bn	£30.7bn	£41.5bn	
Derivative financial instrument assets	£227.0bn	£239.3bn	£301.9bn	
Reverse repurchase agreements and other similar secured lending	£86.8bn	£104.7bn	£123.6bn	
Total assets	£468.6bn	£511.2bn	£623.0bn	
Customer deposits	£28.6bn	£29.3bn	£34.2bn	
Risk weighted assets - CRD IV fully loaded	£87.5bn	£109.9bn	n/a	
Average allocated tangible equity	£14.2bn	£16.3bn	£17.2bn	
Average allocated equity	£14.5bn	£16.5bn	£17.5bn	

Performance Measures				
Return on average tangible equity1	(6.0%)	(9.6%)	(10.2%)	
Return on average equity1	(4.5%)	(7.5%)	(7.3%)	
Cost: income ratio	142%	168%	99%	
Loan loss rate (bps)	45	81	114	
Analysis of Total Income				
Businesses	564	662	822	(31)
Securities and Loans	147	171	570	(74)
Derivatives	(53)	(15)	82	
Total Income	658	818	1,474	(55)

1 Return on average equity and average tangible equity for Barclays Non-Core represents its impact on the Group, being the difference between Barclays Group returns and Barclays Core returns.

Results by Business

Barclays Non-Core

Barclays Non Core (BNC) groups together businesses and assets that are no longer strategically attractive to Barclays and are being managed under three broad categories:

· Businesses, including all of Europe Retail

- Securities and Loans, incorporating Investment Bank portfolio assets and the UK corporate long term fair value loan portfolio

· Derivatives, including the pre-CRD IV Rates portfolio

These businesses and assets will be exited over time with actions already undertaken during H114.

Income Statement - H114 compared to H113

· Total income net of insurance claims decreased 55% to £658m

– Businesses income decreased 31% to £564m due to exit from non strategic principal businesses and reduced European retail income

– Securities and Loans decreased 74% to £147m primarily driven by active rundown of securities, fair value adjustments on wholesale loan portfolios and favourable market movements for certain securitised products in 2013

– Derivatives income reduced £135m to an expense of £53m reflecting reduced income from the pre-CRD IV Rates portfolio and hedging activities

· Credit impairment charges improved by £407m to £149m primarily driven by a prior year charge against a single name exposure, better credit performance in retail and lower charges on the wholesale portfolio, reflecting actions to reduce exposures to the Spanish property and construction sectors

• Operating expenses decreased 36% to £934m reflecting

– Benefits from Transform programmes, including reduction in compensation costs, Europe retail employees and distribution points

– Cost to achieve Transform reduced by £377m to £41m reflecting the significant restructuring in Europe retail in H113

· Other net expense reduced £58m to £66m due to a lower valuation adjustment recognised in Q2 in respect of contractual obligations to trading partners, based in locations affected by the Group Strategy Update

· Loss before tax decreased £182m to £491m

Income Statement - Q214 compared to Q114

• Loss before tax increased £183m to £337m reflecting exits from non-strategic principal businesses and rundown of securities, coupled with a valuation adjustment recognised in respect of contractual obligations to trading partners

Balance Sheet - 30 June 2014 compared to 31 December 2013

· Loans and advances to banks and customers at amortised cost reduced 8% to £75.5bn driven by asset reduction activity as part of the Transform strategy and currency movements

· Trading portfolio assets decreased 25% to £22.9bn due to exiting of positions

· Derivative financial instrument assets decreased 5% to £227.0bn due to balance sheet reduction initiatives, including trade maturities

· Reverse repurchase agreements and other similar lending decreased 17% to £86.8bn predominately driven by lower matched book trading due a focus on deleveraging the balance sheet

· Customer deposits reduced 2% to £28.6bn due to currency movements and reduced customer balances

· RWAs reduced 20% to £87.5bn reflecting rundown and exit of securities and reductions in derivative risk

Barclays Results by Quarter

Barclays Group Results by Quarter	Q214	Q114	Q413	Q313	Q213	Q113	Q412	Q312

	£m	£m	£m	£m	£m	£m	£m	£m
Adjusted basis								
Total income net of insurance claims	6,682	6,650	6,639	6,445	7,337	7,734	6,867	7,002
Credit impairment charges and other provisions	(538)	(548)	(718)	(722)	(925)	(706)	(825)	(805)
Net operating income	6,144	6,102	5,921	5,723	6,412	7,028	6,042	6,197
Operating expenses	(4,188)	(4,195)	(4,777)	(4,262)	(4,359)	(4,782)	(4,345)	(4,353)
Costs to achieve Transform	(254)	(240)	(468)	(101)	(126)	(514)	-	-
UK bank levy	-	-	(504)	-	-	-	(345)	-
Total operating expenses	(4,442)	(4,435)	(5,749)	(4,363)	(4,485)	(5,296)	(4,690)	(4,353)
Other net (expense)/income	(46)	26	19	25	(122)	54	43	21
Adjusted profit before tax	1,656	1,693	191	1,385	1,805	1,786	1,395	1,865
Adjusting items								
Own credit	(67)	119	(95)	(211)	337	(251)	(560)	(1,074)
Provision for PPI redress	(900)	-	-	-	(1,350)	-	(600)	(700)
Provision for interest rate hedging products redress	-	-	-	-	(650)	-	(400)	-
Goodwill impairment	-	-	(79)	-	-	-	-	-
Statutory profit/(loss) before tax	689	1,812	17	1,174	142	1,535	(165)	91
Statutory profit/(loss) after tax	391	1,215	(514)	728	39	1,044	(364)	(13)
Attributable to:								
Ordinary equity holders of the parent	161	965	(642)	511	(168)	839	(589)	(183)
Other equity holders	41	49	-	-	-	-	-	-
Non-controlling interests	189	201	128	217	207	205	225	170
Adjusted basic earnings/(loss) per share	5.4p	5.5p	(2.8p)	5.4p	7.7p	7.5p	6.7p	7.8p
Adjusted cost: income ratio	66%	67%	87%	68%	61%	68%	68%	62%
Basic earnings per share	1.0p	6.0p	(4.5p)	3.8p	(1.2p)	6.3p	(4.5p)	(1.4p)
Cost: income ratio	82%	66%	89%	70%	85%	71%	90%	85%

Barclays Core								
Total income net of insurance claims	6,397	6,277	6,189	6,076	6,773	6,824	6,115	6,278
Credit impairment charges and other provisions	(456)	(481)	(542)	(554)	(558)	(517)	(600)	(628)
Net operating income	5,941	5,796	5,647	5,522	6,215	6,307	5,515	5,650
Operating expenses	(3,738)	(3,753)	(4,114)	(3,776)	(3,853)	(4,239)	(3,844)	(3,906)
Costs to achieve Transform	(237)	(216)	(365)	(84)	(64)	(158)	-	-
UK bank levy	-	-	(395)	-	-	-	(263)	-
Total operating expenses	(3,975)	(3,969)	(4,874)	(3,860)	(3,917)	(4,397)	(4,107)	(3,906)
Other net income	27	20	15	15	13	43	21	12
Profit before tax	1,993	1,847	788	1,677	2,311	1,953	1,429	1,756

Barclays Non-Core

Total income net of insurance claims	285	373	450	368	564	911	752	724
Credit impairment charges and other provisions	(82)	(67)	(176)	(168)	(367)	(189)	(226)	(177)
Net operating income	203	306	274	200	197	722	526	547
Operating expenses	(451)	(442)	(664)	(485)	(507)	(542)	(500)	(447)
Costs to achieve Transform	(17)	(24)	(103)	(17)	(62)	(356)	-	-
UK bank levy	-	-	(109)	-	-	-	(82)	-
Total operating expenses	(468)	(466)	(876)	(502)	(569)	(898)	(582)	(447)
Other net (expense)/income	(72)	6	4	10	(135)	11	21	9
(Loss)/profit before tax	(337)	(154)	(598)	(292)	(507)	(165)	(35)	109

