BARCLAYS PLC
Form 6-K
March 18, 2016

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

March 18, 2016

Barclays PLC

(Names of Registrant)

1 Churchill Place

London E14 5HP

England

(Address of Principal Executive Offices)

Indicate by check mark whether the registrant files or will file annual reports

under cover of Form 20-F or Form 40-F.

Form 20-F x Form 40-F

Indicate by check mark whether the registrant is submitting the Form 6-K

in paper as permitted by Regulation S-T Rule 101(b)(1):____

Indicate by check mark whether the registrant is submitting the Form 6-K

in paper as permitted by Regulation S-T Rule 101(b)(7):____

EXHIBIT INDEX

Exhibit No.	Description
1	Barclays PLC Annual Report 2015
2	Barclays PLC Strategic Report 2015
3	Barclays PLC Pillar 3 Report 2015
4	Barclays PLC Notice of Annual General Meeting 2016
5	Barclays PLC Proxy Cards

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: March 18, 2016

By: /s/ Patrick Gonsalves

Patrick Gonsalves
Deputy Company Secretary
of Barclays PLC

Return to stability

Barclays PLC

Annual Report 2015

How do I use this document?

The diagram below maps the structure

and flow of the Annual Report.

Notes

The term Barclays or Group refers to Barclays PLC together with its subsidiaries. Unless otherwise stated, the income statement analysis compares the year ended 31 December 2015 to the corresponding 12 months of 2014 and balance sheet analysis as at 31 December 2015 with comparatives relating to 31 December 2014. The abbreviations £m and £bn represent millions and thousands of millions of Pounds Sterling respectively; the abbreviations $m and $bn represent millions and thousands of millions of US Dollars respectively; and the abbreviations m and bn represent millions and thousands of millions of Euros respectively.

Comparatives pre Q214 have been restated to reflect the implementation of the Group structure changes and the reallocation of elements of the Head Office results under the revised business structure. These restatements were detailed in our announcement on 10 July 2014, accessible at home.barclays/barclays-investor-relations/results-and-reports

References throughout this document to provisions for ongoing investigations and litigation including Foreign Exchange mean provisions held for certain aspects of ongoing investigations involving certain authorities and litigation including Foreign Exchange.

Adjusted profit before tax, adjusted attributable profit and adjusted performance metrics have been presented to provide a more consistent basis for comparing business performance between periods. Adjusting items are considered to be significant but not representative of the underlying business performance. Items excluded from the adjusted measures are: the impact of own credit; provisions for UK customer redress; gain on US Lehman acquisition assets; provisions for ongoing investigations and litigation including Foreign Exchange; losses on sale relating to the Spanish, Portuguese and Italian businesses; impairment of goodwill and other assets relating to businesses being disposed; revision of Education, Social Housing, and Local Authority (ESHLA) valuation methodology; and gain on valuation of a component of the defined retirement benefit liability. As management reviews adjusting items at a Group level, results by business, Core and Non-Core are presented excluding these items. The reconciliation of adjusted to statutory performance is done at a Group level only.

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

The information in this announcement, which was approved by the Board of Directors on 29 February 2016, does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2015, 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 20-F to the SEC as soon as practicable following their publication. Once furnished with the SEC, copies of the Form 20-F will also be available from the Barclays Investor Relations website at home.barclays/investorrelations 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.

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 , continu aim , anticipate , target , projected , expect , estimate , intend , plan , goal , believe , achieve or other meaning. Examples of forward-looking statements include, among others, statements regarding the Group s future financial position, income growth, assets, impairment charges and provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios), projected levels of growth in the banking and financial markets, projected costs or savings,

original and revised commitments and targets in connection with the strategic cost programme and the Group Strategy Update, rundown of assets and businesses within Barclays Non-Core, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under IFRS, evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; United Kingdom (UK), United States (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 implementation of the strategic cost programme; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group s control. As a result, the Group s actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, and expectations set forth in the Group s forward-looking statements. Additional risks and factors 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 2015), which are available on the SEC s website at www.sec.gov

Subject to our obligations under the applicable laws and regulations of the UK and the US 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.

The detailed report

These parts of the annual report Disclose detailed information on Barclays and its 2015 performance. Contents meet, and where Insightful, go beyond minimal Regulatory reporting standards.

Corporate governance

Our corporate governance report details the governance processes of Barclays, the reports from each Board committee and presents how the Board support the delivery of our strategy.

Risk report

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

Financial review

Our financial review details the performance of Barclays, including key performance indicators, and our businesses contribution to the overall performance of the Group.

Financial statements

Our financial statements gives detailed analysis of our statutory accounts, independently audited and providing in-depth disclosure and transparency on the financial performance of the business.

Where can I find out more?

You can learn about Barclays strategy, our businesses and performance, approach to governance and risk online, where latest and archived annual and strategic reports are available to view or download.

Annual Report

home.barclays/annualreport

Chairman s letter

Addressing the issues facing Barclays today

Banking is in the eye of a perfect storm. It was in full consciousness of this, that I undertook the role as your Chairman at the end of April, with the strong conviction that we could not only stabilise the situation relatively quickly, but also return the Group to prosperity during my tenure.

In such an environment it is so easy to become consumed by challenges, market volatility and the short-termism of the financial markets, but this tends to obscure the underlying quality of the Barclays brand and franchise, the genuine and substantive progress that the Group has made in recent years and the potential for the organisation arising from the decisions and actions we are now taking for the future.

Today the Group is smaller, safer, more focused, less leveraged, better capitalised and highly liquid. Comparing 2015 with 2008, we find:

§ £2.1trn in assets historically against £1.1trn and declining

§ shareholders equity was £36.6bn, and is now £54.5bn

§ balance sheet leverage (total assets to ordinary shareholders funds) was 56 times and is now 20 times and comparable to more highly-rated peers

§ shareholders equity as a percentage of risk weighted assets (RWAs) was 8.5% and is now 15.2%.

While we will continue this journey towards greater financial strength, the main issue for the Group is no longer capital as some remark, but earnings and returns. Put simply, for the past few years and including last year, we have produced either negligible retained profits or losses before dividends. Going forward, we need to reverse this and generate superior returns out of our franchise. This said, we also needed to take action to preserve and enhance our capital in unpredictable times. To this end, while we declared the full year 2015 dividend in line with guidance, we also decided it would be prudent to scale back dividends in 2016 and 2017, until such time as we can cover them from earnings.

Barclays has a number of industry leading businesses that produce excellent returns, but this is not universal across the portfolio. Personal and Corporate Banking and Barclaycard together produce profits after tax of £3.3bn and a combined return on equity of 13.4%. The other segments however fared less well and produced returns below the Group s hurdle rate. Barclays Africa profits, although strong in local currency, were significantly impacted by the decline in the Rand and by the UK bank levy, bringing sterling returns down to an after-tax profit of £0.3bn and a return on equity of 8.7%. Also, while doubling over the prior year, the Investment Bank s profit of £0.8bn generated an improved, but still substandard, return on equity of 5.6%, up from 2.7%.

Our core businesses overall produced a profit before tax of £6.9bn and a return on equity of 9%. While respectable, this of course is below our required return and needs to be improved. On the other hand, this profit was fully eroded by the £1.5bn drag of the non-core portfolio, £4.0bn in litigation and conduct charges relating to historical matters (in addition to the £0.4bn included in the core and non-core business results), and £1.5bn in corporate income taxes contributing to an overall loss for our ordinary shareholders of £0.4bn. Since conduct and related charges are no longer tax deductible, Barclays tax rate for last year was effectively 70%. If the £0.5bn cost of the UK bank levy is added to corporate income taxes, the effective tax rate rises to 76%. The extent of the UK tax we bear was reflected in the results of PwC s 2015 survey of the One Hundred Group, which represents most of the UK s largest groups and concluded that Barclays paid the greatest amount of UK tax.

Of course with respect to our underlying profitability and the scale of the charges against this, things cannot stay the same. Tough situations like this demand effective action.

New Leadership

As an important starting point, the Board decided that new leadership was required. In July, we announced the departure of Antony Jenkins as Chief Executive and in October the appointment of Jes Staley, like me, a banking veteran. While I was able to exercise executive responsibility in an interim capacity immediately following Antony s departure, and was able to set a number of initiatives in train, we were particularly fortunate that Jes was able to be active so quickly.

Jes has made good progress in building his new management team. In short order, he has appointed Ashok Vaswani as head of Barclays UK with responsibility for the establishment of the new Ring-Fenced Bank. Jes has also recruited Paul Compton as Chief Operating Officer and C.S. Venkatakrishnan as Chief Risk Officer.

Back to Core

The Board recently reflected on the strategy and situation of the Group and decided that our strategic core was our UK retail and small business franchise, our international Corporate and Investment Banking business largely centred around our trading hubs in London, New York and Asia, and our international credit card businesses. The remainder of the Group was therefore designated non-core, and to be exited, in addition to the continued rundown of the heritage non-core portfolio.

We therefore decided, subject to shareholder and regulatory approval, to take our ownership of Barclays Africa Group Limited to a level where we can achieve accounting and regulatory deconsolidation as soon as this can be executed. We have sold, or are in the process of exiting, the balance of retail banking operations outside the UK. We have also sold, or put up for sale, our international Private Banking businesses other than the UK region, Monaco and Geneva. In the Investment Bank, we withdrew from nine countries, cash equities trading other than in New York and London, all local currency trading outside our major hubs, and certain securitised products trading in the US. The capital released will be used to underpin our capital strength going forward.

A New Corporate Structure

Following the statutory decision in the UK to ring-fence UK retail and small business banking by 2019, we decided to bring forward the establishment of the new bank and an application will be made for regulatory approval. When implemented, it will result (pending sell-down of our stake in Barclays Africa Group Limited) in three separate banks that we currently refer to as Barclays UK , Barclays Corporate & International and Barclays Africa , each of which will have its own board, chief executive, management team and certain operational services. So as to prepare ourselves for this new structure, we are reorganising the divisional structure along these lines. This has the additional benefit of decentralising the very large corporate centre and results in a more streamlined, accountable and lower cost organisation. It also enhances the Group s strategic flexibility and options going forward.

Underpinning Future Earnings Performance

The decisions to change leadership, to reduce our exposure to non-strategic businesses, as well as implementing our leaner corporate structure should have significant positive earnings and capital outcomes. These are necessary but not sufficient. We are investing in our segments with the highest growth and return prospects, including UK retail banking and Barclaycard. The Investment Bank, even in its more focused form, faces unpredictable market prospects. The Board has agreed a medium-term plan that is designed to produce increased returns in the future, that we will continue to monitor closely. Additionally, Barclays has a heavy overhead structure that needs streamlining. To this end, we have initiated a Group-wide overhead reduction programme, hiring restrictions, and a very limited number of senior salary increases. These should begin to deal with those matters within our control.

Historical Regulatory and Conduct Matters

We continue to be subject to very significant capital and conduct charges by regulators and governments that frankly are not sustainable. They arise understandably from the position that banks engendered in the Global Financial Crisis and from conduct issues that we have been working hard to address. While justified in principle, in practice they have achieved a level that is undermining our transformational efforts, and those of the regulators, to build capital and support economic growth. Banks are seen by many as unpopular and having deep pockets. But those pockets belong to our shareholders, who pay penalties out of current and future earnings that would otherwise build capital.

We are half the size we were a few years ago and the narrowing of our focus as a result of current decisions will make Barclays better capitalized and less globally systemic. But as we shrink the bank, we reduce our ability to pay outsized conduct charges. The charges are not proportionate to our smaller size and ability to pay relative to many of our peers. Our FX fines are an example. We paid one of the highest amounts in penalties of the banks who settled with the government, even though the offense was the same, even though we are by some measures one half the size of other banks that settled, and even though we received acknowledgement for our cultural changes and remediation after our LIBOR settlement. When conduct charges consume our profits, as they have for the past three years, we have no choice but to meet them by shrinking our franchise selling or closing businesses which reduces our capacity to support the real economy. A £50m fine or penalty is the equivalent of employing 1,000 fewer employees, closing 100 small regional branches, or foregoing the capacity to lend over £500m to small businesses or consumers. The societal costs of excessive penalties is very real.

EU Referendum

On balance we think it is in the interests of our customers and clients for the UK to remain in the EU. We have modest interests domestically on the continent, but provide significant services to European companies from London. More importantly, we are heavily reliant on a successful UK domestic and international economy and feel this is enhanced through the UK s membership.

Thank You

Being on a bank board today is not for the faint-hearted. I would therefore like to thank our Board for their contribution to our company. Fortunately, the Barclays name is able to attract people with the finest credentials. I would particularly like to thank Sir David Walker, my predecessor, who retired at our AGM in April. He did an incredible job by providing wise oversight and a stable hand and we are grateful to him. I would once again like to thank Antony Jenkins, our former Chief Executive for all that he did for Barclays. He took over as Chief Executive at an extremely difficult time for the organisation and was able to provide the stability that was necessary and to advance significantly the culture and values of the organisation, much of which had been eroded. Sir Michael Rake, our Senior Independent Director retired at the end of last year after eight years, and Sir John Sunderland at our last AGM after a similar tenure and we are grateful to both for their enormous contribution.

I would particularly like to thank our staff across the organisation for coming every day to serve our customers, without whom we would not have an enterprise. I would also pay respect to our shareholders who have had a pretty miserable time, but who have supported us throughout. Your patience will be rewarded.

A New Beginning

In the eye of the storm it is difficult to sustain or engender faith in the organisation and in its future. For my part, while we continue to be buffeted by historical matters and the political and regulatory environment, I have never lost sight on the end game, the way forward and our eventual success. It has been a very active and decisive year for our company as will be the year ahead. Through decisions already taken, we will quickly reach a more stable and productive foundation.

We are though not without residual challenges, including an uncertain economic environment, as well as further historical regulatory penalties and remedies that will haunt us for some years. We are nevertheless working hard to put these behind us. This will ultimately be achieved although in the interim we would hope for a more proportional attitude from governments and conduct regulators towards banks. However, the conservative assumption, based on our experience, is that any success we do achieve is more likely to arise from our own efforts.

Priorities for the Future

Now that we are getting back to core, our priorities going forward are to:

§ generate greater value from our portfolio, including bringing the Investment Bank to returns above the cost of equity and the Group cost-income ratio below 60%

§ execute in the least value-destructive way the rundown of our historical and newly designated non-core businesses and assets

- implement the structural reform programme, the creation of the ring-fenced bank and the effective operation of the new decentralised divisional structure

- put historical conduct matters finally behind us

- become a more externally and customer focused company, with a strong performance ethic and underpinned by strong customer, people and community values.

John McFarlane

Chairman

Chief Executive s review

with a strategy that answers

the business challenges ahead

I am honoured to have been chosen to lead Barclays. It is a huge responsibility, which I do not take lightly. In every part of the Group, I have been impressed and inspired by our colleagues and the work that they do for our customers and clients.

Our 2015 results show a core business that is fundamentally strong, with franchises that position us well, generating attractive earnings, with excellent prospects for growth, and collectively they already deliver a Return on Tangible Equity which is above our cost of equity. Our principal task is therefore to liberate those businesses from the two major factors which drag them down today.

The first is legacy products and businesses that are neither sufficiently profitable nor strategic for Barclays our Non-Core Unit. And the second is the continued impact of billions of pounds of litigation and conduct expenses that are largely the product of past failures in culture.

We are going to address both of these matters head on, with the objective of putting most of these issues behind us in 2016. This will be achieved through simplifying our core business, aggressively running down our Non-Core operations, and resolving as soon as practicable our remaining legacy conduct issues, while at the same time promoting a strong values driven culture across the bank that helps to prevent the creation of new ones.

We have made great progress in simplifying Barclays over the last few years by reshaping our balance sheet, strengthening our capital base, and reducing costs.

All of this has been done to move us towards becoming a Group which can generate the returns our shareholders deserve.

But in order to complete our restructuring and deliver for shareholders in a reasonable timeframe, we must take action today.

It is our intention, subject to regulatory and shareholder approvals if and as required, to reduce our interest in Barclays Africa Group Limited (BAGL) to a non-controlling, non-consolidated position over the next two to three years.

This has been a very difficult decision to make. Barclays has been in Africa for over 100 years. We have some excellent franchises across the continent, with a great management team and dedicated colleagues.

But we face a regulatory environment where we carry 100% of the financial responsibility for Barclays Africa, and receive only 62% of the benefits. The international reach of the UK bank levy, the Global

What we do

Barclays is a transatlantic Consumer,
Corporate and Investment bank

Our Goal

that will become the bank of choice

for our stakeholders

Our focus

by providing superior services

and supporting our stakeholders*

Our strategy

via a commercially successful

business that generates long-term

sustainable returns.

*Our strategic performance is measured by our Balanced Scorecard (see page 11)

Systemically Important Bank (GSIB) buffer, minimum requirement for own funds and eligible liabilities (MREL) and Total Loss Absorbing Capital (TLAC), and other regulatory requirements, present specific challenges to Barclays as owners. The returns Barclays realises from its controlling interest in BAGL are significantly below the 17% Return on Equity reported locally.

Because of these specific challenges, we believe that it is in the best interest of shareholders to reduce our position. Given what is driving this decision, we have flexibility with respect to the pace at which we reduce our ownership and as a result, we will execute this change in our investment opportunistically over the next two to three years.

Reducing our interest to a non-controlling, non-consolidated position will also improve our Common Equity Tier 1 (CET1) ratio, though not until we deconsolidate BAGL as a regulatory matter. In the medium term, that will allow us to invest in the core franchises of Barclays. It also has the positive effect of shrinking our cost base by approximately £2bn, our headcount by around 40,000 and, of course significantly reduces our organisational complexity.

Besides simplifying our business further, we also need to accelerate the separation of our profitable Core businesses from the drag of our Non-Core businesses.

Our Non-Core RWAs started at £110bn two years ago. By the end of 2015 we reduced that to £47bn. As we conclude our restructuring, we are taking the opportunity to exit other marginal businesses and regions, including elements of the Investment Bank in nine countries, our Egyptian and Zimbabwean businesses, Southern European cards and wealth management in Asia. As a result, our Non-Core RWAs rise to approximately £55bn as at the end of 2015. We anticipate those one-time additions will add approximately £600m to underlying Non-Core costs, but we expect to exit the majority of these in the course of 2016.

Our Non-Core businesses act as a significant drag on our Group profitability that must be eliminated as soon as possible.

The Board has therefore decided to adjust our near-term dividend to give us the flexibility to accelerate our exit of Non-Core activities. It is our intention to reduce our dividend to 3 pence, in 2016 and 2017. This will help us accelerate the imperative rundown of Non-Core.

I recognise the importance of paying a meaningful dividend as part of total shareholder returns and am committed to doing so in the future.

But for now, the reduction of the dividend is the right choice. These are hard decisions, but we believe the shareholder value created by getting Non-Core closed will greatly exceed the downside of cutting the dividend for the next two years.

These strategic actions will bring forward the completion of our restructuring and the emergence of a simpler and very profitable Barclays.

We are also changing the way in which we structure Barclays to further simplify the Group and prepare early for UK ring-fencing requirements.

At the heart of Barclays strategy is to build on our strength as a Transatlantic Consumer, Corporate and Investment bank, anchored in the two financial centres of the world, London and New York.

Barclays will operate as two clearly defined divisions, **Barclays UK** and Barclays Corporate & International. Barclays UK will include our leading

UK retail bank, our UK consumer credit card business, and play its traditional role as a committed provider of lending and financial services for small businesses up and down the UK.

The business has 22 million retail customers, and almost one million business banking clients. We are one of the country s leading business banks. We are the second largest wealth manager in the UK, and Barclaycard is the number one card issuer in Britain with close to 11 million UK card customers. Barclays UK will also continue to pioneer innovation in the provision of consumer financial services.

This represents formidable strength. It will ultimately become our UK ring-fenced bank, a resilient British bank, compliant with all regulatory requirements.

Second, **Barclays Corporate & International** will comprise our market leading Corporate banking business, our Barclaycard operations in Europe and the US, our bulge bracket Investment Bank, and our International Wealth offering.

Barclays Corporate & International has scale in wholesale banking and consumer lending, strength in our key geographies, and good balance in its revenue streams, delivering further resilience.

Barclays Corporate & International will ultimately become our non-ringfenced bank. It will operate as a strong unit within the Barclays Group, and is wholly complementary to Barclays UK. It is a strategically coherent collection of franchises across corporate, investment, and consumer banking, creating a robust and diversified business for us.

Our approach

...delivered through a simpler

and better structured business...

We are confident that Barclays Corporate & International will continue to be well capitalised with a balanced funding profile, supporting solid investment grade credit ratings.

In summary then, the future is bright. Both Barclays UK and Barclays Corporate & International already generate double digit Returns on Tangible Equity (RoTE). They are strong financially, and will be as sibling businesses, and shareholders and debt investors in Barclays will benefit from the diversified revenue streams they produce.

We are also simplifying our financial targets for the Group going forward to focus on three key metrics, and will be aiming to achieve these targets in a reasonable timeframe, in order to deliver shareholder value:

§ RoTE: As we reduce the Non-Core drag on Group returns, the Group s RoTE will converge towards the Core RoTE, and achieve attractive returns for shareholders

§ CET 1 ratio: We wil run the Group s CET 1 ratio at 100-150 basis points above our regulatory minimum level

§ Cost:Income ratio: We will reduce the Group s Cost:Income Ratio to below 60%

Going forward, we will also return to normalised financial metrics. Barclays is in the process of emerging from restructuring and our future disclosures will be based on our business divisions Barclays UK and Barclays Corporate & International. They will no longer include things like cost to achieve or Structural Reform Programme charges . Instead, you will get a simple and clear statutory presentation of our Group s performance.

Achieving our goals must be realised at the same time as we complete the critically important cultural transformation of the Group.

More than 300 years ago, Barclays was founded by a group of Quakers. Those first Barclays bankers earned the trust of English merchants, and those bankers felt responsible as stewards of that trust. The Bank, early on, built an exceptional reputation for integrity. Barclays became renowned for the principled way it did business.

I joined banking back in 1979, because I was excited to be a part of a respected profession. Being a banker back then was like being a lawyer or a doctor. The practitioners of the profession of banking were skilled at understanding the complex topics of capital, credit, savings and investor returns; and they were highly regarded as they used that knowledge to help consumers, corporations, investors and governments, to navigate, with transparency and clarity, the world of finance. It was a profession because it was moored to a commitment for integrity.

A company that retains the loyalty of its employees solely based on compensation is a company that gambles with its institutional culture. I want Barclays to be a bank where our employees choose to work here because they believe in the institution, and its intrinsically valuable role in society.

This is a mind-set I want to reinvigorate in everyone at Barclays, from branch colleagues working on the high street in Manchester, to the M&A banker in New York.

Banking, at Barclays, will again be a profession and it will be up to all of our employees to promote that goal internally, and to find the people

Our approach

that is best suited to our

business environment

that want to join Barclays because they want to be part of a great profession. The profession of banking.

I look forward to meeting investors at our AGM, and in the course of the next year, and thank you for your support as we continue the work of restoring Barclays to where it should be.

James E. Staley

Group Chief Executive

Barclays is a transatlantic Consumer, Corporate and Investment bank, governed by global and local regulatory standards.

