

BARCLAYS PLC
Form 6-K
July 28, 2017

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 28, 2017

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 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

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

Half-year Report dated July 28, 2017

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 28, 2017

By: /s/ Garth Wright

Garth Wright
Assistant Secretary

BARCLAYS BANK PLC
(Registrant)

Date: July 28, 2017

By: /s/ Garth Wright

Garth Wright
Assistant Secretary

Barclays PLC
Results Announcement

30 June 2017

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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 ended 30 June 2017 to the corresponding six months of 2016 and balance sheet analysis as at 30 June 2017 with comparatives relating to 31 December 2016 and 30 June 2016. The abbreviations '£m' and '£bn' represent millions and thousands of millions of Pounds Sterling respectively; the abbreviations '\$m' and '\$bn' represent millions and thousands of millions of US Dollars respectively; the abbreviations '€m' and '€bn' represent millions and thousands of millions of Euros respectively.

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

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

The information in this announcement, which was approved by the Board of Directors on 27 July 2017, does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2016, 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 home.barclays/results and from the SEC's website at www.sec.gov.

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

Non-IFRS performance measures

Barclays management believes that the non-IFRS performance measures included in this document provide valuable information to the readers of the financial statements as they enable the reader to identify a more consistent basis for comparing the business' performance between financial periods, and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays' management. However, any non-IFRS performance measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. Refer to the appendix on pages 94-98 for further information, reconciliations and calculations of non-IFRS performance measures included throughout this document, and the most directly comparable IFRS measures.

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

the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income growth, assets, impairment charges, provisions, notable items, business strategy, structural reform, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, original and revised commitments and targets in connection with the Group Strategy Update, rundown of assets and businesses within Barclays Non-Core, sell down of the Group's interest in Barclays Africa Group Limited or the impact of any regulatory deconsolidation, 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, 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, future levels of notable items, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; UK, US, Africa, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; the implications of the exercise by the United Kingdom of Article 50 of the Treaty of Lisbon and the disruption that may result in the UK and globally from the withdrawal of the United Kingdom from the European Union; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in our filings with the SEC (including, without limitation, our annual report on form 20-F for the fiscal year ended 31 December 2016), which are available on the SEC's website at www.sec.gov.

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

Performance Highlights

Transatlantic Consumer, Corporate and Investment Bank with Global Reach

Key strategic milestones achieved with the closure of Non-Core on 1 July 2017, selldown in Africa and

a CET1 ratio of 13.1% within our end-state target range

Returns:	<p>Group Return on Tangible Equity (RoTE) of (4.6%) (H116: 4.8%). Excluding a loss on the sale of 33.7% of Barclays Africa Group Limited's (BAGL) issued share capital of £1.4bn, an impairment of Barclays' holding in BAGL of £1.1bn and charges for Payment Protection Insurance (PPI) of £700m, Group RoTE was 8.1%</p> <p>Core RoTE of 7.3% (H116: 12.5%). Excluding charges for PPI, Core delivered a double digit RoTE of 10.4% on an average allocated tangible equity base that was £5bn higher year-on-year</p>
Non-Core rundown and closure:	<p>Closure of Non-Core on 1 July 2017 with risk weighted assets of £23bn (December 2016: £32bn), below guidance of approximately £25bn. Residual assets and liabilities are to be reintegrated into the Core</p> <p>Materially lower loss before tax of £647m (H116: £1,904m)</p>
Cost efficiency:	<p>Group cost: income ratio of 71% (H116: 70%) reflected a significant reduction in Non-Core costs to £284m (H116: £950m) and charges for PPI of £700m (H116: £400m)</p> <p>Remain on track to deliver Group cost: income ratio below 60% over time</p> <p>Sale of 33.7% of BAGL's issued share capital, resulting in the accounting deconsolidation of BAGL</p>
Barclays Africa Group Limited (BAGL):	<p>47bps increase in the Group's Common Equity Tier 1 (CET1) ratio as a result of the sale and reflecting the proportional consolidation of BAGL for regulatory reporting purposes. Estimate a further c.26bps Group CET1 ratio accretion through to regulatory deconsolidation, which is expected, subject to regulatory approval, within the next 18 months</p> <p>H117 included an impairment of Barclays' holding in BAGL of £1.1bn and a loss on the sale of 33.7% of BAGL's issued share capital of £1.4bn, primarily due to recycling of currency translation reserve losses to the income statement</p>
Common Equity Tier 1 (CET1) ratio:	<p>CET1 ratio increased to 13.1% (December 2016: 12.4%) reflecting strong organic capital generation and the benefit of the sale of BAGL, partially offset by charges for PPI, pension contributions and the redemption of USD preference shares</p>
Holding Company (HoldCo) transition:	<p>Continued to transition to HoldCo funding with £7.6bn equivalent of issuance</p> <p>H117 included the redemption of \$1.375bn 7.1% Series 3 USD preference shares</p>

Improved Group profit before tax driven by reduced Non-Core drag

Group profit before tax increased 13% to £2,341m reflecting materially lower losses in Non-Core of £647m (H116: £1,904m), while Core profit before tax reduced 25% to £2,988m impacted by charges for PPI of £700m (H116: £400m) and the non-recurrence of the £615m gain on disposal of Barclays' share of Visa Europe Limited in H116

Barclays UK RoTE of 4.6% (H116: 13.6%) and cost: income ratio of 72% (H116: 61%) reflected charges for PPI of £700m (H116: £400m). Net interest margin (NIM) improved 10bps to 3.69%, with net interest income increasing 2% to £3,045m

Barclays International RoTE of 12.4% (H116: 14.3%) reflected RoTE of 28.0% (H116: 50.9%) in Consumer, Cards and Payments and an improved RoTE of 9.7% (H116: 8.4%) in the Corporate and Investment Bank (CIB)

Loss after tax in respect of discontinued operation of £2,195m included an impairment of Barclays' holding in BAGL of £1,090m and a loss on the sale of 33.7% of BAGL's issued share capital of £1,435m, primarily due to recycling of currency translation reserve losses to the income statement

Group basic loss per share of (6.6p) (H116: earnings of 6.9p) with earnings per share in respect of continuing operations of 7.1p (H116: 6.0p). Excluding the loss on the sale of 33.7% of BAGL's issued share capital, the impairment of Barclays' holding in BAGL and charges for PPI of £700m, earnings per share were 11.8p

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Tangible net asset value per share decreased to 284p (December 2016: 290p) as profit from continuing operations was offset by decreases across reserves

Barclays Group results for the half year ended	30.06.17	30.06.16	YoY
	£m	£m	% Change
Total income	10,881	11,013	(1)
Credit impairment charges and other provisions	(1,054)	(931)	(13)
Net operating income	9,827	10,082	(3)
Operating expenses excluding litigation and conduct	(6,989)	(7,172)	3
Litigation and conduct	(743)	(525)	(42)
Operating expenses	(7,732)	(7,697)	-
Other net income/(expenses)	246	(322)	
Profit before tax	2,341	2,063	13
Tax charge	(778)	(715)	(9)
Profit after tax in respect of continuing operations	1,563	1,348	16
(Loss)/profit after tax in respect of discontinued operation1	(2,195)	311	
Non-controlling interests in respect of continuing operations	(138)	(186)	26
Non-controlling interests in respect of discontinued operation1	(140)	(155)	10
Other equity holders2	(301)	(208)	(45)
Attributable (loss)/profit	(1,211)	1,110	
Performance measures			
Return on average tangible shareholders' equity2	(4.6%)	4.8%	
Average tangible shareholders' equity (£bn)	49	48	
Cost: income ratio	71%	70%	
Loan loss rate (bps)	49	39	
Basic (loss)/earnings per share2	(6.6p)	6.9p	
Basic earnings per share in respect of continuing operations2	7.1p	6.0p	
Dividend per share	1.0p	1.0p	
Balance sheet and capital management	As at 30.06.17	As at 31.12.16	
Tangible net asset value per share	284p	290p	
Common equity tier 1 ratio	13.1%	12.4%	
Common equity tier 1 capital	£42.8bn	£45.2bn	
Risk weighted assets	£327bn	£366bn	
UK leverage ratio (quarterly month end average)3	4.8%	4.5%	
Fully loaded tier 1 capital (quarterly month end average)3	£52.1bn	£51.6bn	
UK leverage exposure (quarterly month end average)3	£1,092bn	£1,137bn	
Funding and liquidity			
Group liquidity pool	£201bn	£165bn	
CRD IV liquidity coverage ratio	149%	131%	
Loan: deposit ratio4	81%	83%	

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1 Refer to pages 20-21 for further information relating to the Africa Banking discontinued operation. Loss after tax in respect of discontinued operation includes impairment of Barclays' holding in BAGL of £1,090m and the loss on the sale of 33.7% of BAGL's issued share capital of £1,435m in H117.

2 The profit after tax attributable to other equity holders of £301m (H116: £208m) is offset by a tax credit recorded in reserves of £82m (H116: £58m). The net amount of £219m (H116: £150m), along with non-controlling interests (NCI) is deducted from profit after tax in order to calculate earnings per share and return on average tangible shareholders' equity.

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

4 Loan: deposit ratio for Barclays UK, Barclays International and Non-Core, excluding investment banking businesses.

Barclays Core and Non-Core results for the half year ended	Barclays Core			Barclays Non-Core		
	30.06.17	30.06.16	YoY	30.06.17	30.06.16	YoY
	£m	£m	% Change	£m	£m	% Change
Total income	11,411	11,599	(2)	(530)	(586)	10
Credit impairment charges and other provisions	(1,024)	(876)	(17)	(30)	(55)	45
Net operating income/(expenses)	10,387	10,723	(3)	(560)	(641)	13
Operating expenses excluding litigation and conduct	(6,733)	(6,315)	(7)	(256)	(857)	70
Litigation and conduct	(715)	(432)	(66)	(28)	(93)	70
Operating expenses	(7,448)	(6,747)	(10)	(284)	(950)	70
Other net income/(expenses)	49	(9)		197	(313)	
Profit/(loss) before tax	2,988	3,967	(25)	(647)	(1,904)	66
Tax (charge)/credit	(1,060)	(1,181)	10	282	466	(39)
Profit/(loss) after tax	1,928	2,786	(31)	(365)	(1,438)	75
Non-controlling interests	(121)	(164)	26	(17)	(22)	23
Other equity holders	(264)	(178)	(48)	(37)	(30)	(23)
Attributable profit/(loss) ¹	1,543	2,444	(37)	(419)	(1,490)	72
Performance measures						
Return on average allocated tangible equity	7.3%	12.5%				
Average allocated tangible equity (£bn) ¹	45	40		5	8	
Period end allocated tangible equity (£bn) ¹	44	41		4	8	
Cost: income ratio	65%	58%		n/m	n/m	
Loan loss rate (bps)	54	43		12	15	
Basic earnings/(loss) per share contribution	9.5p	14.8p		(2.4p)	(8.8p)	
Capital management						
Risk weighted assets ¹	As at 30.06.17	As at 31.12.16		As at 30.06.17	As at 31.12.16	
	£304.6bn	£333.5bn		£22.8bn	£32.1bn	
UK leverage exposure (quarterly month end average) ¹	£997bn	£1,026bn		£95bn	£111bn	

¹ Attributable profit in respect of the Africa Banking discontinued operation is reported at the Group level only. Allocated tangible equity, RWAs and leverage exposure are reported in Head Office within Core.

Half year ended	Half year ended	
30.06.17	30.06.16	YoY

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Income by business	£m	£m	% Change
Barclays UK	3,661	3,746	(2)
Barclays International	7,748	7,552	3
Head Office	2	301	(99)
Barclays Core	11,411	11,599	(2)
Barclays Non-Core	(530)	(586)	10
Barclays Group	10,881	11,013	(1)

Profit/(loss) before tax by business

Barclays UK	634	1,080	(41)
Barclays International	2,617	2,753	(5)
Head Office	(263)	134	
Barclays Core	2,988	3,967	(25)
Barclays Non-Core	(647)	(1,904)	66
Barclays Group	2,341	2,063	13

Group Chief Executive Officer's Review

“The second quarter saw us complete two critically important planks of our strategy; both of them ahead of schedule.

First, we reduced our majority shareholding in Barclays Africa Group Limited to a level which allows us to apply for regulatory deconsolidation, and we expect to achieve that in 2018. We have permission to apply proportional consolidation to our reduced shareholding, which means that our CET1 ratio stands at 13.1% today, within our end-state target range. We will realise a further c.26bps uplift resulting from the sale.

Second, we completed the accelerated rundown of our Non-Core unit to below our target of £25bn in Risk Weighted Assets, allowing us to close it 6 months early and incorporate the residual assets back into the Core.

Accomplishing both of these milestones marks an end to the restructuring of the Barclays Group, and brings forward the date when our shareholders can benefit from the full earnings power of this business.

That power is evident once again in the performance reported today. At the half year, Group profit before tax increased 13% to £2,341m. Our strong businesses, Barclays UK and Barclays International, posted attractive Returns on Tangible Equity of 20.4% - excluding the provision for PPI - and 12.4% respectively.

Our business is now radically simplified, the restructuring is complete, our capital ratio is within our end-state target range, and while we are also working to put conduct issues behind us, we can now focus on what matters most to our shareholders: improving Group returns.

We have accordingly established a new target today which is to achieve a greater than 10% Group Return on Tangible Equity over time.

Finally we will, at the full year results early next year, provide investors with an updated capital management policy for the Group.”

James E Staley, Group Chief Executive Officer

Group Finance Director's Review

Results for the first half of the year demonstrated significant progress against the Group's strategy, evidenced by solid underlying Core performance, materially lower losses in Non-Core, the sell down to a target stake in BAGL and further progress on capital. The Core business reported a double digit RoTE of 10.4%, excluding the impact of charges for PPI, on a materially increased average tangible equity base. The closure of Non-Core on 1 July 2017 represented a significant milestone in the restructuring of the bank, with RWAs of £23bn, less than the previous guidance of c.£25bn, and the sale of a 33.7% stake in BAGL resulted in the accounting deconsolidation of the entity. Group H117 results were impacted by a loss on the sale of, and an impairment of Barclays' holding in, BAGL. The Group's CET1 ratio benefitted by 47bps from the sale and reflecting the proportional consolidation of BAGL, which, along with underlying organic capital generation, contributed to the capital ratio increasing to 13.1%, within the end-state target range.