Business Results by Quarter

Personal and Corporate Banking	Q214 £m	Q114 £m	Q413 £m	Q313 £m	Q213 £m	Q113 £m	Q412 £m	Q312 £m
Total income net of insurance claims	2,188	2,173	2,166	2,252	2,192	2,113	2,153	2,151
Credit impairment charges and other provisions	(95)	(135)	(169)	(153)	(165)	(134)	(191)	(152)
Net operating income	2,093	2,038	1,997	2,099	2,027	1,979	1,962	1,999
Operating expenses	(1,256)	(1,298)	(1,388)	(1,318)	(1,378)	(1,376)	(1,337)	(1,356)
Costs to achieve Transform	(58)	(57)	(219)	(73)	(55)	(37)	-	-
UK bank levy	-	-	(66)	-	-	-	(49)	-
Total operating expenses	(1,314)	(1,355)	(1,673)	(1,391)	(1,433)	(1,413)	(1,386)	(1,356)
Other net income	1	5	3	1	7	30	3	7
Profit before tax	780	688	327	709	601	596	579	650

Barclaycard

Total income net of insurance claims	1,082	1,042	1,034	1,050	1,030	989	987	956
Credit impairment charges and other provisions	(268)	(269)	(266)	(290)	(272)	(268)	(265)	(259)
Net operating income	814	773	768	760	758	721	722	697
Operating expenses	(420)	(402)	(457)	(455)	(424)	(450)	(472)	(401)
Costs to achieve Transform	(23)	(13)	(38)	(6)	(5)	-	-	-
UK bank levy	-	-	(22)	-	-	-	(15)	-
Total operating expenses	(443)	(415)	(517)	(461)	(429)	(450)	(487)	(401)
Other net income	25	10	5	12	7	9	5	7
Profit before tax	396	368	256	311	336	280	240	303

Africa Banking

Total income net of insurance claims	895	878	980	1,004	1,016	1,039	1,064	1,043
Credit impairment charges and other provisions	(100)	(96)	(104)	(101)	(131)	(143)	(164)	(192)
Net operating income	795	782	876	903	885	896	900	851
Operating expenses	(545)	(537)	(616)	(605)	(597)	(633)	(605)	(660)
Costs to achieve Transform	(8)	(9)	(15)	(2)	(9)	-	-	-
UK bank levy	-	-	(42)	-	-	-	(34)	-
Total operating expenses	(553)	(546)	(673)	(607)	(606)	(633)	(639)	(660)
Other net income	2	4	-	3	4	1	12	3
Profit before tax	244	240	203	299	283	264	273	194
Investment Bank								
Investment Banking fees	661	513	571	526	488	575	621	461
Lending	66	103	68	42	141	74	42	(38)
Banking	727	616	639	568	629	649	663	423
Credit	270	346	231	308	239	479	248	356
Equities	629	591	421	524	750	602	419	490
Macro	504	552	494	457	689	940	609	841
Markets	1,403	1,489	1,146	1,289	1,678	2,021	1,276	1,687
Banking & Markets	2,130	2,105	1,785	1,857	2,307	2,670	1,939	2,110
Other	24	(2)	(3)	(6)	252	(7)	(8)	(8)
Total income	2,154	2,103	1,782	1,851	2,559	2,663	1,931	2,102
Credit impairment releases/(charges) and other provisions	7	19	(6)	(10)	10	28	21	(24)
Net operating income	2,161	2,122	1,776	1,841	2,569	2,691	1,952	2,078
Operating expenses	(1,442)	(1,501)	(1,606)	(1,373)	(1,429)	(1,764)	(1,360)	(1,489)
Costs to achieve Transform	(152)	(130)	(71)	(3)	-	(116)	-	-
UK bank levy	-	-	(236)	-	-	-	(139)	-
Total operating expenses	(1,594)	(1,631)	(1,913)	(1,376)	(1,429)	(1,880)	(1,499)	(1,489)
Profit/(loss) before tax	567	491	(137)	465	1,140	811	453	589

Head Office								
Total income/(expense) net of insurance claims	78	81	227	(81)	(24)	20	(20)	26
Credit impairment releases/(charges) and other provisions	-	-	3	-	-	-	(1)	(1)
Net operating income/(expense)	78	81	230	(81)	(24)	20	(21)	25
Operating expenses	(76)	(15)	(47)	(25)	(25)	(16)	(70)	-
Costs to achieve Transform	5	(7)	(22)	-	5	(5)	-	-
UK bank levy	-	-	(29)	-	-	-	(26)	-
Total operating expenses	(71)	(22)	(98)	(25)	(20)	(21)	(96)	-
Other net (expense)/income	(1)	1	7	(1)	(5)	3	1	(5)
Profit/(loss) before tax	6	60	139	(107)	(49)	2	(116)	20

Performance Management

Returns and Equity by Business

Returns on average equity and average tangible equity are calculated as profit for the period attributable to ordinary equity holders of the parent (adjusted for the offset by the tax credit recorded in reserves in respect of coupons on other equity instruments) divided by average allocated equity or average allocated tangible equity for the period as appropriate, excluding non-controlling and other equity interests for businesses, apart from Africa Banking (see below). Average allocated equity has been calculated as 10.5% of average CRD IV fully loaded risk weighted assets for each business, adjusted for CRD IV fully loaded capital deductions, including goodwill and intangible assets, reflecting the assumptions the Group uses for capital planning purposes. The excess of the equity so allocated over the Group equity, reflecting CRD IV fully loaded Common Equity Tier 1 capital ratio of 9.9% as at 30 June 2014 being below 10.5%, is allocated as negative equity to Head Office and Other Operations. Average allocated tangible equity is calculated using the same method but excludes goodwill and intangible assets.

For Africa Banking the equity used for return on average equity is Barclays share of the statutory equity of the BAGL entity (together with that of the Barclays Egypt and Zimbabwe businesses which remain outside the BAGL corporate entity), as well as the Barclays' goodwill on acquisition of these businesses. The tangible equity for return on tangible equity uses the same basis but excludes both the Barclays' goodwill on acquisition and the goodwill and intangibles held within the BAGL statutory equity.

	Half year ended 30.06.14	Half year ended 31.12.13	Half year ended 30.06.13
Return on Average Equity	%	%	%
Personal and Corporate Banking	12.1%	9.1%	10.3%
Barclaycard	18.9%	14.3%	16.8%
Africa Banking	9.6%	6.6%	9.4%
Investment Bank	5.7%	2.7%	15.7%
Barclays Core excluding Head Office	10.4%	7.2%	13.0%
Head Office impact1	0.6%	1.6%	2.1%
Barclays Core	11.0%	8.8%	15.1%
Barclays Non-Core impact1	(4.5%)	(7.5%)	(7.3%)
Barclays Group adjusted total	6.5%	1.3%	7.8%

	Half year ended 30.06.14	Half year ended 31.12.13	Half year ended 30.06.13
Return on Average Tangible Equity	%	%	%
Personal and Corporate Banking	16.1%	12.0%	13.5%
Barclaycard	23.6%	18.2%	21.7%

Africa Banking	13.3%	9.3%	13.0%
Investment Bank	5.9%	2.8%	16.3%
Barclays Core excluding Head Office	12.5%	8.6%	15.6%
Head Office impact1	1.0%	2.5%	3.7%
Barclays Core	13.5%	11.1%	19.3%
Barclays Non-Core impact1	(6.0%)	(9.6%)	(10.2%)
Barclays Group adjusted total	7.5%	1.5%	9.1%

1 Return on average equity and average tangible equity for Head Office and Barclays Non-Core represents their impact on Barclays Core and the Group respectively.

Performance Management

	Half year ended 30.06.14	Half year ended 31.12.13	Half year ended 30.06.13
Profit/(Loss) Attributable to Ordinary Equity Holders of the Parent1	£m	£m	£m
Personal and Corporate Banking	1,044	800	881
Barclaycard	540	383	439
Africa Banking	181	134	222
Investment Bank	441	209	1,306
Head Office	31	84	(173)
Barclays Core	2,237	1,610	2,675
Barclays Non-Core	(458)	(1,271)	(619)
Barclays Group adjusted total	1,779	339	2,056

		Average Equity	
	Half year ended	Half year ended	Half year ended
	30.06.14	31.12.13	30.06.13
	£bn	£bn	£bn
Personal and Corporate Banking	17.3	17.5	17.2
Barclaycard	5.7	5.4	5.2
Africa Banking	3.8	4.1	4.7
Investment Bank	15.6	15.6	16.6
Head Office2	(1.8)	(6.0)	(8.3)
Barclays Core	40.6	36.6	35.4
Barclays Non-Core	14.5	16.5	17.5
Barclays Group total	55.1	53.1	52.9

Average Tangible Equity

	Half year ended 30.06.14 £bn	Half year ended 31.12.13 £bn	Half year ended 30.06.13 £bn
Personal and Corporate Banking	13.0	13.3	13.1
Barclaycard	4.6	4.2	4.0
Africa Banking	2.7	2.9	3.4
Investment Bank	14.9	15.0	16.0
Head Office2	(2.1)	(6.4)	(8.7)
Barclays Core	33.1	29.0	27.8
Barclays Non-Core	14.2	16.3	17.2
Barclays Group total	47.3	45.3	45.0

1 The profit after tax attributable to other equity holders of £90m (2013: £nil) is offset by a tax credit recorded in reserves of £19m (2013: £nil) allocated across the businesses. The net amount of £71m, along with NCI, is deducted from profit after tax in order to calculate return on average tangible shareholders' equity and return on average shareholders' equity. Hence, H114 attributable profit of £1,760m has been adjusted for the tax credit recorded in reserves of £19m (2013: £nil).