Global economic growth has been modest in recent years, and unprecedented monetary policies, such as Quantitative Easing and near zero and negative interest rates, have been implemented by many Central Banks to stimulate growth. During the second half of 2015 and into 2016, the macroeconomic environment has deteriorated, driven by commodities weakness, particularly oil prices, along with economic uncertainty in China. In the UK, the referendum on EU membership gives rise to political uncertainty. We remain alert to these changes and more, and monitor and manage our risks accordingly.

Regulation continues to direct attention towards capital, liquidity and funding, in order to create a safer banking environment. In 2015, the Financial Policy Committee of the Bank of England clarified the overall capital framework for banks. This has provided greater certainty and allowed us to progress our strategy. Reforms requiring banks to separate certain activities, such as structural reform in the UK and US, continue to be a big focus and have been accounted for in the structure of our revised strategy, as described on page 4.

Conduct issues have hurt Barclays, causing loss of trust among stakeholders. We continue to embed cultural change and improve governance to work to rebuild customer and client trust and market confidence.

Digitalisation trends continue to grow and the power of technology has raised customer and client expectations, resulted in new competitors in the digital space, and increased the challenge of defeating cybercriminals. It has also reduced the cost-to-serve through automation, process improvement and innovation, while making customer experiences faster, more personalised and lower risk.

Without active risk management to address these external factors, our long-term goals could be adversely impacted. Our approach to risk management is outlined on page 127, and material existing and emerging risks to the Group s future performance are outlined on page 119.

Our strategy continues to evolve to respond effectively to the external environment. Please refer to page 4 for an update on our strategy.

Our approach

and underpinned by our robust

approach to risk management

To protect Barclays from a volatile and weak external environment, a strong risk capability is needed. At Barclays the Risk teams:

§ provide critical risk capabilities, including directing risk appetite and the risk profile
§ set frameworks, policies and standards
§ provide strong and independent second line challenge on a business by business basis
§ lead implementation of critical regulatory risk initiatives.

In the execution of our strategy, some of the risks we face arise as a result of our decisions, and some result from operational processes, or the external environment. We classify risks under five types:

§ Credit risk: Financial loss should customers not fulfil contractual obligations
§ Market risk: Earnings or capital impact due to volatility of trading book positions or as the consequence of running a banking book balance sheet and liquidity funding pool
§ Funding risk: Failure to maintain adequate capital and liquidity
§ Operational risk: Cost from human factors, inadequate processes and systems or external events
§ Conduct risk: Detriment through inappropriate judgement in execution of business activities.

In the course of business we identify and assess these risks, determine the appropriate risk response, and monitor the effectiveness of these actions and changes to the risk profile:

§ Evaluate: Individuals and teams who manage processes identify and assess the proposed risks
§ Respond: Ensures risks are kept within appetite, the level of risk the Group is prepared to accept while pursuing its business strategy, and where appropriate taking necessary mitigation actions
§ Monitor: Monitoring the risks identified is on-going and proactive, and can often mean re-evaluating risks as well as changing our response.

In 2015, the Risk function and the businesses carried out detailed evaluations of the risks Barclays faces using tools such as stress testing. These risks included lower global energy and commodity prices, a slow down in China s economic growth, or of any risks from the EU referendum in the UK. We have responded to changing market conditions by tightening lending criteria in riskier areas and re-deploying risk capacity toward sectors offering better returns on risk. Senior management and the Board are actively engaged in monitoring these risks, and provide high-level direction.

Responsibilities for the management of risk and control are aligned to a 3 lines of defence activity-based model:

- first line of defence responsibilities rest with the colleagues who manage operational or business processes. They are responsible for identifying the related risks, and designing, operating, testing and remediating appropriate controls to manage those risks
- designing frameworks and policies and providing independent oversight and challenge to ensure compliance constitute the second line of defence role
- Barclays Internal Audit, the third line, provides independent assurance.

When performed appropriately by all colleagues, these responsibilities ensure that there is a strong risk and control environment at Barclays.

Our approach

to better drive value creation

and sustainable stakeholder return

As a transatlantic Consumer, Corporate and Investment bank Barclays offers a well-balanced and integrated set of products and services across personal, corporate and investment banking, credit cards and wealth management. We serve individuals, small and large businesses, local authorities, corporations, institutions and governments.

Barclays seeks to satisfy the needs of our customers and clients by offering a well-rounded value proposition, focused on our core strengths, particularly in our UK and US home markets, and thereby deliver a diversified income stream and long-term sustainable returns.

Our business model has been simplified through actions taken over the past two years. It provides us with a stable platform from which to capitalise on the scale and diversity of our businesses and the quality, character and relationships of our people.

The creation of Barclays UK and Barclays Corporate & International further strengthens our value proposition and reinforces the resilient business mix that we enjoy from having an appropriate balance across consumer and wholesale revenue streams.

For example, the scale of our Corporate Banking and Investment Bank franchises serving large, multi-national companies and financial institutions complements that of our market leading consumer businesses across personal banking, wealth management and credit cards. Similarly, our payments solutions offering to businesses and consumers combines our Corporate Banking payments knowledge with our Barclaycard merchant acquiring expertise.

Our international reach and scale mean we have the responsibility   indeed the obligation   following our designation as a GSIB, to work together with our regulators to help reduce risk in the industry and provide a more sustainable banking landscape over the long term.

through our broad service offer.

Our integrated products and services offer expertise across the customer and client spectrum

Our diverse business model enables us to provide continuing and relevant support across all our businesses to our customers and clients, whatever their stage of life.

For example, for individuals, Barclays offers a safe place to store savings, can help a first-time buyer take their first steps onto the property ladder, give people from a variety of backgrounds the opportunity to grow and manage their wealth, or provide cross-border advice for the affluent for example, helping family members abroad. For businesses it means being ready to help entrepreneurs launch a business, fund its growth, manage payments securely, expand internationally, manage risk effectively, and issue bonds and listed equity shares.

Technology is a critical component of this service offering that benefits customers and clients across the spectrum, regardless of which part of our business they engage with first. Digitalisation and automation of simple banking processes deepens relationships with our customers. For example, automation of account opening and unsecured lending provides increased convenience to personal and corporate customers alike. Similarly, the digitisation of FX transfers and innovative payments solutions enable businesses to achieve their ambitions in the same way that our multi-asset trading platform enables institutional clients to

achieve theirs. These are all examples of the way Barclays adds value and provides benefit to all of our customers and clients through our approach to banking.

How we are doing

Our Balanced Scorecard measures progress

and performance against our goal

We have agreed eight key measures categorised into the 5Cs against which our stakeholders can hold us to account.

	Metric	Actual 2014	Actual 2015	Target 2018
Customer and Client Page 12	Personal and Corporate Banking (PCB), Barclaycard and Africa Banking weighted average ranking of Relationship Net Promoter Score® (NPS) vs. peer sets	4th	**4th**	1st
	Client Franchise Rank: Weighted average ranking of wallet share or customer satisfaction with priority clients in the Investment Bank	5th	**5th**	Top 3
Colleague Page 13	Sustained engagement of colleagues score	72%	**75%**	87-91%
	% women in senior leadership	22%	**23%**	26%
Citizenship Page 14	Citizenship Plan initiatives on track or ahead	11/11	**10/11**	Plan targets
Conduct Page 15	Conduct Reputation (YouGov survey)	5.3/10	**5.4/10**	6.5/10
	Adjusted Return on Equity (RoE)	5.1%	**4.9%**	N/A[a]

Company Page 16				
	Fully Loaded CRD IV CET1 ratio (Capital Requirements Directive IV Common Equity Tier 1)	10.3%	**11.4%**	N/A[a]

Note

a Please refer to the new financial targets set out in the Chief Executive s review on page 4.

Gender Barclays Board membership includes four women and ten men, and one woman and nine men on the Group Executive Committee. During 2015 we had a maximum of three women on the Group Executive Committee. Under the Companies Act 2006, Barclays are also required to report on the gender breakdown of our employees and senior managers . Of our global workforce of 129,400 (66,100 male, 63,300 female), 796 were senior managers (574 male, 222 female), which include Officers of the Group, certain direct reports of the Chief Executive, heads of major business units, certain senior Managing Directors, and directors on the boards of undertakings of the Group, but exclude individuals who sit as directors on the board of the Company.

In 2015 the Balanced Scorecard was used throughout the organisation and formed part of the framework by which our staff were assessed, with individual performance objectives aligned to the 5Cs.

This year has seen improvement across a number of our metrics, especially our capital strengthening, as measured by the CET1 ratio, and within Colleague. Further work is required in some areas, including RoE.

The Customer and Client Relationship metrics remained stable as a strong performance in corporate banking, combined with improvements in Barclays current accounts, was partially offset by the impact of reshaping our wealth business. Our Client Franchise Rank remained stable in challenging market conditions.

Under Colleague, we have seen an improvement in both the colleague engagement and the gender-diversity in our leadership, with numerous initiatives to promote equality and support our workforce proving successful.

In our Citizenship plan, 10 out of 11 metrics on target shows that we are having a positive impact on the communities in which we operate, with lending to households the only initiative to lose momentum primarily as a result of market and trading conditions.

Conduct also showed a slight improvement on 2014 following a number of actions being taken to improve customer outcomes, although we are below where we would like to be.

Within Company there has been a significant strengthening in the CET1 ratio, however we have plenty of work to do to deliver an acceptable return to shareholders, with RoE slightly down on 2014.

There is still plenty of work to do and we remain focused on improving our balanced performance for colleagues, customers and clients, the wider community and shareholders.

How we are doing

for our Customers and Clients

we aim to be the bank of choice

What we are doing

In building customer advocacy we will continue to:

§ further invest in our brand and the attractiveness of customer and client propositions

§ bring increased accountability to those closer to customers

§ innovate through customer relevant technology and the transformation of the branch network

§ develop service models tailored to the changing needs of our global customer and client base.

The 2018 target is to be 1st in NPS, and Top 3 in Client Franchise Rank.

Balanced Scorecard metric

	Actual 2015	Actual 2014	Actual 2013
PCB, Barclaycard and Africa Banking weighted average ranking of Relationship Net Promoter Score® vs. peer sets	**4th**	4th	3rd[a]
Client Franchise Rank: Weighted average ranking of wallet share or customer satisfaction with priority clients in the Investment Bank	**5th**	5th	N/A

a Revised due to the creation of PCB as part of the May 2014 Strategy Update. Corporate clients now contribute to the NPS metric, and no longer contribute to the Client Franchise Rank

How we measure success

§ Commercial success across our businesses depends on the continued endorsement by our customers

§ Competition for customers and clients has never been stronger. 2015 saw unprecedented levels of switching in our key UK retail markets and intense competition in corporate markets

§ Relationship NPS ranking provides a simple customer advocacy measure and indicates growth potential across our franchise

§ A ranking widely used in banking and other industries, it facilitates comprehensive benchmarking, simplifies target setting and identifies best practice, bringing the customer s voice to the heart of Barclays. It is income-weighted using divisional customer satisfaction

§ For the investment banking industry, NPS is not as widely measured. Therefore, a Client Franchise Rank is calculated by measuring use of our products and services by target clients. It is a revenue-weighted ranking of our global client share across the Investment Bank

§ Improving our rank with these clients is a key indicator of effectiveness in meeting their needs, supporting delivery of improved returns for Barclays

How we are doing

Relationship NPS

2015 saw improved performance in UK retail markets with increased NPS scores for both Barclaycard UK credit cards and Barclays current accounts. In 2015 we ve focused on improving key customer experience touch points for our retail customers whether they contact us in branch, over the phone or by online channels. We ve also launched our Barclays Blue Rewards proposition to UK retail customers and have measured improved perceptions of value as a result. In the UK, Barclaycard has continued to introduce industry leading balance transfer offers and innovative payment plan products.

Elsewhere across our customer franchises we ve maintained a very strong performance in the corporate banking market where we ve vied for leadership position among our peers throughout the year. Our NPS ranks for our Wealth business slipped as we exited the US market.

While we have recorded improvement in NPS scores in key markets, acceptable progress towards our 2018 Group target will require us to ultimately outperform our peers in addition to improving our own scores. We believe we are well placed to achieve this by leveraging technology to accelerate the transformation of customer and client interaction. Transforming the nature of banking globally through innovations such as Barclays Mobile Banking, Pingit, Mobile Cheque Imaging and Video Banking will be fundamental to our success.

Client Franchise Rank

Our ranking of 5th for 2015 provides a strong platform from which to build as we aspire to our goal of being top 3 with our target clients. We will seek to achieve this goal by focusing on the following key areas:

§ further aligning our structure to client needs: As part of the Strategic Review in 2014 we brought Equities and Credit teams together under the same management to provide a more integrated approach. In 2015 we have taken steps to further align teams across Banking and Markets to provide a complete service to clients encompassing primary issuance and secondary trading

§ improving client management information: We have invested technology and resources in our management information and analytics that enable us to provide more finely targeted solutions for our clients

§ investing in people and conduct: The quality of our people and the way they do business is fundamental to building and maintaining strong relationships with our clients. We are committed to attract and retain the best talent to serve our clients and help them achieve their ambitions. The Investment Bank remains focused on strengthening the Conduct framework, and Conduct Risk training for colleagues is delivered throughout the year.

Case study

Barclays has piloted a ground-breaking new service at our branches. Customers with a disability or impairment can now enter their accessibility needs and preferences into an optional free-to-download app, along with their name and a photo of themselves. The data is awoken and passed discretely to any participating branch when the customer comes into range of its Bluetooth beacon. A staff member is alerted to the customer s arrival and can proactively tailor the service they provide, according to the stated wishes, making communication and interaction both easier and more empathetic to both parties. We know how tiresome it can be for some customers to re-articulate their access needs every time they visit the branch, so we used their feedback to drive direction of the design. For further information, please visit www.barclays.co.uk/ beacons

How we are doing

creating an environment where our

Colleagues can fulfil their potential

What we are doing

Our colleagues remain core to success at Barclays, and we remain committed to investing in them and ensuring they are enabled to consistently deliver strong performance over time.

Fostering an inclusive and diverse culture where all colleagues can achieve their potential remains a core business focus:

§ through diversity, we gain a greater breadth of perspectives

§ through inclusion these perspectives feed innovation.

In turn, this ensures we deliver services and innovative products that are market leading, enabling our diverse customers to achieve their goals.

The 2018 target is for a score of 87-91% in Sustained Engagement of colleagues, and 26% women in senior leadership.

Balanced Scorecard metric

	Actual 2015	Actual 2014	Actual 2013
Sustainable Engagement of colleagues score	75%	72%	74%
% women in senior leadership	23%	22%	21%

To drive our own progress towards gender parity, we continue to measure the number and percentage of women at each level of the organisation. We have seen continued advancement towards our 2018 gender goal of 26% women in senior leadership roles; at 23% by the end of 2015. Female representation across the firm has again increased, sustaining a 1% year on year upward trend since 2012. Sustained Engagement at Barclays is currently 75%, a positive result in light of the ongoing change our organisation experienced in 2015. For further details see the People section on pages 79 to 82.

How we measure success

Increasing the representation of women in senior roles, and building a robust pipeline of diverse talent remain priorities. Practical talent management tools are in place to deliver tangible change, ranging from our global unconscious bias training programme, to ensuring diversity is reflected in candidate shortlists and hiring panels. Targeted sponsorship and mentoring programmes connect leaders with rising talent, with networks and forums all actively supporting our people to achieve their potential. Collectively our approach aims to contribute to the culture and commitment needed to build greater gender parity.

We place emphasis on how committed our colleagues are to working at Barclays, the environment we create to enable our colleagues to do their best work, and our colleagues overall well-being within the workplace. These aspects form what we call Sustainable Engagement. We measure progress by asking colleagues how engaged they feel working at Barclays.

How we are doing

Women in senior leadership

Achieving gender parity requires a cultural shift so we continue to enable and amplify dialogue with internal and external stakeholders to promote equality. Our Shattering Stereotypes research in 2015 has highlighted key opportunities and barriers to unlocking the economic power of female entrepreneurship. Our Women in Leadership Index continues to enable investors to show their interest in companies with gender-diverse leadership. Internally, we have continued to embed gender parity principles into our core people processes and practices. We have established alumni and returnership programmes to enable women to restart paused careers, while our Women on Boards programme prepares our senior leaders for external non-executive director roles. The diversity of our own Board continues to be a focus, with our recently revised Board Diversity Policy setting out our intention to see female Board representation rise to a 33% minimum by the end of 2020.

Sustainable Engagement

Now in its second year, the global employee opinion survey (Your View) was deployed across the Group in October 2015, with over 100,000 colleagues participating. The survey is in line with our Group-wide approach to measuring employee feedback, and allows us to consistently track progress, measure success and highlight areas for improvement. The survey was more concise and focused this year and provides insight on Sustainable Engagement, colleague alignment to our Values, the working environment and perceptions of Leadership.

With a Sustainable Engagement score of 75%, a 3% increase on the prior year, our colleagues strongly believe in the goals and objectives of Barclays, and would recommend our organisation as a place to work. We remain committed to building on the positive trend we have seen in Sustainable Engagement in 2015, and will use the insights from this year s survey to sharpen aspects of our people strategy. This includes focusing on how we collectively make the best use of our resources, supporting colleagues with an effective technology infrastructure. In doing so we are creating an environment that both allows our colleagues to thrive professionally, and deliver for Barclays customers.

Case study

Working with the United Nations (UN) as one of ten Impact Champion organisations highlights our commitment to achieving greater equality for women. To advance the cultural shift towards gender parity, we became a founding supporter of the UN led HeForShe movement. This important campaign unifies efforts, and significantly is enabling men to demonstrate why equality matters to them. Male and female colleagues, including members of the Group Executive Committee, have signed a Barclays HeForShe pledge, channelling leadership commitment towards key gender initiatives such as mentoring. Membership of our gender network the Women s Initiative Network (WiN) has also increased significantly as leaders see the importance of being vocal and visible advocates for gender equality. Since launching the HeForShe campaign, 60% of new WiN members have been male. HeForShe is an integral aspect of our strategy in enabling women to achieve their full potential at Barclays, and ensuring our communities benefit fully from their talent.

How we are doing

we have a positive impact on the

communities in which we operate

What we are doing

§ Ensuring that the way we do business is responsible, sustainable, and takes account of wider stakeholder needs

§ Contributing to growth by supporting households and businesses

§ Supporting our communities by building the skills of young people

We met or exceeded 10 of 11 targets set out in the 2012-2015 Citizenship Plan and are developing a new strategy to launch in 2016.

Balanced Scorecard metric	**Actual 2015**	Actual 2014	Actual 2013
Citizenship Plan initiatives on track or ahead	**10/11**	11/11	10/11

Barclays achieved 10 of 11 targets set out in the 2012-2015 Citizenship Plan. For detailed performance on the underlying 2015 Citizenship Plan metrics, please see the Citizenship Data Supplement 2015.

We provide further detail on our programmes and a range of case studies on our website at home.barclays/citizenship In addition, we also provide further disclosures aligned to the Global Reporting Initiative G4 guidelines, in the Citizenship Data Supplement 2015 available at home.barclays/annualreport

How we measure success

Fully integrated with the Balanced Scorecard, the Citizenship Plan included 11 targets to deliver by the end of 2015. A performance summary is available below with more detailed information in the Citizenship Data Supplement 2015.

We are now preparing to launch the next chapter in our Citizenship ambitions, which will be even more integrated and with a sharper focus on accelerating shared growth for our business and for society. This next evolution is deeply aligned with our strategy, geographical footprint and strengths.

Each of the business units will contribute to our Citizenship commitments with a focus on where they can deliver positive societal impact. We see exciting opportunities to partner across customers, clients, government, suppliers and NGOs to create new solutions that will deliver the greatest social impact and return for our business. The new strategy will be launched in 2016.

*Cumulative performance 2012 to 2015, unless otherwise indicated

How we are doing

The way we do business

Attestation to the Barclays Way code of conduct met target with 99% of employees attesting. We exceeded our target to reduce carbon emissions by 10%, achieving a total reduction of 37.3% against a 2012 baseline, driven by operational energy efficiency initiatives and travel management.

We have continued to see moderate improvement in stakeholder perceptions, based on the results of the Citizenship Reputation (YouGov survey), with our overall score increasing to 5.24/10 (2014: 5.11/10). Supplier payment performance hit 86% on time, ahead of our target of 85%. We have evaluated our reporting requirements under the UK Modern Slavery Act and continue to embed and refine necessary changes to our supplier screening and human rights related policies and practices, prior to reporting in our 2016 disclosures.

Contributing to growth*

As a result of market and trading conditions, we missed our target to deliver £150bn of new and renewed lending to households, providing a total of £141.8bn by the end of 2015 (2014: £107.7bn). We met our target to deliver £50bn of new and renewed lending to SMEs, providing a total of £50.7bn on a cumulative basis (2014: £38.5bn). We assisted in raising £3,366bn of financing for businesses and governments on a cumulative basis (2014: £2,487bn).

We reached over 190,000 participants at SME support events, exceeding our target of 120,000. We also exceeded our target to recruit 2,000 apprentices with a total of 2,263 apprentices at Barclays in the UK (2014: 1,734).

Supporting our communities*

2015 marks the conclusion of Barclays 5 Million Young Futures commitment. Between 2012 and 2015, we have invested in programmes to support young people around the world develop vital skills they need to achieve their ambitions. Over this period we have reached more than 5.7 million young people and invested nearly £262m in the community against our cumulative target of £250m. In 2015 alone, we helped to build the enterprise, employability or financial skills of more than 1.5 million young people and invested £63m in the community.

Case study

As Green Bonds continue to mature as a way of financing environmentally beneficial activities, Barclays remains committed to the development of the space.

Barclays made a public commitment in 2014 to invest £1bn in Green Bonds within the Group liquidity pool by November 2015. After meeting that goal, we committed to an additional £1bn investment in Green Bonds in December 2015, representing one of the largest investments into this sector to date.

We are a signatory to the Green Bond Principles and have been an active underwriter on a variety of Green Bond transactions for corporate, supranational and municipal issuers, raising a total of £1.3bn in 2015.

How we are doing

acting with integrity in everything we do

What we are doing

The Group continued to incur the significant costs of conduct matters

§ Additional charges were recognised for customer redress including £2.2bn for the cost of PPI remediation

§ Resolution of these matters remains a necessary and important part of delivering the Group s strategy

§ There are early signs that we are driving better outcomes for customers from a more thoughtful consideration of our customers needs.

The 2018 target is for a Conduct Reputation (YouGov survey) score of 6.5/10.

Balanced Scorecard metric

	Actual 2015	Actual 2014	Actual 2013
Conduct Reputation (YouGov survey)	5.4/10	5.3/10	5.2/10

We are below where we would like to be for 2015, although overall progress on the measure is in line with our expectations and puts our 2018 targets within reach.

How we measure success

§ The Conduct measure is developed through a Conduct reputation survey, undertaken by YouGov, across a range of respondents including business and political stakeholders, the media, NGOs, charities and other opinion formers

§ The 2015 Conduct score, taken from two surveys, each of 2,000 respondents, comprises questions relating to transparency, employee welfare, quality and customer value as well as trust

How we are doing

In 2015 Barclays made progress on its Conduct measure recording a score of 5.4 (2014: 5.3). Operates openly and transparently , Has high quality products and services and Delivers value for money for customers and clients have all improved according to audience perception. Performance on two components, Treats staff well at all levels of the business and It can be trusted have declined slightly.