Group performance

Profit before tax increased 13% to £2,341m, driven by materially reduced losses from the Non-Core which reported a loss before tax of £647m (H116: £1,904m). Core profits decreased 25% to £2,988m, impacted by charges for PPI of £700m (H116: £400m) and the non-recurrence of a £615m gain on disposal of Barclays' share of Visa Europe Limited in H116. H117 results were also impacted by the appreciation of average USD and EUR against GBP of 12% and 10% respectively, compared to H116, which positively impacted income and adversely affected impairment and operating expenses

Total income decreased 1% to £10,881m, reflecting a 2% reduction in income in the Core to £11,411m, predominantly in Head Office, partially offset by a 10% reduction in Non-Core negative income to £530m. Income increased 3% in Barclays International, with growth across both CIB and Consumer, Cards and Payments, though decreased 2% in Barclays UK, impacted by the non-recurrence of a gain on disposal of Barclays' share of Visa Europe Limited in H116

Credit impairment charges increased £123m to £1,054m, driven by a 53% increase in Consumer, Cards and Payments, mainly reflecting a change in portfolio mix, an increase in underlying delinquency trends in US Cards and business growth, partially offset by lower impairment in CIB. As a result, the Group loan loss rate increased 10bps to 49bps

Operating expenses were broadly in line at £7,732m (H116: £7,697m), driven by a 10% increase in Core to £7,448m due to charges for PPI, the impact of the change in compensation awards introduced in Q416 and business growth and investment, which more than offset cost efficiencies. Non-Core operating expenses reduced 70% to £284m as the segment continued to be rundown

Other net income increased to £246m (H116: £322m expense) reflecting a gain of £109m on the sale of Barclays' share in VocaLink to MasterCard and a gain of £76m on the sale of a joint venture in Japan. A gain of £189m on the sale of Barclays Bank Egypt was broadly offset by the recycling of £180m of currency translation reserve losses to the income statement

Loss after tax in respect of the Africa Banking discontinued operation of £2,195m (H116: profit of £311m) included a £1,090m impairment of Barclays' holding in BAGL and a £1,435m loss on the sale of 33.7% of BAGL's issued share capital, primarily due to recycling of currency translation reserve losses to the income statement on accounting deconsolidation

RoTE was (4.6%) (H116: 4.8%) and basic loss per share was (6.6p) (H116: earnings of 6.9p). Excluding the impact of the loss on the sale of 33.7% of BAGL's issued share capital, the impairment of Barclays' holding in BAGL and charges for PPI RoTE, was 8.1% and earnings per share were 11.8p

Core performance

The Core business generated an RoTE of 7.3% (H116: 12.5%), though excluding charges for PPI delivered a double digit RoTE of 10.4%

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Profit before tax decreased 25% to £2,988m mainly due to the impact of charges for PPI of £700m (H116: £400m) and the non-recurrence of the gain on disposal of Barclays' share of Visa Europe Limited of £615m in H116
Total income decreased 2% to £11,411m driven by reduced income in Head Office, primarily due to the non-recurrence of own credit gains in H116, and in Barclays UK, mainly due to the non-recurrence of the gain on disposal of Barclays' share of Visa Europe Limited. This was partially offset by 3% growth in Barclays International, with growth across both CIB and Consumer, Cards and Payments
Credit impairment charges increased 17% to £1,024m, driven by increased impairment in Consumer, Cards and Payments mainly reflecting a change in portfolio mix, an increase in underlying delinquency trends in US Cards and business growth. The Core loan loss rate increased 11bps to 54bps
Operating expenses increased 10% to £7,448m driven by charges for PPI, the change in compensation awards introduced in Q416, higher structural reform programme costs and business growth and investment in Consumer, Cards and Payments
Other net income of £49m (H116: £9m expense) reflected a gain of £109m on the sale of Barclays' share in VocaLink to MasterCard and a gain of £76m on the sale of a joint venture in Japan, offset by an expense of £180m on the recycling of the currency translation reserve to the income statement on the sale of Barclays Bank Egypt

Barclays UK

RoTE reduced to 4.6% (H116: 13.6%) with a 41% decrease in profit before tax to £634m due to charges for PPI of £700m (H116: £400m) and the non-recurrence of the £151m gain on disposal of Barclays' share of Visa Europe Limited in H116
Total income decreased 2% to £3,661m driven by the non-recurrence of the £151m gain on disposal of Barclays' share of Visa Europe Limited in H116 and the impact of the UK base rate reduction in 2016, partially offset by pricing initiatives and deposit growth. The net interest margin increased 10bps to 3.69%
Credit impairment charges increased £32m year-on-year to £398m, reflecting higher charge-offs in Personal Banking and the higher recoveries in H116. Underlying delinquency trends reduced year-on-year, with 30 and 90 day arrears rates in UK Cards improving year-on-year to 2.0% (H116: 2.3%) and 0.9% (H116: 1.2%) respectively
Operating expenses increased 14% to £2,628m, due to charges for PPI of £700m (H116: £400m), the costs of setting up the ring-fenced bank and investment in cyber resilience and technology, partially offset by cost efficiencies

Barclays International

RoTE of 12.4% (H116: 14.3%) reflected an improved RoTE of 9.7% in CIB (H116: 8.4%) and an RoTE of 28.0% (H116: 50.9%) in Consumer, Cards and Payments
Profit before tax decreased 5% to £2,617m driven by an increase in operating expenses and impairment, partially offset by higher income
Total income increased 3% to £7,748m, including the appreciation of average USD and EUR against GBP, with growth in both CIB and Consumer, Cards and Payments. CIB income increased 3% to £5,346m driven by higher Banking income, partially offset by a decrease in Macro income, while Consumer, Cards and Payments income increased 2% to £2,402m including growth in US Cards

Credit impairment charges increased 23% to £625m driven by Consumer, Cards and Payments, which increased 53% to £575m, due to a change in portfolio mix, an increase in underlying delinquency trends in US Cards, business growth and the appreciation of average USD and EUR against GBP. CIB credit impairment charges reduced 62% to £50m due to the non-recurrence of oil and gas single name charges in H116
Total operating expenses increased 10% to £4,720m, including the appreciation of average USD and EUR against GBP. CIB operating expenses increased 7% to £3,697m reflecting the change in compensation awards introduced in Q416 and higher structural reform programme costs, partially offset by a reduction in restructuring charges and cost efficiencies. Consumer, Cards and Payments operating expenses increased 21% to £1,023m including continued growth and investment

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Other net income increased to £214m (H116: £19m) reflecting a gain of £109m on the sale of Barclays' share in VocaLink to MasterCard and a gain of £76m on the sale of a joint venture in Japan

Head Office

Income reduced £299m to £2m, primarily due to the early adoption of the own credit provisions of IFRS 9 and lower net income from treasury operations. Own credit, which was previously recorded in the income statement (H116: gain of £183m) is now recognised within other comprehensive income

Loss before tax of £263m (H116: profit of £134m) included an expense of £180m on the recycling of the currency translation reserve to the income statement on the sale of Barclays Bank Egypt

Non-Core performance

Non-Core to close on 1 July 2017, with residual assets and liabilities to be reintegrated into the Core and, as previously guided to, it is expected that risk weighted assets and loss before tax previously associated with Non-Core will continue to reduce in future periods

Progress on the rundown continued with RWAs reduced to £22.8bn (December 2016: £32.1bn), below guidance of approximately £25bn, driven by a £5bn reduction in Derivatives, a £2bn reduction in Businesses and a £1bn reduction in Securities and loans

Loss before tax decreased to £647m (H116: £1,904m) driven by lower operating expenses, favourable fair value movements on the Education, Social Housing and Local Authority (ESHLA) portfolio, the non-recurrence of impairment associated with the valuation of the French retail business in H116 and a £189m gain on the sale of Barclays Bank Egypt

Total income increased £56m to a net expense of £530m driven by increased Securities and loans income primarily due to positive fair value movements on the ESHLA portfolio. This was offset by reduced Derivatives income, reflecting increased cost of exits, and lower Businesses income following the completion of the sale of the Italian retail, Southern European cards and Barclays Bank Egypt businesses

Operating expenses improved 70% to £284m reflecting the completion of the sale of several businesses, a reduction in restructuring charges, and lower litigation and conduct charges

Other net income increased to £197m (H116: £313m expense) reflecting a £189m gain on sale of Barclays Bank Egypt and the non-recurrence of impairment associated with the valuation of the French retail business in H116

Group capital and leverage

The fully loaded CET1 ratio increased to 13.1% (December 2016: 12.4%) principally due to a reduction in RWAs of £38.2bn to £327.4bn. CET1 capital decreased £2.4bn to £42.8bn

Profits relating to continuing operations were largely offset by decreases in other qualifying reserves as a result of – the redemption of USD preference shares, the separation payments relating to the BAGL disposal and increased pension deductions. CET1 capital further decreased by £1.8bn as a result of BAGL minority interest no longer being included under proportional consolidation

Losses relating to the discontinued operation due to the impairment allocated to the goodwill of Barclays' holding – in BAGL and the recycling of the BAGL currency translation reserve losses to the income statement had no impact on CET1 capital

– The decrease in RWAs principally reflected the £27.9bn reduction as a result of the proportional consolidation of BAGL following the sell-down of Barclays' holding, as well as reductions in Non-Core

The average UK leverage ratio increased to 4.8% (December 2016: 4.5%) driven by an increase in the average fully loaded Tier 1 capital to £52.1bn (December 2016: £51.6bn) and a decrease in the average UK leverage exposure to £1,092bn (December 2016: £1,137bn)

Tangible net asset value per share decreased to 284p (December 2016: 290p) primarily due to profit after tax excluding additional charges for PPI being more than offset by the redemption of USD preference shares, dividends

paid and reduction in reserves including the currency translation and cash flow hedge reserves

Group funding and liquidity

The Group continued to maintain surpluses to its internal and regulatory requirements. The liquidity pool increased to £201bn (December 2016: £165bn). The increase in the liquidity pool was driven by a net increase in minimum requirement for own funds and eligible liabilities (MREL) issuance, drawdown from the Bank of England Term Funding Scheme, higher money market balances and deposit growth. The liquidity coverage ratio (LCR) increased to 149% (December 2016: 131%), equivalent to a surplus of £65bn (December 2016: £39bn) to 100%, reflecting our approach to build a conservative liquidity position

Wholesale funding outstanding excluding repurchase agreements was £163bn (December 2016: £158bn). The Group issued £7.6bn equivalent of capital and term senior unsecured debt from Barclays PLC (HoldCo) of which £4.8bn was in public senior unsecured debt, and £2.8bn in capital instruments. In the same period, £4.7bn of Barclays Bank PLC (OpCo) capital and senior public term instruments either matured or were redeemed, including the \$1.375bn 7.1% Series 3 USD preference shares

Other matters

On 1 June 2017, Barclays sold 286 million ordinary shares of BAGL, representing 33.7% of BAGL's issued share capital. The sale resulted in the accounting deconsolidation of BAGL from the Barclays Group. Following the sale, BAGL is accounted for as an Available for Sale (AFS) asset in Barclays' financial statements and is no longer reported as a discontinued operation. The Group's CET1 ratio increased 47bps as a result of the sale and reflecting the proportional consolidation of BAGL for regulatory reporting purposes

As at 30 June 2017, Barclays accounted for 139 million ordinary shares in BAGL, representing 16.4% of BAGL's issued share capital. Barclays had an obligation at this date to contribute 1.5% of BAGL's ordinary shares or the cash equivalent to a Black Economic Empowerment scheme. At 30 September 2017, Barclays will account for 126 million ordinary shares in BAGL, currently representing 14.9% of BAGL's issued share capital

The latest triennial valuation of the UK Retirement Fund (UKRF) with an effective date of 30 September 2016 has been completed and showed a funding deficit of £7.9bn and funding level of 81.5%, versus a £6.0bn funding deficit at the 30 September 2015 update. Amongst other measures, Barclays and the UKRF agreed a recovery plan with revised deficit reduction contributions of £740m in 2017 (of which £620m has been paid in H117), £500m per annum in 2018 to 2020, and £1,000m per annum in 2021 to 2026

Additional charges of £700m (H116: £400m) relating to PPI were recognised in Q217, primarily to reflect higher than expected complaints flow in the year to date. The remaining PPI provision as at June 2017 was £2,109m (December 2016: £1,979m)

Certain legal proceedings and investigations relating to legacy issues remain outstanding. Resolving outstanding legacy issues in an appropriate timeframe will continue to be a priority. Please see Note 19 to the financial statements for details of relevant matters

Dividends

An interim dividend of 1.0p per share will be paid on 18 September 2017

Outlook and financial targets

The Group remains focused on cost efficiency, creating capacity to self-fund investment in our businesses, and continues to target a Group cost: income ratio of less than 60% over time

Following the closure of the Non-Core segment on 1 July 2017, the Group's previous returns target of converging Group returns with Core returns is transitioned to a target of achieving a Group RoTE of greater than 10.0% over

time, underpinned by a combination of cost focus and redeployment of capital from business lines delivering inadequate returns

The Group expects the dividend for the full year to total 3.0p per share as previously guided. The Group will update the market on its updated capital management framework including the dividend policy at the full year results in February 2018