2 Includes risk weighted assets and capital deductions in Head Office and Other Operations, plus the residual balance of average ordinary shareholders' equity and tangible ordinary shareholders' equity.

Performance Management

Margins and Balances1

	Half Year Ended 30.06.14			Half Year Ended 30.06.13		
	Net Interest Income £m	Average customer assets £m	Net interest margin %	Net Interest Income £m	Average customer assets £m	Net interest margin %
Personal and Corporate Banking	3,057	208,160	2.96	2,860	200,104	2.88
Barclaycard	1,500	33,410	9.05	1,385	30,932	9.03
Africa Banking	1,007	34,574	5.87	1,140	40,489	5.68
Total Personal and Corporate Banking, Barclaycard and Africa Banking	5,564	276,144	4.06	5,385	271,525	4.00
Investment Bank	334			164		
Head Office and Other Operations	1			(166)		
Core	5,899			5,383		
Non-Core	183			194		
Total Net Interest Income	6,082			5,577		

· Total PCB, Barclaycard and Africa Banking NII increased 3% to £5,564m due to:

- An increase in average customer assets to £276.1bn (2013: £271.5bn) with growth in PCB mortgage and savings and Barclaycard, partially offset by reductions in Africa Banking as the ZAR depreciated against GBP

- Net interest margin increased 6bps to 4.06% primarily due to lower customer deposit rates in PCB and lower funding costs

· Group NII increased to £6.1bn (2013: £5.6bn) including structured hedge contributions of £0.8bn (2013: £0.8bn). Equity structural hedge income increased as the weighted average life of the hedge was expanded. This was offset by lower product structural hedges driven by the maintenance of the hedge in a continuing low rate environment

· Net interest margin 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 PCB, Barclaycard and Africa Banking:

	Quarter Ended 30.06.14			Quarter Ended 31.03.14		
	Net Interest Income £m	Average customer assets £m	Net interest margin %	Net Interest Income £m	Average customer assets £m	Net interest margin %
Personal and Corporate Banking	1,529	209,040	2.93	1,528	207,433	2.99
Barclaycard	754	33,904	8.92	746	32,911	9.19
Africa Banking	504	34,660	5.83	503	34,488	5.91
Total Personal and Corporate Banking, Barclaycard and Africa Banking	2,787	277,604	4.03	2,777	274,832	4.10

1 Margins are calculated as net interest income over average customer assets.

Risk Management

Risk Management and Principal Risks

Barclays risk management responsibilities are laid out in the Enterprise Risk Management Framework (ERMF), which creates clear ownership and accountability, with the purpose that the Group's most significant risk exposures are understood and managed in accordance with agreed risk appetite, and that there is regular reporting of both risk exposures and the operating effectiveness of controls. It includes those risks incurred by Barclays that are foreseeable, continuous, and material enough to merit establishing specific bank-wide control frameworks. These are known as Key Risks and are grouped into six Principal Risks.

Further detail on these risks and how they are managed is available from the 2013 Annual Report and Accounts or online at www.barclays.com/investorrelations. There has been no significant change to the Key Risks, risk management or principal uncertainties during the period or expected for the remaining six months of the financial year.

The following section gives an overview of the performance in Funding Risk - Liquidity, Funding Risk - Capital, Credit Risk and Market Risk for the period.

Funding & Liquidity

Barclays has a comprehensive Liquidity Risk Management Framework (the Liquidity Framework) for managing the Group's liquidity risk.

Liquidity risk is managed separately at Barclays Africa Group Limited (BAGL) due to local currency and funding requirements. Unless stated otherwise, all disclosures in this section exclude BAGL and they are reported on a stand-alone basis. Adjusting for local requirements, BAGL liquidity risk is managed on a consistent basis to Barclays Group.

Liquidity stress testing

Under the Liquidity Framework, the Group has established a Liquidity Risk Appetite (LRA), which is measured with reference to the liquidity pool compared to anticipated stressed net contractual and contingent outflows under a variety of stress scenarios. These scenarios cover a market-wide stress event, a Barclays-specific stress event and a combination of the two. Under normal market conditions, the liquidity pool is managed to be at least 100% of 90 days of anticipated outflows for a market-wide stress and 30 days of anticipated outflows for each of the Barclays-specific and combined stresses. Of these, the 30 day Barclays-specific scenario requires the largest liquidity pool to meet its stress outflows.

Since June 2010 the Group has reported its liquidity position against Individual Liquidity Guidance (ILG) provided by the PRA. The Group also monitors its position against anticipated CRD IV and Basel 3 metrics, including the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR)1.

As at 30 June 2014 the Group estimated its LCR at 107% (2013: 96%) based upon the CRD IV rules, as implemented by EBA. This is equivalent to a surplus of £9bn (2013: shortfall of £6bn). The Group estimated its LCR at 112% (2013: 102%) based on the Basel standards published in January 2013.

As at 30 June 2014, the Group held eligible liquid assets in excess of 100% of net stress outflows for both the 30 day Barclays-specific LRA scenario and the CRD IV LCR as implemented by the EBA:

Compliance with internal and regulatory stress tests	Barclays' LRA (30 day Barclays specific requirement)2 £bn	Estimated CRD IV LCR1 £bn
Eligible liquidity buffer	134	141
Net stress outflows	125	132
Surplus	9	9

Liquidity pool as a percentage of anticipated net outflows as at 30 June 2014	107%	107%
Liquidity pool as a percentage of anticipated net outflows as at 31 December 2013	104%	96%

1 The methodology for estimating the LCR and NSFR is based on an interpretation of the CRD IV and Basel III standards respectively and includes a number of assumptions which are subject to change prior to the finalisation of CRD IV rules on these metrics. The estimated LCR and NSFR in this section include BAGL.

2 Of the three stress scenarios monitored as part of the LRA, the 30 day Barclays specific scenario results in the lowest ratio at 107% (2013: 104%). This compares to 128% (2013: 127%) under the 90 day market-wide scenario and 114% (2013: 112%) under the 30 day combined scenario.

Funding Risk - Liquidity

The LRA and LCR surpluses were within the expected normal operating range, while maintaining compliance with internal liquidity risk appetite and external regulatory requirements. This includes maintaining an LCR of at least 100% based upon the CRD IV rule ahead of the regulatory requirement.

Barclays estimated its NSFR at 98% (2013: 95%) based on its current interpretation of the January 2014 BCBS consultation. This includes the requirement for 50% required stable funding against short-term reverse repos from non-banks. Without this requirement, which did not exist in 2010 original Basel proposal, the NSFR would have been 113%. Further changes to the rules are expected prior to the Basel Committee's finalisation of the rules and implementation by local regulators ahead of the target 2018 compliance date.

Barclays plans to maintain its surplus to the internal and regulatory stress requirements at an efficient level. Barclays will continue to monitor the money markets closely, in particular for early indications of the tightening of available funding. In these conditions, the nature and severity of the stress scenarios are reassessed and appropriate action taken with respect to the liquidity pool. This may include further increasing the size of the pool or monetising the pool to meet stress outflows.

Liquidity pool

The Group liquidity pool was £134bn (2013: £127bn). During 2014, the month-end liquidity pool ranged from £134bn to £156bn (2013: £127bn to £157bn), and the month-end average balance was £145bn (2013: £144bn). The liquidity pool is held unencumbered and is not used to support payment or clearing requirements.