As a result of increased awareness and early consideration of conduct risk in the business, a number of actions have been taken to improve customer outcomes including:

§ proactive consideration and management of potential customer detriment associated with Barclays strategy to simplify its business and products. For example, change programmes monitoring customers subject to multiple changes including platform and online migrations

§ application of more stringent residential mortgage requirements to buy-to-let mortgage applicants, ensuring better lending decisions

§ improvements in key areas such as bereavement and power of attorney and ongoing training to equip staff to support customers in vulnerable circumstances

§ enhanced surveillance monitoring in the Investment Bank identifying and proactively managing activity which appeared to cause unusual market impact

§ separation plans of non-core businesses consider customer outcomes.

In 2016 there will be continued improvements of conduct risk management across governance structures, MI, culture change initiatives, risk management processes and enterprise-wide risk management. There will also be further enhancements to how conduct risk is considered in strategy setting.

Case study

An Investment Bank client inadvertently elected to earn a lower interest rate of 0.13% (instead of the correct interest rate of 0.30%) on a $100m deposit cash trade. Operations staff identified the mismatch and despite being legally entitled to proceed with the lower interest rate, agreed that the right thing to do was to amend the rate in favour of the client.

Barclays have teams in place that constantly monitor such transactions in order to spot operational or system errors. Although Barclays had the right to go ahead and apply the lower interest rate (which would have cost the client £130,000) we instead amended the trade in favour of the client.

By putting ourselves in our clients   shoes, we have elected to achieve our ambitions in the right way. We believe that our customers should be able to trust us to have their best interest at heart as this ensures long term profits through customer loyalty.

How we are doing

effectively managing risk to create

sustainable returns for our Company.

What we are doing

We are committed to delivering long-term acceptable returns to shareholders in a sustainable way, while maintaining adequate levels of capital to enable the Bank to operate safely through challenging economic conditions.

We will achieve this by prudently optimising the level, mix and distribution to businesses of our capital resources whilst maintaining sufficient capital resources in order to:

§ ensure the Group is well capitalised relative to its minimum regulatory capital requirements set by the PRA and other regulatory authorities

§ support its credit rating

§ support its growth and strategic objectives.

Balanced Scorecard metric	**Actual 2015**	Actual 2014	Actual 2013[a]

Fully loaded CRD IV CET1 ratio	**11.4%**	10.3%	9.1%
Return on Equity (Adjusted)	**4.9%**	5.1%	4.3%

Note

a 2013 Return on Equity (Adjusted) has been revised to account for the reclassification of £173m of charges, relating to a US residential mortgage related business settlement with the Federal Housing Finance Agency, to provisions for ongoing investigations and litigation including Foreign Exchange to aid comparability.

How we measure success

Fully Loaded CRD IV CET1 ratio

§ The Fully loaded CRD IV CET1 ratio demonstrates the capital strength and resilience of Barclays. By ensuring we are well capitalised relative to minimum capital requirements of regulatory authorities, we create a safer bank for customers and clients, and all stakeholders through challenging economic conditions.

§ The ratio expresses Barclays capital as a percentage of risk weighted assets (RWAs), as defined by the PRA, in the context of CRD IV (an EU Directive prescribing capital adequacy and liquidity requirements), and is part of the regulatory framework governing how banks and depository institutions are supervised.

Adjusted Return on Equity (RoE)

§ Adjusted RoE measures the organisation s ability to generate acceptable returns for shareholders.

§ Adjusted RoE is calculated as adjusted profit for the year attributable to ordinary equity holders of the parent divided by average shareholders equity for the year excluding non-controlling and other equity interests. It excludes certain items, including those that are significant but not representative of the underlying business performance.

How we are doing

Fully loaded CRD IV CET1 ratio

In 2015 the Group s CET1 ratio increased by 110 basis points to 11.4%. The main driver was a £44bn reduction in RWAs to £358bn, demonstrating continued progress on the Non-Core rundown together with reductions in the Investment Bank. This was partially offset by a decrease in CET1 capital to £40.7bn (2014: £41.5bn). We will continue to reduce RWAs within Non-Core, while looking to allocate capital to RoE enhancing growth opportunities in our Core businesses.

Adjusted Return on Equity

Adjusted RoE in 2015 decreased to 4.9% (2015: 5.1%) as adjusted PBT fell by 2% to £5,403m, driven by a 24% increase in the Non-Core loss before tax to £1,459m as a result of the continued rundown, partially offset by a 3% increase in Core profit before tax to £6,862m. Adjusted RoE for Core was 9.0% (2014: 9.2%).

The Group estimates its cost of equity for 2016 at 10.5%.

Case study

Our Non-Core division is responsible for the divestment of Barclays non-strategic assets and businesses, and is run by a dedicated management team operating within a clear governance framework to rundown the unit while optimising shareholder value.

When the Non-Core division was created in May 2014, RWAs were £110bn. By the end of 2015, this had reduced to £47bn as a result of the disposal of Businesses, the rundown and exit of Securities and Loans, and Derivative risk reductions. Key drivers of the decrease in RWAs of £29bn in 2015 were a £10bn reduction in the Derivative portfolio,

£9bn reduction in Securities and Loans, and reductions as a result of the sale of the Spanish and UK Secured Lending businesses. The announced sale of the Portuguese and Italian retail businesses in H215, due to be completed in H116, are expected to result in a further £2.5bn reduction in Non-Core RWAs.

How we are doing

The activity in our business units reflects our

progress in becoming the partner of choice

Barclays Group: our 2015 structure, markets and customer type

Group structure	Markets	Customer type
Personal and Corporate Banking See pages 18-19	§ UK Retail § Corporate Banking § Wealth	
Barclaycard See pages 19-20	§ UK cards § US cards § Card businesses in Europe § Business Solutions	
Africa Banking See pages 21-22	§ Retail and business banking, cards § Corporate and investment banking § Wealth and Investment Management, and Insurance	

Investment Bank	§ Markets
See pages 22-23	§ Banking § Research
Barclays Non-Core	§ Principal non-strategic businesses § Securities and loans, such as non-strategic long dated corporate loans § Derivatives impacted by regulation
See pages 24	

The 2015 performance has been reported in the business units that operated during the year. With a change in structure for 2016, an upcoming restatement document will detail 2015 performance under the new business units.

The following pages provide an insight into what each of the businesses do, the products they provide and markets they serve, and how they look to add value to Barclays business model.

How each of our businesses deliver the strategy will differ. For instance, the majority of our colleagues in Personal and Corporate Banking work in our distribution network whereas Africa Banking provides fundamental banking infrastructure to a developing continent. Hence the contribution of each of our businesses will differ to the overall Balanced Scorecard for the Group, as seen on page 11. Therefore the metrics on the following pages demonstrate how each of our businesses contribute in their own individual way. Africa Banking contributes to the Balanced Scorecard of the South African listed entity, Barclays Africa Group Limited.

The activity in our business units reflects our progress

in becoming the partner of choice continued

Personal and Corporate Banking

We are succeeding by putting our customers and clients at the heart of everything we do and by continuing to do this we will become the partner of choice for the UK Ecosystem.

Ashok Vaswani

Chief Executive,

Personal and Corporate Banking

Personal and Corporate Banking

Contribution to the Group	**2015**	2014
Income (£m)	8,726	8,828
Profit before tax (£m)	3,040	2,885
Adjusted RoE (%)	12.1%	11.9%
Risk Weighted Assets (£bn)	120.4	120.2

Salford City Council partnership

Our ability and enthusiasm for supporting the wider, non-banking needs of the Council, has led us to become the chosen financial services partner for the Local Authority Sector in the Greater Manchester area.

We worked closely with Salford City Council to understand their specific needs and devised a strategic plan in conjunction with the Council and its partners, focusing on digital skills and driving efficiency by:

§ utilising Barclays Digital Eagles to provide free Code Playground and Tea and Teach sessions across the City, supporting residents of all ages with building confidence in digital skills

§ providing an easier and more convenient way for residents to pay for Council services by signing Salford City Council up to Pingit, our innovative payment solution

§ collaborating with the Council to develop a secure communication portal, enabling the Council to share information with colleagues in a safe and secure way.

Our purpose

Society is facing a digital revolution which is transforming the lives and businesses of our customers and clients. We firmly believe that Barclays has a social and commercial responsibility to help customers and non-customers to embrace the new and ensure that no one is left behind on the digital journey.

How the business is structured and what we provide to the Group

PCB is a powerhouse with the potential to challenge the traditional UK banking landscape.

§ **Personal Banking:** provision of simple and transparent banking products to c.14 million customers, with a focus on transforming customer interactions through automating routine transactions and humanising important moments

§ **Mortgages:** a single, highly automated, industrial strength engine to provide mortgage services to over 1.5 million individuals

§ **Corporate Banking:** an end-to-end proposition and service continuum that supports nearly one million clients, from start-ups and small businesses, through FTSE 100 companies, to partnering with the largest global corporations

§ **Wealth:** a differentiated wealth and investment management business for 35,000 high net worth and ultra-high net worth clients focused on the UK Ecosystem

Using our structure and leveraging advances in technology we can innovate to deliver relevant and differentiated client and customer experiences while driving down costs and improving control.

Environment in which the business operates

We re in the midst of a digital revolution where everyone now expects and demands services that are easy to access, fast and reliable. Customers expect us to be with them, whenever, wherever and however they choose to transact. That s why we re investing in building the capacity to deliver our services digitally and finding ways to redefine how we meet customer expectations. We are restless in the pursuit of finding innovative ways to solve the routine everyday money moments while empowering and training our colleagues to help customers when they need us the most.

Risks to this business model

While executing our strategy we are cognisant that the external market and environment in which PCB operates is constantly changing, with emerging regulation, rapidly evolving competitive landscape and increasing customer expectations.

We are making good progress to adapt and evolve with the changing environment to mitigate against these risks. For example:

§ focusing on ensuring operational and business risks are totally understood and appropriately addressed

§ reshaping the way we interact with our customers in a way that will drive customer satisfaction and deepen customer engagement

§ automating and simplifying processes, controls, systems and products

§ driving technological innovation to enable our existing customers to do more with us.

We continue to focus on embedding Conduct Risk awareness across PCB to build on our values-led culture and keep customers and clients at the centre of everything we do, by empowering colleagues to ensure the right outcomes for our customers.

Review of the year

2015 was a transformational year for PCB. We continued to support growth in the communities in which we operate, helping 17,600 people take their first steps onto the property ladder, lending £3.6bn in Barclayloans and launching a £150m fund to support fast growing technology businesses in the UK.

By innovating and harnessing technology, we are able to provide simple and relevant solutions for our customers and clients. We launched Barclays Blue Rewards providing customers with a simple and inclusive digital rewards proposition, paying cash every month, to recognise and reward their relationship with us. We also created the FX powered by Barclays app, giving users an information-only tool to compare up to the second FX rates and margins.

We continued to use technology to make customers lives easier in a number of UK banking firsts. Over 60,000 cheques, totalling over £55m, were processed as digital images through our Mobile Cheque Imaging pilot and through the partnership between Pingit and Camelot, we were able to create the first new payment option for the National Lottery in over a decade.

We were the first UK bank to launch Video Banking, allowing customers to securely carry out their banking through a digital face to face service with our expert colleagues. Our Serve Anywhere iPad technology enabled colleagues to access customer systems remotely in an industry first for any UK retail bank.

We made significant progress in de-risking the business and made a strategic decision to sell Barclays Wealth Americas and transformed the Wealth business with a focus on simplification and innovation in markets where we can compete at scale. In 2015, we were awarded Wealth Manager of the Year at the Global Investor Awards.

We continued to work towards our ambition to become the most inclusive and accessible bank in 2015, reaching over 4,000 Talking ATMs, being the first bank to launch a Sign Video service and launching the Community Driving Licence a modularised colleague training app to better understand the needs of different customer circumstances.

We are firmly committed to leaving no-one behind as we enter into the digital revolution, with our network of over 15,000 UK Digital Eagles supporting customers and non-customers to build their confidence in digital skills. In 2015 alone, they hosted almost 5,000 Tea and Teach sessions helping those taking their first steps to get online, more than 1,000 Code Playgrounds teaching young people and their parents to code and over 250 Digital Business Clubs supporting small businesses in taking advantage of the opportunities new technology brings. We also continued to help the next generation secure employment and manage their finances more effectively, with the number of young people participating in our LifeSkills programme since 2013 reaching over 1.8 million and almost 3,000 colleagues volunteering to run LifeSkills sessions last year.

Barclaycard

We continue to build on our heritage of innovation, offering a range of market leading solutions to help consumers make and retailers take payments.

Amer Sajed

Interim Chief Executive,

Barclaycard

Barclaycard

Contribution to the Group	**2015**	2014
Income (£m)	4,927	4,356
Profit before tax (£m)	1,634	1,339
Adjusted RoE (%)	17.7%	16.0%
Risk Weighted Assets (£bn)	41.3	39.9

Delighting our customers with free access to credit scores and education

When Barclaycard US discovered that more than 60% of the US population does not check their credit score regularly, they realised just how far this was impacting their everyday decisions from renting an apartment to getting a new mobile phone contract. The team made enhancements to their mobile app and servicing website to give customers their FICO® Credit Score; top two key factors affecting it; along with related information for customers to keep in mind.

Over three million cardholders in the US are now proactively viewing their FICO® scores with about 60% accessing it monthly and around 35% using our mobile app. Lower rates of delinquency have been observed in customers taking advantage of the service.

Based on the positive feedback and engagement from our customers in the US, a similar initiative with a local partner has since been taken up in the UK with free credit score checks for all our UK customers too.

®FICO is a registered trademark of Fair Isaac Corporation in the US and other countries.

The activity in our business units reflects our progress

in becoming the partner of choice continued

Our purpose

Barclaycard aspires to be the most recommended brand to help consumers buy and clients sell, every day. We provide funding to facilitate payments and lend responsibly to customers and clients based on their needs and our risk appetite. We also enable retailers to accept payments through a range of innovative point of sale solutions.

How the business is structured and what we provide to the Group

Barclaycard serves consumers in both of Barclays core geographies, the UK and the US, as well as in Germany and Southern Europe. We also operate in Norway, Sweden and Denmark via our EnterCard joint venture. We provide branded and co-branded consumer cards to our customers, and business solutions to our clients, including commercial cards, payment acceptance and point of sale finance. Our business model is diversified by geography and product line and our scale helps us deliver a strong financial performance through the economic cycle.

Environment in which the business operates

The consumer payments and lending environment is experiencing considerable change, driven by new competitors and technology, consumer behaviour and regulation. Competition from traditional and non-traditional players is intensifying, adding further pressure to an already crowded payments environment. Electronic and mobile commerce are changing consumer expectations, driving a need for a fast and seamless payments experience. Across the payments landscape regulation is challenging existing business models but also enabling increased card acceptance, as cash is replaced by electronic payments.

Many of the trends above provide opportunities for Barclaycard to help its customers and clients achieve their goals. Our future business strategy is focused on opportunities that represent the best interests of our customers and clients and that help us deliver sustainable growth.

Risks to this business model

Managing risk is a critical element of our culture. Barclaycard faces risks every day which, if they crystallise, could negatively impact our business, our customers and clients and our colleagues.

Barclaycard is exposed to a series of risks and threats, including: macroeconomic fluctuations, potential economic shocks, further regulatory changes, fraud, increasingly sophisticated cyber crime and the resilience of our core infrastructure.

We address risk by rigorous consideration of customer outcomes in the way we define and execute our strategy and make decisions. We operate within agreed risk appetites to ensure we maintain the planned risk profile. Our lending strategy is supported by clear target market criteria, ensuring we lend to those for whom credit is suitable.

We also address risk through our diversified business model; by innovating to create new opportunities; by identifying ways to meet changing customer demands in a more efficient way; and by continuing to invest in technology, people and processes.

Examples of innovations/deals this year

Barclaycard achieved numerous industry accolades in 2015.

Our proprietary bPay wearable payments solution secured eight industry awards, including Best Alternative Payments at the Card and Payments Awards for UK and Ireland.

Since our deployment of contactless payment across London s transport network in 2014, over 250 million journeys have been completed using over 8.7m unique cards from 80 countries.

Finally, our US business announced a partnership with JetBlue to launch a new co-brand credit card program in early 2016, adding to our list of prestigious partnerships.

Review of the year

Barclaycard delivered a record performance in 2015. Profit before tax increased 22% to £1,634m. Strong growth was delivered through the diversified consumer and merchant business model with asset growth across all geographies. Cost to income ratio improved to 42% (2014: 43%), while investment in business growth continued. The business focus on risk management was reflected in stable 30-day delinquency rates and improved loan loss rates. This resulted in a return on average equity of 17.7% (2014: 16.0%) and a return on average tangible equity of 22.3% (2014: 19.9%).

Total income increased 13% to £4,927m, driven primarily by growth in US cards and the appreciation of the average USD rate against GBP.

Loans and advances to customers increased 9% to £39.8bn reflecting growth across all geographies.

Customer deposits increased 40% to £10.2bn driven by the deposits funding strategy in the US.

In 2015, the value of transactions increased by 14%, to reach £293bn. We have also maintained the strong customer acquisition trend from previous years, as we welcomed over 4 million new customers and 32,000 new clients in 2015, while reaching an important milestone in Germany of over 1 million customers. We have also continued to improve customer satisfaction by delivering products and services important to our customers, enabling simplification of our proposition and driving digital customer engagement.

We have made further progress in embedding Conduct Risk into our business, by strengthening areas around governance and culture, product design and customer servicing, and embedding a Conduct focused culture throughout our business, thus striving to deliver the right outcomes for our customers and clients.

Building on our commitment to make a positive difference to the communities in which we live and work, 69% of colleagues used Barclays support to volunteer, fundraise or donate. We are also making Barclaycard an even better place to work, with over 93% of our high performing employees retained, 56% of hires internal appointments and 34% of our senior leaders women.

In 2016, we are very excited to mark two significant milestones in our history, celebrating Barclaycard s 50th anniversary and the 25th year of activity for our German operations. Since launching the UK s first credit card in 1966, Barclaycard has continued to push the boundaries and challenge the status quo creating the payment innovations of today and defining the possibilities of how people will pay tomorrow.

Africa Banking

In the third year since the formation of Barclays Africa Group Limited, our strategy execution is on track. We are well positioned to address the Africa growth opportunity, make a positive economic contribution to our communities, and deliver sustainable returns for our shareholders.

Maria Ramos

Chief Executive,

Africa Banking

Africa Banking		
Contribution to the Group	**2015**	2014
Income (£m)	3,574	3,664
Profit before tax (£m)	979	984
Adjusted RoE (%)	11.7%	12.9%
Risk Weighted Assets (£bn)	33.9	38.5

Delivering Shared Growth:

ReadytoWork Initiative

In October 2015, we launched ReadytoWork, a pan-Africa employability initiative aimed at empowering young people with the skills they need to successfully transition from basic education into the world of work. ReadytoWork aims at addressing youth unemployment by providing work readiness skills through a free interactive e-learning platform. We rolled out ReadytoWork in Zambia, Seychelles, Botswana, Kenya, Mauritius, Zimbabwe and South

Africa, in partnership with several institutions of higher learning.

Over 4,500 users have independently registered on the portal, with an additional 64,000 learners across 325 secondary schools in South Africa accessing the curriculum through our partnership with the Gauteng Department of Basic Education.

Our purpose

We are focused on our goal to be the bank of choice in Africa. Our growth strategy is based on a unique competitive advantage we are an African bank that is fully local, fully regional and fully international.

How the business is structured and what we provide to the Group

Africa Banking is a diversified financial services provider offering an integrated range of products and services across retail and business banking (RBB), credit cards, corporate and investment banking, wealth and investment management and insurance (WIMI). We serve nearly 12 million customers across Africa and have a long-standing presence in 12 countries, including in our largest market South Africa.

Africa Banking is a combination of the results of Barclays Africa Group Limited (BAGL), and Barclays Egypt and Barclays Zimbabwe.

BAGL strategy

BAGL s strategy is underpinned by four clear themes. First, as an African bank, we invest in growth opportunities on the continent and provide access to the African and global capital markets. Second, as a customer-focused organisation, we aim to ensure customer experience remains our primary focus to make customers lives easier and help them prosper. Third, we are simplifying our business to reduce costs and improve efficiency. Finally, we continue to make significant investments in technology and automation.

Our Retail and Business Bank strategy is to transform our leading retail franchise in South Africa, and in our other African markets. We made strong progress on new customer acquisition, improved customer experience, and are investing heavily in mobile and other technologies. In our Business bank, we are improving channel efficiency to serve small businesses and medium corporates. In our Corporate and Investment bank, we completed the roll out of a best-in-class integrated product platform for corporates in all our markets, and are repositioning our Markets business. In our Wealth, Investment Management and Insurance business, we expanded into East Africa, improved performance in our short-term insurance business, and transformed our Wealth and Investment Management business to an advisory-led model.

Environment in which the business operates

Against the backdrop of a slowing global economy, Africa economies are experiencing lower growth rates in part driven by lower commodity prices. In South Africa, our largest market, persistent power shortages and drought have had a significant economic impact. In many African countries, the challenges of job creation and access to quality affordable education, and the need for a more equitable society free of race and gender discrimination, have become more critical. As a major financial services group in Africa, we aim to have positive economic impact and invest in our communities, while delivering sustainable shareholder returns.

The industry in which we operate is highly competitive and dynamic. Mobile and other technologies enable new market entrants and disrupt traditional models, while at the same time the complexity in the operations and technology environments has increased. BAGL continues to make sizeable investments in innovation, data and automation to improve customer experience and increase efficiency. Mobile technology in particular is transforming our distribution channels in line with industry and competitor trends.

Review of the year

Africa Banking 2015 performance was solid and we made further progress on the financial commitments that we set out to the market. Our Cost-to-Income ratio was lower than 2014 as income growth

The activity in our business units reflects our progress

in becoming the partner of choice   continued

exceeded sub-inflationary cost growth. Africa Banking RoE of 8.7% and RoTE of 11.7% was lower than 2014, although underlying returns in BAGL increased further. Contribution from the markets outside of South Africa increased, and is now above 20% as these markets grew faster than South Africa. We are currently top 3 by income in four of our largest five markets.

On a reported basis, profit before tax decreased 1% to £979m and total income net of insurance claims decreased 2% to £3,574m. The ZAR depreciated against GBP by 10% based on average rates and by 28% based on the closing exchange rate in 2015 and was again a significant contributor to the movement in the reported results of Africa Banking.

The discussion of business performance that follows is based on results on a constant currency basis unless otherwise stated.

Profit before tax increased 11% reflecting growth in rest of Africa operations of 18% and growth in South Africa of 9%. Good growth was achieved in the identified strategic areas of RBB and Corporate Bank in South Africa, and WIMI, while the corporate business outside South Africa was negatively impacted by higher impairments. Investment Bank trading performance in South Africa was lower as Fixed Income, Currencies and Commodities (FICC) income was impacted by a volatile environment.

Total operating expenses for Africa Banking increased 5% with inflationary pressure, partially offset by savings from strategic cost programmes including restructure of the branch network, increased automation, and property rationalisation.

