BARCLAYS PLC
Form 6-K
July 30, 2013

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, 2013

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 PLC Announces Leverage Plan dated 30 July 2013

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, 2013

By: /s/ Patrick Gonsalves

Patrick Gonsalves
Deputy Secretary

BARCLAYS BANK PLC
(Registrant)

Date: July 30, 2013

By: /s/ Patrick Gonsalves

Patrick Gonsalves
Joint Secretary

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30 July 2013

Barclays PLC Announces Leverage Plan

Introduction

On 20 June 2013 the Prudential Regulation Authority announced the results of its review of the capital adequacy of major UK banks and building societies. As part of its review, the PRA introduced a 3% Leverage Ratio target, calculated on a PRA-adjusted CET1 capital base and using a CRD IV leverage exposure measure. As at 30 June 2013, Barclays' PRA Leverage Ratio was 2.2%, representing a gap of £12.8 billion.

In order to achieve the PRA 3% Leverage Ratio target by June 2014, Barclays today announces a series of actions, including an underwritten Rights Issue, measures to reduce Barclays' CRD IV leverage exposure, and the continued execution of Barclays' capital plan with the issuance of CRD IV qualifying Additional Tier 1 securities. More detailed information is set out below.

Rights Issue

Barclays PLC today announces its intention to raise approximately £5.8 billion (net of expenses) by way of a Rights Issue of one New Ordinary Share for every four Existing Ordinary Shares at an Issue Price of 185 pence per New Ordinary Share. This represents a discount of approximately 40.1% to the closing price on the London Stock Exchange of 309.05 pence per Ordinary Share on 29 July 2013 (being the last Business Day prior to the release of this announcement) and a discount of approximately 34.9% to the theoretical ex-rights price based on the Closing Price.

Barclays Investment Bank is acting as global co-ordinator for the Rights Issue. The Rights Issue has been underwritten by a syndicate of banks comprising Credit Suisse, Deutsche Bank, BofA Merrill Lynch and Citi. Further details of the Rights Issue are set out in Appendix 2 of this announcement.

"After careful consideration of the options to meet the PRA request for a 3% leverage ratio by June 2014, the Board has decided on a set of actions, including the rights issue, to meet this target, whilst continuing to deliver our strategy under the Transform programme. The PRA has agreed and welcomes our plan.

As a result we expect Barclays to be in an even stronger capital position, allowing us to increase the dividend payout ratio ahead of the original Transform target.

The Board expects that Barclays will continue to reduce leverage further, whilst maintaining target capital levels, and will aim to do so in a way that achieves sustainable returns above the cost of equity."

Sir David Walker, Chairman

"We remain committed to the objectives set out in the Transform programme to achieve our goal of becoming the 'Go-To' bank. Just five months into our plan I believe we are building good momentum.

As a consequence of the PRA's review we have had to modify our capital plans, in order to meet the 3% leverage ratio target by June 2014.

After careful consideration of the options, the Board and I have determined that Barclays should respond quickly and decisively to meet this new target. We have developed a bold but balanced plan to do so.

The plan is a combination of: a rights issue; prudent reduction of our leverage exposure; issuance of additional tier 1 securities; and the retention of earnings and other forms of capital accretion. We believe this represents the right combination to meet the PRA's leverage target. It also enables us to maintain our planned lending growth and broader support of our customers and clients.

The Board and I are aware of the implications of a rights issue for shareholders. We hope to balance this with reduced uncertainty in the outlook for Barclays and with enhancement of our dividend payout from 2014.

Five of our six Transform financial targets remain unchanged, or have accelerated timescales. There is a modest delay in the RoE target as a consequence of these plans. However, we believe Barclays will be stronger for taking decisive action today."

Antony Jenkins, Chief Executive

Background to and Rationale for the Rights Issue

- On 20 June 2013 the Prudential Regulation Authority announced the results of its review of the capital adequacy of major UK banks and building societies. Barclays confirmed at the time that it expected to meet the PRA's target for an adjusted 7% Fully Loaded CET1 ratio by December 2013 through planned balance sheet actions and retained earnings generation. This expectation has not changed.

- As part of its recent review, the PRA also introduced a 3% leverage ratio target, calculated on a PRA-adjusted CET1 capital base and using a CRD IV leverage exposure measure. Applying this measure to Barclays' previous capital plan, it estimated a PRA Leverage Ratio for Barclays of 2.5%. Barclays discussed a number of options with the PRA to meet the 3% PRA Leverage Ratio target, following which Barclays was asked to submit a plan to achieve the target by 30 June 2014.

- The Transform programme, announced by Barclays on 12 February 2013 and representing the Company's strategy over the medium term, assumed risk-based capital measures as the primary variable. It nonetheless was expected to achieve a leverage ratio of 3% ahead of the anticipated CRD IV deadline.