Composition of the Group Liquidity Pool

	Liquidity Pool 30.06.2014	Liquidity pool of which PRA eligible1	Liquidity pool of which CRD IV LCR-eligible2		Liquidity Pool 31.12.2013
			Level 1	Level 2A	
As at 30.06.2014	£bn	£bn	£bn	£bn	£bn
Cash and deposits with central banks3	42	41	40	-	43

Government bonds4

AAA rated	58	57	58	-	52
AA+ to AA- rated	11	10	11	-	9
Other government bonds	1	-	1	-	1
Total Government bonds	70	67	70	-	62
Other					
Supranational bonds and multilateral development banks	6	3	6	-	3
Agencies and agency mortgage-backed securities	8	-	5	3	10
Covered bonds (rated AA- and above)	5	-	-	5	6
Other	3	-	-	-	3
Total other	22	3	11	8	22
Total as at 30 June 2014	134	111	121	8	
Total as at 31 December 2013	127	104	109	11	

Barclays manages the liquidity pool on a centralised basis. As at 30 June 2014, 92% (2013: 90%) of the liquidity pool was located in Barclays Bank PLC and was available to meet liquidity needs across the Barclays Group. The residual liquidity pool is held predominantly within Barclays Capital Inc (BCI). The portion of the liquidity pool outside of Barclays Bank PLC is held against entity-specific stressed outflows and regulatory requirements.

1 £111bn (2013: £104bn) of the liquidity pool is PRA eligible as per BIPRU 12.7. In addition, there are £10bn (2013: £9bn) of Level 2 assets available, as per PRA's announcement in August 2013 that certain assets specified by PRA as Level 2 assets can be used on a transitional basis.

2 The LCR-eligible assets presented in this table represent only those assets which are also eligible for the Group liquidity pool and do not include any Level 2B assets as defined by the Basel Committee on Banking Supervision.

3 Of which over 95% (2013: over 95%) was placed with the Bank of England, US Federal Reserve, European Central Bank, Bank of Japan and Swiss National Bank.

4 Of which over 85% (2013: over 85%) are comprised of UK, US, Japanese, French, German, Danish, Swiss and Dutch securities.

Funding Risk - Liquidity

Deposit Funding		As at 30.06.2014			As at 31.12.13
LiquidityFunding of Loans and Advances to Customers (including BAGL)	Loans and Advances to Customers £bn	Customer Deposits £bn	Loan to Deposit Ratio %	Loan to Deposit Ratio %	
Personal and Corporate banking	217	298			
Barclaycard	33	6			
Non-Core (retail)	39	16			
Africa Banking	34	33			

Total Retail funding	323	353	92	91
Investment Bank, Non-Core (wholesale) and Other1	120	91		
Total	443	444	100	101

PCB, Africa Banking, Barclaycard and Non-Core (retail) are largely funded by customer deposits. The loan to deposit ratio for these businesses was 92% (2013: 91%). The customer deposits in excess of loans and advances are primarily used to fund liquidity buffer requirements for these businesses. The Investment Bank is funded with wholesale liabilities and does not rely on customer deposit funding from these businesses. The loan to deposit ratio for the Group was broadly unchanged at 100% (2013: 101%).

As at 30 June 2014, £125bn (2013: £122bn) 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 £3bn (2013: £3bn) of other liabilities insured or guaranteed by governments.

Wholesale Funding

Funding of Other Assets as at 30 June 2014

Assets	£bn	Liabilities	£bn
Trading Portfolio Assets	59	Repurchase agreements	174
Reverse repurchase agreements	115		
Reverse repurchase agreements	57	Trading Portfolio Liabilities	57
Derivative Financial Instruments	332	Derivative Financial Instruments	325
Liquidity pool 2	104	Less than 1 year wholesale debt	86
Other unencumbered assets3	129	Greater than 1 year wholesale debt and equity	154

· Trading portfolio assets are largely funded by repurchase agreements with 60% (2013: 63%) secured against highly liquid assets4. The weighted average maturity of these repurchase agreements secured against less liquid assets was 67 days (2013: 69 days)

· The majority of reverse repurchase agreements are matched by repurchase agreements. As at 30 June 2014, 72% (2013: 76%) of matched book activity was secured against highly liquid assets4. The remainder of reverse repurchase agreements are used to settle trading portfolio liabilities

· Derivative assets and liabilities are largely matched. A substantial proportion of balance sheet derivative positions qualify for counterparty netting and the remaining portions are largely offset once netted against cash collateral received and paid

· The Group liquidity pool is primarily funded by wholesale debt with the remainder being funded by customer deposits

· Other assets are largely matched by term wholesale debt and equity

1 Includes trading settlements and cash collateral balances of £84bn (2013: £71bn) relating to loans and advances to customers and £75bn (2013: £62bn) relating to customer deposits.
2 The portion of the liquidity pool estimated to be funded by wholesale funds.
3 Predominantly available for sale investments, trading portfolio assets, financial assets designated at fair value and loans and advances to banks.
4 Highly liquid assets are limited to government bonds, US agency securities and US agency mortgage-backed securities.

Funding Risk - Liquidity

Composition of wholesale funding

As at 30 June 2014 total wholesale funding outstanding (excluding repurchase agreements) was £179bn (2013: £186bn). £86bn (2013: £82bn) of wholesale funding matures in less than one year of which £25bn1 (2013: £23bn) relates to term funding.

Outstanding wholesale funding comprised of £35bn (2013: £35bn) secured funding and £144bn (2013: £151bn) unsecured funding.

Maturity profile2	Not more than one month £bn	Over one month but not more than three months £bn	Over three months but not more than six months £bn	Over six months but not more than nine months £bn	Over nine months but not more than one year £bn	Sub-total less than one year £bn	Over one year but not more than two years £bn	Over two years but not more than five years £bn	Over five years £bn	Total £bn
Deposits from Banks	10.0	6.8	1.0	4.6	0.1	22.5	0.3	0.2	-	23.0
Certificates of Deposit and Commercial Paper	2.4	8.8	6.4	3.7	3.0	24.3	0.5	1.1	0.4	26.3
Asset Backed Commercial Paper	2.8	2.5	0.1	-	-	5.4	-	-	-	5.4
Senior unsecured (Public benchmark)	1.5	0.1	0.1	2.0	0.6	4.3	2.6	7.6	6.2	20.7
Senior unsecured (Privately placed)	1.3	2.4	2.5	4.1	3.1	13.4	7.8	15.5	11.9	48.6
Covered bonds/ABS	-	3.2	0.2	4.0	1.7	9.1	3.8	4.1	7.3	24.3
Subordinated liabilities	-	-	-	0.1	-	0.1	-	2.8	15.6	18.5
Other3	3.5	1.4	0.7	0.5	0.3	6.4	2.2	1.4	2.1	12.1
Total as at 30 June 2014	21.5	25.2	11.0	19.0	8.8	85.5	17.2	32.7	43.5	178.9
Of which secured	5.0	6.7	0.9	4.5	1.9	19.0	4.2	4.4	7.4	35.0
Of which unsecured	16.5	18.5	10.1	14.5	6.9	66.5	13.0	28.3	36.1	143.9

Total as at 31 December 2013	20.3	24.0	15.5	15.9	6.3	82.0	27.1	33.8	42.6	185.5
Of which secured	4.6	3.7	1.4	3.5	0.7	13.9	7.3	6.5	7.2	34.9
Of which unsecured	15.7	20.3	14.1	12.4	5.6	68.1	19.8	27.3	35.4	150.6

Outstanding wholesale funding includes £49bn (2013: £50bn) of privately placed senior unsecured notes in issue. These notes are issued through a variety of distribution channels including intermediaries and private banks. A large proportion of end users of these products are individual retail investors.

The liquidity risk of wholesale funding is carefully managed primarily through the LRA stress tests, against which the liquidity pool is held. Although not a requirement, the liquidity pool exceeded wholesale funding maturing in less than one year by £48bn (2013: £45bn).

The average maturity of wholesale funding net of the liquidity pool was at least 80 months (2013: 69 months).

Term financing

The Group issued £9bn of term funding net of early redemptions during H1 2014. In addition, the Group raised £6bn through participation in the Bank of England's Funding for Lending Scheme. Barclays has £12bn of term funding maturing in the reminder of 2014 and £24bn in 2015.

The Group expect to issue more public wholesale debt in the remainder of 2014, in order to maintain a stable and diverse funding base by type, currency and distribution channel.