Tushar Morzaria, Group Finance Director

Results by Business

Barclays UK	Half year ended 30.06.17	Half year ended 30.06.16	YoY % Change
Income statement information	£m	£m	
Net interest income	3,045	2,977	2
Net fee, commission and other income	616	769	(20)
Total income	3,661	3,746	(2)
Credit impairment charges and other provisions	(398)	(366)	(9)
Net operating income	3,263	3,380	(3)
Operating expenses excluding litigation and conduct	(1,933)	(1,899)	(2)
Litigation and conduct	(695)	(400)	(74)
Operating expenses	(2,628)	(2,299)	(14)
Other net expenses	(1)	(1)	-
Profit before tax	634	1,080	(41)
Attributable profit	185	608	(70)
	As at 30.06.17	As at 31.12.16	As at 30.06.16
Balance sheet information	£bn	£bn	£bn
Loans and advances to customers at amortised cost	166.6	166.4	166.0
Total assets	203.4	209.6	204.6
Customer deposits	187.4	189.0	181.7
Risk weighted assets	66.1	67.5	67.1
	Half year ended 30.06.17	Half year ended 30.06.16	
Key facts			
Average LTV of mortgage portfolio ¹	47%	47%	
Average LTV of new mortgage lending ¹	62%	63%	
Number of branches	1,295	1,331	
Barclays mobile banking active customers	5.9m	5.1m	
30 day arrears rate - Barclaycard Consumer UK	2.0%	2.3%	
Performance measures			
Return on average allocated tangible equity	4.6%	13.6%	
Average allocated tangible equity (£bn)	8.8	9.1	
Cost: income ratio	72%	61%	
Loan loss rate (bps)	47	43	
Loan: deposit ratio	89%	91%	
Net interest margin	3.69%	3.59%	

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

	Half year ended 30.06.17	Half year ended 30.06.16	YoY % Change
Analysis of Barclays UK	£m	£m	
Analysis of total income			
Personal Banking	1,877	1,987	(6)
Barclaycard Consumer UK	993	954	4
Wealth, Entrepreneurs & Business Banking	791	805	(2)
Total income	3,661	3,746	(2)
Analysis of credit impairment charges and other provisions			
Personal Banking	(106)	(86)	(23)
Barclaycard Consumer UK	(272)	(274)	1
Wealth, Entrepreneurs & Business Banking	(20)	(6)	
Total credit impairment charges and other provisions	(398)	(366)	(9)
	As at 30.06.17	As at 31.12.16	As at 30.06.16
Analysis of loans and advances to customers at amortised cost	£bn	£bn	£bn
Personal Banking	136.5	135.0	134.7
Barclaycard Consumer UK	16.2	16.5	16.2
Wealth, Entrepreneurs & Business Banking	13.9	14.9	15.1
Total loans and advances to customers at amortised cost	166.6	166.4	166.0
Analysis of customer deposits			
Personal Banking	138.5	139.3	134.8
Barclaycard Consumer UK	-	-	-
Wealth, Entrepreneurs & Business Banking	48.9	49.7	46.9
Total customer deposits	187.4	189.0	181.7

Barclays UK

Income statement – H117 compared to H116

Profit before tax decreased 41% to £634m primarily due to charges for PPI of £700m (H116: £400m) and the non-recurrence of the £151m gain on disposal of Barclays' share in Visa Europe Limited in H116

Total income decreased 2% to £3,661m due to the non-recurrence of the £151m gain on disposal of Barclays' share of Visa Europe Limited in H116 and the impact of the UK base rate reduction in 2016, partially offset by pricing initiatives and deposit growth

Personal Banking income decreased 6% to £1,877m driven by the non-recurrence of the gain on disposal of Barclays' share of Visa Europe Limited in H116, the impact of the UK base rate reduction in 2016 and asset margin pressure, partially offset by pricing initiatives and deposit growth

Barclaycard Consumer UK income increased 4% to £993m reflecting improved margins

Wealth, Entrepreneurs & Business Banking (WEBB) decreased 2% to £791m due to the non-recurrence of the gain on disposal of Barclays' share of Visa Europe Limited in H116, partially offset by deposit pricing initiatives and balance growth

Net interest income increased 2% to £3,045m due to deposit pricing initiatives and balance growth

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Net interest margin increased 10bps to 3.69% reflecting higher margins on Personal Banking deposits, partially offset by lower asset margins

- Net fee, commission and other income decreased 20% to £616m due to the non-recurrence of the gain on disposal of Barclays' share of Visa Europe Limited in H116

Credit impairment charges increased £32m to £398m reflecting higher charge-offs in Personal Banking and higher recoveries in H116. Underlying delinquency trends reduced year-on-year, with 30 day and 90 day arrears rates in UK cards improving year-on-year at 2.0% (H116: 2.3%) and 0.9% (H116: 1.2%) respectively

Total operating expenses increased 14% to £2,628m due to charges for PPI of £700m (H116: £400m), the costs of setting up the ring-fenced bank and investment in cyber resilience and technology, partially offset by cost efficiencies

Balance sheet – 30 June 2017 compared to 31 December 2016

Loans and advances to customers were broadly in line at £166.6bn (December 2016: £166.4bn)

Total assets decreased 3% to £203.4bn primarily due to a reduction in the allocated liquidity pool

Customer deposits decreased 1% to £187.4bn reflecting the realignment of certain clients between Barclays UK and Barclays International in preparation for structural reform, partially offset by underlying deposit growth

RWAs reduced to £66.1bn (December 2016: £67.5bn) reflecting the realignment of certain clients between Barclays UK and Barclays International in preparation for structural reform

Barclays International	Half year ended 30.06.17	Half year ended 30.06.16	YoY % Change
Income statement information	£m	£m	
Net interest income	2,172	2,111	3
Net trading income	2,221	2,375	(6)
Net fee, commission and other income	3,355	3,066	9
Total income	7,748	7,552	3
Credit impairment charges and other provisions	(625)	(509)	(23)
Net operating income	7,123	7,043	1
Operating expenses excluding litigation and conduct	(4,711)	(4,295)	(10)
Litigation and conduct	(9)	(14)	36
Operating expenses	(4,720)	(4,309)	(10)
Other net income	214	19	
Profit before tax	2,617	2,753	(5)
Attributable profit	1,656	1,746	(5)
	As at 30.06.17	As at 31.12.16	As at 30.06.16
Balance sheet information	£bn	£bn	£bn
Loans and advances to banks and customers at amortised cost ¹	204.8	211.3	230.6
Trading portfolio assets	83.3	73.2	68.1
Derivative financial instrument assets	108.4	156.2	181.4
Derivative financial instrument liabilities	116.8	160.6	187.5
Reverse repurchase agreements and other similar secured lending	17.2	13.4	19.7
Financial assets designated at fair value	94.1	62.3	68.3
Total assets	681.6	648.5	679.9
Customer deposits ²	230.3	216.2	226.5
Risk weighted assets	212.2	212.7	209.3

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	Half year ended 30.06.17	Half year ended 30.06.16
Performance measures		
Return on average allocated tangible equity	12.4%	14.3%
Average allocated tangible equity (£bn)	27.5	25.0
Cost: income ratio	61%	57%
Loan loss rate (bps)	61	44
Loan: deposit ratio	80%	90%
Net interest margin	4.06%	3.90%

1 As at 30 June 2017 loans and advances included £183.9bn (December 2016: £185.9bn) of loans and advances to customers (including settlement balances of £31.6bn (December 2016: £19.5bn) and cash collateral of £26.9bn (December 2016: £30.1bn)), and £20.9bn (December 2016: £25.4bn) of loans and advances to banks (including settlement balances of £5.7bn (December 2016: £1.7bn) and cash collateral of £5.4bn (December 2016: £6.3bn)). Loans and advances to banks and customers in respect of Consumer, Cards and Payments were £38.5bn (December 2016: £39.7bn).

2 As at 30 June 2017 customer deposits included settlement balances of £29.4bn (December 2016: £16.6bn) and cash collateral of £16.2bn (December 2016: £20.8bn).

Analysis of Barclays International

	Half year ended 30.06.17	Half year ended 30.06.16	YoY % Change
Corporate and Investment Bank			
Income statement information	£m	£m	
Analysis of total income			
Credit	695	591	18
Equities	917	919	-
Macro	946	1,185	(20)
Markets	2,558	2,695	(5)
Banking fees	1,400	1,103	27
Corporate lending	547	608	(10)
Transactional banking	802	798	1
Banking	2,749	2,509	10
Other	39	3	
Total income	5,346	5,207	3
Credit impairment charges and other provisions	(50)	(132)	62
Operating expenses	(3,697)	(3,465)	(7)
Other net income	116	-	
Profit before tax	1,715	1,610	7
	As at 30.06.17	As at 31.12.16	As at 30.06.16
Balance sheet information	£bn	£bn	£bn
Risk weighted assets	178.9	178.6	178.4

	Half year ended 30.06.17	Half year ended 30.06.16
Performance measures		
Return on average allocated tangible equity	9.7%	8.4%
Average allocated tangible equity (£bn)	23.3	21.5

	Half year ended 30.06.17	Half year ended 30.06.16	YoY % Change
Consumer, Cards and Payments			
Income statement information	£m	£m	

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Total income	2,402	2,345	2
Credit impairment charges and other provisions	(575)	(377)	(53)
Operating expenses	(1,023)	(844)	(21)
Other net income	98	19	
Profit before tax	902	1,143	(21)
	As at 30.06.17	As at 31.12.16	As at 30.06.16
Balance sheet information	£bn	£bn	£bn
Loans and advances to banks and customers at amortised cost	38.5	39.7	35.4
Customer deposits	57.3	50.0	46.9
Risk weighted assets	33.3	34.1	30.9
	Half year ended	Half year ended	
Key facts	30.06.17	30.06.16	
30 day arrears rates – Barclaycard US	2.2%	2.2%	
Total number of Barclaycard business clients	364,000	350,000	
Value of payments processed	£157bn	£141bn	
Performance measures			
Return on average allocated tangible equity	28.0%	50.9%	
Average allocated tangible equity (£bn)	4.2	3.5	

Barclays International

Income statement – H117 compared to H116

Profit before tax decreased 5% to £2,617m driven by a 10% increase in total operating expenses and a 23% increase in impairment, partially offset by a 3% increase in total income

Total income increased 3% to £7,748m, including the appreciation of average USD and EUR against GBP, as CIB income increased 3% to £5,346m and Consumer, Cards and Payments income increased 2% to £2,402m

– Markets income decreased 5% to £2,558m

– Credit income increased 18% to £695m driven by improved performance in the European business and increased municipals income

– Equities income was broadly in line at £917m (H116: £919m) driven by lower US equity derivatives revenue, offset by improved performance in cash equities and equity financing

– Macro income decreased 20% to £946m driven by lower market volatility in rates and the impact of exiting energy-related commodities

– Banking income increased 10% to £2,749m

– Banking fees income increased 27% to £1,400m, driven by higher debt underwriting, equity underwriting and advisory fees, with fee share up in all products

– Corporate lending reduced 10% to £547m primarily due to higher losses on fair value hedges, a reduction in work-out gains and reduced balances

– Transactional banking income increased 1% to £802m as higher deposit balances were partially offset by margin compression in a low base rate environment

Consumer, Cards and Payments income increased 2% to £2,402m driven by continued growth, a gain of £192m relating to an asset sale in US cards and a valuation gain on Barclays' preference shares in Visa Inc. of £74m, partially offset by the non-recurrence of the gain on the disposal of Barclays' share of Visa Europe Limited of £464m in H116

Credit impairment charges increased 23% to £625m including the appreciation of average USD and EUR against GBP

CIB credit impairment charges reduced 62% to £50m due to the non-recurrence of oil and gas single name charges in H116

Consumer, Cards and Payments credit impairment charges increased 53% to £575m primarily driven by a change in portfolio mix, an increase in underlying delinquency trends in US cards and business growth. 30 and 90 days arrears rates within US Cards were broadly stable at 2.2% (H116: 2.2%) and 1.1% (H116: 1.0%) respectively, including a benefit from the Q117 asset sale in US cards

Total operating expenses increased 10% to £4,720m, including the appreciation of average USD and EUR against GBP

CIB increased 7% to £3,697m reflecting the change in compensation awards introduced in Q416 and higher structural reform programme costs, partially offset by a reduction in restructuring charges and cost efficiencies

Consumer, Cards and Payments increased 21% to £1,023m including continued growth and investment, primarily within the US Cards and merchant acquiring businesses

Other net income increased to £214m (H116: £19m) due to a gain of £109m on the sale of Barclays' share in VocaLink to MasterCard and a gain of £76m on the sale of a joint venture in Japan

Balance sheet – 30 June 2017 compared to 31 December 2016

Loans and advances to banks and customers at amortised cost decreased £6.5bn to £204.8bn with CIB decreasing £5.3bn to £166.3bn due to a reduction in lending and cash collateral, partially offset by an increase in settlement balances. Consumer, Cards and Payments decreased £1.2bn to £38.5bn due to an asset sale in US cards in Q117, partially offset by the realignment of certain clients from Barclays UK to Barclays International in preparation for structural reform

Trading portfolio assets increased £10.1bn to £83.3bn due to increased activity

Derivative financial instrument assets and liabilities decreased £47.8bn to £108.4bn and £43.8bn to £116.8bn respectively, reflecting the adoption of the Chicago Mercantile Exchange (CME) rulebook change to daily settlement and an increase in major interest rate forward curves and depreciation of USD against GBP

Reverse repurchase agreements and other similar lending increased £3.8bn to £17.2bn primarily due to increased trading desks' funding requirements

Financial assets designated at fair value increased £31.8bn to £94.1bn primarily due to increased matched book trading and trading desks' funding requirements

Customer deposits increased £14.1bn to £230.3bn, with CIB increasing £6.8bn to £173.0bn primarily driven by an increase in settlement balances, partially offset by a decrease in cash collateral and corporate deposits. Consumer, Cards and Payments increased £7.3bn to £57.3bn driven by the realignment of certain clients from Barclays UK to Barclays International in preparation for structural reform

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RWAs remained broadly in line at £212.2bn (December 2016: £212.7bn) driven by a reduction due to the depreciation of USD against GBP, an asset sale in US cards in Q117 and credit quality improvement, offset by increased trading portfolio and securities financing transaction volumes

Head Office	Half year ended 30.06.17	Half year ended 30.06.16	YoY % Change
Income statement information	£m	£m	
Net interest income	(7)	(6)	(17)
Net fee, commission and other income	9	307	(97)
Total income	2	301	(99)
Credit impairment charges and other provisions	(1)	(1)	-
Net operating income	1	300	
Operating expenses excluding litigation and conduct	(89)	(121)	26
Litigation and conduct	(11)	(18)	39
Operating expenses	(100)	(139)	28
Other net expenses	(164)	(27)	
(Loss)/profit before tax	(263)	134	
Attributable (loss)/profit	(298)	90	
	As at 30.06.17	As at 31.12.16	As at 30.06.16
Balance sheet information	£bn	£bn	£bn
Total assets	17.3	75.2	87.7
Risk weighted assets ¹	26.2	53.3	43.2
	Half year ended 30.06.17	Half year ended 30.06.16	
Performance measures	£bn	£bn	
Average allocated tangible equity	8.2	5.8	