Loans and advances to customers increased 8% to £29.9bn (reported) driven by strong Corporate and Investment Bank growth, resulting in increased net interest income for African Banking. Customer deposits increased 11% to £30.6bn (reported) reflecting RBB growth.

Investment Bank

From our unique position with dual home markets and global reach, we continue to transform the Investment Bank so that we can help our target clients achieve their ambitions.

Tom King

Chief Executive,

Investment Bank

Investment Bank

Contribution to the Group	**2015**	2014
Income (£m)	7,572	7,588
Profit before tax (£m)	1,611	1,377
Adjusted RoE (%)	5.6%	2.7%
Risk Weighted Assets (£bn)	108.3	122.4

Long-standing relationships with our clients

Barclays has had a long-standing relationship with Dell, having advised the Company on a number of capital markets transactions as well as its acquisition of Wyse Technology in 2012. When Dell, together with its owners, Michael Dell, MSD Partners and Silver Lake Partners agreed to acquire EMC Corporation in 2015 for $67 billion, Barclays acted as a financial adviser to Dell and provided financing for the transaction.

This landmark transaction, which represents the largest technology M&A transaction to date, will create the world s largest privately- controlled technology company with an integrated portfolio positioned to address customers rapidly changing critical IT needs.

Barclays is committed to delivering innovative financial solutions to empower our clients to seize opportunities for growth and tackle the big challenges of the future.

Our purpose

We enable the movement of capital between those who need it, for example to grow their company or build new infrastructure, and those looking to generate a return on investment. In doing so we fund and facilitate global economic growth, helping people to achieve their ambitions.

How the business is structured and what we provide to the Group

Our business is split into three core areas:

§ Markets: provides execution, prime brokerage and risk management services across the full range of asset classes including equity and fixed income, currency and select commodity products

§ Banking: provides long-term strategic advice on mergers and acquisitions, corporate finance and strategic risk management solutions, and equity and credit origination capabilities

§ Research: provides multi-asset class and macro-economic research delivering practical ideas to help our clients make informed investment decisions

Through this range of business activities we can provide Barclays with a diversity of income and risk, while delivering a full spectrum of advisory, financing and market execution services for our corporate, government and institutional clients.

Environment in which the business operates

The investment banking sector continues to change, driven by regulatory evolution, higher capital requirements and changing client demands. This has resulted in significant differences in the strategic responses from industry peers.

The changes we have made following our strategy update in May 2014 have rebalanced our business mix towards core business lines in which we have competitive strengths and can drive higher returns, while ensuring that we continue to provide a holistic service to our target clients. In January 2016 we announced several complementary initiatives to further support the execution of this strategy (e.g. through certain product and country exits). The Investment Bank continues to make progress on earnings, capital and leverage as set out in the strategy update.

Risks to this business model

The market environment remains challenging, marked by uncertain macro conditions and resource constraints. Alongside structural regulatory change, including new capital and leverage requirements, this has put increasing pressure on the Investment Bank s ability to deliver returns.

Changes resulting from new and impending regulation will continue to impact our business model. In particular, adapting our business framework in response to structural reform will be a key focus over the coming years as we seek to comply with global structural reform plans.

In addition the business continues to face conduct and litigation risk. We continue to strengthen our control environment, evolve our culture and simplify our products in order to minimise these risks.

Examples of innovations/deals this year

During 2015, the Investment Bank executed several transactions that demonstrate its execution capabilities, connectivity to clients and the strength of the franchise. A few notable examples are listed below.

§ Barclays acted as a financial adviser to long-term client Teva Pharmaceutical on its $40.5bn definitive agreement to acquire the Actavis generics business from Allergan

§ Barclays executed BHP Billiton s $6.45bn equivalent five tranche, three currency hybrid capital security
§ Barclays executed large strategic trades for clients including a large FX trade off the back of Tesco s Korean business disposal and the structuring and issue of the largest MXN Development equity certificate acquired by the Mexican Pension Funds

Review of the year

The Investment Bank continues to make progress on its origination led strategy, building on leading positions in its home markets of the UK and US, while driving cost savings and RWA efficiencies. Annual revenues remained resilient at £7.6bn (2014: £7.6bn) and disciplined capital deployment resulted in lower RWAs of £108bn (2014: £122bn). The PBT for the year improved to £1.6bn (2014: £1.4bn).

We have continued to deliver for our clients by advising on some of the most noteworthy transactions of the year and helping institutional clients navigate the evolving markets landscape:

§ Maintained number one position in Greenwich Associates annual survey of European fixed income investors for the ninth year in a row

§ Advised on several prominent deals of the year, including some of the largest transactions in Consumer, Technology and Pharmaceutical sectors

§ Named Bond House of the Year by IFR magazine in 2015

Through our business activities, we aim to have a positive impact on our colleagues and the broader communities in which we operate. A few notable results in 2015 are listed below:

§ Barclays facilitates the flow of capital towards environmentally and socially beneficial activity, with a range of business lines actively involved in delivering solutions across product groups, geographies and industry sectors. For example, the Investment Bank issued more than £5.6bn (at share) of environmental financings that positively contribute to the low carbon economy

§

The Investment Bank participates in a three-year rotational apprenticeship programme which runs across a number of areas of Barclays in the UK. Apprentices will receive a degree-level qualification and a permanent role upon completing the programme

§ The internal Employee Survey demonstrates the progress we continue to make in transforming the business and culture. The survey results point to significant improvement in sense of personal accomplishment, belief in Barclays goals and strategy, and the likelihood of recommending Barclays as a good place to work

The Investment Bank remains focused on strengthening the Conduct framework. The Conduct Risk committee and the relevant sub-committees ensure conduct considerations are firmly embedded in all business and strategic decisions. In-person and online Conduct Risk training for colleagues is delivered throughout the year.

The activity in our business units reflects our progress

in becoming the partner of choice continued

Barclays Non-Core

Barclays Non-Core is responsible for the divestment of Barclays non-strategic assets and businesses.

Non-Core		
Contribution to the Group	**2015**	2014
Income (£m)	(164)	1,050
Loss before tax (£m)	(1,459)	(1,180)
Adjusted RoE drag (%)	(5.1%)	(5.4%)
Risk Weighted Assets (£bn)	46.6	75.3

How the business is structured and what we provide to the Group

Barclays Non-Core (BNC) was formed to oversee the divestment of Barclays non-strategic assets and businesses, releasing capital to support strategic growth in our Core business.

BNC brings together businesses and assets that do not fit our client strategy, remain sub-scale with limited growth opportunities, or are challenged by the regulatory capital environment. Non-Core assets have been grouped together in BNC, comprising three main elements: Principal Businesses, Securities and Loans, and Derivatives. Several of the businesses managed within BNC are profitable and will be attractive to other owners.

BNC will be reduced over time, through sale or run-off. Reducing the capital and cost base will help improve Group returns and deliver shareholder value.

Criteria for BNC

Two criteria were used to determine which businesses should be placed in BNC:

§ Strategic fit: businesses either not client-driven or operate in areas where we do not have competitive advantage

§ Returns on both a CRD IV capital and leverage exposure: capital and/ or leverage-intensive businesses, unlikely to meet our target returns over the medium term

At the creation of BNC, almost 80% of BNC RWAs related to the non-core Investment Bank. It included the majority of our commodities and emerging markets businesses, elements of other trading businesses including legacy derivative transactions, and non-strategic businesses. The key non-core portfolios outside the Investment Bank comprised the whole of our European retail business, some European corporate exposures and a small number of Barclaycard and Wealth portfolios.

BNC is run by a dedicated management team operating within a clear governance framework to optimise shareholder value and preserve maximum book value as businesses and assets are divested.

Market environment and risks

To divest BNC successfully we are partly dependent on external market factors. The income from our businesses and assets, the quantum of associated RWAs and finally market appetite for BNC components are all influenced by market environment. In addition, regulatory changes in the treatment of RWAs can significantly impact the stock of RWAs.

These factors mean the market environment in which BNC operates can have positive or negative consequences for our planned rundown profile.

BNC maintains a robust risk management framework to mitigate the risks inherent in our businesses and assets. However we may need to take further, currently unforeseen, actions to achieve our rundown objectives which may include incurring additional costs of exit, or a change in direction to our planned rundown trajectory.

Although the emphasis is on bringing down RWAs, reducing costs in BNC is also critical. We are strongly focused on ensuring we reduce both, although this may not always happen simultaneously.

Review of the year

Loss before tax increased 24% to £1,459m driven by continued progress in the exit of businesses, securities and loans, and derivative assets. RWAs reduced £29bn to £47bn including a £10bn reduction in Derivatives, £9bn reduction in Securities and Loans, and Business reductions from the completion of the sales of the Spanish and UK Secured Lending businesses. The announced sales of the Portuguese and Italian retail businesses, which are due to be completed in H116, are expected to result in a further £2.5bn reduction in RWAs.

Total income net of insurance claims reduced to an expense of £164m:

§ Businesses income reduced 44% to £613m due to the impact of the sale of the Spanish business and the sale and rundown of legacy portfolio assets

§ Securities and Loans income reduced to an expense of £481m primarily driven by fair value losses and funding costs on the ESHLA portfolio, the active rundown of securities, exit of historical investment bank businesses and the non-recurring gain on the sale of the UAE retail banking portfolio in 2014

§ Derivatives income reduced 76% to an expense of £296m reflecting active rundown of the portfolios and funding costs

Credit impairment charges improved 54% to £78m due higher recoveries in Europe and the sale of the Spanish business.

Total operating expenses improved 40% to £1,199m reflecting savings from the sale of the Spanish, UAE retail, commodities, and several principal investment businesses, as well as a reduction in costs to achieve, and conduct and litigation charges.

Total assets decreased 36% to £303.1bn with reduced reverse repurchase agreements and other similar secured lending, and lower derivative financial instrument assets.

Running the company well

Your Board sets strategic direction and

provides oversight and control

John McFarlane

Chairman

Chairman s governance overview

The oversight and constructive challenge provided by the Board is essential to strategic success.

The Board is responsible to shareholders for creating and delivering sustainable shareholder value by approving the strategic direction of the Group s businesses. In our pursuit of greater long-term shareholder value, we must maintain the highest standards of corporate governance, which are the foundation on which we manage risk and build the trust of all our stakeholders. The way in which we govern the Group to achieve these standards is set out in our governance framework, described below.

On becoming Chairman in April 2015, I wrote to shareholders setting out the three strategic priorities for the Group: to evolve the strategy to focus on our core segments and markets; to wind down non-core exposures and assets and achieve our target capital levels; and to instil a high performance culture with strong ethical values. To meet these commitments and build a business for the future, your Board has taken decisive action to increase focus, discipline and accountability, as briefly highlighted below.

Your Board sets strategic direction and provides oversight and control

continued

Focus on core segments and markets

During 2015, your Board emphasised the need to focus resources on areas that matter to the Group and to exit those that do not provide an appropriate return. We approved the revised strategy to unlock greater value from the Investment Bank. We discussed increasing the pace of exit from Non-Core and during 2015 Barclays shrank non-core assets, disposing of a number of businesses or asset portfolios, with a resulting reduction in RWAs. These disposals included the sales of the Spanish, Portuguese and Italian banking networks, the Index business, FirstPlus mortgages, the Wealth business in the US and UK Secured Lending.

Generate shareholder value

While we recognise the importance of dividends in delivering returns to shareholders, we have decided it would be prudent to scale back dividends in 2016 and 2017. We are focused on improving returns to enable future increases in the dividend and to fund growth. We also progressed a number of options for increasing capital accretion over the level achieved in recent years, including the release of capital from underperforming business areas and a reduction in expenses driven by savings from strategic cost programmes. The benefit from the latter, however, was impacted by the costs of legacy conduct issues. In addition, we explored a number of new ways to improve the cost:income ratio, such as the increased deployment of technology in our core businesses.

Instil a high performance culture with strong ethical values

To ensure we have the right balance of skills and experience to drive the Group s strategy to completion, we appointed new non-executive Directors during 2015, in addition to the appointment of Jes Staley as the new Group Chief Executive. As Chairman, I strive to instil a performance culture with increased personal accountability to enable the organisation to become more efficient and agile. Progress reports on our cultural transformation during the year revealed that the factors contributing to execution risk mainly derive from fairly simple cultural issues. As a result your Board recommended a high-level single view of the portfolio of key strategic initiatives to manage dependencies, harness potential synergies and increase the speed of completion.

John McFarlane

Chairman

29 February 2016

You can read more about the work of your Board and its Committees in the Governance section on home.barclays/annualreport

Our corporate governance framework

What your Board does and how it does it underpins the delivery of long-term sustainable success. This creates the framework within which the Executive can lead the business and deliver the agreed strategy.

Leadership

Your Board provides challenge, oversight and advice to ensure that Barclays is doing the right things in the right way. Your Board is also attentive to the need to cultivate future leaders and ensure that robust succession plans are in place.

Effectiveness

Your Board requires the right balance of expertise, skills, experience and perspectives to be effective. It also needs to have the right information, at the right time, so that it can engage deeply on how the business is operating, how the Executive is performing and fully understand the risks and major challenges the business is facing. The performance of your Board, its Committees and each of the Directors is scrutinised each year in the Board Effectiveness Review.

Risk management and control

Understanding and managing our risks and continuously improving our controls are central to the delivery of our strategic aims. Your Board s risk committees play an active role in ensuring that Barclays undertakes well-measured, profitable risk-taking activity that supports long-term sustainable growth. During 2015, we simplified and streamlined the structure of the Board s risk committees. We disbanded the Board Enterprise Wide Risk Committee and your Board assumed responsibility for oversight of enterprise wide risk. We also revised the responsibilities of the other Board-level risk committees so that the Board Risk Committee took on responsibility for oversight of the capital and financial implications of operational risk.

Remuneration

Your Board seeks to ensure that remuneration decisions are aligned with and support the achievement of long-term value creation.

Engagement

Barclays wider societal responsibilities means it is attentive to a broad set of stakeholders. Your Board undertakes regular engagement with shareholders, investors and other stakeholders to maintain strong relationships.

Your Board

John McFarlane (68) Group Chairman

Jes Staley (59) Group Chief Executive; Executive Director

Sir Gerry Grimstone (66) Deputy Chairman and

Senior Independent Director

Mike Ashley (61) Non-executive Director

Tim Breedon (58) Non-executive Director

Crawford Gillies (59) Non-executive Director

Reuben Jeffery III (62) Non-executive Director

Wendy Lucas-Bull (62) Non-executive Director

Tushar Morzaria (47) Group Finance Director; Executive Director

Dambisa Moyo (47) Non-executive Director

Frits van Paasschen (54) Non-executive Director

Diane de Saint Victor (61) Non-executive Director

Diane Schueneman (63) Non-executive Director

Steve Thieke (69) Non-executive Director

Board diversity

Your Board s overriding duty is to ensure it is strong and effective, with strong and effective Directors. All appointments to your Board are therefore made on merit, taking into account the collective balance of skills, experience and diversity that the Board requires. Our Board Diversity Policy, which is available at home.barclays, sets out our policy and objectives for achieving diversity on your Board. At the end of 2015, there were four women on your Board (29%), compared to our target of 25% by the end of 2015.

Noting that the latest progress report on women on boards from the Davies Review has suggested a target of at least 33% by 2020, your Board has adopted this new target in its Board Diversity Policy.

Gender balance

31.12.15	4 Female Directors (29%) 10 Male Directors (71%)
31.12.14	3 Female Directors (21%) 11 Male Directors (79%)
31.12.13	3 Female Directors (20%) 12 Male Directors (80%)
31.12.12	1 Female Director (8%) 11 Male Directors (92%)

Viability statement

While the financial statements and accounts have been prepared on a going concern basis, the UK Corporate Governance Code requires the Directors to make a statement in the Annual Report with regard to the viability of the Group, including explaining how they have assessed the prospects of the Group, the period of time for which they have made the assessment and why they consider that period to be appropriate.

In considering the viability of the Group, the Board has carried out a regular and robust assessment of the Group s risk profile across the five principal risks and the material existing and emerging risks. The material existing and emerging risks considered include those risks that senior management believe could cause the Group s future results of operations, financial condition and prospects to differ materially from current expectations, including the ability to meet dividend expectations, ability to maintain appropriate levels of capital and meet capital and leverage ratio targets, and achieve stated targets and commitments as outlined in the Strategy section. The assessment also considered the Group s resilience to the threats to its viability posed by those risks in certain stress scenarios.

In addition to the robust assessment described above, the Board considered management s working capital and viability report dated 15 February 2016. As part of this report, the Board considered a forecast of Barclays Group CET1 ratio trajectory to December 2018, a forecast of the leverage ratio trajectory, the Tier 1 and total capital ratio and the build-up of loss absorbing capacity. The Board also considered the liquidity and funding profile of the Group as expressed by Barclays internal liquidity risk appetite (LRA) and regulatory liquidity coverage and stable funding ratios. In addition, the review included an up-to-date assessment of financial risks, including market and credit risk, and a review of operational and conduct risk. The latest internal stress test conducted in February 2016 was also reviewed, including consideration of the potential for management and strategic actions in the event stresses were to materialise. The spot position and forecast trajectory of solvency and liquidity ratios, as well as financial and non-financial risks, were considered in line with risk appetite. The report also included solvency and liquidity forecasts of key legal entities, on a post structural reform basis. The Board and Board Risk Committee frequently review and monitor solvency ratios and the risk profile.

Information relevant to the Board s assessment of the Group s viability can be found in the following sections of the Annual Report:

§ pages 119 to 126, which provide details of the material existing and emerging risks that the Board believes could threaten the Group s business model, future performance, solvency or liquidity;

§ pages 143 to 215, which provide a review of the performance of the Group against each of the five principal risks;

§ pages 127 to 142, which provide an overview of the Group s approach to risk management, its control and governance systems and how such risks may be mitigated;

§ pages 217 to 241, which review the performance of Barclays, including key performance indicators and the contributions made by each of its businesses to the overall performance of the Group;

§ pages 243 to 347, which give a detailed analysis of the statutory accounts and in-depth disclosure of the financial performance of the Group.

In its review of the information outlined above, the Board has been particularly focused on the implementation of structural reform, legacy conduct matters and the impact of a Minimum Requirement for own funds and Eligible Liabilities (MREL). The potential impacts of these risks have been estimated and included within the Medium-Term Plans, and working capital report. The review and analysis of this information enables the Directors to confirm they have a reasonable expectation of the Group s viability over the next three years. This period covers the period used for the Group s medium-term capital plans and projections and has been selected as it provides management and the Board sufficient and realistic visibility of the future industry environment. During this projected three year period, the Directors have a reasonable expectation that Barclays will continue to operate and meet its liabilities as they fall due.

In assessing the Group s viability over the next three years, it is recognised that all future assessments are subject to a level of uncertainty that increases with time and that future outcomes cannot be guaranteed or predicted with any certainty. The Board s assessment of the Group s viability over the next three years is also subject to the risk factors highlighted on pages 119 to 126 and in particular those items of focus referenced above, all of which could have an impact on the future performance of Barclays.

Read more in the Governance section at home.barclays/corporategovernance

Running the Company well

with a relevant and balanced

remuneration framework

2015 incentives

The Board Remuneration Committee s priorities are to ensure that Barclays pays for sustainable performance, aligns remuneration with risk and delivers a greater proportion of the income we generate to our shareholders.

Performance and pay

The Committee s 2015 pay decisions took full consideration of financial performance, both on an adjusted and a statutory basis, and non-financial performance including progress towards the 2018 targets within the Balanced Scorecard. The Committee also recognised the need to improve returns to shareholders and to accelerate delivery. We are committed to moving this forward in a manner that is consistent with Barclays Values to ensure that legacy events are not repeated.

Although there were improvements in the Core operating businesses with Core adjusted profit before tax up 3%, Group adjusted profit before tax was down 2% to £5,403m for 2015. Group statutory profit before tax was down 8% at £2,073m. The Group s capital position has continued to strengthen with a CRD IV fully loaded Common Equity Tier 1 (CET1) ratio of 11.4% and a leverage ratio of 4.5% at the end of the year. Cost targets have been met and Barclays Non-Core has made significant progress in reducing its risk weighted assets.

Against this background, the Group incentive pool for 2015 is again significantly lower than in prior years, down by £191m or 10% in absolute terms at £1,669m compared to the incentive pool of £1,860m for 2014.

Similarly, the 2015 Investment Bank incentive pool is down 7%, despite the Investment Bank s adjusted profit before tax increasing by 17%.

Total compensation costs are down 6%, and the compensation to adjusted net income ratio is 37.2%, down from 37.7% in 2014. The Core compensation to adjusted net income ratio is also down at 34.7% (2014: 35.7%).

Risk and conduct

A central feature of our remuneration philosophy is that remuneration must be aligned with risk, and with the conduct expectations of Barclays, our regulators and stakeholders. The Group incentive pool outlined above is after adjustments the Committee has made for both risk and conduct events. In addition to specific risk and conduct events, we also adjusted the incentive pool to take account of an overall assessment of a wide range of future risks, non-financial factors that can support the delivery of a strong conduct culture and other factors including reputation, impact on customers, markets and other stakeholders.

We have a robust process for considering risk and conduct issues as part of individual performance management reviews with outcomes reflected in individual incentive decisions. Individuals who are directly or indirectly accountable for risk and conduct events have had their remuneration adjusted as appropriate. This includes reductions in current year bonus levels and reductions in vesting amounts of deferred awards through the application of malus. Further details can be found on page 89.

Summary Remuneration report

The full Remuneration Report can be found on pages 83 to 116. The Remuneration report (other than the part containing the Directors Remuneration Policy) will be subject to an advisory vote by shareholders at the 2016 AGM.

Executive team

2015 saw a change in Group Chief Executive. The Company announced on 28 October 2015 that Jes Staley was to become Group Chief Executive with effect from 1 December 2015. He was appointed on a salary of £1,200,000 and Role Based Pay of £1,150,000 commensurate with market pay levels. The Committee approved the grant of a share buy-out award to compensate him for an unvested share award granted to him by a previous employer which was forfeited as a result of him joining Barclays. The award was made on terms aligned to the forfeited award. Jes Staley satisfied, at the date of joining, the executive Directors shareholding requirement of four times salary through his personal purchase of 2,790,000 Barclays shares.

During the four month period between Antony Jenkins departure as Group Chief Executive and Jes Staley starting in the role, John McFarlane served as Executive Chairman. John McFarlane indicated to the Committee that he did not wish his remuneration to be increased during that time and therefore his fee remained unchanged for the period during which he served as Executive Chairman.

The Committee also approved compensation arrangements on Antony Jenkins departure as Group Chief Executive during the year. Further details can be found on page 101.

2015 remuneration

The following tables show a single total figure for 2015 remuneration in respect of qualifying service for each executive and non-executive Director together with comparative figures for 2014.

Executive Directors: Single total figure for 2015 remuneration (audited)

	Salary £000		Role Based Pay £000		Taxable benefits £000		Annual bonus £000		LTIP £000	
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Antony Jenkins[a]	598	1,100	516	950	89	100	505	1,100	1,494	1,854
Tushar Morzaria	800	800	750	750	82	95	701	900		
Jes Staley[b]	100		96		48					

Notes

a The 2015 figures for Antony Jenkins relate to the period to 16 July 2015 when he ceased to be a Director, save in the case of the LTIP which relates to the whole performance period.

b The 2015 figures for Jes Staley relate to the period from 1 December 2015 when he joined the Board as Group Chief Executive.