Barclays Africa Group Limited

- Liquidity risk is managed separately at BAGL due to local currency, funding and regulatory requirements

- In addition to the Group liquidity pool, BAGL held £5bn (2013: £4bn) of liquidity pool assets against BAGL-specific anticipated stressed outflows. The liquidity pool consists of South African government bonds and Treasury bills

- The BAGL loan to deposit ratio was 104% (2013: 103%)

- As at 30 June 2014, BAGL had £8bn of wholesale funding outstanding (2013: £9bn), of which £5bn matures in less than one year (2013: £6bn)

1 Term funding maturities comprise 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.
2 The composition of wholesale funds comprises the balance sheet reported Deposits from Banks, Financial liabilities at Fair Value, Debt Securities in Issue and Subordinated Liabilities, excluding cash collateral and settlement balances. It does not include collateral swaps, including participation in the Bank of England's Funding for Lending Scheme. Included within deposits from banks are £4bn of liabilities drawn in the European Central Bank's 3 year LTRO.
3 Primarily comprised of fair value deposits £4bn and secured financing of physical gold £5bn.

Funding Risk - Capital

CRD IV Capital

The Capital Requirements Regulation and Capital Requirements Directive implemented Basel 3 within the EU (collectively known as CRD IV) on 1 January 2014. The rules are supplemented by Regulatory Technical Standards and the PRA's rulebook, including the implementation of transitional rules. However, rules and guidance are still subject to change as certain aspects of CRD IV are dependent on final technical standards and clarifications to be issued by the EBA and adopted by the European Commission and the PRA. All capital, RWA and leverage calculations reflect Barclays' interpretation of the current rules.

Capital Ratios	As at 30.06.14	As at 31.12.13
Fully Loaded Common Equity Tier 11	9.9%	9.1%
PRA Transitional Common Equity Tier 12	9.8%	9.1%
PRA Transitional Tier 1	12.7%	11.3%
PRA Transitional Total Capital	16.0%	15.0%
Capital Resources	£m	£m
Shareholders' equity (excluding non controlling interests) per the balance sheet	58,068	55,385
- Less: Other equity instruments (recognised as AT1 capital)	(4,326)	(2,063)
Adjustment to retained earnings for foreseeable dividends	(596)	(640)
Minority Interests (amount allowed in consolidated CET1)	1,171	1,238
Other regulatory adjustments and deductions		
Additional value adjustments	(2,492)	(2,479)
Goodwill and intangible assets3	(7,828)	(7,618)
Deferred tax assets that rely on future profitability excluding temporary differences	(1,062)	(1,045)
Fair value reserves related to gains or losses on cash flow hedges3	(532)	(270)
Excess of expected losses over impairment	(2,036)	(2,106)
Gains or losses on liabilities at fair value resulting from own credit3	612	600
Other regulatory adjustments	(172)	(119)
Direct and indirect holdings by an institution of own CET1 instruments	(25)	(496)
Fully Loaded CET1 Capital	40,782	40,387
Regulatory adjustments relating to unrealised gains3	(513)	(180)
PRA Transitional CET1 Capital	40,269	40,207
Additional Tier 1 (AT1) capital		
Capital instruments and the related share premium accounts	4,326	2,063
Qualifying AT1 capital (including minority interests) issued by subsidiaries	7,592	9,726
Less instruments issued by subsidiaries subject to phase out	(114)	(1,849)

Other regulatory adjustments and deductions	(28)	-
Transitional Additional Tier 1 capital	11,776	9,940
PRA Transitional Tier 1 capital	52,045	50,147
Tier 2 (T2) capital		
Qualifying T2 capital (including minority interests) issued by subsidiaries	13,783	16,834
Less instruments issued by subsidiaries subject to phase out	-	(522)
Other regulatory adjustments and deductions	(85)	(12)
PRA Transitional Total regulatory capital	65,743	66,447

- As at 30 June 2014, Barclays' fully loaded Tier 1 capital was £45,364m, and the fully loaded Tier 1 ratio was 11.0%. Fully loaded total regulatory capital was £61,740m and the fully loaded total capital ratio was 15.0%. 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

- The transitional total capital is calculated on the basis of PRA rules in the December 2013 publication of PS 7/134, reflecting the minimum Capital Requirements Regulation (CRR) transitional path for the grandfathering of existing capital instruments within certain limits

1 Following the full implementation of CRD IV reporting in 2014, the previously reported 31 December 2013 RWAs have been revised by £6.9bn to £442bn and the fully loaded CET1 ratio revised by (0.2)% to 9.1%. As at 31 March 2014, these figures were a £5.7bn increase and a 0.1% decrease respectively. These additional RWAs have been included within Head Office and Other Operations.
2 The CRD IV CET1 ratio (FSA October 2012 transitional statement) as applicable to Barclays' Tier 2 Contingent Capital Notes was 12.0% based on £49.3bn of transitional CRD IV CET1 capital and £411bn RWAs.
3 The capital impacts of these items are net of tax.
4 PS 7/13 refers to PRA policy statement PS7/13 on strengthening capital standards published in December 2013.

Funding Risk - Capital

Movement in fully loaded Common Equity Tier 1 (CET1) Capital	Six Months Ended 30.06.14 £m
Opening Common Equity Tier 1 capital	40,387
Profit for the period	1,216
Movement in own credit1	12
Movement in dividends	(755)
Retained regulatory capital generated from earnings	473
Movement in reserves - net impact of share awards	305
Movement in available for sale reserves	345
Movement in currency translation reserves	(941)
Retirement benefit remeasurements	237
Other reserves movements	(205)
Other reserves movements	(259)

Movement in regulatory adjustments and deductions:	
Minority interests	(67)
Additional value adjustments	(13)
Goodwill and intangible assets1	(210)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(17)
Negative amounts resulting from the calculation of expected loss amounts	70
Direct and indirect holdings by an institution of own CET1 instruments	471
Other regulatory adjustments	(53)
Closing Common Equity Tier 1 capital	40,782

- Fully loaded Common Equity Tier 1 ratio increased to 9.9% (2013: 9.1%) reflecting an increase in CET1 capital of £0.4bn to £40.8bn and a £31bn decrease in RWAs.

- Barclays generated £1.2bn capital from profits. After adjusting for own credit, dividends paid and regulatory foreseeable dividends, retained regulatory capital generated from earnings increased CET1 capital by £0.5bn. Other material movements in CET1 were:

- £0.5bn decrease in the deduction for holdings for own Common Equity Tier 1 instruments following further management actions

- £0.9bn reduction due to currency movements primarily driven by strengthening of GBP against USD, ZAR and EUR

- £0.3bn increase due to gains in the available for sale reserve

- Transitional total capital decreased by £0.7bn to £65.7bn due to the increase in fully loaded CET1 offset by the removal of gains in the available for sale reserves in CET1 and a T2 redemption of dated subordinated liabilities

- During Q2 2014, Barclays PLC issued Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities as part of an exchange of £1.5bn of Barclays Bank PLC preference shares and £0.6bn of Tier 1 notes and Reserve Capital Instruments. The Barclays PLC instruments are full end point compliant Additional Tier 1 capital and replace previously grandfathered instruments

1 The capital impacts of these items are net of tax.

Funding Risk - Capital

Risk Weighted Assets by Risk Type and Business

	Credit risk	Counterparty credit risk	Market risk	Operational risk	Total
As at 30 June 2014	£m	£m	£m	£m	£m
Personal & Corporate Banking	100,680	1,064	15	16,176	117,935
Barclaycard	32,176	-	-	5,505	37,681
Africa Banking	29,088	456	1,314	5,604	36,462
Investment Bank	40,044	27,214	38,585	19,621	125,464

Head Office and Other Operations	3,818	395	577	1,185	5,975
Total Core	205,806	29,129	40,491	48,091	323,517
Barclays Non Core	37,898	23,138	17,842	8,592	87,470
Total risk weighted assets	243,704	52,267	58,333	56,683	410,987

As at 31 December 2013					
Personal & Corporate Banking	102,385	823	57	15,020	118,285
Barclaycard	30,033	-	-	5,627	35,660
Africa Banking	29,242	538	1,429	6,837	38,046
Investment Bank	38,517	30,711	38,677	18,096	126,001
Head Office and Other Operations1	6,390	2,158	4,968	1,089	14,605
Total Core	206,567	34,230	45,131	46,669	332,597
Barclays Non Core	48,797	25,861	27,574	7,642	109,874
Total risk weighted assets	255,364	60,091	72,705	54,311	442,471