1 Includes Africa Banking risk weighted assets of £9.8bn (December 2016: £42.3bn).

Head Office

Income statement – H117 compared to H116

Loss before tax was £263m (H116: profit of £134m)

Total income reduced £299m to £2m following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017 and lower net income from treasury operations. Own credit, which was previously recorded in the income statement (H116: gain of £183m), is now recognised within other comprehensive income

Other net expenses increased to £164m (H116: £27m) driven by an expense of £180m on the recycling of the currency translation reserve to the income statement on the sale of Barclays Bank Egypt

Balance sheet – 30 June 2017 compared to 31 December 2016

Total assets decreased to £17.3bn (December 2016: £75.2bn) primarily due to the sale of 33.7% of BAGL's issued share capital resulting in the accounting deconsolidation of BAGL from the Barclays Group

RWAs decreased to £26.2bn (December 2016: £53.3bn) reflecting a £27.9bn reduction as a result of the proportional consolidation of BAGL

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Barclays Non-Core	Half year ended	Half year ended	YoY % Change
	30.06.17	30.06.16	
Income statement information	£m	£m	
Net interest income	(112)	136	
Net trading income	(488)	(953)	49
Net fee, commission and other income	70	231	(70)
Total income	(530)	(586)	10
Credit impairment charges and other provisions	(30)	(55)	45
Net operating expenses	(560)	(641)	13
Operating expenses excluding litigation and conduct	(256)	(857)	70
Litigation and conduct	(28)	(93)	70
Operating expenses	(284)	(950)	70
Other net income/(expenses)	197	(313)	
Loss before tax	(647)	(1,904)	66
Attributable loss	(419)	(1,490)	72
	As at 30.06.17	As at 31.12.16	As at 30.06.16
Balance sheet information	£bn	£bn	£bn
Loans and advances to banks and customers at amortised cost ¹	48.3	51.1	68.5
Derivative financial instrument assets	150.3	188.7	262.8
Derivative financial instrument liabilities	143.0	178.6	253.4
Reverse repurchase agreements and other similar secured lending	-	0.1	0.1
Financial assets designated at fair value	12.1	14.5	15.4
Total assets	233.0	279.7	379.1
Customer deposits ²	11.8	12.5	17.4
Risk weighted assets	22.8	32.1	46.7
	Half year ended	Half year ended	
Performance measures	30.06.17	30.06.16	
Average allocated tangible equity (£bn)	4.9	8.5	
Period end allocated tangible equity (£bn)	4.0	7.8	
Loan loss rate (bps)	12	15	
	£m	£m	YoY % Change
Analysis of total income			
Businesses	10	377	(97)
Securities and loans	43	(765)	
Derivatives	(583)	(198)	
Total income	(530)	(586)	10

¹ As at 30 June 2017 loans and advances included £37.1bn (December 2016: £38.5bn) of loans and advances to customers (including settlement balances of £nil (December 2016: £0.1bn) and cash collateral of £15.3bn (December 2016: £17.3bn)), and £11.2bn (December 2016: £12.6bn) of loans and advances to banks (including settlement balances of £nil (December 2016: £0.1bn) and cash collateral of £10.9bn (December 2016: £12.1bn)).

² As at 30 June 2017 customer deposits included settlement balances of £nil (December 2016 £0.1bn) and cash collateral of £11.4bn (December 2016: £11.9bn).

Barclays Non-Core

Income statement – H117 compared to H116

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Loss before tax reduced to £647m (H116: £1,904m) driven by lower operating expenses, favourable fair value movements on the ESHLA portfolio, the non-recurrence of impairment associated with the valuation of the French retail business in H116 and a gain on the sale of Barclays Bank Egypt

Total income increased £56m to a net expense of £530m

– Businesses income reduced to £10m (H116: £377m) primarily due to the completion of the sale of the Italian retail, Southern European cards and Barclays Bank Egypt businesses

– Securities and loans income increased £808m to net income of £43m primarily driven by fair value gains of £44m (H116: £424m expense) on the ESHLA portfolio and the non-recurrence of the £182m loss associated with the restructure of the ESHLA portfolio loan terms in H116

– Derivatives income reduced £385m to an expense of £583m reflecting losses on the rundown of the portfolio

Credit impairment charges improved 45% to £30m due to higher recoveries across Europe and investment banking activities

Total operating expenses improved 70% to £284m reflecting the completion of the sale of several businesses, a reduction in restructuring charges, and lower litigation and conduct charges

Other net income of £197m (H116: £313m expense) included a £189m gain on the sale of Barclays Bank Egypt. H116 included a £372m impairment associated with the valuation of the French retail business

Balance sheet – 30 June 2017 compared to 31 December 2016

Loans and advances to banks and customers at amortised cost decreased 5% to £48.3bn due to a decrease in cash collateral assets, partially offset by the reclassification of £1.5bn of ESHLA loans now recognised at amortised cost, following the restructuring of certain loans within the portfolio

Derivative financial instrument assets and liabilities decreased 20% to £150.3bn and 20% to £143.0bn respectively, due to the continued rundown of the derivative back book and an increase in major interest rate forward curves

Customer deposits decreased 6% to £11.8bn due to a decrease in cash collateral

Total assets decreased 17% to £233.0bn due to lower derivative financial instrument assets

RWAs reduced £9.3bn to £22.8bn including a £5bn reduction in Derivatives, a £2bn reduction in Businesses and a £1bn reduction in Securities and loans

Barclays Non-Core closure and reintegration into Core

The Non-Core segment was closed on 1 July 2017 with the residual assets and liabilities, and prospective financial performance to be reintegrated into Barclays UK, Barclays International and Head Office. Financial results up until 30 June 2017 will continue to be reflected in the Non-Core

As at 30 June 2017 Non-Core RWAs were £22.8bn. It is estimated that c.£3.5bn will be reintegrated with Barclays – UK comprising of ESHLA loans excluding higher education, c.£8.8bn will be reintegrated with Barclays

International, primarily relating to derivatives and ESHLA higher education, and c.£10.5bn will be reintegrated with Head Office, primarily relating to Italian mortgages and operational risk

Guidance of a Non-Core loss before tax for 2017 of approximately £1bn is unchanged, with a loss before tax of approximately £300-400m in H217. The H217 loss before tax is anticipated to be split c.10% to Barclays UK, c.40%

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to Barclays International and c.50% to Head Office

As previously guided to, it is expected that risk weighted assets and loss before tax previously associated with Non-Core will continue to reduce in future periods

Balance sheet information (£bn) ¹	Barclays Non-Core	Moves to		Head Office
		Barclays UK	Barclays International	
Loans and advances to banks and customers at amortised cost	48.3	10.1	28.9	9.3
Derivative financial instrument assets	150.3	-	150.3	-
Derivative financial instrument liabilities	143.0	-	143.0	-
Financial assets designated at fair value	12.1	8.2	3.2	0.7
Total assets	233.0	18.3	200.3	14.4
Customer deposits	11.8	-	11.7	0.1
Risk weighted assets	22.8	3.5	8.8	10.5
Period end allocated tangible equity	4.0	0.7	1.6	1.7

¹ Estimated allocation based on 30.06.17 balance sheet.

Discontinued Operation Results

Disposal of the shares in BAGL

On 1 March 2016, Barclays announced its intention to reduce the Group's 62.3% interest in BAGL to a level which would permit Barclays to deconsolidate BAGL from a regulatory perspective and, prior to that, from an accounting perspective. From this date, BAGL was treated as a discontinued operation. On 5 May 2016, Barclays sold 12.2% of the Group's interest in BAGL, reducing Barclays' interest to 50.1% of BAGL's issued share capital.

In December 2016, Barclays agreed the terms of the transitional services arrangements and separation payments of £0.7bn, as announced in Barclays' 2016 Annual Report.

Following receipt of the required regulatory approvals, on 1 June 2017 Barclays sold 286 million ordinary shares of BAGL, representing 33.7% of BAGL's issued share capital, of which 7.0% is allocated to the Public Investment Corporation (PIC) who is expected to take receipt of the shares following the necessary regulatory approvals. Following the sale, as at 30 June 2017 Barclays accounted for 139 million ordinary shares in BAGL, representing 16.4% of BAGL's issued share capital. An amount of £1,141m was recognised on the balance sheet at the date of disposal, representing the fair value.

Additionally, as at 30 June 2017 Barclays had an obligation to contribute 1.5% of BAGL's ordinary shares or the cash equivalent to a Black Economic Empowerment (BEE) scheme. As at 30 September 2017, Barclays will account for 126 million ordinary shares in BAGL, currently representing 14.9% of BAGL's issued share capital. A liability for the obligation to the BEE scheme of £105m is reflected on the balance sheet.

Financial performance

The discontinued operation reported a loss before tax of £2,041m in H117, representing (i) a profit before tax on Africa Banking operations for five months to 31 May 2017, excluding impairment of Barclays' holding in BAGL and loss on sale of BAGL, of £484m, (ii) a £60m loss on sale of the 33.7% share of BAGL's issued share capital on 1 June 2017, (iii) a £1,375m loss on recycling of Other Comprehensive Income reserves of which £1,377m relates to the

currency translation reserve, owing to the weakening of the ZAR since initial consolidation of BAGL in 2005, and (iv) a £1,090m impairment of Barclays' holding in BAGL, predominantly allocated to acquisition goodwill. The recycling of the currency translation reserve and the impairment of Barclays' holding in BAGL allocated to acquisition goodwill had no effect on the Group's tangible net asset value or CET1 ratio.

Accounting and regulatory treatment

The sale of 33.7% of BAGL's issued share capital resulted in the accounting deconsolidation of BAGL from the Barclays Group, as of 1 June 2017. Barclays' holding in BAGL technically met the requirements to be treated as an Associate, the subsequent revision of its governance rights in July 2017 means that it is treated as an Available for Sale (AFS) asset. Given the immateriality of the differences between the accounting treatments since 1 June it has been determined that it would be appropriate to treat this holding as an AFS asset since 1 June 2017. BAGL is consequently no longer reported as a discontinued operation and the retained investment will be reported in the Head Office segment. Barclays' share of BAGL's dividend will be recognised in the Group's income statement when the right to receive the dividend has been established, and changes in fair value of the asset will be recognised in the AFS reserve.

For regulatory reporting purposes, BAGL is treated at 30 June 2017 on a proportional consolidated basis based on a holding of 23.4%. The Group's CET1 ratio increased 47bps as a result of the sale and reflecting the proportional consolidation of BAGL. Barclays expects to proportionally consolidate BAGL in H217 based on a holding of 14.9%, following the contribution of 1.5% of BAGL's issued share capital to a BEE scheme and the expected delivery of 7.0% of BAGL's issued share capital to PIC. Subject to regulatory approval, Barclays expects to fully deconsolidate BAGL from a regulatory perspective within 18 months. The estimated future accretion to the Group's CET1 ratio is c.26bps in aggregate.

Africa Banking

	Half year ended 30.06.17	Half year ended 30.06.16	YoY % Change
Income statement information ¹	£m	£m	% Change
Net interest income	1,024	982	4
Net fee, commission and other income	762	715	7
Total income	1,786	1,697	5
Credit impairment charges and other provisions	(177)	(244)	27
Net operating income	1,609	1,453	11
Operating expenses excluding impairment of Barclays' holding in BAGL	(1,130)	(1,020)	(11)
Other net income excluding loss on sale of BAGL	5	2	
Profit before tax excluding impairment of Barclays' holding in BAGL and loss on sale of BAGL	484	435	11
Impairment of Barclays' holding in BAGL	(1,090)	-	
Loss on sale of BAGL	(1,435)	-	
(Loss)/profit before tax	(2,041)	435	
Tax charge	(154)	(124)	(24)
(Loss)/profit after tax	(2,195)	311	
Attributable (loss)/profit	(2,335)	156	
	As at 30.06.17	As at 31.12.16	As at 30.06.16
Balance sheet information	£bn	£bn	£bn
Total assets	-	65.1	56.0

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Risk weighted assets² 9.8 42.3 36.1

¹ The H117 Africa Banking income statement represents five months of results as a discontinued operation to 31 May 2017.

² Africa Banking (excluding Egypt and Zimbabwe) RWAs are reported in Head Office within Core.