John McFarlane was appointed Executive Chairman from 17 July 2015 to 30 November 2015. Details of his fees are provided on page 31.

Additional information in respect of 2015 remuneration for the executive Directors (audited)

Role Based Pay (RBP)

Executive Directors receive RBP which is delivered quarterly in shares, subject to a holding period with restrictions lifting over five years (20% each year). The value shown in the above table is of shares at the date awarded.

Taxable benefits

Taxable benefits include private medical cover, life and ill health income protection, tax advice, relocation, home leave related costs, car allowance and the use of a company vehicle and driver when required for business purposes and other benefits that are considered minor in nature.

Annual bonus

Annual bonuses are discretionary and are typically awarded in Q1 following the financial year to which they relate. The 2015 bonus awards reflect the Committee s assessment of the extent to which the executive Directors achieved their Financial (50% weighting) and Balanced Scorecard (35% weighting) performance measures, and their personal objectives (15% weighting). A summary of the assessment against the performance measures is provided below. For more information please see pages 93 and 94. Jes Staley was not eligible for a 2015 bonus.

Financial (50% weighting)

Performance measure	Weighting	Threshold 25%	Maximum 100%	2015 Actual	2015 Outcome
Financial					
Adjusted profit before tax	20%	£5,801m	£7,022m	£5,403m	0.0%
Adjusted costs (ex CTA)	10%	£16,780m	£15,182m	£16,205m	5.2%
CET1 ratio	10%	10.47%	11.34%	11.4%	10.0%
Leverage ratio	10%	4.17%	4.72%	4.5%	6.9%
Total Financial	**50%**				**22.1%**

The approach taken to assessing financial performance against each of the financial measures is based on a straight line outcome between 25% for threshold performance and 100% applicable to each measure for achievement of maximum performance.

with a relevant and balanced remuneration framework continued

Balanced Scorecard (35% weighting)

Progress in relation to each of the five Cs of the Balanced Scorecard was assessed by the Committee. The Committee took an approach based on a three-point scale in relation to each measure, with 0% to 3% for below target, 4% or 5% for met target, and 6% or 7% for above target progress against a particular Balanced Scorecard component.

Balanced Scorecard 5Cs	Weighting	Metric	2015 Target	2015 Actual	2015 Assessment	2015 Outcome out of maximum 7% for each C
Customer and Client	7%	PCB, Barclaycard and Africa Banking weighted average ranking of Relationship Net Promoter Score v peer sets	4th	4th	Met target	4.0%
		Client Franchise Risk	5th	5th	Met target	
Colleague	7%	Sustained engagement of colleagues score	82-88%	75%	Below target	2.0%
		% women in senior leadership	23%	23%	Met target	
Citizenship	7%	Citizenship Plan initiatives	11/11	10/11	Below target	3.0%
Conduct	7%	Conduct Reputation (YouGov Survey)	5.6/10	5.4/10	Below target	3.0%
Company	7%	Adjusted return on equity	5.9%	4.9%	Below target	3.0%
		CET1 ratio	11.0%	11.4%	Above target	
Total Balanced Scorecard	**35%**					**15.0%**

Personal objectives (15% weighting)

(i) Antony Jenkins: The Committee recognised that during the first half of the year Antony Jenkins showed full commitment to continuing to embed a customer and client focused culture backed by the Barclays Values and to delivering on financial commitments with particular focus on capital accretion, reducing costs and continuing the rundown of Non-Core. The Committee judged that 11% of a maximum of 15% was appropriate.

(ii)

Tushar Morzaria: The Committee concluded that Tushar Morzaria had delivered a strong personal performance throughout the year, and noted that during the second half of the year (pending Jes Staley s arrival) this was achieved while discharging considerably increased executive responsibilities. During 2015, Tushar Morzaria continued to drive transformational change, played a significant role in the improvement in the Bank s capital position and in driving further focus on close and effective cost management. The Committee judged that 13% of a maximum of 15% was appropriate.

Overall summary

The performance assessment for Antony Jenkins resulted in an overall formulaic outcome of 48.1% of maximum bonus opportunity being achieved. Antony Jenkins resulting 2015 bonus, pro-rated for service, is £505,000. The formulaic outcome for Tushar Morzaria was 50.1% of maximum bonus opportunity. Tushar Morzaria s resulting 2015 bonus is £701,000.

60% of each executive Director s 2015 bonus will be deferred in the form of a share award under the Share Value Plan vesting over three years with one third vesting each year. 20% will be paid in cash and 20% delivered in shares. All shares (whether deferred or not deferred) are subject to a further six month holding period from the point of release. 2015 bonuses are subject to clawback provisions and, additionally, unvested deferred 2015 bonuses are subject to malus provisions which enable the Committee to reduce the vesting level of deferred bonuses (including to nil).

LTIP

The LTIP amount included in Antony Jenkins 2015 single total figure is the value of the amount scheduled to be released in relation to the LTIP award granted in 2013 in respect of performance period 2013-2015. Tushar Morzaria and Jes Staley were not participants in this cycle. The performance achieved against the performance targets is as follows.

Performance measure	Weighting	Threshold	Maximum vesting	Actual	% of award vesting
Return on risk weighted assets (RoRWA)	50%	13% of award vests for average annual RoRWA of 1.1%	Average annual RoRWA of 1.6%	0.21%	0%
Loan loss rate	30%	10% of award vests for average annual loan loss rate of 75bps	Average annual loan loss rate of 60bps or below	53bps	30%
Balanced Scorecard	20%	Performance was assessed by the Committee to determine the percentage of the award that may vest. Each of the 5Cs in the Balanced Scorecard has equal weighting.		See page 93	9%

The Committee was also satisfied that the discretionary underpin in respect of the underlying financial health of the Group based on profit before tax was met, and accordingly determined that 39% of the maximum number of shares under the total award should be considered for release in March 2016. After release, the shares are subject to an additional two year holding period.

Pension

Executive Directors are paid cash in lieu of pension contributions. This is market practice for senior executives in comparable roles.

2016 remuneration

The introduction of new deferral and LTIP requirements in the Remuneration part of the PRA Rulebook and EBA Guidelines will require some structural changes as to how the approved Directors remuneration policy will be implemented in 2016. It is therefore our intent to consult with shareholders over proposed changes once formulated. The following summarises how the approved Directors remuneration policy would be implemented in 2016 under the current framework.

	Fixed pay			Annual Bonus	Long term incer
	Salary £000	Role Based Pay £000	Pension £000		
Jes Staley	1,200	1,150	396	Maximum 80% of fixed pay	Maximum 120%
Tushar Morzaria	800	750	200	Maximum 80% of fixed pay	Maximum 120%

Salary, Role Based Pay, pension and benefits are unchanged from 2015.

Chairman and non-executive Directors: Single total figure for 2015 fees (audited)

	Fees		Benefits		Total	
	2015 £000	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000
Chairman						
John McFarlane[a]	628		11		639	
Sir David Walker[b]	285	750	6	19	291	769
Non-executive Directors						
Mike Ashley	207	213			207	213
Tim Breedon	232	240			232	240
Crawford Gillies[c]	178	91			178	91
Reuben Jeffery III	135	160			135	160
Wendy Lucas-Bull[d]	358	367			358	367
Dambisa Moyo	152	151			152	151
Frits van Paasschen	88	80			88	80
Sir Michael Rake[e]	250	250			250	250
Diane de Saint Victor	135	135			135	135

Diane Schueneman[f,k]	74				74	
Sir John Sunderland[g]	60	190			60	190
Steve Thieke[h,k]	184	131			184	131
Fulvio Conti[i]		37				37
Simon Fraser[j]		47				47
Total	**2,966**	**2,842**	**17**	**19**	**2,983**	**2,861**

Non-executive Directors are reimbursed expenses that are incurred for business reasons. Any tax that arises on these reimbursed expenses is paid by Barclays. The Chairman is provided with private medical cover and the use of a company vehicle and driver when required for business purposes.

Notes

a John McFarlane joined the Board as a non-executive Director with effect from 1 January 2015 and as Chairman from 24 April 2015. The total includes non-executive Director fees of £78,000 for the period from 1 January 2015 to 24 April 2015.
b Sir David Walker retired from the Board with effect from 23 April 2015.
c Crawford Gillies joined the Board as a non-executive Director with effect from 1 May 2014.
d The 2014 figure has been updated to include fees received by Wendy Lucas-Bull for her role as Chairman of Barclays Africa Group Limited. The 2015 figure includes fees received by her in 2015 for that role.
e Sir Michael Rake retired from the Board with effect from 31 December 2015.
f Diane Schueneman joined the Board as a non-executive Director with effect from 25 June 2015.
g Sir John Sunderland retired from the Board with effect from 23 April 2015.
h Steve Thieke joined the Board as a non-executive Director with effect from 7 January 2014.
i Fulvio Conti retired from the Board with effect from 24 April 2014.
j Simon Fraser retired from the Board with effect from 24 April 2014.
k Diane Schueneman and Steve Thieke both served in 2015 on the US Governance Review Board, which is an advisory board set up as the forerunner of the board of our US intermediate holding company which will be implemented during 2016. The 2015 figures for Diane Schueneman and Steve Thieke include fees of $37,500 and $75,000 for these roles respectively.

Regulatory developments

The PRA made revisions to the Remuneration part of its Rulebook (formerly the UK Remuneration Code) during 2015 which apply from 1 January 2016. These include the seven, five and three year tiered deferral requirements for Senior Managers and different categories of Material Risk Taker (MRT) respectively, and the potential extension of the clawback period to ten years for Senior Managers (under certain circumstances). These changes, which apply globally to Barclays as a UK headquartered bank, further emphasise the competitive disadvantages attributable to the lack of a global level regulatory playing field .

Further revisions to the Remuneration part of the PRA Rulebook are required during 2016 for the European Banking Authority s (EBA) final Guidelines on sound remuneration policies. The most significant changes include a prohibition on the payment of dividends on deferred shares and an increase to a one year (from six months) holding period for incentive awards delivered in shares to the large majority of MRTs. The Guidelines apply from 1 January 2017. The application of the Guidelines to UK firms, once confirmed by the PRA and FCA, will contribute to changes to our Directors remuneration policy in 2017.

Agenda for 2016

In line with legal requirements, we will be seeking shareholder approval for our Directors remuneration policy at the 2017 AGM. As a Committee, we will review our remuneration policy to ensure that future arrangements are fully aligned to our strategy to accelerate delivery to shareholders in a manner consistent with Barclays Values and also to meet new regulatory requirements. This will be developed over the coming months and we will engage constructively with shareholders and regulators as we do so.

underpinned by solid capital footings.

The financial statements of the business not only allow analysis of the key financial information in a standardised format, but are important to help understand the performance and management of the business.

The key performance indicators (KPIs) used by management to measure our progress are set out on pages 4 to 7 and summarised below. These KPIs focus on the Group s financial strength, the delivery of sustainable returns and cost management.

	2015	2014
Common Equity Tier 1 (CET1) ratio	**11.40%**	10.30%
Leverage ratio	**4.50%**	3.70%
Return on average shareholders equity (RoE)	**4.90%**	5.10%
Operating expenses excluding costs to achieve	**£16,205m**	£16,904m
Non-Core RWAs	**£47bn**	£75bn

Performance commentary:

2015 results were characterised by further the continued execution of the strategy.

Group capital and leverage ratios continued to strengthen. The fully loaded common equity tier 1 (CET1) ratio increased 110 basis points to 11.4% driven by a reduction in risk weighted assets of £44bn to £358bn. The leverage ratio increased 80 basis points to 4.5% driven by a reduction in leverage exposure of £205bn to £1,028bn.

Strong progress on the rundown of the Non-Core business continued, with a further reduction in risk weighted assets of £29bn to £47bn contributing to the increase in the CET1 ratio. Non-Core leverage exposure decreased to £121bn (2014: £277bn). The announced sales of the Portuguese and Italian retail businesses in H215, due to be completed in H116, are expected to result in a further £2.5bn reduction in Non-Core risk weighted assets. Non-Core period end allocated equity reduced to £7bn (2014: £11bn).

The accelerated rundown of the Non-Core business resulted in a 2% reduction in Group adjusted profit before tax to £5,403m due to a 24% increase in the Non-Core loss before tax to £1,459m.

The Core business performed well reflecting continued strategic progress. This resulted in a 3% increase in profit before tax to £6,862m, with improvements in all Core operating businesses, including Africa Banking on a constant currency basis.

The improved profit before tax in the Core business was driven by positive cost to income jaws across all Core operating businesses. Combined with the increase in average allocated equity of £5bn to £47bn, this resulted in a return on average equity for the Core business of 9.0% (2014: 9.2%) and a the return on average tangible equity of 10.9% (2014: 11.3%). Group adjusted return on average equity was 4.9% (2014: 5.1%).

Driving efficiency remains a significant focus for the Group, with total adjusted operating expenses reducing 6% to £16,998m. Adjusted operating expenses excluding costs to achieve reduced 4% to £16,205m, driven by savings from strategic cost programmes.

Statutory profit before tax reduced 8% to £2,073m after absorbing net losses on adjusting items of £3,330m (2014: £3,246m).

A final dividend for 2015 of 3.5p per share will be paid, resulting in a total 6.5p dividend per share for the year

2015 Adjusting items to income statement

In order to provide a more consistent basis for comparing business performance between periods, management assess performance on both an adjusted and statutory basis. Adjusted measures exclude items considered to be significant but not representative of the underlying business performance and are detailed below.

Adjusted profit reconciliation	**2015**	2014

	£m	£m
Adjusted profit before tax	**5,403**	**5,502**
Provisions for UK customer redress	(2,772)	(1,110)
Provisions for ongoing investigations and litigation including Foreign Exchange	(1,237)	(1,250)
Losses on sale relating to the Spanish, Portuguese and Italian businesses	(580)	(446)
Gain on US Lehman acquisition assets	496	461
Own credit	430	34
Gain on valuation of a component of the defined retirement benefit liability	429	
Impairment of goodwill and other assets relating to businesses being disposed	(96)	
Revision of ESHLA valuation methodology		(935)
Statutory profit before tax	**2,073**	**2,256**

These financial highlights provide an overview of 2015 performance. For further information on the results of the Group, please see our Financial review on page 217 of the Annual Report 2015 at **home.barclays/annualreport**

Contents

Our corporate governance processes and the role they play in supporting the delivery of our strategy, including reports from the Chairman and each of the Board Committee Chairmen.

Governance: Directors report

Who we are

Board of Directors[1]

Board of Directors

Barclays understands the importance of having a Board containing the right balance of skills, experience and diversity and the composition of the Board is regularly reviewed by the Board Nominations Committee. The skills and experience of the current Directors and the value they bring to the Board is described below. Full biographies can be accessed online via home.barclays/investorrelations

John McFarlane

Chairman

Age: 68

Appointed:

1 January 2015

Relevant skills and experience

John is a former CEO of Australia and New Zealand Banking Group Limited with extensive financial services experience across retail, commercial and investment banking, gained both globally and in the UK. John has a proven track record of implementing cost reduction, cultural transformation and driving through strategic change; most recently demonstrated during his time as chairman of Aviva plc. He is also an experienced non-executive director and chairman. John became Chairman at the conclusion of the April 2015 AGM. He became Executive Chairman in July 2015 and held this position until 1 December 2015, when he resumed the role of Chairman.

Other principal appointments

Old Oak Holdings Limited; Westfield Corporation;

Chairman, The CityUK

Committees

Nom*

Relevant skills and experience

Jes Staley

Group Chief Executive

Age: 59

Appointed:

1 December 2015

Jes has nearly four decades of extensive experience in banking and financial services. He worked for more than 30 years at JP Morgan, initially training as a commercial banker, and later advancing to the leadership of major businesses involving equities, private banking and asset management, and ultimately heading the company s global investment bank. Most recently, Jes served as managing partner at BlueMountain Capital. These roles have provided him with a vast experience in leadership and he brings a wealth of investment banking knowledge to the Board. Jes joined Barclays as Group Chief Executive on 1 December 2015.

Other principal appointments

None

Committees

None

Sir Gerry Grimstone

Deputy Chairman and

Senior Independent Director

Age: 66

Appointed:

1 January 2016

Relevant skills and experience

Sir Gerry brings to the Board a wealth of investment banking, financial services and commercial experience gained through his senior roles at Schroders and his various former board positions. Sir Gerry has global business experience across the UK, Hong Kong, the Middle East and the US.

Sir Gerry has significant experience as a non- executive director and chairman. He is currently the chairman of Standard Life plc, independent non-executive board member of Deloitte LLP and the lead non-executive at the Ministry of Defence.

Other principal appointments

Financial Services Trade and Investment Board; The Shareholder Executive

Committees

Nom, Rep*

Mike Ashley

Non-executive

Age: 61

Appointed:

18 September 2013

Relevant skills and experience

Mike has deep knowledge of auditing and associated regulatory issues, having worked at KPMG for over 20 years, where he was a partner. Mike was the lead engagement partner on the audits of large financial services groups including HSBC, Standard Chartered and the Bank of England. While at KPMG, Mike was Head of Quality and Risk Management for KPMG Europe LLP, responsible for the management of professional risks and quality control. He also held the role of KPMG UK s Ethics Partner.

Other principal appointments

ICAEW Ethics Standards Committee; European Financial Reporting Advisory Group s Technical Expert Group; Chairman, Government Internal Audit Agency; Charity Commission; International Ethics Standards Board for Accountants

Committees

Aud*, Nom, Ris

Tim Breedon

Non-executive

Age: 58

Appointed:

1 November 2012

Relevant skills and experience

Tim joined Barclays after a distinguished career with Legal & General, where, among other roles, he was the group chief executive until June 2012. Tim s experience as a CEO enables him to provide challenge, advice and support to the Executive on performance and decision-making.

Tim brings to the Board extensive financial services experience, knowledge of risk management and UK and EU regulation, as well as an understanding of the key issues for investors.

Other principal appointments

Marie Curie Cancer Care; Chairman, Apax Global Alpha Limited

Committees

Aud, Nom, Rem, Ris*

Crawford Gillies

Non-executive

Age: 59

Appointed:

1 May 2014

Relevant skills and experience

Crawford has extensive business and management experience, gained with Bain & Company and Standard Life plc. These roles have provided him with experience in strategic decision-making and knowledge of company strategy across various sectors and geographical locations.

Crawford has also held board and committee chairman positions during his career, notably as chairman of the remuneration committees of Standard Life plc and MITIE Group PLC.

Crawford intends to retire from his position at Standard Life plc in 2016.

Other principal appointments

SSE plc; Control Risks Group Holdings Limited

Committees

Aud, Nom, Rem*

Reuben Jeffery III

Non-executive

Age: 62

Appointed:

16 July 2009

Relevant skills and experience

Reuben has extensive financial services experience, particularly within investment banking and wealth management, through his role as CEO and president of Rockefeller & Co. Inc. and Rockefeller Financial Services Inc. and his former senior roles with Goldman Sachs, including as the managing partner of the Paris office.

His various government roles in the US, including as chairman of the Commodity Futures Trading Commission, provides the Board with insight into the US political and regulatory environment.

Other principal appointments

International Advisory Council of the China Securities Regulatory Commission; Advisory Board of Towerbrook Capital Partners LP; Advisory Board of J. Rothschild Capital Management Limited; Financial Services Volunteer Corps; The Asia Foundation

Committees

Nom, Ris

1 The composition of the Board is correct as at 29 February 2016.

Wendy Lucas-Bull

Non-executive

Age: 62

Appointed:

19 September 2013

Relevant skills and experience

Wendy has significant financial services and African banking experience gained through CEO and senior executive roles on the boards of large South African banks, including Barclays Africa Group Limited. As a CEO she has a track record of successful financial turnaround and cultural transformation of a major South African bank. Her expertise in asset management, investment, commercial and retail banking on the continent is invaluable to the Board given its operations in the region.

Wendy s previous experience of leading on a number of conduct-related consultations also provides Barclays with valuable insight into conduct risk issues.

Other principal appointments

Chairman, Barclays Africa Group Limited; Chairman, Absa Bank Limited; Chairman, Absa Financial Services; Afrika Tikkun NPC (non-profit); Peotona Group Holdings

Committees

Rep

Tushar Morzaria

Group Finance Director

Relevant skills and experience

Tushar joined Barclays in 2013 having spent the previous four years in senior management roles with JP Morgan, most recently as the CFO of its Corporate & Investment Bank.

Age: 47

Appointed:

15 October 2013

Throughout his time with JP Morgan he gained strategic financial management and regulatory relations experience. Since joining the Board he has been a driving influence on the Group s strategic cost programme and managing the Group s capital plan, particularly in response to structural reform.

Other principal appointments

None

Committees

None

Dambisa Moyo

Non-executive

Age: 47

Appointed:

1 May 2010

Relevant skills and experience

Dambisa is an international economist and commentator on the global economy, having completed a PhD in economics. Dambisa has a background in financial services and a wide knowledge and understanding of African economic, political and social issues, in addition to her experience as a director of companies with complex, global operations.

Other principal appointments

SABMiller Plc; Barrick Gold Corporation; Seagate Technology plc

Committees

Rem, Rep

Frits van Paasschen

Non-executive

Relevant skills and experience

Frits is an experienced director, having held the position of CEO and non-executive director in a number of leading global organisations, most recently as CEO of Starwood Hotels and Resorts Worldwide, Inc. These roles have provided him with both a global business perspective and a clear understanding of key management issues, as well as experience of enhancing customer experience in a retail environment.

Age: 54

Appointed:

1 August 2013

Other principal appointments

None

Committees

Rep

Relevant skills and experience

Diane de Saint Victor

Non-executive

Diane holds the roles of executive director, general counsel and company secretary of ABB Limited, a listed international power and automation technologies company. Diane s legal background, combined with her knowledge of regulatory and compliance requirements, bring a unique perspective to the discussions of the Board and its Committees.

Age: 61

Appointed:

1 March 2013

Other principal appointments

None

Committees

Aud, Rep

Relevant skills and experience

Diane Schueneman

Non-executive

Diane joined Barclays after an extensive career at Merrill Lynch, holding a variety of senior roles. Diane brings a wealth of experience in managing global, cross-discipline business operations, client services and technology in the financial services industry. Diane s experience is a good addition to discussions of the Board and the Board Risk Committee. Diane will also join the Board Audit Committee with effect from 1 March 2016.

Age: 63

Appointed:

25 June 2015

Other principal appointments

None

Committees

Ris

Relevant skills and experience

Steve Thieke

Non-executive

Steve has significant experience in financial services, in both investment banking with JP Morgan, where among other roles he served as the chairman of the risk management committee, and in regulation, through roles with the Federal Reserve Bank of New York and the Financial Services Authority. Steve also has significant board experience, having served in both executive and non-executive director roles in his career.

Age: 69

Appointed:

7 January 2014

Other principal appointments

None

Committees

Rem, Ris

Company Secretary

Relevant skills and experience

Lawrence Dickinson

Age: 58

Appointed:

Since joining Barclays as a graduate in 1979, Lawrence has worked in a number of roles, including as Chief of Staff to the CEO and as the Private Bank s Chief Operating Officer. Lawrence is a member and Treasurer of the GC100, the Association of General Counsels and Company Secretaries of the FTSE100. In August 2015 Lawrence also became Group Chief of Staff to the Chairman.