Risk weighted assets by risk and approach

As at 30 June 2014	£m
- Standardised	77,892
- Internal ratings based	165,812
Credit risk	243,704
- Internal model method	37,537
- Non-model method	14,730
Counterparty risk	52,267
- Standardised	24,125
- Modelled - VaR	34,208
Market risk	58,333
Operational risk	56,683
Total risk weighted assets	410,987

Movement analysis of risk weighted assets

	Credit risk	Counterparty credit risk	Market risk	Operational risk	Total
Risk weighted assets	£bn	£bn	£bn	£bn	£bn
As at 1 January 2014	255.4	60.1	72.7	54.3	442.5
Book size	7.2	(12.9)	(10.0)	-	(15.7)
Acquisitions and disposals	(4.5)	-	-	-	(4.5)
Book quality	(2.1)	(1.1)	1.2	-	(2.0)
Model updates	3.7	3.2	(0.3)	2.4	9.0

Methodology and policy	(9.0)	0.4	(5.1)	-	(13.7)
Foreign exchange movement	(4.3)	-	-	-	(4.3)
Other	(2.7)	2.6	(0.2)	-	(0.3)
As at 30 June 2014	243.7	52.3	58.3	56.7	411.0

1 Following the full implementation of CRD IV reporting in 2014, the previously reported 31 December 2013 RWAs have been revised by £6.9bn to £14.6bn.

Funding Risk - Capital

RWAs decreased £31.5bn to £411.0bn, driven by:

· Book size decreased RWAs by £15.7bn, primarily driven by risk reductions in the trading book within BNC, offset by balance sheet growth in PCB and increased customer lending in Barclaycard

· Acquisitions and disposals decreased RWAs by £4.5bn, primarily driven by disposals in BNC

· Book quality improved, resulting in a RWA reduction of £2.0bn, primarily driven by changes in risk profile within the Investment Bank and PCB

· Model updates increased RWAs by £9.0bn, driven by a revision of probability of default metrics for wholesale portfolios and the annual operational risk refresh

· Methodology and policy changes decreased RWAs by £13.7bn, primarily driven by changes to the treatment of high quality liquidity assets, offset by the early adoption of LGD floors for wholesale exposures

· Foreign exchange movements decreased RWAs by £4.3bn, primarily driven by the appreciation of GBP against ZAR, USD and EUR

Leverage ratio requirements

CRD IV introduces a non-risk based leverage ratio that is intended to act as a supplementary measure to the risk-based capital measures. While CRD IV does not currently impose a binding requirement, the PRA requested Barclays to meet a 3% CRD IV adjusted leverage ratio - 'PRA leverage ratio' - by June 2014. ThePRA leverage ratio is calculated based on fully loaded CRD IV Tier 1 capital adjusted for certain PRA defined deductions, and a PRA adjusted CRD IV leverage exposure measure.

On 12 January 2014, the Basel Committee finalised its revised standards for calculating the Basel 3 leverage ratio. These standards included a number of changes that would require amendment to CRD IV to retain international consistency. The legislative process to implement these changes is underway and final rules are expected later in 2014. In June 2014 the PRA issued Supervisory Statement SS3/13 and updated their supervisory expectation with a 3% end point leverage ratio based on the revised Basel 3 calculation basis that is applicable from 1 July 2014. For the purposes of calculating this ratio, the PRA adjustments to leverage exposures and Tier 1 capital will no longer apply.

Barclays has disclosed an estimated 'BCBS 270 leverage ratio' based on its understanding of the latest requirements that are expected to be included in the revised CRD IV text and guidance from regulators. The final rules may result in a different calculation methodology when implemented in the revised CRD IV text.

PRA leverage ratio calculation

For an overview of the basis of preparation for the PRA leverage ratio, please refer to the December 2013 Results Announcement.

Revised BCBS 270 leverage ratio calculation

The revised rules contain a number of differences to the way elements of leverage exposure are measured under the current CRD IV rules. Key differences areas follows:

- Counterparty credit risk on derivatives is reduced due to application of eligible collateral, and an exposure value introduced for net written credit derivatives

- Counterparty credit risk on SFTs changes as a result of the removal of haircuts, however cash receivables must be retained on the balance sheet and can only be netted in certain circumstances

- Regulatory add-ons relating to off balance sheet undrawn commitments are based on the credit conversion factors used in the standardised approach to credit risk

Funding Risk - Capital

Estimated Leverage

Leverage exposure	IFRS Balance Sheet As at 30.06.14 £bn	BCBS 270 Leverage exposure As at 30.06.14 £bn	PRA Leverage exposure As at 30.06.14 £bn	PRA Leverage exposure As at 31.12.13 £bn
Derivatives				
IFRS derivative financial instruments	333	333	333	355
Mark-to-market and margin netting adjustments for derivatives		(298)	(268)	(288)
Cash collateral pledged on derivatives	48	17	39	48
Potential Future Exposure on derivatives		195	195	249
Net written credit protection		29	-	-
Total derivatives		276	299	364
Securities Financing Transactions (SFTs)				
IFRS Reverse repurchase agreements and other similar secured lending	172	199	172	187
Remove IFRS SFTs		-	(172)	(187)
Counterparty risk leverage exposure measure for SFTs		29	60	92
Total Securities Financing Transactions		228	60	92
Other assets and adjustments				
Loans and advances and other assets	762	762	762	752
Weighted undrawn commitments		105	177	179
Regulatory deductions and other adjustments		(18)	(32)	(22)
Total other assets and adjustments		849	907	909

Total fully loaded leverage exposure	1,315	1,353	1,266	1,365

	BCBS 270 Leverage ratio As at 30.06.14	PRA Leverage ratio As at 30.06.14	PRA Leverage ratio As at 31.12.13
CET1 capital	40.8	40.8	40.4
Additional Tier 1 capital	4.6	4.6	2.3
Tier 1 capital	45.4	45.4	42.7
PRA deductions to CET1 capital		(2.2)	(2.2)
PRA adjusted Tier 1 capital	45.4	43.2	40.5
Fully loaded leverage ratio	3.4%	3.4%	3.0%

· The PRA leverage exposure reduced by £99bn to £1,266bn. The decrease was primarily driven by reductions in derivatives PFE and the regulatory exposure for SFTs

– £54bn reduction in derivative PFE as a result of £18bn reduction due to trade compression and tear ups, £13bn reduction due to change of basis of preparation principally relating to sold options, £10bn reduction due to netting and other optimisations and other reductions due to currency movements

– £32bn reduction in SFTs primarily driven by netting, collateral and other optimisations as well as other reductions due to currency movements

Funding Risk - Capital

- The estimated BCBS 270 leverage exposure of £1,353bn represents an £87bn increase on the PRA leverage exposure driven by a change in the treatment of SFTs, derivatives and off balance sheet undrawn commitments

– £181bn increase in SFTs exposure due to the inclusion of £212bn of on and off balance sheet cash receivables and the change in regulatory counterparty credit risk exposure add on resulting in a £31bn decrease due to the removal of haircuts

– £23bn decrease in derivatives due £52bn reduction in counterparty credit risk exposure as a result of applying eligible derivatives collateral, offset by £29bn increase due to the incremental exposure value for net written credit derivatives

– £72bn reduction in undrawn commitments due the application of credit conversion factors to the exposure as used in the standardised approach to credit risk