	Q217	Q117	Q416	Q316	Q216	Q116	Q415	Q315
Income statement information ¹	£m	£m	£m	£m	£m	£m	£m	£m
Net interest income	407	617	626	561	502	480	468	471
Net fee, commission and other income	297	465	441	421	377	338	346	351
Total income	704	1,082	1,067	982	879	818	814	822
Credit impairment charges and other provisions	(71)	(106)	(105)	(96)	(133)	(111)	(93)	(66)
Net operating income	633	976	962	886	746	707	721	756
Operating expenses excluding UK bank levy and impairment of Barclays' holding in BAGL	(477)	(653)	(727)	(598)	(543)	(477)	(501)	(515)
UK bank levy	-	-	(65)	-	-	-	(50)	-
Other net income excluding loss on sale of BAGL	3	2	2	2	1	1	3	1
Profit before tax excluding impairment of Barclays' holding in BAGL and loss on sale of BAGL	159	325	172	290	204	231	173	242
Impairment of Barclays' holding in BAGL	(206)	(884)	-	-	-	-	-	-
Loss on sale of BAGL	(1,435)	-	-	-	-	-	-	-
(Loss)/profit before tax	(1,482)	(559)	172	290	204	231	173	242
(Loss)/profit after tax	(1,537)	(658)	71	209	145	166	101	167
Attributable (loss)/profit	(1,534)	(801)	(52)	85	70	86	25	85
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Total assets	-	66.0	65.1	61.1	56.0	52.7	47.9	50.2
Risk weighted assets	9.8	41.3	42.3	39.9	36.1	33.9	31.7	33.8

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

Quarterly Results Summary

Barclays Group

	Q217	Q117	Q416	Q316	Q216	Q116	Q415	Q315
Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Net interest income	2,579	2,519	2,523	2,796	2,530	2,688	2,726	2,692
Net fee, commission and other income	2,479	3,304	2,469	2,650	3,442	2,353	1,722	2,789
Total income	5,058	5,823	4,992	5,446	5,972	5,041	4,448	5,481
Credit impairment charges and other provisions	(527)	(527)	(653)	(789)	(488)	(443)	(554)	(429)
Net operating income	4,531	5,296	4,339	4,657	5,484	4,598	3,894	5,052
Operating expenses excluding UK bank levy and litigation and conduct	(3,398)	(3,591)	(3,812)	(3,581)	(3,425)	(3,747)	(3,547)	(3,552)
UK bank levy	-	-	(410)	-	-	-	(426)	-
Litigation and conduct	(715)	(28)	(97)	(741)	(447)	(78)	(1,722)	(699)
Operating expenses	(4,113)	(3,619)	(4,319)	(4,322)	(3,872)	(3,825)	(5,695)	(4,251)
Other net income/(expenses)	241	5	310	502	(342)	20	(274)	(182)

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Profit/(loss) before tax	659	1,682	330	837	1,270	793	(2,075)	619
Tax (charge)/credit	(305)	(473)	50	(328)	(467)	(248)	(164)	(133)
Profit/(loss) after tax in respect of continuing operations	354	1,209	380	509	803	545	(2,239)	486
(Loss)/profit after tax in respect of discontinued operation	(1,537)	(658)	71	209	145	166	101	167
Attributable to:								
Ordinary equity holders of the parent	(1,401)	190	99	414	677	433	(2,422)	417
Other equity holders	162	139	139	110	104	104	107	79
Non-controlling interests	56	222	213	194	167	174	177	157
Balance sheet information								
	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Total assets	1,135.3	1,203.8	1,213.1	1,324.0	1,351.3	1,248.9	1,120.0	1,236.5
Risk weighted assets	327.4	360.9	365.6	373.4	366.3	363.0	358.4	381.9
CRR leverage exposure	1,122.1	1,196.9	1,125.5	1,185.1	1,155.4	1,082.0	1,027.8	1,140.7
Performance measures								
Return on average tangible shareholders' equity	(11.0%)	1.8%	1.1%	3.6%	5.8%	3.8%	(20.1%)	3.6%
Average tangible shareholders' equity (£bn)	49.3	49.4	48.9	49.4	48.3	48.3	47.8	47.6
Cost: income ratio	81%	62%	87%	79%	65%	76%	128%	78%
Loan loss rate (bps)	49	47	58	66	41	40	53	37
Basic (loss)/earnings per share	(8.0p)	1.3p	0.8p	2.6p	4.2p	2.7p	(14.4p)	2.6p
Basic earnings/(loss) per share in respect of continuing operations	1.0p	6.1p	1.1p	2.1p	3.8p	2.2p	(14.4p)	2.1p
Barclays Core								
	Q217	Q117	Q416	Q316	Q216	Q116	Q415	Q315
	£m	£m	£m	£m	£m	£m	£m	£m
Income statement information								
Net interest income	2,702	2,508	2,577	2,718	2,491	2,591	2,555	2,557
Net fee, commission and other income	2,812	3,389	2,834	2,887	3,825	2,692	1,961	2,708
Total income	5,514	5,897	5,411	5,605	6,316	5,283	4,516	5,265
Credit impairment charges and other provisions	(500)	(524)	(606)	(769)	(462)	(414)	(522)	(388)
Net operating income	5,014	5,373	4,805	4,836	5,854	4,869	3,994	4,877
Operating expenses excluding UK bank levy and litigation and conduct	(3,290)	(3,443)	(3,471)	(3,270)	(3,057)	(3,258)	(2,992)	(3,094)
UK bank levy	-	-	(334)	-	-	-	(338)	-
Litigation and conduct	(696)	(19)	(46)	(639)	(420)	(12)	(1,634)	(419)
Operating expenses	(3,986)	(3,462)	(3,851)	(3,909)	(3,477)	(3,270)	(4,964)	(3,513)
Other net income/(expenses)	37	12	164	4	(18)	9	(5)	13
Profit/(loss) before tax	1,065	1,923	1,118	931	2,359	1,608	(975)	1,377
Tax charge	(512)	(548)	(272)	(522)	(696)	(485)	(92)	(299)
Profit/(loss) after tax	553	1,375	846	409	1,663	1,123	(1,067)	1,078
Non-controlling interests	(51)	(70)	(76)	(57)	(80)	(84)	(81)	(54)
Other equity holders	(143)	(121)	(121)	(95)	(89)	(89)	(92)	(63)
Attributable profit/(loss)	359	1,184	649	257	1,494	950	(1,240)	961
Balance sheet information								
	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn

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Total assets	902.3	954.7	933.4	964.3	972.2	883.6	794.2	862.0
Risk weighted assets	304.6	333.5	333.5	329.5	319.6	312.2	304.1	316.3

Performance measures

Return on average allocated tangible equity	3.6%	11.0%	6.4%	2.7%	15.0%	9.9%	(12.8%)	10.4%
Average allocated tangible equity (£bn)	44.9	44.2	42.4	41.8	40.4	39.3	38.1	37.5
Cost: income ratio	72%	59%	71%	70%	55%	62%	110%	67%
Loan loss rate (bps)	52	53	61	74	45	42	57	39
Basic earnings/(loss) per share contribution	2.3p	7.2p	4.0p	1.7p	9.0p	5.8p	(7.3p)	5.8p

Barclays Non-Core

	Q217	Q117	Q416	Q316	Q216	Q116	Q415	Q315
	£m	£m	£m	£m	£m	£m	£m	£m
Income statement information								
Net interest income	(123)	11	(54)	78	40	96	171	135
Net trading income	(411)	(77)	(462)	(288)	(463)	(490)	(398)	(124)
Net fee, commission and other income	78	(8)	97	51	79	152	159	204
Total income	(456)	(74)	(419)	(159)	(344)	(242)	(68)	215
Credit impairment charges and other provisions	(27)	(3)	(47)	(20)	(26)	(29)	(32)	(41)
Net operating (expenses)/income	(483)	(77)	(466)	(179)	(370)	(271)	(100)	174
Operating expenses excluding UK bank levy and litigation and conduct	(108)	(148)	(341)	(311)	(368)	(489)	(555)	(458)
UK bank levy	-	-	(76)	-	-	-	(88)	-
Litigation and conduct	(19)	(9)	(51)	(102)	(27)	(66)	(89)	(279)
Operating expenses	(127)	(157)	(468)	(413)	(395)	(555)	(732)	(737)
Other net income/(expenses)	204	(7)	146	498	(324)	11	(268)	(195)
Loss before tax	(406)	(241)	(788)	(94)	(1,089)	(815)	(1,100)	(758)
Tax credit/(charge)	207	75	322	194	229	237	(72)	166
(Loss)/profit after tax	(199)	(166)	(466)	100	(860)	(578)	(1,172)	(592)
Non-controlling interests	(8)	(9)	(14)	(13)	(12)	(10)	(19)	(21)
Other equity holders	(19)	(18)	(18)	(15)	(15)	(15)	(17)	(15)
Attributable (loss)/profit	(226)	(193)	(498)	72	(887)	(603)	(1,208)	(628)
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to banks and customers at amortised cost	48.3	49.5	51.1	58.7	68.5	55.4	51.8	57.1
Derivative financial instrument assets	150.3	164.2	188.7	253.2	262.8	249.7	213.7	243.3
Derivative financial instrument liabilities	143.0	155.3	178.6	243.0	253.4	239.1	202.1	235.0
Reverse repurchase agreements and other similar secured lending	-	-	0.1	0.1	0.1	0.7	3.1	8.5
Financial assets designated at fair value	12.1	13.4	14.5	15.5	15.4	23.4	21.4	22.8
Total assets	233.0	249.1	279.7	359.8	379.1	365.4	325.8	374.5
Customer deposits	11.8	12.9	12.5	16.0	17.4	19.3	20.9	25.8
Risk weighted assets	22.8	27.4	32.1	43.9	46.7	50.9	54.3	65.6
Performance measures								
Average allocated tangible equity (£bn)	4.5	5.2	6.5	7.6	7.9	9.0	9.7	10.2
Period end allocated tangible equity (£bn)	4.0	4.8	5.4	7.2	7.8	8.5	8.5	10.2
Loan loss rate (bps)	22	2	31	13	14	21	25	27
Basic (loss)/earnings per share contribution	(1.3p)	(1.1p)	(2.9p)	0.5p	(5.2p)	(3.6p)	(7.2p)	(3.7p)

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Analysis of total income	£m	£m	£m	£m	£m	£m	£m	£m
Businesses	(41)	51	(73)	181	181	196	229	314
Securities and loans	(25)	68	161	(34)	(363)	(402)	(195)	(87)
Derivatives	(390)	(193)	(507)	(306)	(162)	(36)	(102)	(12)
Total income	(456)	(74)	(419)	(159)	(344)	(242)	(68)	215

Quarterly Core Results by Business

Barclays UK

	Q217	Q117	Q416	Q316	Q216	Q116	Q415	Q315
Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Net interest income	1,534	1,511	1,502	1,569	1,476	1,501	1,509	1,499
Net fee, commission and other income	286	330	326	374	467	302	325	375
Total income	1,820	1,841	1,828	1,943	1,943	1,803	1,834	1,874
Credit impairment charges and other provisions	(220)	(178)	(180)	(350)	(220)	(146)	(219)	(154)
Net operating income	1,600	1,663	1,648	1,593	1,723	1,657	1,615	1,720
Operating expenses excluding UK bank levy and litigation and conduct	(974)	(959)	(989)	(904)	(947)	(952)	(920)	(925)
UK bank levy	-	-	(48)	-	-	-	(77)	-
Litigation and conduct	(699)	4	(28)	(614)	(399)	(1)	(1,466)	(76)
Operating expenses	(1,673)	(955)	(1,065)	(1,518)	(1,346)	(953)	(2,463)	(1,001)
Other net (expenses)/income	(1)	-	-	-	(1)	-	1	1
(Loss)/profit before tax	(74)	708	583	75	376	704	(847)	720
Attributable (loss)/profit	(285)	470	383	(163)	141	467	(1,078)	541
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to customers at amortised cost	166.6	164.5	166.4	166.6	166.0	166.2	166.1	166.7
Total assets	203.4	203.0	209.6	209.1	204.6	201.7	202.5	204.1
Customer deposits	187.4	184.4	189.0	185.5	181.7	179.1	176.8	173.4
Risk weighted assets	66.1	66.3	67.5	67.4	67.1	69.7	69.5	71.0
Performance measures								
Return on average allocated tangible equity	(12.7%)	21.6%	18.2%	(7.1%)	6.6%	20.5%	(46.5%)	23.3%
Average allocated tangible equity (£bn)	8.7	8.9	8.6	8.7	9.0	9.3	9.2	9.3
Cost: income ratio	92%	52%	58%	78%	69%	53%	134%	53%
Loan loss rate (bps)	52	43	42	82	52	34	51	36
Net interest margin	3.70%	3.69%	3.56%	3.72%	3.56%	3.62%	3.58%	3.54%

Analysis of Barclays UK

	Q217	Q117	Q416	Q316	Q216	Q116	Q415	Q315
Analysis of total income	£m	£m	£m	£m	£m	£m	£m	£m
Personal Banking	933	944	934	970	1,068	919	945	938
Barclaycard Consumer UK	495	498	507	561	463	491	505	552
Wealth, Entrepreneurs & Business Banking	392	399	387	412	412	393	384	384
Total income	1,820	1,841	1,828	1,943	1,943	1,803	1,834	1,874

Analysis of credit impairment charges and other provisions

Personal Banking	(56)	(50)	(50)	(47)	(44)	(42)	(39)	(36)
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Barclaycard Consumer UK	(149)	(123)	(118)	(291)	(169)	(105)	(176)	(111)
Wealth, Entrepreneurs & Business Banking	(15)	(5)	(12)	(12)	(7)	1	(4)	(7)
Total credit impairment charges and other provisions	(220)	(178)	(180)	(350)	(220)	(146)	(219)	(154)

Analysis of loans and advances to customers at amortised cost	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Personal Banking	136.5	134.4	135.0	135.3	134.7	134.7	134.0	134.5
Barclaycard Consumer UK	16.2	16.1	16.5	16.2	16.2	16.0	16.2	15.9
Wealth, Entrepreneurs & Business Banking	13.9	14.0	14.9	15.1	15.1	15.5	15.9	16.3
Total loans and advances to customers at amortised cost	166.6	164.5	166.4	166.6	166.0	166.2	166.1	166.7

Analysis of customer deposits								
Personal Banking	138.5	137.3	139.3	137.2	134.8	132.9	131.0	128.4
Barclaycard Consumer UK	-	-	-	-	-	-	-	-
Wealth, Entrepreneurs & Business Banking	48.9	47.1	49.7	48.3	46.9	46.2	45.8	45.0
Total customer deposits	187.4	184.4	189.0	185.5	181.7	179.1	176.8	173.4

Barclays International

	Q217	Q117	Q416	Q316	Q216	Q116	Q415	Q315
Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Net interest income	1,060	1,112	1,046	1,355	1,001	1,110	1,121	1,109
Net trading income	1,039	1,182	1,131	1,074	1,130	1,245	593	817
Net fee, commission and other income	1,511	1,844	1,415	1,422	1,908	1,158	1,254	1,297
Total income	3,610	4,138	3,592	3,851	4,039	3,513	2,968	3,223
Credit impairment charges and other provisions	(279)	(346)	(426)	(420)	(240)	(269)	(303)	(235)
Net operating income	3,331	3,792	3,166	3,431	3,799	3,244	2,665	2,988
Operating expenses excluding UK bank levy and litigation and conduct	(2,276)	(2,435)	(2,497)	(2,337)	(2,074)	(2,221)	(2,007)	(2,059)
UK bank levy	-	-	(284)	-	-	-	(253)	-
Litigation and conduct	4	(13)	(17)	(17)	(10)	(4)	(151)	(302)
Operating expenses	(2,272)	(2,448)	(2,798)	(2,354)	(2,084)	(2,225)	(2,411)	(2,361)
Other net income	202	12	5	8	11	8	8	9
Profit before tax	1,261	1,356	373	1,085	1,726	1,027	262	636
Attributable profit/(loss)	819	837	43	623	1,171	575	(24)	422

Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to banks and customers at amortised cost	204.8	226.1	211.3	233.7	230.6	215.9	184.1	220.3
Trading portfolio assets	83.3	83.0	73.2	73.8	68.1	64.3	61.9	72.8
Derivative financial instrument assets	108.4	105.3	156.2	155.6	181.4	150.1	111.5	133.7
Derivative financial instrument liabilities	116.8	112.8	160.6	160.5	187.5	155.4	119.0	142.0
Reverse repurchase agreements and other similar secured lending	17.2	17.6	13.4	17.3	19.7	19.1	24.7	68.0
Financial assets designated at fair value	94.1	81.3	62.3	72.0	68.3	59.6	46.8	5.6
Total assets	681.6	677.2	648.5	681.9	679.9	618.4	532.2	596.1
Customer deposits	230.3	241.0	216.2	224.1	226.5	213.1	185.6	207.0
Risk weighted assets	212.2	214.3	212.7	214.6	209.3	202.2	194.8	204.0

Performance measures

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Return on average allocated tangible equity	12.4%	12.5%	1.0%	10.0%	19.2%	9.5%	(0.2%)	7.0%
Average allocated tangible equity (£bn)	27.4	27.7	26.6	25.7	24.8	25.1	24.9	24.7
Cost: income ratio	63%	59%	78%	61%	52%	63%	81%	73%
Loan loss rate (bps)	54	62	78	71	41	50	65	42
Net interest margin	4.07%	4.06%	3.91%	4.21%	3.92%	3.78%	3.79%	3.85%

Analysis of Barclays International

Corporate and Investment Bank	Q217	Q117	Q416	Q316	Q216	Q116	Q415	Q315
Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Analysis of total income								
Credit	296	399	261	333	269	322	195	191
Equities	455	462	410	461	406	513	319	416
Macro	456	490	505	614	612	573	382	487
Markets	1,207	1,351	1,176	1,408	1,287	1,408	896	1,094
Banking fees	674	726	650	644	622	481	458	501
Corporate lending	278	269	303	284	312	296	312	377
Transactional banking	404	398	401	458	390	408	415	419
Banking	1,356	1,393	1,354	1,386	1,324	1,185	1,185	1,297
Other	1	38	1	1	-	3	16	(17)
Total income	2,564	2,782	2,531	2,795	2,611	2,596	2,097	2,374
Credit impairment releases/(charges) and other provisions	1	(51)	(90)	(38)	(37)	(95)	(83)	(75)
Operating expenses	(1,756)	(1,941)	(2,287)	(1,872)	(1,665)	(1,800)	(1,962)	(1,940)
Other net income	116	-	1	-	-	-	-	(1)
Profit before tax	925	790	155	885	909	701	52	358
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Risk weighted assets	178.9	180.6	178.6	182.5	178.4	172.6	167.3	177.4
Performance measures								
Return on average allocated tangible equity	11.1%	8.2%	(1.2%)	9.2%	9.5%	7.3%	(2.5%)	4.5%
Average allocated tangible equity (£bn)	23.3	23.5	22.6	21.9	21.3	21.6	21.8	21.7
Consumer, Cards and Payments								
Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Total income	1,046	1,356	1,061	1,056	1,428	917	871	849
Credit impairment charges and other provisions	(280)	(295)	(336)	(382)	(203)	(174)	(219)	(160)
Operating expenses	(516)	(507)	(511)	(482)	(419)	(425)	(449)	(421)
Other net income	86	12	4	8	11	8	8	10
Profit before tax	336	566	218	200	817	326	210	278
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Loans and advances to banks and customers at amortised cost	38.5	38.7	39.7	36.8	35.4	32.9	32.1	30.6
Customer deposits	57.3	57.6	50.0	48.3	46.9	44.2	41.8	39.8
Risk weighted assets	33.3	33.7	34.1	32.1	30.9	29.6	27.5	26.6
Performance measures								
Return on average allocated tangible equity	19.4%	36.4%	13.2%	14.8%	77.9%	23.4%	15.3%	24.7%

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Average allocated tangible equity (£bn) 4.1 4.2 4.0 3.7 3.5 3.4 3.2 3.1

Head Office

	Q217	Q117	Q416	Q316	Q216	Q116	Q415	Q315
Income statement information	£m	£m	£m	£m	£m	£m	£m	£m
Net interest income	108	(115)	29	(206)	14	(20)	(75)	(51)
Net fee, commission and other income ¹	(24)	33	(38)	17	320	(13)	(210)	220
Total income	84	(82)	(9)	(189)	334	(33)	(285)	169
Credit impairment (charges)/releases and other provisions	(1)	-	-	1	(2)	1	-	1
Net operating income/(expenses)	83	(82)	(9)	(188)	332	(32)	(285)	170
Operating expenses excluding UK bank levy and litigation and conduct	(40)	(49)	15	(29)	(36)	(85)	(64)	(110)
UK bank levy	-	-	(2)	-	-	-	(8)	-
Litigation and conduct	(1)	(10)	(1)	(8)	(11)	(7)	(17)	(42)
Operating expenses	(41)	(59)	12	(37)	(47)	(92)	(89)	(152)
Other net (expenses)/income	(164)	-	159	(4)	(28)	1	(14)	2
(Loss)/profit before tax	(122)	(141)	162	(229)	257	(123)	(388)	20
Attributable (loss)/profit	(175)	(123)	223	(203)	182	(92)	(140)	(1)
Balance sheet information	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
Total assets	17.3	74.5	75.2	73.3	87.7	63.4	59.4	61.8
Risk weighted assets ²	26.2	52.9	53.3	47.5	43.2	40.3	39.7	41.3

Performance measures

Average allocated tangible equity (£bn) 8.8 7.6 7.2 7.4 6.6 5.0 3.9 3.4

Following the early adoption of the own credit provisions of IFRS 9 on 1 January 2017, own credit, which was 1 previously reported in Net fee, commission and other income is now recognised within other comprehensive income from Q117.

2 Includes Africa Banking RWAs.

Performance Management

Margins and balances

	Half year ended 30.06.17			Half year ended 30.06.16		
	Net interest income	Average customer assets	Net interest margin	Net interest income	Average customer assets	Net interest margin
	£m	£m	%	£m	£m	%
Barclays UK	3,045	166,200	3.69	2,977	166,944	3.59
Barclays International ¹	2,185	108,486	4.06	2,016	103,934	3.90
Total Barclays UK and Barclays International	5,230	274,686	3.84	4,993	270,878	3.71
Other ²	(132)			225		
Total net interest income	5,098			5,218		

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

2 Other includes Head Office, Barclays Non-Core and non-lending related investment banking balances.

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Total Barclays UK and Barclays International net interest income increased 5% to £5,230m due to:

An increase in average customer assets to £274.7bn (H116: £270.9bn) predominantly driven by growth in Barclays International

Net interest margin increased 13bps to 3.84% primarily driven by higher margins on Personal Banking and Consumer, Cards and Payments deposits, partially offset by lower asset margins. Group net interest income decreased 2% to £5.1bn including net structural hedge contributions of £0.7bn (H116: £0.7bn)

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

funding at a rate that is driven by prevailing market rates and includes a term premium.

Quarterly analysis for Barclays UK and Barclays International

	Three months ended 30.06.17		
	Net interest income	Average customer assets	Net interest margin
	£m	£m	%
Barclays UK	1,534	166,345	3.70
Barclays International ¹	1,064	104,899	4.07
Total Barclays UK and Barclays International	2,598	271,244	3.84
	Three months ended 31.03.17		
Barclays UK	1,511	166,065	3.69
Barclays International ¹	1,121	112,060	4.06
Total Barclays UK and Barclays International	2,632	278,125	3.84
	Three months ended 31.12.16		
Barclays UK	1,502	167,935	3.56
Barclays International ¹	1,110	112,936	3.91
Total Barclays UK and Barclays International	2,612	280,871	3.70
	Three months ended 30.09.16		
Barclays UK	1,569	167,713	3.72
Barclays International ¹	1,149	108,571	4.21
Total Barclays UK and Barclays International	2,718	276,284	3.91
	Three months ended 30.06.16		
Barclays UK	1,476	166,891	3.56
Barclays International ¹	1,021	104,707	3.92
Total Barclays UK and Barclays International	2,497	271,598	3.70

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

Risk Management

Risk management and principal risks

The roles and responsibilities of the business groups, Risk and Compliance, in the management of risk in the firm are defined in the Enterprise Risk Management Framework. The purpose of the framework is to identify the principal risks of the firm, the process by which the firm sets its appetite for these risks in its business activities, and the consequent limits which it places on related risk taking. The framework identifies eight Principal Risks: Credit Risk; Market Risk; Treasury and Capital Risk; Operational Risk; Conduct Risk; Reputation Risk; Model Risk; and Legal Risk. Further detail on these risks and how they are managed is available in the 2016 Annual Report or online at home.barclays.com/annualreport. There have been no significant changes to these principal risks in the period nor are any expected for the remaining six months of the financial year.

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

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

	United Kingdom	Europe	Americas	Africa and Middle East	Asia	Total
	£m	£m	£m	£m	£m	£m
As at 30.06.17						
Banks	7,337	14,454	9,256	2,183	3,878	37,108
Other financial institutions	28,590	20,985	41,978	401	5,027	96,981
Home loans	131,962	11,659	578	382	125	144,706
Cards, unsecured loans and other personal lending	29,082	4,263	20,541	372	93	54,351
Construction and property	21,613	1,014	1,546	133	122	24,428
Other	48,346	8,297	9,680	1,005	2,210	69,538
Net loans and advances to customers and banks	266,930	60,672	83,579	4,476	11,455	427,112
Impairment allowance	2,678	562	1,184	102	30	4,556
Gross loans and advances to customers and banks	269,608	61,234	84,763	4,578	11,485	431,668
Loans and advances at fair value	10,239	984	1,195	-	6	12,424
As at 31.12.16						
Banks	7,458	12,674	16,894	1,778	4,447	43,251
Other financial institutions	22,209	19,800	45,189	425	4,189	91,812
Home loans	131,801	11,918	594	354	98	144,765
Cards, unsecured loans and other personal lending	29,606	4,003	22,513	493	114	56,729
Construction and property	21,276	1,042	1,669	89	125	24,201
Other	48,860	10,287	11,080	1,728	3,322	75,277
Net loans and advances to customers and banks	261,210	59,724	97,939	4,867	12,295	436,035
Impairment allowance	2,544	686	1,247	89	54	4,620
Gross loans and advances to customers and banks	263,754	60,410	99,186	4,956	12,349	440,655
Loans and advances at fair value	9,130	772	525	27	65	10,519

Analysis of retail and wholesale loans and advances and impairment

	Gross loans and advances	Impairment allowance	Loans and advances net of impairment	Credit risk loans	CRLs % of gross loans and advances	Loan impairment charges ¹	Loan loss rates
As at 30.06.17	£m	£m	£m	£m	%	£m	bps
Barclays UK	155,040	1,585	153,455	1,980	1.3	380	49
Barclays International	30,801	1,505	29,296	1,247	4.0	578	378
Barclays Core	185,841	3,090	182,751	3,227	1.7	958	104
Barclays Non-Core	9,804	285	9,519	716	7.3	30	62
Total Group retail	195,645	3,375	192,270	3,943	2.0	988	102
Barclays UK	15,126	307	14,819	616	4.1	19	25
Barclays International	176,233	718	175,515	1,227	0.7	46	5
Head Office	5,702	-	5,702	-	-	-	-
Barclays Core	197,061	1,025	196,036	1,843	0.9	65	7
Barclays Non-Core	38,962	156	38,806	273	0.7	(1)	(1)
Total Group wholesale	236,023	1,181	234,842	2,116	0.9	64	5
Total loans and advances at amortised cost	431,668	4,556	427,112	6,059	1.4	1,052	49
Traded loans	3,942	n/a	3,942	n/a			
Loans and advances designated at fair value	12,424	n/a	12,424	n/a			
Loans and advances held at fair value	16,366	n/a	16,366	n/a			
Total loans and advances	448,034	4,556	443,478	6,059			
As at 31.12.16							
Barclays UK	155,729	1,519	154,210	2,044	1.3	866	56
Barclays International	33,485	1,492	31,993	1,249	3.7	1,085	324
Barclays Core	189,214	3,011	186,203	3,293	1.7	1,951	103
Barclays Non-Core	10,319	385	9,934	838	8.1	102	99
Total Group retail	199,533	3,396	196,137	4,131	2.1	2,053	103
Barclays UK	15,204	282	14,922	591	3.9	30	20
Barclays International	180,102	748	179,354	1,470	0.8	258	14
Head Office	4,410	-	4,410	-	-	-	-
Barclays Core	199,716	1,030	198,686	2,061	1.0	288	14
Barclays Non-Core	41,406	194	41,212	299	0.7	11	3

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Total Group wholesale	241,122	1,224	239,898	2,360	1.0	299	12
Total loans and advances at amortised cost	440,655	4,620	436,035	6,491	1.5	2,352	53
Traded loans	2,975	n/a	2,975	n/a			
Loans and advances designated at fair value	10,519	n/a	10,519	n/a			
Loans and advances held at fair value	13,494	n/a	13,494	n/a			
Total loans and advances	454,149	4,620	449,529	6,491			

Excluding impairment charges on available for sale investments and reverse repurchase agreements. H117 1 impairment charges represent 6 months charge, whereas December 2016 impairment charges represent 12 months charge.

Total loans and advances decreased £6bn to £448bn driven by a decrease in lending to banks and customers, partially offset by an increase in net settlement and cash collateral balances.

Credit risk loans (CRLs) and the ratio of CRLs to gross loans and advances decreased £0.4bn to £6.1bn and 0.1% to 1.4% respectively.