- Barclays reported today CRD IV leverage ratios as at 30 June 2013 of 3.1% and 2.5%, using CRD IV transitional and fully loaded calculations respectively. The fully loaded figure is down from 2.8% as at the end of December 2012, calculated on a £1,413 billion CRD IV leverage exposure compared to £1,559 billion at 30 June 2013. This increase in leverage exposure arises principally from changes to the calculation methodology following publication of the final CRD IV text on 26 June 2013 and other refinements, totalling £85 billion net. The remaining increase of £61 billion includes seasonal movements in settlement balances and other assets.

- In calculating the PRA Leverage Ratio, Barclays has applied PRA adjustments of £4.1 billion to fully loaded CRD IV CET1 capital. This adjustment has reduced from the figure of £8.6 billion used by the PRA in its review, principally through taking account of Conduct Provisions and a reduced impact of prudential valuation adjustments.

- These adjustments bring the total calculated gap to £12.8 billion, or a PRA Leverage Ratio of 2.2%. Further details are set out in the following table.

Estimated CRD IV Leverage Ratio and PRA Leverage Ratio

£bn	FY 12 Pillar 3	Revised CRD IV & other refinements	FY 12 revised estimate	H1 13 movements	H1 13
Total assets (IFRS balance sheet)	1,490	(2)	1,488	45	1,533
CRD IV exposure measure adjustments	(77)	87	10	16	26
Fully loaded CRD IV leverage exposure measure	1,413	85	1,498	61	1,559
CRD IV fully loaded Tier 1 capital	40.0	(2.5)	37.5	0.8	38.3
CRD IV fully loaded leverage	2.8%	(0.3%)	2.5%	-	2.5%
CRD IV fully loaded CET1 capital	39.8	(2.5)	37.3	0.8	38.1
PRA CET1 adjustments					(4.1)
PRA adjusted fully loaded CET 1 capital					34.0
PRA Leverage Ratio					2.2%
CET1 capital gap to 3% PRA leverage target					12.8
Leverage exposure gap to 3% PRA leverage target					427

- Barclays has agreed with the PRA to take the following leverage exposure and capital management actions to meet the PRA Leverage Ratio target:

o Raise approximately £5.8 billion, net of expenses, through the underwritten Rights Issue announced today; and

o Take further capital, or capital equivalent, actions through a combination of the following:

— Reduce CRD IV leverage exposure by £65-80 billion to approximately £1.5 trillion (equal to approximately £2-2.5 billion of capital) through low execution risk management actions which have already been identified by the Board;

— Raise up to £2 billion of CRD IV qualifying Additional Tier 1 securities with a 7% Fully Loaded CET1 trigger, which the PRA has confirmed can be used in the PRA Leverage Ratio calculation; and

— Retention of earnings and other forms of capital accretion. As a result of the Conduct Provisions announced today, the Board believes that Barclays has further strengthened its ability to retain earnings and to generate capital going forward.

- Execution of the Leverage Plan is expected to result in Barclays' PRA Leverage Ratio being above 3% by June 2014.

- Barclays considered a range of alternative plans to meet the 3% PRA Leverage Ratio by June 2014, including through accelerated asset reductions. Meeting this target through reducing leverage exposure alone would have required approximately £427 billion of reductions. The Board determined that such actions in that timeframe would have a damaging effect on Barclays' business franchises and would be subject to significant execution risk. In addition, such actions would negatively impact Barclays' commitment and desire to support lending to customers and clients.

- Barclays will continue to analyse and scrutinise its balance sheet for additional opportunities to further reduce leverage exposure beyond 2014 over and above the original Transform plans. Barclays expects to update the market on its progress in due course.

- Alongside implementation of the Leverage Plan, Barclays will look to manage the trade-off between the benefits of holding additional capital and implementing measures to improve return on equity, as our ability to deploy capital in higher return areas improves.

Transform Programme Impacts

- Given the introduction of the PRA Leverage Ratio, the Board has assessed the impact of the Leverage Plan on Transform and has concluded that the programme can still achieve its objectives over time. The Board believes that the Leverage Plan will not significantly affect the Group's strategy as the underlying businesses remain fundamentally strong and resilient. The Board also believes that the Leverage Plan will place Barclays in a stronger position to achieve its Transform targets and objectives in the new regulatory environment.

- The Transform programme is underpinned by six financial targets, described in the table below. Three of these are directly impacted as a consequence of the Leverage Plan:

1. Return on Equity – an important objective of the Transform programme is to generate a sustainable return on equity above the cost of equity. Barclays is now targeting that its RoE will exceed CoE in the course of 2016, rather than in 2015, as a consequence of its limited ability to deploy the capital raised through the Leverage Plan in higher return areas. Notwithstanding this expectation, Barclays will continue to assess further actions to accelerate and increase its RoE.