19 September 2002

Committee membership key

Aud	Board Audit Committee
Nom	Board Nominations Committee
Rem	Board Remuneration Committee
Rep	Board Reputation Committee
Ris	Board Risk Committee
*	Committee Chairman

Who we are

Group Executive Committee[1]

Group Executive Committee

Biographies for Jes Staley, Group Chief Executive, and Tushar Morzaria, Group Finance Director, who are members of the Group Executive Committee, which is chaired by Jes Staley, can be found on pages 36 and 37.

Michael Harte
Chief Operations and Technology Officer

Bob Hoyt
Group General Counsel

Thomas King
Chief Executive, Investment Bank

Robert Le Blanc
Chief Risk Officer

Jonathan Moulds
Group Chief Operating Officer

Maria Ramos
Chief Executive, Barclays Africa Group

Tristram Roberts
Group Human Resources Director

Michael Roemer
Group Head of Compliance

Amer Sajed
Interim Chief Executive, Barclaycard

Ashok Vaswani
Chief Executive, Personal and Corporate Banking

1 The composition of the Group Executive Committee is correct as at 29 February 2016.

Board diversity

The Board has a balanced and diverse range of skills and experience. All Board appointments are made on merit, in the context of the diversity of skills, experience, background and gender required to be effective.

Balance of non-executive Directors: executive Directors

1	Chairman	1
2	Executive Directors	2
3	Non-executive Directors	11

Gender balance

Male: Female
10:4

Length of tenure

(Chairman and non-executive Directors)

0-3 years
9

3-6 years
2

>6 years
1

Geographical mix

(Chairman and non-executive Directors)

UK
5

Continental Europe
1

US
4

Other

2

Industry/background experience

(Chairman and non-executive Directors)[a]

Financial Services	10
Political/regulatory contacts	9
Current/recent Chair/CEO	8
Accountancy/financial	2
International (US)	4

International (Europe)	4
International (Rest of the World)	4
Operations and Technology	1
Retail/marketing	1

Note

a Individual Directors may fall into one or more categories

What we did in 2015

Chairman s introduction

The role of any board, and one in which I passionately believe, is to create and deliver long-term, sustainable value.

Dear Fellow Shareholders

I joined Barclays in January 2015 as a non-executive Director and succeeded Sir David Walker as Chairman following the April 2015 Annual General Meeting (AGM). I would like to extend my thanks and appreciation to Sir David for all that he did for Barclays during his tenure.

This is my first report to you as Chairman and is perhaps not quite the report I anticipated writing when I first took up this role. From 17 July to 30 November 2015, I served as Executive Chairman, the Board having asked me to take on this role on an interim basis following its decision to search for a new Group Chief Executive to succeed Antony Jenkins. I welcome the flexibility afforded to us by the UK Corporate Governance Code that allowed us to operate under these revised governance arrangements for a short period of time and ensure continuity of focus and leadership. I was ably supported by my fellow Directors and by the Group Executive Committee during my period as Executive Chairman and thank them for their individual and collective guidance and input. I was delighted that, under the leadership of Sir Michael Rake, we were able to progress the search for a new Group Chief Executive quickly and welcome Jes Staley to the Board in December 2015, at which point I reverted to my role of non-executive Chairman. Jes has a track record as an outstanding leader and I believe he has the skills and experience to take Barclays forward to deliver improved shareholder returns and reclaim its position as the UK s pre-eminent bank. Jes and I are already enjoying a constructive and positive time working together.

The role of the Board

The role of any board, and one in which I passionately believe, is to create and deliver long-term, sustainable value. Barclays is a standout brand and has first-class retail, cards, commercial and investment banking businesses, but this has not translated into shareholder value in recent years. To deliver that value sustainably, we need to be much more focused on what is attractive, what we are good at, and where we are good at it. Put simply, we need to create a tangible and compelling reason for our shareholders to invest in us. This has driven the Board s focus on three priorities during 2015: focus on our core segments and markets; generate shareholder value; and instil a high performance and customer culture, with strong ethical values. You can read more about the Board s activity in support of these three priorities in the Strategic Report on pages 25 to 27.

Board appointments, performance and succession planning

One of the key aspects of my role as Chairman, and one which was especially important during my tenure as Executive Chairman, is to ensure that Barclays has an effective and cohesive, yet challenging Board, with the optimum balance of experience, skills, expertise and personal attributes. I have sought to promote a culture of integrity and transparency, enabling Board debate that allows diverse perspectives and constructive challenge. Certainly, the Board did not shy away from difficult conversations and decisions during 2015, always with a focus on what was needed to drive forward execution of the strategy to generate sustainable value for Barclays and its shareholders.

The Barclays Board has undergone a significant amount of change in recent years and saw further changes during 2015. In addition to my own appointment, we welcomed Diane Schueneman to the Board in June 2015 and Jes Staley in December 2015. Diane brings valuable operations and technology experience to the Board. Sir David Walker and Sir John Sunderland left the Board in April 2015, following the AGM, with Antony Jenkins leaving the Board in July 2015. Finally, in October 2015, we announced that Sir Gerry Grimstone would succeed Sir Michael Rake as Deputy Chairman and Senior Independent Director with effect from 1 January 2016. Sir Michael retired from the Board at the end of 2015 and I would like to thank him for his dedicated service and commitment over his eight years as a non-executive Director, including being Senior Independent Director since October 2011 and Deputy Chairman since July 2012. Sir Michael offers his own perspective on governance during 2015 on page 41.

Governance: Directors report

What we did in 2015

Chairman s introduction

I am also delighted to report that we have met the Board diversity target we set back in 2012, which was that 25% of the Board by the end of 2015 should be women. We have now agreed a new diversity target, which is that 33% of the Board by the end of 2020 should be women, although our overriding principle is that all appointments to the Board are made on merit, taking into account the skills and experience that the Board needs now and may need in the future to support delivery of our strategy.

I am on record as saying that Barclays needs to reduce its internal bureaucracy by becoming leaner and more agile and consequently more effective and the Board and its processes are no exception to this. One of the steps I took on becoming Chairman was to review the Board s governance structure, with assistance from the Company Secretary, in order to simplify and streamline the principal Board Committees, in particular those Board Committees with responsibility for oversight of risk. As a result, the Board decided to disband the Board Enterprise Wide Risk Committee, with its responsibilities for oversight of enterprise-wide risk being assumed by the Board as a whole. We also concluded that the Board Financial Risk Committee should assume responsibility for oversight of the capital and financial aspects of operational risk, in addition to financial risk, leaving the Board Conduct, Operational and Reputational Risk Committee to focus on conduct and culture, reputational risk and citizenship. The Board Audit Committee continued to focus on the control aspects of operational risk. The Board Committees have subsequently been renamed to more accurately reflect their responsibilities.

As part of our discussions on Board and Board Committee succession planning, membership of each Committee was also reviewed to ensure that it had the right balance of skills, experience and perspectives and also to ensure that individual Directors were not being over-burdened by Committee responsibilities. Board Committees play a vital role in supporting the Board in its oversight of internal control and financial reporting, risk and risk management and reward and remuneration. Each of the Board Committee Chairmen report below on how their committees discharged their responsibilities during 2015 and the material matters each considered. The Board Nominations Committee has continued to play a role in succession planning for Group Executive Committee and senior leadership roles and, having had the opportunity during 2015, as Executive Chairman, to work even more closely with Group Executive Committee members, I was able to bring some fresh perspectives on the talent pipeline and talent management processes. More detail on the Board Nominations Committee s work on succession planning can be found on page 61.

It is important to periodically obtain an independent perspective on the effectiveness of the Board and particularly so in a year when our conventional Board governance processes were temporarily revised. We have conducted an externally facilitated review of the effectiveness of the Board each year since 2004 and for 2015 we asked Independent Board Evaluation to facilitate that review. I am pleased to advise that the overall outcome of the review was that the Board is operating effectively, although there are some areas that could be enhanced. A report on the evaluation process and the outcomes may be found on pages 64, 66 and 67.

Culture and values

People matter more than anything else in any business: it is a company s people that make it great, help it stand out from its competitors, and make it an attractive proposition for customers and investors. As a Board, we are responsible for ensuring that Barclays people do things the right things in the right way by setting the tone from the top, by living Barclays culture and values in everything that we do and in the decisions we make, by holding the Group Executive Committee to account for the integrity of our Purpose and Values and by creating a culture in which doing the right thing is integral to the way we operate, globally. In an organisation as large and as complex as Barclays, that can be, and is, a challenge, but we are only too alive to the consequence of getting this wrong. I have personally endorsed our Code of Conduct, *The Barclays Way,* and the Board Reputation Committee has been monitoring, on behalf of the Board, the progress we are making to embed cultural change.

Shareholder and regulatory engagement

Meaningful engagement with our shareholders and regulators is a key pillar of our approach to corporate governance. We welcome open and constructive discussion with our stakeholders, particularly with regard to governance and succession planning, strategy and remuneration. You can read more about how we have engaged with key stakeholders during 2015 in this report. I also hope to meet with many of our private shareholders at our AGM, which will be held on 28 April 2016. A significant activity during 2015 was our external audit tender, on which we engaged with a number of our major shareholders, and you can read a report from Tim Breedon, who chaired our Audit Tender Oversight Sub-Committee, on page 51.

Looking ahead

2015 has not been without its challenges, but I believe that we now have the leadership in place to take forward execution of our strategy at pace, to deliver on our priorities and generate the long-term sustainable value that will benefit not only Barclays shareholders, but society at large.

John McFarlane

Chairman

29 February 2016

What we did in 2015

Statement from Sir Michael Rake

Deputy Chairman until 31 December 2015

In asking the Chairman to take on executive responsibilities we were mindful of the need to ensure that our Board governance arrangements remained effective.

Board allocation of time (%)

		2015	2014
1	Strategy formulation and implementation monitoring	**56**	47
2	Finance (incl. capital and liquidity)	**11**	17
3	Governance and Risk (incl. regulatory issues)	**29**	32
4	Other (incl. compensation)	**4**	4

Dear Fellow Shareholders

In early July 2015, we announced the departure of Antony Jenkins as Group Chief Executive and the appointment of John McFarlane as Executive Chairman, pending the appointment of a new Group Chief Executive. The non-executive Directors had reflected long and hard on the issue of Group leadership and had concluded that new leadership, bringing a new set of skills, was required to accelerate the pace of execution going forward. These events were extensively reported at the time and, rather than revisit them, I would simply like to reiterate here the Board s appreciation of Antony s contribution at what was a critical period for Barclays.

In asking the Chairman to take on executive responsibilities, albeit for an interim period, we were mindful of the need to ensure that our Board governance arrangements remained effective and to maintain an appropriate balance of responsibilities on the Board and in the running of the Company until such time as a new Group Chief Executive was appointed. I wanted to give you my perspective on how we approached that and, in particular, how my role as Deputy Chairman and Senior Independent Director evolved during this time.

First, as Executive Chairman, John McFarlane relinquished his membership of the principal Board Committees on which he served, to ensure they continued to be composed solely of non-executive Directors and without any impediment to their ability to provide independent and constructive challenge to executive management. Specifically, John stood down as Chairman of both the Board Nominations Committee and the Board Reputation Committee and I became Chairman of both committees in his place.

Secondly, I took primary responsibility for the search for a new Group Chief Executive, leading the Board Nominations Committee through this process. As the relationship between the Chairman and Group Chief Executive is pivotal to the effectiveness of the Board, John worked closely with me during this process and his insight and guidance on the skills and qualities we needed in the new Group Chief Executive was invaluable. During the search process, I reported regularly to my non-executive colleagues on the Board on progress and on potential candidates, ensuring that they had the opportunity to provide their views and feedback. You can read more about the search for our new Group Chief Executive on page 65. We announced in late October 2015 that Jes Staley would join the Board as Group Chief Executive with effect from 1 December 2015. John subsequently resumed his chairmanship of the Board Nominations Committee, however, I continued to chair the Board Reputation Committee for the remainder of 2015.

Thirdly, my general interaction with our main stakeholders our major shareholders and our regulators in the UK and US increased during the period that John served as Executive Chairman.

Finally, I also maintained close contact with both John and members of senior management to ensure there were no significant issues arising from a governance perspective during this period.

2015 was my last year on the Barclays Board. I joined the Board in January 2008 and served through an eventful and difficult period for both Barclays and the financial services industry as a whole. Barclays announced in October 2015 that I would retire from the Board with effect from 31 December 2015 and I have spent time with my successor as Deputy Chairman and Senior Independent Director, Sir Gerry Grimstone, to ensure a smooth handover. I have been proud to serve on the Barclays Board and wish my fellow Directors continuing success for the future.

Sir Michael Rake

Deputy Chairman and Senior Independent Director until

31 December 2015

What we did in 2015

Board Audit Committee report

We have continued to play a role in changing the culture and building a greater sense of personal accountability, not just at a senior level within the Group but throughout the organisation, for maintaining the control environment.

Dear Fellow Shareholders

My report for 2014 emphasised the role the Committee has in ensuring that Barclays operates with a strong control environment and, in particular, the role it is playing in changing the culture and building a greater sense of personal accountability, not just at a senior level within the Group but throughout the organisation, for maintaining that control environment. During 2015, with the agreement of the Board and the Board Risk Committee, the Committee assumed primary responsibility for assessing and tracking the progress of embedding the Enterprise Risk Management Framework (ERMF), which is the way in which Barclays approaches enterprise risk management and is the bedrock of our management of internal risk and control. In particular, the Committee was keen to find ways in which the ERMF could be linked to the Group s assessment of Management s Control Approach (MCA), both to drive the right behaviours and provide a more objective method of assessing MCA. In terms of specific control issues, an area of focus for the Committee during 2015 was operations and technology, where there are a number of material control issues the Group is addressing. In assessing control issues for disclosure, the Committee has applied similar definitions to those used for assessing internal financial controls for the purposes of Sarbanes-Oxley and has concluded that there are no

The role of Board Audit Committee Chairman continues to be a full and busy one. During 2015, I had significant interaction with our regulators, meeting with representatives from our UK and US regulators and also participating in trilateral meetings with our auditors and UK regulators. I also took the opportunity to liaise with my fellow audit committee chairmen in other financial services companies, to discuss common issues and share practice, and I met with a group of investors to discuss disclosure issues, in particular with regard to realised profits. I carried on with my practice of meeting with representatives from senior management to discuss specific issues, such as customer complaints or cyber risk, in addition to my regular meetings with the Group Finance Director and Chief Internal Auditor. I also visited Barclays Africa, attending the African chairmen s conference. I held regular private meetings with my fellow Committee members ahead of Committee meetings to ensure I had a good sense of the matters that concerned them most and likewise met regularly with the lead audit partner of the external auditor.

Committee performance

The Committee s performance during 2015 was evaluated as part of the independently facilitated Board effectiveness review and I am pleased to report that the outcomes were positive. The Committee was regarded as effective and considered to be very thorough and detailed. The review commented on the continuing need to balance the demands of a busy agenda and programme of work with the need to cover issues in appropriate detail. We will also be seeking to strengthen the level of technical accounting experience on the Committee. You can read more about the outcomes of the Board effectiveness review on pages 66 and 67.

control issues that are considered to be a material weakness, which would therefore merit specific disclosure. Further details may be found in the Risk Management and Internal Control section on page 72. The Committee also continued to address the significant judgements that need to be made in connection with the Group s financial statements, primarily those relating to conduct and litigation provisions and the valuations of specific financial instruments, derivative assets and portfolios, particularly those where there is a lack of observable market data. More details of the material matters addressed by the Committee are given in the report below. The Committee also spent time carefully considering the requirements of the new viability statement and confirmed that, as indicated in last year s report, three years was the appropriate period, as it accorded with the Group s Medium Term Plan.

A significant activity for the Committee during 2015 was the external audit tender, which was conducted by an Audit Tender Oversight Sub-Committee, chaired by Tim Breedon. As I was until 2013 a partner of KPMG, one of the bidding audit firms, I took no part in the external audit tender process, other than providing input to its initial design. Tim Breedon reports separately on the external audit tender process below.

Looking ahead

Barclays continues to face an unprecedented level of change, driven by both internal and external factors and it will be critical to ensure that a culture of strong control is maintained as the Group implements its strategy and also as it positions itself for structural reform. The Committee will continue to seek to ensure that management maintains its focus on building personal accountability for upholding a strong and effective control environment and is supportive of the pilot programme being implemented in 2016 that will require certain business personnel to spend time working in a control function before being promoted. 2016 will also see the Committee focus on the transition to a new auditor, KPMG, who will become Barclays auditor with effect from the 2017 financial year. We will be seeking to ensure that the quality of the audit performed by the existing auditor, PwC, is maintained until the end of its tenure and that KPMG has completed the steps it needs to undertake to ensure it is fully independent of Barclays and has a strong understanding of the business before it takes up office.

Mike Ashley

Chairman, Board Audit Committee

29 February 2016

Committee composition and meetings

The Committee is composed solely of independent non-executive Directors. Dambisa Moyo retired from the Committee at the end of August 2015 following a review of Board Committee composition and size by the Board, which resulted in the membership of each Board Committee being refreshed. Diane Schueneman was appointed to the Committee with effect from 1 March 2016. Mike Ashley is the designated financial expert on the Committee for the purposes of the US Sarbanes-Oxley Act. Although each member of the Committee has financial and/or financial services experience, the Board has determined that the Committee would benefit from additional direct accounting and auditing experience and consideration is being given to further appointments to the Committee in order to deepen its expertise in these areas. You can find more details of the experience of Committee members in their biographies on pages 36 and 37.

The Committee met 10 times in 2015 and the chart on page 50 shows how it allocated its time. One meeting was held purely to consider presentations from the three audit firms bidding for the external audit tender and was not attended by Mike Ashley. Committee meetings were attended by management, including the Group Chief Executive, Group Finance Director, Chief Internal Auditor, Chief Risk Officer, General Counsel and Head of Compliance, as well as representatives from the businesses and other functions. The lead audit partner of the external auditor attended all Committee meetings, except the meeting to evaluate the external audit tender proposals, and the Committee held a number of private sessions with each of the Chief Internal Auditor or the lead audit partner, which were not attended by management.

Member	Meetings attended/eligible to attend
Mike Ashley*	9/10
Tim Breedon	10/10
Crawford Gillies	10/10
Dambisa Moyo (to 31 August 2015)	6/7
Diane de Saint Victor	7/10

* Did not attend the meeting that considered the appointment of a new statutory auditor given that KPMG, where until 2013 he was a partner, was one of the bidding audit firms.
Unable to attend certain meetings owing to prior business commitments. Input was provided to the Committee Chairman prior to the meeting.

Committee role and responsibilities

The Committee is responsible for:

§ assessing the integrity of the Group s financial reporting and satisfying itself that any significant financial judgements made by management are sound

§ evaluating the effectiveness of the Group s internal controls, including internal financial controls and

§ scrutinising the activities and performance of the internal and external auditors, including monitoring their independence and objectivity.

The Committee s terms of reference are available at

home.barclays/corporategovernance

Governance: Directors report

What we did in 2015

Board Audit Committee report

The Committee s work

The significant matters addressed by the Committee during 2015 are described below.

Significant financial statement reporting issues

Assumptions and estimates or judgements are an unavoidable and significant part of the financial reporting process and are evaluated carefully by the Committee ahead of the publication of Barclays results announcements. The Committee examined in detail the main judgements and assumptions made by management, any sensitivity analyses performed and the conclusions drawn from the available information and evidence, with the main areas of focus during the year set out below. Where appropriate, the Committee sought input and guidance from the external auditor and welcomed its challenge on specific matters. In addition to these main areas of focus, the Committee also covered matters relating to Barclays pension scheme, taxation and accounting policy choices.

Area of focus	Reporting issue	Role of the Committee	Conclusion/action taken
Conduct provisions (see Note 27 to the financial statements).	Barclays makes certain assumptions and estimates, analysis of which underpins provisions made for the costs of customer redress, such as for Payment Protection Insurance (PPI), Packaged Bank Accounts (PBA) and rates provided to certain customers on foreign exchange transactions.	In debating Barclays financial results statements, the Committee examined the provisions held for the costs of customer redress. In respect of PPI, the Committee: § analysed the judgements and estimates with regard to the PPI provision, taking into account estimated overturn rates, the estimation policy on missing data, and complaints trend data	The Committee agreed that an additional provision of £150m should be taken at the first quarter but requested a full review of forecasts for PPI redress for the second quarter 2015. Having assessed the outputs of that review, it agreed to increase the provision at the half year by £600m. Following the review at the third quarter, the Committee concluded that no additional provisions were required but asked management to conduct further review and analysis for the 2015 year end to ensure that provisions were within an acceptable range. In deliberating the analyses presented by management in

§ evaluated Financial Ombudsman Service overturn rates and trends, provisions utilisation, latest flow forecasts and how reasonable high and low end scenarios had been determined in order to assess the range of reasonable possible future costs § debated proposed additional provisions and whether the analysis performed by management was consistent with prior periods § assessed the Group s ability to forecast trends in PPI complaints, discussing the levels of uncertainty in the projections § debated the potential range of outcomes that might arise from the Plevin case (the 2014 UK Supreme Court ruling in Plevin v Paragon Personal Finance Ltd) and the potential impact on the future range of provisions arising from the proposed timebar on claims.	connection with the 2015 full year results, and considering in particular the potential impact resulting from the FCA s consultation on introducing a time limit for claims and addressing the Plevin case, the Committee agreed with management s proposal to increase the provision at the year end by £1,450m. The Committee and management will continue to monitor closely any changes in customer or claims management companies behaviour in light of the Plevin case and the proposed timebar.
With regard to PBA redress, the Committee: § debated the practice of providing for future costs where persistent levels of complaints are received § assessed PBA claims experience throughout 2015, examining the level of provisions against forecast volumes and actual claims experience § evaluated management s analysis of complaint levels and trends and the outputs of product reviews.	The Committee endorsed management s recommendation that an expense of £282m for PBA should be provided for in the first half and agreed it should be disclosed as a separate item in the interim results. Having examined claims trend data, it concluded that no further provisions were required during 2015.

In relation to redress to certain customers regarding rates provided on foreign exchange transactions, the Committee:

§ examined the results of the internal review conducted by management on foreign exchange transactions

§ evaluated the Group s proposal for calculating remediation for the customers affected.

The Committee agreed with the proposal to make a provision of £290m in the third quarter and that this provision should be separately disclosed. The remediation is still at an early stage and the Committee noted that there were no significant developments in the fourth quarter. The Committee therefore agreed that no adjustment was required in the provision at the end of 2015.