Analysis of forbearance programmes

	Balances		Impairment allowance		Allowance coverage	
	As at 30.06.17	As at 31.12.16	As at 30.06.17	As at 31.12.16	As at 30.06.17	As at 31.12.16
	£m	£m	£m	£m	%	%
Barclays UK	841	926	197	237	23.4	25.6
Barclays International	218	243	84	57	38.5	23.5
Barclays Core	1,059	1,169	281	294	26.5	25.1
Barclays Non-Core	201	211	11	9	5.5	4.3
Total retail	1,260	1,380	292	303	23.2	22.0
Barclays UK	590	589	57	62	9.7	10.5
Barclays International	2,399	2,044	300	257	12.5	12.6
Barclays Core	2,989	2,633	357	319	11.9	12.1
Barclays Non-Core	201	269	54	50	26.9	18.5
Total wholesale	3,190	2,902	411	369	12.9	12.7
Group total	4,450	4,282	703	672	15.8	15.7

Retail balances decreased 9% to £1.3bn primarily due to continued improvement in the residential mortgage and Barclaycard portfolios within Barclays UK.

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Barclays UK: Forbearance balances decreased 9% to £841m following a continued improvement in mortgage and card portfolios driven by the benign economic environment

Barclays International: Balances decreased primarily in US cards due to stricter forbearance criteria whereas impairment allowance increased as a result of a strengthened impairment methodology

Wholesale balances increased 10% to £3.2bn primarily due to an increase in forborne balances in Barclays International slightly offset by a reduction in Barclays Non-Core portfolios.

Barclays UK: Forbearance balances remained stable at £590m (December 2016 : £589m)

Barclays International: Balances increased £355m to £2.4bn as consistent forbearance methodologies were introduced across CIB

Analysis of specific portfolios and asset types

Secured home loans

The UK home loan portfolio primarily comprises first lien mortgages and accounts for 99%¹ (2016: 98%) of total home loans in the Group's retail core portfolios.

Home loans principal portfolios²

	Barclays UK	
	As at 30.06.17	As at 31.12.16
Gross loans and advances (£m)	128,966	129,136
>90 day arrears, excluding recovery book (%)	0.2	0.2
Non-performing proportion of outstanding balances (%)	0.5	0.6
Annualised gross charge-off rates (%)	0.2	0.3
Recovery book proportion of outstanding balances (%)	0.3	0.4
Recovery book impairment coverage ratio (%)	9.8	9.1

1 Remaining balance represents Wealth portfolio.

2 Gross loans and advances include loans and advances to customers and banks. Risk metrics based on exposures to customers only.

Barclays UK: Arrears and charge-off rates remained stable reflecting the continuing low base rate environment. The recovery book impairment coverage ratio increased as a result of a reduction in the recovery book without a corresponding release in the impairment provision. Balance weighted LTV reduced to 47.4% (2016: 47.7%) as average house prices increased. This increase also contributed to a 4% reduction in home loans with LTV >100% to £229m (2016: £239m)

Within the UK home loans portfolio:

Owner-occupied interest-only home loans comprised 29.5% (2016: 30.8%) of total balances. The average balance weighted LTV on these loans reduced to 40.7% (2016: 41.7%) as house prices improved across core regions and >90 day arrears was stable at 0.2% (2016: 0.2%)

Buy-to-let (BTL) home loans comprised 9.8% (2016: 9.1%) of total balances with the increase driven by strong performance in this segment. The average balance weighted LTV increased marginally to 52.9% (2016: 52.6%) while the >90 day arrears remained stable at 0.1% (2016: 0.1%)

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Home loans principal portfolios-distribution of balances by LTV1

	Distribution of balances		Impairment coverage ratio		Non-performing proportion of outstanding balances		Non-performing balances impairment coverage ratio		Recovery book proportion of outstanding balances		Recovery book impairment coverage ratio	
	30.06.17	31.12.16	30.06.17	31.12.16	30.06.17	31.12.16	30.06.17	31.12.16	30.06.17	31.12.16	30.06.17	31.12.16
As at Barclays UK	%	%	%	%	%	%	%	%	%	%	%	%
<=75%	91.5	91.8	0.1	0.1	0.5	0.6	4.0	4.2	0.3	0.4	6.1	5.9
>75%												
and <=80%	4.0	3.5	0.2	0.2	0.6	0.6	16.9	17.1	0.4	0.4	23.2	22.1
>80%												
and <=85%	2.3	2.1	0.2	0.2	0.6	0.8	15.8	20.4	0.4	0.6	20.3	25.0
>85%												
and <=90%	1.2	1.3	0.3	0.3	0.7	0.7	25.4	23.0	0.5	0.6	32.6	25.4
>90%												
and <=95%	0.6	0.8	0.4	0.4	1.0	1.1	30.8	28.3	0.8	0.8	35.1	33.7
>95%												
and <=100%	0.2	0.3	1.0	0.7	2.6	1.9	29.7	23.4	1.9	1.5	36.5	27.0
>100%	0.2	0.2	3.7	3.1	6.5	5.7	41.0	38.6	5.5	5.0	45.6	40.9

¹ Portfolio marked to market based on the most updated valuation including recovery book balances. Updated valuations reflect the application of the latest house price index available as at 30 June 2017.

Home loans principal portfolios - average LTV

	Barclays UK	
	As at 30.06.17	As at 31.12.16
Portfolio marked to market LTV:		
Balance weighted (%)	47.4	47.7
Valuation weighted (%)	35.2	35.6
For > 100% LTVs:		
Balances (£m)	229	239
Marked to market collateral (£m)	203	210
Average LTV: balance weighted (%)	124.8	118.4
Average LTV: valuation weighted (%)	117.6	113.1
% of balances in recovery book	5.5	5.0

Home loans principal portfolios - new lending

	Barclays UK	
	Half year ended	Half year ended
	30.06.17	30.06.16
New home loan bookings (£m)	10,025	9,990

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New home loans proportion above 85% LTV (%)	4.7	8.7
Average LTV on new home loans: balance weighted (%)	62.4	63.2
Average LTV on new home loans: valuation weighted (%)	54.6	54.8

Barclays UK: New lending remained stable at £10.0bn (H116: £10.0bn). The decrease in mortgages with LTV > 85% to 4.7% (H116 8.7%) reflects an increased focus on remortgage business, which is typically lower LTV, and the closure of the Help to Buy 2 scheme that supported owner occupied home purchase loans where maximum LTV was 95%.

Credit cards and unsecured loans

The principal portfolios listed below accounted for 92% (2016: 94%) of the Group's total credit cards and unsecured loans.

Principal portfolios	Gross loans and advances ¹	30 day arrears, excluding recovery book	90 day arrears, excluding recovery book	Annualised gross charge-off rates	Recovery book proportion of outstanding balances	Recovery book impairment coverage ratio
As at 30.06.17	£m	%	%	%	%	%
Barclays UK						
UK cards ²	17,528	2.0	0.9	5.0	3.7	83.6
UK personal loans	6,254	2.2	1.0	3.5	4.7	78.6
Barclays International						
US cards ²	21,413	2.2	1.1	5.3	2.9	84.4
Barclays Partner Finance	3,857	1.4	0.5	2.7	2.4	81.0
Germany cards	1,912	2.9	1.1	3.7	2.7	79.8
As at 31.12.16						
Barclays UK						
UK cards ²	17,833	1.9	0.9	5.5	3.0	83.8
UK personal loans	6,076	2.1	0.9	3.1	4.7	77.2
Barclays International						
US cards ²	23,915	2.6	1.3	4.5	2.4	83.6
Barclays Partner Finance	4,041	1.5	0.6	2.5	2.6	81.5
Germany cards	1,812	2.6	1.0	3.7	2.7	79.0

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

For UK and US cards, outstanding recovery book balances for acquired portfolios recognised at fair value (which have no related impairment allowance) have been excluded from the recovery book impairment coverage ratio.

² Losses have been recognised where related to additional spend from acquired accounts in the period post acquisition.

UK cards: In 2017, both early and late stage arrears remained broadly stable. Charge-off rates reduced in the first half of 2017 following the non-recurrence of one-off accelerated charge-offs. However, recovery book proportion of outstanding balances was higher due to accelerated charge-off of certain forbearance plans since the beginning of the year.

US cards: Arrears rates improved principally due to a one-off portfolio sale. The higher charge-off rate is a result of accelerating the timeframe in which settlements and bankrupt clients are charged off to align with US industry standards. The increase in impairment coverage ratio for recovery book was due to a model enhancement providing a more accurate representation of future recovery expectations.

Market Risk

Analysis of management VaR

The table below shows the total management VaR on a diversified basis by risk factor. Total management VaR includes all trading positions in CIB, Non-Core and Head Office and it is calculated with one day holding period Limits are applied against each risk factor VaR as well as total Management VaR, which are then cascaded further by risk managers to each business

Management VaR (95%) by asset class¹

Half year ended	30.06.17			31.12.16			30.06.16		
	Average	High2	Low2	Average	High2	Low2	Average	High2	Low2
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Credit risk	13	18	10	16	24	13	15	23	9
Interest rate risk	7	15	4	8	13	5	6	10	4
Equity risk	8	14	4	7	11	4	6	10	4
Basis risk	5	6	4	6	9	5	5	6	3
Spread risk	4	6	3	4	5	3	3	5	2
Foreign exchange risk	3	5	2	3	5	2	3	4	2
Commodity risk	2	3	1	2	3	2	2	4	1
Inflation risk	2	4	1	2	3	2	2	3	2
Diversification effect	(24)	-	-	(26)	-	-	(22)	-	-
Total management VaR	20	26	17	22	29	15	20	29	13

¹ Including BAGL.

The high and low VaR figures reported for each category did not necessarily occur on the same day as the high and low VaR reported as a whole. Consequently a diversification effect balance for the high and low VaR figures would not be meaningful and is therefore omitted from the above table.

Average total management VaR decreased 9% to £20m. Credit Risk VaR reduced by 19% to £13m primarily driven by reduction in counterparty risk trading as Barclays CDS spread tightened and a decrease in loan commitment hedging.

Treasury and Capital Risk

The Group has a comprehensive Key Risk Control Framework for managing the Group's liquidity risk. The Liquidity Framework meets the PRA's standards and is designed to ensure the Group maintains liquidity resources that are

sufficient in amount and quality, and a funding profile that is appropriate to meet the liquidity risk appetite. The Liquidity Framework is delivered via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

Funding and liquidity

Whilst Barclays has a comprehensive framework for managing the Group's liquidity risks, liquidity risk is managed separately at Barclays Africa Group Limited (BAGL) due to local currency and funding requirements. All liquidity related disclosures treat BAGL on a fully deconsolidated basis.

Liquidity stress testing

Barclays manages the Group's liquidity position against the Group's internally defined Liquidity Risk Appetite (LRA) and regulatory metrics such as CRD IV Liquidity Coverage Ratio (LCR). As at June 2017, the Group held eligible liquid assets well in excess of 100% of net stress outflows for both the 30 day Barclays-specific LRA and the LCR.

Compliance with internal and regulatory stress tests	Barclays' LRA (30 day Barclays specific requirement) ¹	CRD IV LCR ²
	£bn	£bn
Eligible liquidity buffer	201	199
Net stress outflows	(129)	(134)
Surplus	71	65
Liquidity pool as a percentage of anticipated net outflows as at 30 June 2017	155%	149%
Liquidity pool as a percentage of anticipated net outflows as at 31 December 2016	120%	131%

Of the three stress scenarios monitored as part of the LRA, the 30 day Barclays specific scenario results in the 1 lowest ratio at 155% (December 2016: 120%). This compares to 177% (December 2016: 134%) under the 90 day market-wide scenario and 190% (December 2016: 144%) under the 30 day combined scenario.

Barclays manages the Group's liquidity position against the Group's internally defined Liquidity Risk Appetite (LRA) and regulatory metrics, such as CRD IV Liquidity Coverage Ratio (LCR). As at 30 June 2017, the Group held eligible liquid assets significantly in excess of 100% of net stress outflows for both the 30 day Barclays-specific LRA and the LCR.

LRA buffer duration as of 30 June 2017 was observed at in excess of 90 days (December 2016: in excess of 90 days).

Composition of the Group liquidity pool

	Liquidity pool 30.06.17 £bn	Liquidity pool of which interim CRD IV LCR-eligible			Liquidity pool 31.12.16 £bn
		Cash	Level 1 £bn	Level 2A £bn	
Cash and deposits with central banks ¹	146	141	-	-	103
Government bonds AAA to AA-	39	-	39	-	34

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A+ to A-	-	-	-	-	3
BBB+ to BBB-	1	-	1	-	1
Other LCR Ineligible government bonds	-	-	-	-	1
Total government bonds	40	-	40	-	39
Other					
Government Guaranteed Issuers, PSEs and GSEs	8	-	7	1	12
International Organisations and MDBs	5	-	5	-	6
Covered bonds	1	-	1	-	1
Other	1	-	-	-	4
Total other	15	-	13	1	23
Total as at 30 June 2017	201	141	53	1	
Total as at 31 December 2016	165	101	55	3	

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

Barclays manages the liquidity pool on a centralised basis. The liquidity pool is held unencumbered and is not used to support payment or clearing requirements. As at 30 June 2017, 94% (December 2016: 91%) 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. The portion of the liquidity pool outside of Barclays Bank PLC is held primarily against entity-specific stressed outflows and regulatory requirements.

Deposit funding

	As at 30.06.17			As at 31.12.16
Funding of loans and advances to customers	Loans and advances to customers £bn	Customer deposits £bn	Loan to deposit ratio %	Loan to deposit ratio %
Barclays UK	167	187		
Barclays International ¹	94	159		
Non-Core ¹	20	-		
Total retail and corporate funding ¹	281	346	81%	83%
Barclays International and Head Office ²	109	91		
Total	390	437	89%	93%

¹ Excluding the investment banking businesses.

² Including the investment banking businesses.

Barclays UK and Barclays International (excluding the investment banking balances) are largely funded by customer deposits. The loan to deposit ratio for these businesses was 81% (December 2016: 83%).

The loan to deposit ratio for the Group was 89% (December 2016: 93%).