2. Dividends – Barclays announced today a second interim dividend of 1.0 pence per Ordinary Share. Notwithstanding the Rights Issue, Barclays anticipates maintaining a dividend payout for the remainder of 2013 at the same level per share as that for 2012. The Board expects that the combination of capital generation through retention of earnings and execution of the Leverage Plan will result in significantly higher levels of capital by December 2015. Accordingly, subject to meeting applicable minimum regulatory requirements, the Board expects to adopt a 40-50% dividend payout policy from 2014. This policy would represent a higher rate of payout and would apply a year earlier than the original Transform schedule.

3. Fully Loaded Common Equity Tier 1 – Barclays reported today an estimated Fully Loaded CET1 ratio of 8.1% as at 30 June 2013; adjusted for the Rights Issue this is equivalent to 9.3%. The Board expects this ratio to increase during the second half of 2013, with an accelerated achievement of the target 10.5% Fully Loaded CET1 ratio early in 2015.

The remaining Transform financial targets are unaffected, with progress being made on each.

	Original Target for 2015	Revised Target
Return on Equity	RoE>CoE	RoE>CoE in the course of 2016

Cost / Income Ratio	Mid-50's	No change
CRD IV Risk Weighted Assets	£440bn	No change
Dividend Payout Ratio	30%	40-50% from 2014
Operating Expenses (excl. Costs to Achieve Transform)	£16.8bn	No change
Common Equity Tier 1 Ratio	Transitional CET1 ratio >10.5%	Fully Loaded CET1 ratio >10.5% early in 2015

Further Information on the Leverage Plan

- The Board has concluded that the Leverage Plan provides the best way of balancing the interests of Barclays' investors, customers and clients with the objective of meeting the PRA Leverage Ratio target by June 2014.

Reduction of Leverage Exposure

- The Leverage Plan includes £65-80 billion of reduction (approximately £2-2.5 billion capital equivalent) in Barclays' expected CRD IV leverage exposure, through a series of low execution risk management actions that have already been identified by the Board. These actions are not expected to have a material impact on revenues or profit before tax.

Planned CRD IV Leverage Exposure Actions (as at June 2013)	(£bn)
Potential Future Exposure on derivatives	30-35
Securities Financing Transactions	20-25
Liquidity pool assets	15-20
Planned Reduction	65-80

- Barclays will continue to analyse the Group's balance sheet with the objective of identifying opportunities to reduce further its expected CRD IV leverage exposure.

Additional Tier 1 Issuance

- Barclays announced in late 2012 its intention to issue 2% of risk weighted assets in contingent capital to meet its end state CRD IV capital structure, comprising 0.5% of Tier 2 and 1.5% of AT1. The PRA has confirmed that CRD IV-compliant AT1 with a 7% Fully Loaded CET1 trigger will satisfy both the PRA's capital and leverage ratio requirements. Barclays therefore expects to raise up to £2 billion of such AT1 securities by June 2014, in accordance with its existing capital plan. The 7% trigger for Barclays' existing contingent capital securities will, in accordance with their terms, continue to be calculated on a basis that takes into account the PRA's interpretation of the transitional provisions under CRD IV. Barclays reported today an estimated Transitional CRD IV CET1 ratio of 10.0% as at 30 June 2013; adjusted for the Rights Issue this is equivalent to 11.3%.

Retained Earnings and Other Forms of Capital Accretion

- Barclays today announced £2 billion of additional Conduct Provisions, with remaining provisions for both these items totalling £3 billion as at 30 June 2013. Barclays' ability to generate retained earnings remains strong and the Board plans further capital accretive actions, leaving the Group well placed to convert operating profits into capital.

Barclays' Interim Results have been released today and will be available on Barclays' website at www.barclays.com/investorrelations. A briefing webcast on the Interim Results at 9.30 am on BST today (30 July 2013) will also be available at www.barclays.com/investorrelations and a live conference call facility can be accessed by dialling (0)845-401-0014 (UK) or +44 (0)203-059-8116 (all other locations) and quoting 'Barclays'.

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APPENDICES

Appendix 1

Estimated CRD IV Leverage Ratio and PRA Leverage Ratio
The table below sets out a reconciliation between reported CRD IV leverage ratios and the PRA Leverage Ratio.

£bn	FY 12 Pillar 3	Revised CRD IV & other refinements	FY 12 revised estimate	H1 13 movements	H1 13

Derivative financial assets	469	-	469	(66)	403
Reverse repo and other similar secured lending	177	-	177	46	223
Loans and advances and other assets	844	(2)	842	65	907
Total assets (IFRS balance sheet)	1,490	(2)	1,488	45	1,533
Derivatives netting adjustment	(390)	-	(390)	66	(324)
Potential future exposure (PFE) add-on	161	126	287	21	308
SFT adjustments	(5)				