Area of focus	Reporting issue	Role of the Committee	Conclusion/action taken
Legal, competition and regulatory provisions (see Notes 27 to 29 to the financial statements).	Barclays makes judgements in respect of provisions for legal, competition and regulatory matters.	§ Evaluated advice on the status of current legal, competition and regulatory matters. § Assessed management s judgements and estimates of the levels of provisions to be taken and the adequacy of those provisions, based on available information and evidence.	The Committee discussed provisions and utilisation for Foreign Exchange and ISDAFix litigation and agreed that any residual provision should be retained and not released in the first half. Having reviewed the information available to determine what could be reliably estimated, the Committee agreed that the provision at the full year should be set at £1,237m for ongoing investigations and litigation including Foreign Exchange. Further information may be found on pages 303 to 313.
Valuations (see Notes 14 to 18 to the financial statements).	Barclays exercises judgement in the valuation and disclosure of financial instruments, derivative assets and certain portfolios, particularly where quoted market prices are not available, in particular the Group s Education, Social Housing and Local Authority (ESHLA) portfolio, which during 2015 represented the most material judgement in view of widening credit spreads on social housing	§ Debated fair value balance sheet items. This included evaluating a report from the Valuations Committee, analysing social housing bonds credit spread performance and debating the appropriateness of the valuation model. § Assessed how the ESHLA portfolio might be accounted for under IFRS 9.	The Committee concluded that there should be no change to the fair value approach. It also agreed with management s recommendation that an additional prudential valuation adjustment of £300m should be made in respect of the ESHLA portfolio, reflecting an increase in credit uncertainty for social housing sector loans arising from some widening of social housing bond credit spreads.

	bonds and budget changes impacting social housing portfolios.	§ Debated uncollateralised derivatives and differences in pricing ranges and the potential impact on the Group s financial statements. § Examined the significant valuation disparity between the Group and a counterparty in relation to a specific long-dated derivative portfolio.	The Committee noted that despite attempts by the front office trading team, the Group Finance Director and the Chairman of the Committee, it had not proved possible to gain a complete understanding of the causes of the valuation disparity from the relevant counterparty. Nonetheless, a significant element was understandable in light of the different underlying positions held and the Committee took further comfort from a third party valuation provided in relation to ongoing consideration of restructuring the trades. The Committee concluded that the Group s valuation methodology was appropriate and also noted that the Group was protected against counterparty credit risk through a collateral escrow arrangement.
Impairment (see Note 7 to the financial statements).	Where appropriate, Barclays models potential impairment performance, allowing for certain assumptions and sensitivities, to agree allowances for credit impairment, including agreeing the timing of the recognition of any impairment and estimating the size, particularly where forbearance has been granted.	§ Assessed impairment experience against forecast and whether impairment provisions were appropriate. § Evaluated the results of the review and stress tests conducted by management of the Group s exposures to the oil and gas sector in light of the reduction in oil prices. § Debated management s analysis of the emergence and outturn periods for the Barclaycard portfolios.	The Committee agreed with the proposed adjustments to emergence and outcome periods and determined that the allowances for credit impairment on loans and advances were appropriate and adequately supported by model outputs. In relation to the oil and gas sector, the Committee determined that the proposed provisions were appropriate but noted that further stress was possible in the event of a prolonged period of lower oil prices.

Governance: Directors report

What we did in 2015

Board Audit Committee report

Area of focus	Reporting issue	Role of the Committee	Conclusion/action taken
Going concern (see page 78 for further information).	Barclays is required to confirm that the going concern basis of accounting is appropriate.	§ Assessed a working capital report prepared by Barclays Treasury, covering forecast and stress tested forecasts for liquidity and capital compared to current and future regulatory requirements, while taking into account levels of conduct and litigation provisioning and possible further provisions that may be required.	After examining forecast working capital, along with Barclays ability to generate capital and raise funding in current market conditions, the Committee concluded that Barclays liquidity and capital position remained appropriate, that there were no material uncertainties and that the going concern basis of accounting remained appropriate.
Viability (see page 27 for further information).	For the 2015 reporting year onwards, the Directors are required to make a statement in the Annual Report as to the longer-term viability of Barclays.	§ At the request of the Board, evaluated at the year end a report from management that set out the view of Barclays longer-term viability. This report was based on Barclays Medium Term Plan (MTP) and covered forecasts for capital, liquidity and leverage, including forecast performance against regulatory targets, outcomes of the stress test of the MTP and forecast capital and liquidity performance against stress hurdle rates, funding and liquidity forecasts and an assessment of global risk themes and the Group s risk profile.	Taking into account the assessment by the Board Risk Committee of stress testing results and risk appetite, the Committee agreed to recommend the viability statement to the Board for approval, although it emphasised the need for the statement to refer specifically to the key risks to viability, in particular those outside the Group s direct control.

Fair, balanced and understandable reporting (including Country by Country reporting and Pillar 3 reporting).	Barclays is required to ensure that its external reporting is fair, balanced and understandable.	§ At the request of the Board, assessed, via discussion with and challenge of management, whether disclosures in Barclays published financial statements were fair, balanced and understandable, taking into account comments received from investors and others. § Evaluated reports from the Disclosure Committee on its assessment of the content, accuracy and tone of the disclosures. § Sought and obtained confirmation from the Group Chief Executive and Group Finance Director that they considered the disclosures to be fair, balanced and understandable. § Evaluated the outputs of Barclays Turnbull assessments and Sarbanes- Oxley s404 internal control process. § Established via reports from management that there were no indications of fraud relating to financial reporting matters. § Assessed disclosure controls and procedures. § Requested that management report on and evidence the basis on which representations to the external auditors were made.	Having assessed all of the available information and the assurances provided by management, the Committee concluded that the processes underlying the preparation of Barclays published financial statements were appropriate in ensuring that those statements were fair, balanced and understandable. In assessing Barclays financial results statements, the Committee requested that certain amendments were made to disclosures on litigation and also provided input on other key disclosure items, including the US Wealth disposal, guidance on Barclays Non-Core, adjusting items, dividends and outlook statements. It also debated the proposed statements to be made by the Chairman and Group Chief Executive, suggesting amendments. The Committee concluded that the disclosures and process underlying the production of the 2015 Annual Report and Financial Statements were appropriate and recommended to the Board that the 2015 Annual Report and Financial Statements are fair, balanced and understandable.

Other significant matters

Other matters addressed by the Committee focused on the effectiveness of Barclays internal controls, the performance and effectiveness of the internal audit function, the performance, objectivity and independence of the external auditor, PricewaterhouseCoopers LLP (PwC) and the arrangements being made to ensure that the incoming auditor, KPMG LLP (KPMG), achieves full independence prior to commencing the Barclays audit. The most significant matters are described below.

Area of focus	Matter addressed	Role of the Committee	Conclusion/action taken
Internal control Read more about the Barclays Internal control and risk management processes on pages 72 and 73.	The effectiveness of the control environment in operations and technology (O&T) and the status and remediation of any material control issues.	§ Evaluated on a regular basis, the O&T control environment, including the status of any open material control issues, emerging risks and closed control issues, taking the opportunity to directly challenge and question functional leaders. § Scrutinised the status of specific material control issues and their associated remediation plans, including in particular those relating to access management, security of secret and confidential data, cyber risk, IT infrastructure and application issues and third party supplier management. § Debated any slippage to remediation programmes and whether this was a cultural indicator of the Group s approach. § Conducted a deep dive on security of secure and confidential data control issues, discussing in particular the cultural changes that the businesses needed to make.	Having assessed the status of material control issues and their remediation, the Committee suggested that resilience should be elevated as a material control issue and requested a deep dive. The deep dive has been scheduled for early 2016. The Committee also requested further updates on cyber risk and third party supplier management, both of which are scheduled to take place in early 2016. The Committee requested a deep dive on access management control issues, which took place during 2015.

	§ Assessed the threat presented by cyber risk, including the impact of any confirmed cyber attacks. § Debated the progress of remediation of third party supplier management control issues, including the potential impacts of the Group s focus on cost management and of decentralisation.	
The effectiveness of the business control environment, including the status of any material control issues and the progress of specific remediation plans.	§ Assessed individual reports on the control environment in PCB, Barclaycard, Barclays Africa and US Investment Banking operations, including questioning directly the heads of those businesses. § Debated the importance of maintaining an effective control environment as the Group decentralises certain functional activities.	The Committee requested, and received, an update on decentralisation and its potential impact on the Group s control environment.
The progress being made on embedding the ERMF to support a strong and effective internal control environment.	§ Assessed the results of a self-assessment pilot exercise conducted by the principal business units, as the first line of defence. § Evaluated a proposal for a revised approach to the internal control attestation process to link it to the ERMF. § Deliberated on the challenge of embedding conduct risk management as part of the ERMF. § Debated the effectiveness of the systems being used to support risk and control assessments by the first line of defence.	The Committee suggested to management that the assessment of MCA ratings could be more closely aligned to the ERMF. It subsequently considered and approved a proposal to align the MCA and ERMF, recommending that this be implemented with effect from 1 January 2016. The Committee requested further work on the revised approach to the internal control attestation process, so that the revised approach could be implemented for the 2015 year end attestation. The Committee asked for a further update on the effectiveness of the challenge by the second line of defence once all risk and

§ Focused on the need for effective challenge by the second line of defence.

§ Debated what metrics could be used to provide line of sight to control issues and whether a more objective approach to MCA ratings could be developed.

control assessments had been completed. This update is scheduled to be provided in early 2016.

Governance: Directors report

What we did in 2015

Board Audit Committee report

Area of focus	Matter addressed	Role of the Committee	Conclusion/action taken
	The adequacy of the Group s arrangements to allow employees to raise concerns in confidence without fear of retaliation and the outcomes of any substantiated cases.	§ Debated the enhancements made to the Group s whistleblowing framework, including changes in the team, communications to employees and re-publication of the Raising Concerns Policy. § Evaluated the level of substantiated cases and trends in reporting.	The Committee welcomed the steps that had been taken to strengthen the Group whistleblowing team and to enhance awareness and visibility across the Group of whistleblowing processes and the Raising Concerns Policy. It asked for more granular reporting to be made to the Committee, including ensuring that any cases of retaliation were clearly highlighted and that Barclays Africa incidents were reported to the Committee on the same basis as the rest of the Group. This information is now being received. To enable an assessment of effectiveness, the Committee asked for Barclays processes to be benchmarked against its peers. It was subsequently presented with the results of the benchmarking exercise and concluded that Barclays processes were appropriate.
Internal audit	The performance of internal audit and delivery of the internal audit plan, including	§ Focused on how to accelerate the remediation of any control weaknesses and the	The Committee supported the approach to enforcing even greater accountability and

scope of work performed, the level of resources and the methodology and coverage of the internal audit plan.

importance of having a culture of closing issues effectively, including debating a new approach to audit issues management, which requires issues to be remediated within six months of identification, with any extension to that time period requiring the approval of a member of the Group Executive Committee.

§ Evaluated progress of the internal audit plan for 2015 and debated the plan for 2016, including assessing the proposed internal audit coverage and key control themes identified.

§ Assessed internal audit resources and attrition levels.

§ Debated the outcomes from Barclays Internal Audit s annual self-assessment.

ensuring greater visibility at Group Executive Committee and senior management level of the remediation of control issues and audit issues management. It confirmed its agreement to the key control themes identified by internal audit, although it asked for execution risk to be covered specifically. The Committee approved changes to internal audit s methodology and the approach to audit coverage and issues validation, which has been implemented from 1 January 2016. The Committee asked for internal audit reports to comment as a matter of course on the effectiveness of both first and second lines of defence when evaluating their audit findings. Having assessed internal audit s reports on a regular basis, the Committee confirmed completion of the internal audit plan for the first half of 2015 and approved the plan for the second half of the year, including approving the resources requested. It also approved the plan for the first half of 2016. In view of the Group s focus on cost management, the Committee asked for an assessment of the impact on the internal audit plan of any proposed headcount reductions and for this to be reported to the Committee along with any revised plan. The Committee was content with the outcomes of the self-assessment of internal audit performance, although requested an update on the quality assurance programme, which will be provided in 2016.

Area of focus	Matter addressed	Role of the Committee	Conclusion/action taken
External audit	The work and performance of PwC, including the maintenance of audit quality during the period of transition to a new auditor.	§ Convened a separate session with the key members of the PwC audit team to discuss the 2015 audit plan and agree areas of focus. § Assessed regular reports from PwC on the progress of the 2015 audit and any material issues identified. § Debated the draft audit opinion ahead of 2015 year end. The Committee was also briefed by PwC on critical accounting estimates, where significant judgement is needed.	The Committee approved the audit plan and the main areas of focus, including impairment, valuations, conduct redress provisions, litigation and regulation and IT systems and controls. The Committee asked PwC to comment on the Group s reconciliations processes and how they compared to other financial institutions. **Read more about the Committee s role in assessing the performance, effectiveness and independence of the external auditor and the quality of the external audit below.**
	The external audit tender, which was conducted during 2015, and the arrangements for the transition to a new auditor.	§ Received regular updates from the Audit Tender Oversight Sub-Committee on the progress of the audit tender. § Convened a special meeting to evaluate final presentations from the three audit firms who responded to the request for proposal.	The Committee decided to look further at potential reputation risk before making a recommendation to the Board. Having done so, it concluded on two firms for recommendation to the Board for consideration, indicating its preferred option of KPMG. In July 2015, Barclays announced

§ Assessed and endorsed the proposed process to ensure that KPMG was independent by 1 July 2016.

the appointment of KPMG as its statutory auditor with effect from the 2017 financial year.

Read more about the external audit tender and the processes in place to ensure KPMG s independence below.

The Committee also covered the following matters:

§ ensured it was updated on the implementation of IFRS 9, including the work under way to develop the Group s approach, project status, resourcing and employee training. The Committee requested, and received, a specific briefing session on IFRS 9, covering the key assumptions and judgements that will be required

§ debated the Group s plan for recovery and resolution and the process by which it was developed, including assessing the forward-looking trigger indicators

§ tracked progress of plans to ensure an attestation could be made to the Group s regulators with regard to financial crime controls

§ assessed status reports on the Group s controls around client assets and encouraged management to ensure that complexity, and the associated compliance costs, was taken into account when deciding which products to be offered

§ evaluated regular reports on regulatory issues

§ approved revisions to its terms of reference and recommended them to the Board for approval

§ approved a revised Group Retail Impairment Policy.

Assessing external auditor effectiveness, auditor objectivity and independence and non-audit services

The Committee is responsible for assessing the effectiveness, objectivity and independence of the Group s auditor, PwC. This responsibility was discharged throughout the year at formal committee meetings, during private meetings with PwC and via discussions with key executive stakeholders. In addition to the matters noted above, during 2015, the Committee:

§ approved the terms of the audit engagement letter and associated fees, on behalf of the Board, having scrutinised the results of Barclays formal evaluation of PwC. More information on the formal evaluation is provided below

§ appraised PwC s approach to key accounting judgements and how they were communicated and agreed with management and the Committee

§ recognising that PwC, and its predecessor firms, has been Barclays external auditor since 1896 and that it had been more than 10 years since the external audit was last tendered, conducted an external audit tender, identified KPMG as the preferred candidate for appointment as Barclays new auditor and made a recommendation to the Board. Details of the audit tender process, which was overseen by the Audit Tender Oversight Sub-Committee, can be found on page 51

§ discussed and agreed revisions to the Group Policy on the Provision of Services by the Group Statutory Auditor and regularly analysed reports from management on the services that PwC provided to Barclays. Following the appointment of KPMG as auditor from 1 January 2017, the Committee also commenced oversight of new non-audit service engagements with KPMG in recognition of the potential threats to independence. Read more about non-audit services below

§ instructed Barclays Internal Audit to undertake a review of a sample of non-audit services provided by PwC to ensure that the final deliverables aligned to the scope of work approved by the Committee. No concerns were identified by this review

§ evaluated and approved revisions to the Group Policy on Employment of Employees from the Statutory Auditor and ensured compliance with the policy by regularly assessing reports from management detailing any appointments made

§ analysed the results of the inspection of PwC by the Financial Reporting Council s Audit Quality Review Team and confirmed support for the actions PwC proposed to take to address areas identified for improvement

§ assessed the draft report to the PRA prepared by PwC regarding its detailed audit work on specific topics, in particular, impairment.

PwC s performance, independence and objectivity during 2015 were formally assessed at the beginning of 2016. A questionnaire incorporating best practice recommendations from a number of professional and governance bodies, and taking account of key findings from the 2014 review, was completed by key stakeholders across the Group. The questionnaire was designed to evaluate PwC s audit process in its entirety and addressed matters including the quality of planning and communication, technical knowledge, the level of scrutiny and challenge applied and PwC s understanding of the business. The subsequent report provided empirical data on which the Committee assessed PwC. It also reflected specific comments made by respondents, giving the Committee a valuable insight into management s views. The Committee was particularly interested in assessing whether audit quality was being maintained throughout the period of transition to a new auditor. The results of the evaluation confirmed that both PwC and the audit process were effective. Having considered the results of the evaluation, the Committee recommended to the Board and to shareholders that PwC should be reappointed as the Group s auditors at the AGM on 28 April 2016, noting that this would be PwC s final year as Group auditor.

What we did in 2015

Board Audit Committee report

Non-audit services

In order to safeguard the auditor s independence and objectivity, Barclays has in place a policy setting out the circumstances in which the auditor may be engaged to provide services other than those covered by the Group audit. The Group Policy on the Provision of Services by the Group Statutory Auditor (the Policy) applies to all Barclays subsidiaries and other material entities over which Barclays has significant influence. The core principle of the Policy is that non-audit services (other than those legally required to be carried out by the Group s auditor) should only be performed by the auditor in certain, controlled circumstances. The Policy sets out those types of services that are strictly prohibited and those that are allowable in principle. Any service types that do not fall within either list are considered by the Committee Chairman on a case by case basis, supported by a risk assessment provided by management.

The Committee has pre-approved all allowable services up to £100,000, or £25,000 for tax advisory services, however, all proposed work, regardless of the fees, must be sponsored by a senior executive and recorded on a centralised online system, with a detailed explanation of the clear commercial benefit arising from engaging the auditor over other potential service providers. The audit firm engagement partner must also confirm that the engagement has been approved in accordance with the auditor s own internal ethical standards and does not pose any threat to the auditor s independence or objectivity.

All requests to engage the auditor are assessed by independent management before work can commence. Requests for allowable service types in respect of which the fees are expected to meet or exceed the above thresholds must be approved by the Chairman of the Committee before work is permitted to begin. Services where the fees are expected to be £250,000 or higher must be approved by the Committee as a whole. All expenses and disbursements must be included in the fees calculation.

During 2015, all engagements where expected fees met or exceeded the above thresholds were evaluated by either the Committee Chairman or the Committee as a whole who, before confirming any approval, assured themselves that there was justifiable reason for engaging the auditor and that its independence and objectivity would not be threatened. Two requests were declined in 2015 (2014: two). On a quarterly basis, the Committee scrutinised details of individually approved and pre-approved services undertaken by the auditor in order to satisfy itself that they posed no risk to the auditor s independence, either in isolation or on an aggregated basis. A breakdown of the fees paid to the auditor for non-audit work can be found in Note 42 on page 338, with non-audit fees representing 23.5% (2014: 25.7%) of the audit fee. Significant categories of engagement undertaken in 2015 included:

§ attest and assurance services required by regulators in connection with reviews of internal controls including reviews of the suitability of design and operating effectiveness of controls related to custody of securities and funds within Barclays Wealth Americas

§ tax compliance services in respect of assignments initiated pre-January 2011 in connection with Barclays international and expatriate employees, involving co-ordination and filing of statutory tax returns, social security applications and additional compliance filings

§ transaction support on secured funding transactions, including the provision of audits required by the Bank of England and the issue of comfort letters

§ provision of advice and market insight in respect of regulatory requirements relating to remuneration structure, incentive funding and risk adjustment and remuneration reporting.

Independence of KPMG

Following the appointment of KPMG as Barclays auditor with effect from 1 January 2017, the Committee was concerned to ensure that KPMG obtained independence from Barclays during 2016, enabling it to familiarise itself with Barclays and receive a structured, formal handover from PwC. In order to ensure KPMG s independence, and to allow the Committee to assess whether any non-audit work being conducted by KPMG in the meantime is appropriate, both in terms of type and scale, Barclays is in the process of exiting any current relationships or assignments that may prevent KPMG obtaining independent status and

has implemented procedures to manage the types of relationships and assignments that KPMG provides going forward. In particular, KPMG is not permitted to provide any service that may continue beyond mid-2016 if it has potential to cause independence issues. Since October 2015, the Committee has required all new engagements to be considered in light of the Policy and is maintaining oversight of them on the same basis as for the current auditor. The Committee has reserved the right to decline any proposed engagement with KPMG.

The fees paid to KPMG for non-audit work during 2015 were £38m. Significant categories of engagement undertaken in 2015 included:

§ international tax compliance services for expatriate employees of Barclays, including expatriate tax returns, tax counselling, tax equalisation, international social security and other employment tax issues

§ independent approved person review (s.166) of interest rate swaps to small businesses, covering the sale of interest rate hedging products to retail customers

§ the building of an internal lean self-sufficiency capability to support end-to-end value stream improvements of core business processes within Group Operations and Technology

§ assistance in the establishment and running of the programme management office associated with the African brand migration project

§ support in the implementation of the Group conduct risk programme

§ support with the development of the anti-money laundering programme and the provision of related advice

§ support for Barclaycard in the assessment and restructuring of its pricing model

§ review and remediation of know your customer documentation requirements for Barclays politically exposed persons and special focus clients in the US, UK, Switzerland, Monaco, India, Singapore and Hong Kong

§ support for the development and embedding of the Basel II-compliant models in Spain.

The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014

Barclays intends to comply with the requirements of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, which relates to the frequency and governance of tenders for the appointment of the external auditor and the setting of a policy on the provision of non-audit services.

Board Audit Committee allocation of time (%)

		2015	2014
1	Control Issues	**18**	24
2	Business control environment	**16**	10
3	Financial results	**27**	42
4	Internal audit matters	**7**	8
5	External audit matters (including external audit tender)	**26**	11
6	Other (including governance and compliance)	**6**	5

Governance in Action external audit tender

As indicated in last year s Annual Report, Barclays decided to undertake an external audit tender in 2015, with a view to replacing our external audit firm from the 2017 financial year onwards. This was done to conform with the auditor rotation requirements of the final statutory audit services order published in October 2014 by the UK s Competition and Markets Authority, which took effect in January 2015.

In December 2014, we established an Audit Tender Oversight Sub-Committee, to oversee the external audit. I was asked to chair the Sub-Committee and Crawford Gillies and Colin Beggs, Chairman of the BAGL Audit Committee, were the other members. The tender process completed in summer 2015 and the Board announced in July 2015 that it had appointed KPMG as Barclays Auditor with effect from the 2017 financial year.

One of the Sub-Committee s key objectives was to ensure that the selection process was efficient, fair, effective, open and transparent. It established and published the following weighted key assessment criteria: Audit Quality (50%), Cultural Fit (20%), Corporate Fit (15%) and Experience (15%). No fee information was available to the Board Audit Committee before the recommendation was finalised. Three levels of governance were implemented to manage and support the process.

Timeline and key activities

Governance body	Purpose
Core Audit Tender Team	§ Assist the audit firms to put the best solution forward for consideration. § Conduct a detailed assessment of the audit firms following the design approved by the Audit Tender Oversight Sub-Committee.
Audit Tender Oversight Sub-Committee	§ Agree objectives and desired outcomes for the audit tender. § Approve the design of the audit tender process. § Construct and agree a shortlist of firms to be asked to participate. § Oversee the implementation of the audit tender process.
Board Audit Committee	§ Recommend to the Board, from at least two potential candidates, the preferred firm to be appointed.