Wholesale funding

Funding of other assets as at 30 June 2017

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Assets	£bn	Liabilities	£bn
Trading portfolio assets	56	Repurchase agreements	121
Reverse repurchase agreements	65		
Reverse repurchase agreements	40	Trading portfolio liabilities	40
Derivative financial instruments	260	Derivative financial instruments	261
Liquidity pool ¹	136	Less than 1 year wholesale debt	72
Other assets ²	95	Greater than 1 year wholesale debt and equity	158

¹ The portion of the liquidity pool estimated to be funded by wholesale funds.

² Predominantly available for sale investments, trading portfolio assets, financial assets designated at fair value and loans and advances to banks.

Repurchase agreements fund reverse repurchase agreements and trading portfolio assets. Trading portfolio liabilities are settled by the remainder of reverse repurchase agreements.

Derivative liabilities and assets 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.

Wholesale debt, along with the surplus of customer deposits to loans and advances to customers, is used to fund the liquidity pool. Term wholesale debt and equity largely fund other assets.

Composition of wholesale funding¹

As the Group progresses to a Single Point of Entry resolution model, Barclays continues to issue debt capital and term senior unsecured funding from Barclays PLC, the holding company, replacing maturing debt in Barclays Bank PLC.

Maturity profile of wholesale funding

	<1 month £bn	1-3 months £bn	3-6 months £bn	6-12 months £bn	<1 year £bn	1-2 years £bn	2-3 years £bn	3-4 years £bn	4-5 years £bn	>5 years £bn	Total £bn
Barclays PLC											
Senior unsecured (public benchmark)	-	-	-	0.8	0.8	0.1	2.3	2.8	4.5	9.9	20.4
Senior unsecured (privately placed)	-	-	-	-	-	0.1	-	0.1	0.1	0.5	0.8
Subordinated liabilities	-	-	-	-	-	-	-	1.1	-	4.2	5.3
Barclays Bank PLC											
Deposits from banks	10.6	5.6	1.0	0.8	18.0	0.1	-	0.2	-	-	18.3
Certificates of deposit and commercial paper	0.6	6.4	10.4	8.5	25.9	0.7	0.9	0.5	0.4	0.1	28.5
Asset backed commercial paper	2.7	3.4	1.4	0.2	7.7	-	-	-	-	-	7.7
Senior unsecured (public benchmark)	-	-	-	-	-	1.4	1.9	0.6	0.1	1.1	5.1
Senior unsecured (privately placed) ²	1.0	1.6	1.7	5.2	9.5	7.8	5.8	2.0	2.3	12.1	39.5
Covered bonds	-	1.5	-	1.0	2.5	-	2.8	1.0	2.4	1.3	10.0

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Asset backed securities	-	-	0.6	0.7	1.3	0.6	2.3	-	0.1	1.3	5.6
Subordinated liabilities	-	-	1.2	3.1	4.3	-	-	5.9	1.4	7.0	18.6
Other ³	1.3	0.5	0.1	0.3	2.2	0.2	0.1	0.2	-	0.5	3.2
Total as at 30 June 2017	16.2	19.0	16.4	20.6	72.2	11.0	16.1	14.4	11.3	38.0	163.0
Of which secured	2.7	4.9	2.0	2.0	11.6	0.6	5.1	1.0	2.5	2.6	23.4
Of which unsecured	13.5	14.1	14.4	18.6	60.6	10.4	11.0	13.4	8.8	35.4	139.6
Total as at 31 December 2016	16.6	17.3	16.4	20.0	70.3	14.3	14.4	8.6	14.1	36.1	157.8
Of which secured	3.7	5.6	3.4	2.3	15.0	1.8	3.2	0.4	1.0	4.4	25.8
Of which unsecured	12.9	11.7	13.0	17.7	55.3	12.5	11.2	8.2	13.1	31.7	132.0

The composition of wholesale funds comprises the balance sheet reported Deposits from Banks, Financial liabilities 1 at Fair Value, Debt Securities in Issue and Subordinated Liabilities, excluding cash collateral and settlement balances. It does not include participation in the Bank of England's Term Funding Scheme.

2 Includes structured notes of £30.1bn, £8.2bn of which matures within one year.

3 Primarily comprised of fair value deposits £2.1bn and secured financing of physical gold £0.3bn.

Outstanding wholesale funding includes £40.3bn (December 2016: £37.6bn) of privately placed senior unsecured notes in issue. These notes are issued through a variety of distribution channels including intermediaries and private banks. Although not a requirement, the liquidity pool exceeded wholesale funding maturing in less than one year by £128.8bn (December 2016: £94.7bn).

Term financing

The Group issued £7.6bn equivalent of capital and term senior unsecured debt from Barclays PLC (HoldCo) of which £4.8bn was in public senior unsecured debt and £2.8bn was in capital instruments. In the same period, £4.7bn of Barclays Bank PLC (OpCo) capital and senior public term instruments either matured or were redeemed, including the \$1.375bn 7.1% Series 3 USD preference shares.

In addition, Barclays has £8.6bn of term funding maturing in the remainder of 2017 and £11.2bn in 2018.

The Group expects to continue issuing public wholesale debt in 2017 from Barclays PLC, in order to ensure compliance with new prospective loss absorbency requirements and maintain a stable and diverse funding base by type, currency and distribution channel.

Credit ratings

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

Barclays Bank PLC	Standard & Poor's	Moody's	Fitch
Long-term	A- (Negative)	A1 (Negative)	A (Stable)
Short-term	A-2	P-1	F1
Standalone rating ¹	bbb+	baa2	a
Barclays PLC	Standard & Poor's	Moody's	Fitch

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Long-term	BBB (Negative)	Baa2 (Negative)	A (Stable)
Short-term	A-2	P-3	F1

¹ Refers to Standard & Poor's Stand-Alone Credit Profile (SACP), Moody's Baseline Credit Assessment (BCA) and Fitch's Viability Rating (VR).

As at 30 June 2017, all solicited ratings with all agencies remained unchanged since 31 December 2016. S&P affirmed Barclays' ratings in May 2017 as part of their periodic review.

Barclays' ratings outlooks for Moody's and S&P remain negative following the outcome of the EU referendum in June 2016, which were part of a wider review which saw the two agencies place several UK banks on negative outlooks whilst affirming the ratings. The ratings continue to carry a stable outlook with Fitch.

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

CRD IV capital

Barclays' current regulatory requirement is to meet a fully loaded CET1 ratio comprising the required 4.5% Pillar 1 minimum CET1 requirement and, phased in from 2016, a Combined Buffer Requirement. This currently comprises a Capital Conservation Buffer (CCB) and a Global Systemically Important Institution (G-SII) buffer determined by the PRA in line with guidance from the Financial Stability Board (FSB). Both buffers are subject to phased implementation at 25% per annum from 2016 with full effect from 2019. The CCB has been set at 2.5% with 1.25% applicable for 2017. The G-SII buffer for 2017 has been set at 2% with 1% applicable for 2017. On 21 November 2016 the FSB confirmed that the G-SII buffer for 2018 will be 1.5% with 1.1% applicable for 2018.

The Combined Buffer Requirement also includes a Counter-Cyclical Capital Buffer (CCyB) and a Systemic Risk Buffer (SRB). On 27 June 2017 the Financial Policy Committee (FPC) increased the UK CCyB rate from 0% to 0.5% applicable from 27 June 2018. Other national authorities also determine the appropriate CCyBs that should be applied to exposures in their jurisdiction. CCyBs have started to apply for Barclays' exposures to other jurisdictions; however based on current exposures these are not material. No SRB has been set to date.

In addition, Barclays' Pillar 2A requirement as per the PRA's Individual Capital Guidance (ICG) for 2017 based on a point in time assessment is 4.2% of which 56% needs to be met in CET1 form, equating to approximately 2.3% of RWAs. The Pillar 2A requirement is subject to at least annual review.

For regulatory reporting purposes, BAGL is treated on a proportional consolidated basis based on a Barclays' holding in BAGL of 23.4%.

As at 30 June 2017 Barclays' CET1 ratio was 13.1% which exceeds the 2017 transitional minimum requirement of 9.1% including the minimum 4.5% CET1 ratio requirement, 2.3% of Pillar 2A, a 1.25% CCB buffer, a 1% G-SII buffer and a 0% CCyB.

Capital ratios	As at 30.06.17	As at 31.03.17	As at 31.12.16
Fully loaded CET1 ^{1,2}	13.1%	12.5%	12.4%
PRA Transitional Tier 1 ^{3,4}	16.6%	15.8%	15.6%
PRA Transitional Total Capital ^{3,4}	20.7%	19.6%	19.6%
Capital resources	£m	£m	£m
Shareholders' equity (excluding non-controlling interests) per the balance sheet	63,866	65,536	64,873
Less: other equity instruments (recognised as AT1 capital)	(7,694)	(7,690)	(6,449)
Adjustment to retained earnings for foreseeable dividends	(303)	(519)	(388)
Minority interests (amount allowed in consolidated CET1)	-	1,864	1,825
Other regulatory adjustments and deductions:			
Additional value adjustments (PVA)	(1,494)	(1,618)	(1,571)
Goodwill and intangible assets	(7,756)	(8,142)	(9,054)
Deferred tax assets that rely on future profitability excluding temporary differences	(346)	(421)	(494)
Fair value reserves related to gains or losses on cash flow hedges	(1,576)	(1,956)	(2,104)
Excess of expected losses over impairment	(1,179)	(1,286)	(1,294)
Gains or losses on liabilities at fair value resulting from own credit	58	(28)	86
Defined-benefit pension fund assets	(542)	(753)	(38)
Direct and indirect holdings by an institution of own CET1 instruments	(50)	(50)	(50)

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Deferred tax assets arising from temporary differences (amount above 10% threshold)	(115)	(39)	(183)
Other regulatory adjustments	(35)	40	45
Fully loaded CET1 capital	42,834	44,938	45,204
Additional Tier 1 (AT1) capital			
Capital instruments and related share premium accounts	7,694	7,690	6,449
Qualifying AT1 capital (including minority interests) issued by subsidiaries	3,843	4,576	5,445
Other regulatory adjustments and deductions	(130)	(131)	(130)
Transitional AT1 capital ⁵	11,407	12,135	11,764
PRA Transitional Tier 1 capital	54,241	57,073	56,968
Tier 2 (T2) capital			
Capital instruments and related share premium accounts	5,198	3,724	3,769
Qualifying T2 capital (including minority interests) issued by subsidiaries	8,486	10,153	11,366
Other regulatory adjustments and deductions	(252)	(257)	(257)
PRA Transitional total regulatory capital	67,673	70,693	71,846

- The transitional regulatory adjustments to CET1 capital are no longer applicable resulting in CET1 capital on a fully loaded basis being equal to that on a transitional basis.
- The CRD IV CET1 ratio (FSA October 2012 transitional statement) as applicable to Barclays' Tier 2 Contingent Capital Notes was 13.7% based on £44.8bn of transitional CRD IV CET1 capital and £327bn of RWAs.
- The PRA transitional capital is based on the PRA Rulebook and accompanying supervisory statements. As at 30 June 2017, Barclays' fully loaded Tier 1 capital was £50,398m, and the fully loaded Tier 1 ratio was 15.4%.
- Fully loaded total regulatory capital was £64,709m and the fully loaded total capital ratio was 19.8%. 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. Of the £11.4bn transitional AT1 capital, fully loaded AT1 capital used for the leverage ratio comprises the £7.7bn capital instruments and related share premium accounts and £0.1bn capital deductions. It excludes legacy Tier 1 capital instruments issued by subsidiaries that are subject to grandfathering.

	Three months ended	Half year ended
Movement in CET1 capital	30.06.17	30.06.17
	£m	£m
Opening CET1 capital	44,938	45,204
Loss for the period attributable to equity holders	(1,239)	(910)
Own credit relating to derivative liabilities	64	79
Dividends paid and foreseen	(241)	(473)
Decrease in retained regulatory capital generated from earnings	(1,416)	(1,304)
Net impact of share schemes	272	(163)
Available for sale reserves	(7)	58
Currency translation reserves	947	705
Other reserves	(372)	(934)
Increase/(decrease) in other qualifying reserves	840	(334)
Retirement benefit reserve	(416)	(29)
Defined-benefit pension fund asset deduction	211	(504)
Net impact of pensions	(205)	(533)

Minority interests	(1,864)	(1,825)
Additional value adjustments (PVA)	124	77
Goodwill and intangible assets	386	1,298
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	75	148
Excess of expected loss over impairment	107	115
Deferred tax assets arising from temporary differences (amount above 10% threshold)	(76)	68
Other regulatory adjustments	(75)	(80)
Decrease in regulatory capital due to adjustments and deductions	(1,323)	(199)
Closing CET1 capital	42,834	42,834

CET1 capital decreased £2.4bn to £42.8bn (December 2016: £45.2bn) due to the following:

A £0.9bn loss for the period attributable to equity holders. £1.4bn profit after tax in respect of continuing operations was more than offset by losses in discontinued operation of £2.3bn. These losses, resulting from the impairment of Barclays' holding in BAGL allocated to goodwill and the recycling of BAGL currency translation reserve losses to the income statement, had no impact on CET1 capital with offsetting movements in the goodwill and intangible assets deduction and other qualifying reserves

A £0.5bn decrease for dividends paid and foreseen

A £0.7bn increase in the currency translation reserve largely due to the £1.4bn recycling of losses in BAGL to the income statement which were offset by a £0.6bn decrease due to the appreciation of GBP against USD and JPY

A £0.9bn decrease in other qualifying reserves which included a £0.5bn decrease as a result of USD preference share redemptions, and £0.4bn separation payments in relation to the partial BAGL disposal

A £0.5bn decrease net of tax as a result of movements relating to pensions. The pension asset capital deduction increased due to the UKRF, which is the Group's main pension scheme, moving from a small deficit in December 2016 to a £0.7bn surplus largely due to contributions in the period

A £1.8bn decrease due to BAGL minority interests which are no longer eligible under proportional consolidation

A £1.3bn increase due to the goodwill and a decrease in the intangible assets deduction largely as a result of the impairment of Barclays' holding in BAGL allocated to goodwill

Risk
weighted
assets
(RWAs)
by risk
type and
business