Credit Risk

Analysis of Retail and Wholesale Loans and Advances and Impairment

As at 30.06.14	Gross L&A	Impairment Allowance	L&A Net of Impairment	Credit Risk Loans	CRLs % of Gross L&A	Loan Impairment Charges1	Loan Loss Rates
	£m	£m	£m	£m	%	£m	bps
Personal & Corporate Banking	143,839	1,302	142,537	2,648	1.8	133	19
Africa Banking	20,820	700	20,120	1,175	5.6	167	162
Barclaycard	34,854	1,607	33,247	1,606	4.6	537	311
Barclays Core	199,513	3,609	195,904	5,429	2.7	837	85
Barclays Non-Core	37,383	823	36,560	2,233	6.0	101	54
Total Group Retail	236,896	4,432	232,464	7,662	3.2	938	80
Investment Bank	117,259	31	117,228	43	-	(26)	(4)
Personal & Corporate Banking	80,451	611	79,840	1,852	2.3	97	24
Africa Banking	15,263	263	15,000	633	4.1	29	38
Head Office and Other Operations	2,496	-	2,496	-	-	-	-
Barclays Core	215,469	905	214,564	2,528	1.2	100	9
Barclays Non-Core	40,598	1,629	38,969	2,705	6.7	72	36
Total Group Wholesale	256,067	2,534	253,533	5,233	2.0	172	14
Group Total	492,963	6,966	485,997	12,895	2.6	1,110	45
Traded Loans	3,074	n/a	3,074				
Loans and advances designated at fair value	18,454	n/a	18,454				
Loans and advances held at fair value	21,528	n/a	21,528				
Total loans and advances	514,491	6,966	507,525				
As at 31.12.13							
Personal & Corporate Banking	140,742	1,325	139,417	2,703	1.9	357	25
Africa Banking	21,586	674	20,912	1,205	5.6	388	180
Barclaycard	33,024	1,517	31,507	1,541	4.7	1,096	332
Barclays Core	195,352	3,516	191,836	5,449	2.8	1,841	94
Barclays Non-Core	40,867	856	40,011	2,118	5.2	320	78
Total Group Retail	236,219	4,372	231,847	7,567	3.2	2,161	91
Investment Bank	104,468	-	104,468	-	-	(30)	(3)
Personal & Corporate Banking	77,674	701	76,973	1,861	2.4	264	34
Africa Banking	15,793	352	15,441	722	4.6	89	56

Head Office and Other Operations	3,072	-	3,072	-	-	(3)	(10)
Barclays Core	201,007	1,053	199,954	2,583	1.3	320	16
Barclays Non-Core	43,691	1,833	41,858	3,148	7.2	581	133
Total Group Wholesale	244,698	2,886	241,812	5,731	2.3	901	37
Group Total	480,917	7,258	473,659	13,298	2.8	3,062	64
Traded Loans	1,647	n/a	1,647				
Loans and advances designated at fair value	18,695	n/a	18,695				
Loans and advances held at fair value	20,342	n/a	20,342				
Total loans and advances	501,259	7,258	494,001				

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

Credit Risk

• Loans and advances to customers and banks at amortised cost net of impairment increased to £486.0bn (2013: £473.7bn)

– Investment Bank increased by £12.8bn to £117.2bn reflecting an increase in cash collateral and settlement balances driven principally by higher trading volumes

– PCB increased £6.0bn to £222.4bn driven by UK mortgage growth and an increase in corporate lending

Analysis of Impairment

Credit impairment charges and other provisions by business

	Half Year Ended 30.06.14 £m	Half Year Ended 31.12.13 £m	Half Year Ended 30.06.13 £m
Personal and Corporate Banking	230	322	299
Barclaycard	537	556	540
Africa Banking	196	201	276
Investment Bank	(26)	8	(38)
Head Office	-	(3)	-
Barclays Core	937	1,084	1,077
Barclays Non-Core	173	344	557
Total loan impairment charge1	1,110	1,428	1,634
Impairment charges on available for sale investments	(19)	1	-
Impairment of reverse repurchase agreements	(5)	11	(3)

Total credit impairment charges and other provisions	1,086	1,440	1,631

- Impairment charges on loans and advances decreased 32% to £1,110m reflecting lower charges in Barclays Non-Core, Africa Banking and PCB
  - Non-Core decreased 69% to £173m driven by the non-recurrence of single name exposure charge of £224m in the prior year as well as the on-going actions to reduce corporate exposure in Iberia
  - Africa decreased 29% to £196m principally due to lower charges in the South Africa home loans portfolio and depreciation of ZAR against GBP
  - PCB decreased 23% to £230m reflecting improvements in personal banking, mortgages and corporates as the economic environment improved
  - Lower overall impairment charges led to a decrease in the loan loss rate to 45bps (2013: 64bps)

1 Includes charges of £25m (2013: £17m) in respect of undrawn facilities and guarantees.

Credit Risk

Analysis of Loans and Advances to Customers and Banks

Loans and Advances at Amortised Cost Net of Impairment Allowances, by Industry Sector and Geography

As at 30th June 2014	United Kingdom	Europe	Americas	Africa and Middle East	Asia	Total
	£m	£m	£m	£m	£m	£m
Banks	7,351	12,768	10,825	2,280	6,082	39,306
Other financial institutions	27,260	22,175	46,524	2,793	7,604	106,356
Home loans	131,849	32,440	771	13,631	331	179,022
Cards, unsecured loans and other personal lending	29,273	6,259	14,117	3,831	1,376	54,856
Construction and property	18,006	2,434	1,157	2,022	478	24,097
Other	41,255	12,685	8,048	16,183	4,189	82,360
Net loans and advances to customers and banks	254,994	88,761	81,442	40,740	20,060	485,997
Impairment allowance	3,000	2,203	665	1,033	65	6,966
Gross loans and advances to customers and banks	257,994	90,964	82,107	41,773	20,125	492,963

Loans and Advances at FV	16,571	1,479	2,758	643	77	21,528
As at 31st December 2013						
Banks	5,796	12,353	10,154	2,394	6,691	37,388
Other financial institutions	22,052	17,719	49,157	6,118	8,124	103,170
Home loans	129,591	34,752	782	14,051	351	179,527
Cards, unsecured loans and other personal lending	28,168	6,792	12,630	3,842	1,283	52,715
Construction and property	18,155	2,402	956	2,288	150	23,951
Other	39,381	12,513	7,450	13,444	4,120	76,908
Net loans and advances to customers and banks	243,143	86,531	81,129	42,137	20,719	473,659
Impairment allowance	2,980	2,486	654	1,079	59	7,258
Gross loans and advances to customers and banks	246,123	89,017	81,783	43,216	20,778	480,917
Loans and Advances at FV	15,992	1,974	1,617	700	59	20,342

Credit Risk

Analysis of Potential Credit Risk Loans and Coverage Ratios

	CRLs		PPLs		PCRLs	
	As at 30.06.14	As at 31.12.13	As at 30.06.14	As at 31.12.13	As at 30.06.14	As at 31.12.13
	£m	£m	£m	£m	£m	£m
Personal & Corporate Banking	2,648	2,703	215	241	2,863	2,944
Africa Banking	1,175	1,205	182	194	1,357	1,399
Barclaycard	1,606	1,541	188	182	1,794	1,723
Barclays Core	5,429	5,449	585	617	6,014	6,066
Barclays Non-Core	2,233	2,118	76	91	2,309	2,209
Total Group Retail	7,662	7,567	661	708	8,323	8,275
Investment Bank	43	-	91	106	134	106
Personal & Corporate Banking	1,852	1,861	745	840	2,597	2,701
Africa Banking	633	722	108	112	741	834
Head Office and Other Operations	-	-	-	-	-	-
Barclays Core	2,528	2,583	944	1,058	3,472	3,641
Barclays Non-Core	2,705	3,148	82	42	2,787	3,190
Total Group Wholesale	5,233	5,731	1,026	1,100	6,259	6,831
Group Total	12,895	13,298	1,687	1,808	14,582	15,106

	Impairment allowance		CRL coverage		PCRL coverage	
	As at 30.06.14	As at 31.12.13	As at 30.06.14	As at 31.12.13	As at 30.06.14	As at 31.12.13

	£m	£m	%	%	%	%
Personal & Corporate Banking	1,302	1,325	49.2	49.0	45.5	45.0
Africa Banking	700	674	59.6	55.9	51.6	48.2
Barclaycard	1,607	1,517	100.1	98.4	89.6	88.0
Barclays Core	3,609	3,516	66.5	64.5	60.0	58.0
Barclays Non-Core	823	856	36.9	40.4	35.6	38.8
Total Group Retail	4,432	4,372	57.8	57.8	53.3	52.8
Investment Bank	31	-	72.1	-	23.1	-
Personal & Corporate Banking	611	701	33.0	37.7	23.5	26.0
Africa Banking	263	352	41.5	48.8	35.5	42.2
Head Office and Other Operations	-	-	-	-	-	-
Barclays Core	905	1,053	35.8	40.8	26.1	28.9
Barclays Non-Core	1,629	1,833	60.2	58.2	58.4	57.5
Total Group Wholesale	2,534	2,886	48.4	50.4	40.5	42.2
Group Total	6,966	7,258	54.0	54.6	47.8	48.0

- Credit Risk Loans (CRLs) decreased 3.0% to £12.9bn

- CRLs in wholesale portfolios decreased 8.7% to £5.2bn. This is primarily driven by Non-Core reflecting on-going actions to reduce corporate exposures in Iberia

- CRLs in retail portfolios have remained stable at £7.7bn. The increase in Non-Core has been offset by a decrease in Africa Banking reflecting improvements in the home loans portfolio

- Group's CRL coverage ratio was stable at 54.0% (2013: 54.6%)

Credit Risk

Analysis of Forbearance Programmes

	Balances		Impairment Allowance		Allowance Coverage	
	As at 30.06.14	As at 31.12.13	As at 30.06.14	As at 31.12.13	As at 30.06.14	As at 31.12.13
	£m	£m	£m	£m	%	%
Personal & Corporate Banking	2,533	2,814	78	90	3.1	3.2
Africa Banking	308	338	41	50	13.3	14.8
Barclaycard	1,044	1,064	353	358	33.8	33.6
Barclays Core	3,885	4,216	472	498	12.1	11.8
Barclays Non-Core	754	786	76	83	10.1	10.6
Total Retail	4,639	5,002	548	581	11.8	11.6
Investment Bank	229	476	4	8	1.7	1.7
Personal & Corporate Banking	1,587	1,569	265	260	16.7	16.6
Africa Banking	129	159	14	14	10.9	8.8

Barclays Core	1,945	2,204	283	282	14.6	12.8
Barclays Non-Core	976	1,181	462	609	47.3	51.5
Total Wholesale	2,921	3,385	745	891	25.5	26.3
Group Total	7,560	8,387	1,293	1,472	17.1	17.6

• Balances in forbearance decreased by 10% to £7.6bn reflecting falls in the majority of businesses. Overall coverage remained broadly stable at 17.1% (2013: 17.6%)

• Retail forbearance decreased 7% to £4,639m primarily as a result of reductions in PCB, mainly due to a decrease in UK home loans

• Wholesale forbearance reduced by 14% to £2,921m primarily driven by the exit of a single Investment Bank counterparty from the forbearance portfolio and further reductions across the Non-Core portfolios

Analysis of Specific Core Portfolios/Businesses

Secured home loans

• Total home loans to retail core customers grew by 2% to £141bn

• The principal home loan portfolios listed below account for 97% (2013: 97%) of total home loans in the Group's retail core portfolios and principally comprise first lien mortgages

Home loans principal portfolios

As at 30.06.14	Gross loans and advances £m	> 90 Day arrears %	> 90 Day arrears, including recoveries %	Annualised gross charge-off rates %	Recoveries proportion of outstanding balances %	Recoveries impairment coverage ratio %
PCB - UK	125,221	0.2	0.7	0.4	0.4	15.7
Africa Banking - South Africa	11,544	0.7	5.6	1.9	4.9	32.6
As at 31.12.13						
PCB - UK	122,880	0.3	0.8	0.5	0.5	14.7
Africa Banking- South Africa	12,172	0.7	6.2	2.6	5.6	34.7

Credit Risk

· UK: The home loans portfolio grew by 2% to £125bn. As a result of the ongoing low base rate environment and conservative credit policy, arrears and charge-off rates remained stable. Buy to let home loans of £10bn (2013: £9bn) represent 8% (2013: 8%) of total balances. The 90 day arrears rates for Buy to let home loans remained steady at 15bps while balance weighted portfolio LTV improved to 61.6% (2013: 62.9%), due to an increase in average house prices

· South Africa: Gross loans and advances of £11.5bn (2013: £12.2bn) were broadly unchanged on a constant currency basis. The improvement in the charge-off rates was due to the continued strong performance of new lending. The decrease in recoveries balances was driven by a combination of the ongoing strategy of reducing this segment of the portfolio and lower charge-off rates

· Non-Core Europe: Gross loans and advances to Spain and Italy reduced 7% to £26.4bn reflecting the amortisation of existing portfolios and reduced new business flows. The 90 days arrears rates excluding recoveries remained broadly stable in 2014 with Spain at 0.7% (2013: 0.7%) and Italy at 1.2% (2013: 1.1%)

Home loans principal portfolios - distribution of balances by LTV

	PCB UK		Africa Banking South Africa	
	30.06.14	31.12.13	30.06.14	31.12.13
	%	%	%	%
<=75%	86.9	84.2	72.2	69.6
>75% and <=80%	5.8	6.9	8.3	8.8
>80% and <=85%	3.1	3.4	6.4	7.1
>85% and <=90%	1.9	2.1	4.5	4.8
>90% and <=95%	1.0	1.3	3.0	3.3
>95% and <=100%	0.6	0.8	1.7	1.9
>100%	0.7	1.3	3.9	4.5
Portfolio Marked To Market LTV: Balance weighted %	54.5	56.3	61.2	62.3
Portfolio Marked To Market LTV: Valuation weighted %	42.4	43.6	41.4	42.1
For > 100% LTV:				
Balances £m	910	1,596	442	540
Marked to market collateral £m	813	1,411	369	452
Average LTV: Balance weighted %	116.9	120.5	123.7	123.1
Average LTV: Valuation weighted %	111.9	113.2	119.9	119.5
% Balances in Recovery Book	4.0	3.2	42.0	45.6

- House price appreciation in the UK and South Africa led to a reduction on the average LTV of the home loan portfolios

- UK: Balances with >100% LTV reduced 43% to £910m, primarily due to an increase in average house prices

- South Africa: Balances with >100% LTV reduced 18% to £442m, primarily due to decrease in the size of the recoveries book

Home loans principal portfolios - new lending

	PCB - UK		Africa Banking - South Africa	
	30.06.14	30.06.13	30.06.14	30.06.13
New Bookings (£m)	10,162	7,652	591	532
New Mortgages Proportion Above 85% LTV (%)1	5.0	2.9	32.9	28.1
Average LTV on New Mortgages: Balance weighted (%)1	64.4	63.9	75.0	74.1
Average LTV on New Mortgages: Valuation weighted (%)1	57.2	56.8	65.6	63.8

· UK: New bookings grew by 33% to £10.2bn, reflective of the increased confidence in the housing market. The higher proportion of bookings above 85% LTV is due to increased appetite for lending into this segment, but remains at conservative levels

· South Africa: Proportion of new home loans above 85% LTV increased to 32.9% (2013: 28.1%) due to a revised strategy in H2 13 which allows a greater proportion of higher LTV loans to be booked for customers with high credit quality

1UK figures were restated following a detailed review of the LTVs post migration to a new data management system.

Credit Risk

Exposures to interest only home loans

- Interest only mortgages comprise £52.5bn (2013: £52.6bn) of the total £125bn (2013: £123bn) UK home loans portfolio. Of these, £43bn (2013: £45bn) are owner-occupied with the remaining £9bn (2013: £8bn) buy-to-let

Exposure to interest only owner-occupied home loans	As at 30.06.14	As at 31.12.13
Interest only balances (£m)1	43,354	44,543
90 days arrears (%)	0.2	0.3
Total Impairment Coverage (bps)	2	2
Marked to market LTV: Balance weighted %	52.6	54.2
Marked to market LTV: Valuation weighted %	40.8	42.4

· In line with the overall portfolio's performance, risk indicators remained stable with the average balance weighted LTV for owner-occupied interest only balances reduced to 52.6% (2013: 54.2%) and 90 day arrears remained low at 0.2% (2013: 0.3%)

Credit cards, overdrafts and unsecured loans

· Gross loans and advances in credit cards, overdrafts and unsecured loans in the Group's retail core portfolios increased 3% to £44.7bn (2013: £43.4bn)

· The principal portfolios listed below account for 95% (2013: 94%) of total and increased by 4% to £42.4bn (2013: £40.7bn) with increases in US cards, UK cards and Barclays Partner Finance being offset by decreases in South Africa Personal Loans and UK overdrafts

Principal Portfolios	Gross Loans and Advances	30 Day Arrears, excluding recoveries	90 Day Arrears, excluding recoveries	Annualised Gross Charge-off Rates	Recoveries Proportion of Outstanding Balances	Recoveries Impairment Coverage Ratio
As at 30.06.14	£m	%	%	%	%	%
Barclaycard - UK cards	16,185	2.4	1.2	4.4	4.9	83.7
Barclaycard - US cards 2	11,565	1.9	0.9	3.8	1.8	88.0
Barclaycard - Barclays Partner Finance	3,055	1.6	0.8	2.3	2.9	75.9
Barclaycard - Germany cards	1,308	2.5	1.0	3.9	3.5	74.9
Barclaycard - Iberia cards	1,011	6.5	2.7			