A number of firms were invited to participate in the audit tender, including firms outside the Big 4 auditors. We published key information on the tender in a timely manner, including making the request for proposal available on Barclays website. We also wrote to our major shareholders, setting out the process and details of the tendering audit firms, which we considered essential to transparency. Enhanced compliance procedures were established. We then undertook a broad and structured evaluation of each firm through site visits and workshops with the tendering firms, covering all the major businesses of the Group, the control functions and specific audit exercises, which were also attended by members of the Board Audit Committee. Ongoing feedback was provided to the tendering audit firms through a single point of contact in order to ensure that each was given the best chance possible of putting forward a credible proposal to the Board Audit Committee.

At the conclusion of the audit tender process, the Board Audit Committee was able to recommend to the Board the preferred firm to be appointed, from two shortlisted firms. All tendering firms met the minimum thresholds set by the Audit Tender Oversight Sub- Committee and, following a full assessment of the proposals and detailed questioning of the audit firms, KPMG was identified as the preferred firm, based on audit quality, evaluation scores and its extensive experience of auditing banks. Mike Ashley and Sir Michael Rake, both former partners of KPMG, took no part in the evaluation process or the Board Audit Committee s recommendation and both recused themselves when the Board discussed and approved the appointment.

Tim Breedon

Chairman, Audit Tender Oversight Sub-Committee

What we did in 2015

Board Risk Committee report[a]

In 2016 the Committee will continue to supervise the level and deployment of risk appetite, as well as the Group s funding and capital position, as we respond to regulatory requirements and our expectations of continued volatility in external conditions.

Dear Fellow Shareholders

Over the past year, the Board Risk Committee reviewed management s responses to a range of external challenges. These included a slowdown in China and other emerging markets, falling oil and commodity prices, as well as some industry trends toward more aggressive lending terms in certain core markets, including UK property and international leveraged finance. Risk appetite, as well as country, sector and individual exposures, were carefully monitored to ensure that business activity and limits appropriately reflected external risks. We were pleased to see impairment remain broadly flat on 2014 levels and within planning expectations, despite increasingly challenging conditions in some markets.

A key activity for the Committee is recommending risk appetite to the Board and monitoring performance against the agreed appetite on its behalf. The context in which we set our Medium Term Plan (MTP) and risk appetite for 2015 was based on our assessment of our key markets, including risk factors arising from the near term

Another key area of focus during 2015 was the structural reform programme, where the Committee was asked by the Group Chairman to oversee progress of the planning process, particularly with regard to structural options, their capital and liquidity implications and the potential risks for the Group, its customers and for the financial system. Now that the programme has moved into its implementation phase, the Board will directly oversee programme execution, although the Committee will continue to exercise oversight of capital and liquidity aspects, including assessing capital on a legal entity basis. From July 2015, the Committee also assumed oversight responsibility for operational risk, agreeing to focus on the financial and capital aspects of operational risk, while the Board Audit Committee oversees the control aspects.

The role of Board Risk Committee Chairman is not confined to the Committee s regular meetings. During 2015, I continued to have significant interaction with our regulators, meeting regularly with representatives from our UK and US regulators. I held regular meetings with the Chief Risk Officer and members of his senior management team, with Barclays Treasurer and the Chief Operating Officer. I also liaised closely with the Chairman of Board Audit Committee, particularly on those matters where the remit of the two committees might overlap, including with regard to the implementation of the Enterprise Risk Management Framework and operational risk issues.

Committee performance

geopolitical, macroeconomic and market environment and the potential for further conduct and litigation charges. Matters for particular focus were the UK housing market, where new mortgage regulations, a potential rise in interest rates, the growth in the buy-to-let market and ongoing high levels of household debt were expected to have an impact; continuing economic and political uncertainty in Europe; weak economic prospects for South Africa; and the potential effects of ongoing weakness in oil prices. 2015 risk appetite and risk triggers were set to position Barclays conservatively given this environment. During 2015, significant stress in emerging markets and economies became evident, underpinned by a slowing in the Chinese economy and resultant market volatility. Consequently, Barclays took early action to reduce its risk appetite to emerging markets, particularly Africa, and also remained vigilant to the potential impacts arising from a downturn in economic growth, indebtedness generally and further weakness in capital markets.

At the end of 2014, the Committee asked for a review of the Group s process for setting risk appetite and during 2015 approved a revised methodology that takes a scenario-based approach, with stress testing as the basis of the risk appetite framework. This revised methodology was used to set risk appetite for 2016, with the Committee also approving the stress testing themes, the severity of the proposed stress and the financial constraints.

Note

a The name of the Committee changed from the Board Financial Risk Committee in June 2015

The Committee s performance during 2015 was evaluated as part of the independently facilitated annual Board effectiveness review and I am happy to report that the outcomes were positive. The Committee was regarded as effective and as taking a thorough and detailed approach to its responsibilities. The main area identified for improvement was ensuring that the papers presented to the Committee strike the right balance between providing data for information and providing insight and analysis to encourage greater debate and I will be working with the Chief Risk Officer and Barclays Treasurer to address this during 2016. You can read more about the outcomes of the Board effectiveness review on pages 66 and 67.

Looking ahead

The Committee expects its areas of focus for 2016 to be guided by the ongoing level of change faced by the Group as it implements its strategy and executes the structural reform programme, with a particular focus on capital and liquidity management across legal entities. We will also continue to monitor and react to any emerging risks arising in our key markets in the UK, US and South Africa as a consequence of any macroeconomic deterioration or disruption in financial market conditions.

Tim Breedon

Chairman, Board Risk Committee

29 February 2016

Committee composition and meetings

The Committee is comprised solely of independent non-executive Directors. Following a review by the Board during 2015 of Board Committee composition, Dambisa Moyo stepped down from the Committee with effect from 31 August 2015 and Diane Schueneman joined the Committee with effect from 1 September 2015. Details of the skills and experience of the Committee members can be found in their biographies on pages 36 and 37.

The Committee met seven times in 2015, with two of the meetings held in New York. Two additional meetings were held at short notice for the sole purpose of considering and approving revised risk limits in connection with specific transactions and, with the consent of the Committee Chairman, were not attended by all Committee members. The chart on page 56 shows how the Committee allocated its time during 2015. Committee meetings were attended by management, including the Group Chief Executive, Group Finance Director, Chief Internal Auditor, Chief Risk Officer, Barclays Treasurer and General Counsel, as well as representatives from the businesses. Representatives from the external auditor also attended meetings.

Member	Meetings attended/eligible to attend
Tim Breedon	7/7
Mike Ashley	7/7
Reuben Jeffery III*	5/7
Dambisa Moyo (to 31 August 2015)*	3/5
Diane Schueneman (from 1 Sept 2015)	2/2
Steve Thieke*	5/7

* with the consent of the Chairman did not attend the two meetings held at short notice to consider specific transaction limits

Committee role and responsibilities

The Committee s responsibilities include:

§ recommending to the Board the total level of financial and operational risk the Group is prepared to take (risk appetite) to create long-term shareholder value

§ monitoring financial and operational risk appetite, including setting limits for individual types of risk, e.g., credit, market and funding risk

§ monitoring the Group s financial and operational risk profile

§ ensuring that financial and operational risk is taken into account during the due diligence phase of any strategic transaction and

§ providing input from a financial and operational risk perspective into the deliberations of the Board Remuneration Committee.

The Committee s terms of reference are available at

home.barclays/corporategovernance

The Committee s work

The significant matters addressed by the Committee during 2015 are described below:

Area of focus	Matter addressed	Role of the Committee	Conclusion/action taken
Risk appetite, i.e. the level of risk the Group chooses to take in pursuit of its business objectives.	The methodology for calculating the level of risk appetite.	§ Requested a review of the Group s risk appetite process and methodology and debated proposals from management to move to a scenario-based stress testing approach. § Evaluated the proposed MTP stress test, agreeing on a scenario involving a global recession from an economic slowdown in China. § Debated the severity of the scenario and how it would apply across the Group s main markets of the UK, US and South Africa and how it aligned to regulatory stress tests.	The Committee challenged the parameters proposed by management and asked for a parameter to be linked to PBT. It also asked for early consideration to be given to the impact of IFRS 9 on the Group s risk appetite and stress testing assumptions. This work is under way and will be reported to the Committee in the first half of 2016. Given the change in methodology, the Committee requested early sight of the design and outputs as the new risk appetite process was implemented, resulting in a workshop being held in December 2015. All non-executive Directors were invited to attend the workshop.
Stress testing, i.e. testing whether the Group s	The Group s stress testing exercises, including scenario selection and constraints, the	§ Debated proposals from management to move to a scenario-based risk appetite	The Committee approved the stress test results for submission to the BoE. It

financial position and risk profile provide sufficient resilience to withstand the impact of severe economic stress.	results and implications of stress tests, including stress tests run by the Bank of England (BoE), and regulatory feedback on the methodology and results.	setting approach and approved a change to the Group s methodology. § Assessed the progress of the BoE stress test and evaluated the preliminary results, including discussing any potential areas of sensitivity.	subsequently evaluated the BoE stress testing results and feedback from the BoE on the stress test.

Governance: Directors report

What we did in 2015

Board Risk Committee report

Area of focus	Matter addressed	Role of the Committee	Conclusion/action taken
Structural reform, i.e. the progress of structural reform, including the challenges to execution.	The impact of structural reform on the Group s principal risks, including the impact on capital and liquidity for individual Group legal entities and the potential overall impact on the safety and soundness of the UK financial system.	§ Debated structural reform and the impact on the capital and liquidity flightpaths for individual legal entities, in particular, the prospective credit rating of Barclays Bank PLC in the structural reform structure. § Evaluated the respective impacts on capital, liquidity and on the general safeness and soundness of the Group of different ring fence bank (RFB) structures.	The Committee recognised the design and implementation challenges of the programme and supported management in proposing structures and perimeters that best ensured the safety and soundness of all elements of the Group. It requested a workshop on structural reform to provide the Committee with an in-depth view of the key challenges. The workshop was held in December 2015 and all non-executive Directors were invited to attend.
Liquidity and funding, i.e. having sufficient financial resources available to enable the Group to meet its obligations as they fall due.	Compliance with regulatory requirements and internal liquidity risk appetite (LRA).	§ Assessed on a regular basis liquidity performance against requirements. § Debated the credit ratings of Barclays PLC and Barclays Bank PLC and potential market reaction to a ratings downgrade following removal of sovereign support notching. § Questioned the cost of additional liquidity and asked for options to reduce the cost to be considered.	The Committee ensured that management had in place options to manage any impact on liquidity of a ratings downgrade. It agreed that the cost of maintaining surplus liquidity was appropriate.

Capital and leverage, i.e., having sufficient capital resources to meet the Group s regulatory requirements, maintain its credit rating and support growth and strategic options.	The flightpath to achieving required regulatory and internal targets and capital and leverage ratios.	§ Debated on a regular basis, capital performance against plan, tracking the capital flightpath, any challenges/headwinds and regulatory developments. § Evaluated options to maximise capital and capital ratios in order to meet regulatory and market expectations.	The Committee supported the forecast trajectory and the actions identified by management to manage the Group s capital position.
Country risk, i.e. the levels of risk the Group is prepared to take in specific countries.	The potential impact on the Group s risk profile of political instability and economic weakness in South Africa, one of its main markets.	§ Debated economic conditions in South Africa and the future outlook. § Examined the actions already taken to manage risks, improve controls and asset quality and develop triggers for additional action in the event of further macro deterioration. § Monitored the impact on South Africa of the slowdown in China and the fall in commodity prices.	The Committee sought additional information around the actions that had been taken to manage the risk profile in South Africa, including the impact of the actions taken to date. It requested a deep dive on the risk profile of the South African business, inviting the South African business heads to present on the actions that had been taken and how the business was positioned for a further economic downturn, including the impact of a further country rating downgrade.

Area of focus	Matter addressed	Role of the Committee	Conclusion/action taken
Political and economic risk, i.e. the impact on the Group s risk profile of political and economic developments and macroeconomic conditions.	The potential impact on the Group s risk profile of political developments, such as the UK general election and budget statement, the potential exit of countries from the Eurozone, and weakening macroeconomic conditions, such as disruption and volatility in financial markets.	§ Assessed the potential impact of the UK general election and steps that could be taken to manage any market volatility. § Evaluated the potential risks arising from a general macroeconomic slowdown and from financial markets disruption, including the global impact of the economic slowdown in China. § Assessed global consumer indebtedness indicators and the potential impact of rising consumer debt on the Group s risk profile. § Debated the Group s Eurozone exposures in the context of the potential break-up of the Eurozone in the event of a Greek exit and assessed the Group s levels of redenomination risk in the Eurozone.	The Committee asked management to evaluate macroeconomic conditions and market indicators to inform the strategic plan and risk appetite proposals for 2016, so that the Group is positioned appropriately.
Retail credit risk, i.e. UK property market, interest	The potential overheating of the UK housing market, particularly in London and the South East and the Group s risk	§ Debated UK property market indicators and conditions, particularly in the high loan to value (LTV) and the buy-to-let	The Committee encouraged management to continue to take a conservative approach to UK mortgage lending in the

rate risk.	appetite for and management of sectors such as the buy-to-let sector.	markets and potential economic and political risks to that market. § Evaluated the Group s lending criteria and its approach to assessing customers on affordability. § Assessed the potential impact of an increase in interest rates on customers, including how customers had been stress tested and assessed against affordability criteria.	buy-to-let market and emphasised the need to keep risks and exposures within agreed appetite.
Specific sector risk, i.e. the Group s risk profile in sectors showing signs of stress, such as the oil sector.	The Group s exposures to the oil and commodities sectors in light of the price weakness and volatility in these sectors during 2015.	§ Regularly assessed the Group s exposures to the oil sector, including assessing steps taken with regard to the credit strategy for the sector, how the portfolio was performing and whether this was in line with expectations. § Evaluated the Group s exposures to the commodities sector and actions taken to identify any names at risk and reduce exposures.	The Committee supported the actions that had been taken by management to manage the Group s risks and exposures to the oil and commodities sectors. It requested a stress test to assess the impact of further (and longer) oil price weakness on the Group s lending portfolio, including indirect exposure.
Operational Risk From 1 July 2015, the Committee took responsibility for oversight of the capital and financial aspects of operational risk.	The Group s operational risk capital requirements and any material changes to the Group s operational risk profile and performance versus risk appetite.	§ Evaluated operational risk capital and debated the potential for an increase in regulatory operational capital requirements. § Debated whether Barclays advanced status for calculating operational risk capital should be retained. § Tracked operational risk key indicators via regular reports from the Head of Operational Risk.	The Committee focused its oversight of operational risk on the financial and capital implications, debating in particular the potential impact of regulatory operational risk requirements.

Governance: Directors report

What we did in 2015

Board Risk Committee report

Area of focus	Matter addressed	Role of the Committee	Conclusion/action taken
Risk governance, i.e. the capability, governance and controls that the Group has over the management of risk.	The development of a scorecard to assist the Committee in assessing risk capability across the Group; further enhancement to the limit framework and governance of leveraged finance; the actions being taken to enhance controls and governance around risk models.	§ Requested development of a risk capability scorecard. § Regularly debated conditions in the leveraged finance market, tracking market indicators and the Group s risk exposures and assessing the limit framework for leveraged finance and underwriting, including proposed changes to the framework to strengthen controls. § Assessed the progress of enhancements to risk models controls and governance, including the role of the Group s Independent Validation Unit. § Evaluated revisions proposed to the ERMF.	The Committee approved the approach to the risk capability scorecard and requested a formal annual assessment of capability, with the option of an external assessment every three years. The Committee approved a revised limit framework for leveraged finance transactions and approved underwriting limits in general. The Committee concluded that good progress had been made on enhancing the controls and governance around risk models and asked management to focus on improving the quality of models and data quality further. The Committee also recommended the revised ERMF to the Board for approval.
Remuneration	The scope of any risk adjustments to be taken into account by the Board Remuneration Committee when making remuneration decisions for 2015.	§ Evaluated the Risk function s view of performance, which informed remuneration decisions for 2015.	The Committee supported the Risk function s view of 2015 risk performance and endorsed the report that had been submitted to the Board Remuneration Committee.

The Remuneration Report on pages 83 to 116 includes more detail on how risk is taken into account in remuneration decisions.

In addition, the Committee also covered the following matters in 2015:

§ regularly tracked the utilisation of risk appetite and evaluated the Group s risk profile

§ evaluated the impact of the Swiss franc revaluation on the Group s electronic trading systems and asked for any lessons learned to be applied to other electronic platforms

§ debated risk related matters arising from regulatory assessments and the actions needed to address any specific issues raised

§ approved regulatory submissions, including the Individual Capital Adequacy Assessment Process and the Individual Liquidity Adequacy Assessment

§ assessed and debated a report on its own performance during 2014, including considering whether its remit should be revised to cover operational risk and assessing the degree of challenge and support and value it provided to the Risk function

§ discussed and agreed on its own training needs, resulting in two workshops being held in 2015, one on risk appetite and one on structural reform, with a further briefing session on the impact of IFRS 9

Board Risk Committee allocation of time (%)

		2015	2014
1	Risk profile/risk appetite (including capital and liquidity management)	**43**	57
2	Key risk issues	**31**	19
3	Internal control/risk policies	**11**	11
4	Other (including remuneration and governance issues)	**15**	13

Read more about Barclays risk management on pages 127 to 142 and in our Pillar 3 Report, which is available online at **home.barclays/**annualreport

planned for 2016

§ approved amendments to its terms of reference to reflect its revised remit and to ensure they remained in line with best practice and

§ discussed and agreed its specific responsibilities for the oversight of operational risk, focusing on the capital and financial impacts, leaving the Board Audit Committee to oversee operational risk control issues.

What we did in 2015

Board Reputation Committee report[a]

The Committee s responsibilities were reshaped during 2015 to focus on three main pillars: conduct and compliance; reputation; and citizenship.

Dear Fellow Shareholders

The Board Reputation Committee underwent a period of change during 2015, in terms of both a reassessment of Board Committee responsibilities and membership. John McFarlane succeeded Reuben Jeffery III as Chairman of the Committee in March 2015 and, following John s appointment as Executive Chairman in July 2015, the Board asked me to assume the role of Committee Chairman, a position I held until my retirement from the Board at the end of December 2015.

The Committee s responsibilities were reshaped during 2015 to focus on three main pillars: conduct and compliance; reputation; and citizenship. Culture and conduct are the bedrock of the organisation and, with the right culture, much of Barclays exposure to conduct risk can be reduced. To this end, the Committee has continued to focus on these issues, assessing progress against plans for

Committee performance

As part of the annual Board effectiveness review the performance of the Board s committees was considered and I am pleased to report that the Committee is considered to be effective. The Committee is relatively new and areas for improvement included continuing to refine its agenda, particularly with regard to compliance and conduct risk, and ensuring that it does not duplicate the work of other Board Committees. Please turn to the report of the Board effectiveness review on pages 66 and 67 for more details.

Looking ahead

My successor, Sir Gerry Grimstone, will be assessing the areas of focus for the Committee in 2016 and I wish him and the Committee well for the future.

Sir Michael Rake

Chairman, Board Reputation Committee until 31 December 2015

Committee composition and meetings

The Committee comprises independent non-executive Directors, with the exception of Wendy Lucas-Bull, who the Board has decided to deem as non-independent for the purposes of the UK Corporate Governance Code, owing to her position as Chairman of Barclays Africa Group Limited. During 2015, there were a number of changes to the membership of the Committee, which are set out in the table embedding our conduct risk programme and implementing cultural change throughout the Group. We assessed deep-dive reports into conduct risk within key businesses, such as Barclays Africa and the Cards business, and evaluated the findings of a report by Air Marshal Sir David Walker, commissioned by management to give an independent view on whether we are making progress with cultural change. I am pleased to report that, although there is more to be done, progress on both has been good and there is strong commitment throughout the Group to embedding the necessary changes.

The Committee also tracked the exposure of Barclays, and the financial sector generally, to reputational risks. Reputational risk is a risk type that is constantly evolving, with potential new risks emerging while we are implementing controls to manage identified risks. Consequently, we have taken a thematic approach to identifying our key reputational risks and have ensured that we look ahead to identify emerging risks enabling us to mitigate them early. You can read more on pages 61 and 62 about the significant matters addressed during the year.

below.

The Committee met four times during 2015 and the chart on page 59 shows how it allocated its time. Committee meetings were attended by management, including the Group Chief Executive, Chief Internal Auditor, Chief Risk Officer, General Counsel, Group Corporate Relations Director and the Heads of Compliance, Conduct Risk and Operational Risk, as well as representatives from the businesses and other functions.

Member	Meetings attended/eligible to attend
Reuben Jeffery III (Chairman and member to 31 March 2015)	1/1
John McFarlane (Chairman from 1 April 2015 16 July 2015)	2/2
Sir Michael Rake (Chairman and member from 17 July 2015 31 December 2015)	2/2
Mike Ashley (to 31 August 2015)	2/2
Tim Breedon (to 31 August 2015)	2/2
Wendy Lucas-Bull	4/4
Dambisa Moyo	4/4
Diane de Saint Victor	4/4
Sir John Sunderland (to 23 April 2015)	1/1
Frits van Paasschen (from 1 September 2015)	2/2

Committee role and responsibilities

The principal purpose of the Committee is to:

§ ensure, on behalf of the Board, the efficiency of the processes for identification and management of conduct and reputational risk and

§ oversee Barclays Citizenship Strategy, including the management of Barclays economic, social and environmental contribution.

Until the end of June 2015, the Committee also had responsibility for oversight of operational risk. Following a review by the Board of its governance arrangements, responsibility for the oversight of the capital and financial aspects of operational risk was reallocated to the Board Financial Risk Committee, which was renamed the Board Risk Committee. The Board Audit Committee oversees the control aspects of operational risk.

The Committee s terms of reference are available at

home.barclays

Note

a Formerly called the Board Conduct, Operational and Reputational Risk Committee

Governance: Directors report

What we did in 2015

Board Reputation Committee report

The Committee s work

The significant matters addressed by the Committee during 2015 are described below:

Area of focus	Matter addressed	Role of the Committee	Conclusion/action taken
Conduct risk	Progress on embedding the conduct risk management framework, focus on specific conduct risks and continued reduction of customer complaint levels.	§ Continued its monitoring of the conduct risk programme via quarterly reports from management. § Specifically assessed the status of the conduct risk programmes in Barclays Africa and across the Cards business. § Monitored regulators views of Barclays conduct risk management and reporting via updates from management. § Assessed progress made in reducing numbers of complaints, including those escalated to the Financial Ombudsman Service.	The Committee welcomed the progress made in embedding the conduct risk programme and requested more visibility of the status of specific conduct risks. It encouraged management to continue to apply lessons learned from past events to prevent similar events occurring now or in the future. It was content with the progress made in embedding conduct risk in Barclays Africa, but encouraged greater simplification of the governance structures and communication. It also encouraged management to do more to reduce the number of complaints.
Operational risk **(to July 2015)**	The management of Barclays operational risk profile and exposure to significant operational risks.	§ Monitored Barclays operational risk profile via quarterly reports from management.	The Committee focused its attention on emerging risks and those to which the Group s exposure was increasing. It supported tactical and strategic actions proposed by management to mitigate the Group s risks, including

		§ Evaluated management s strategy for addressing cyber risk and monitored its progress. § Assessed Barclays exposure to technology risk and examined plans to resolve identified control issues by the end of the year.	endorsing management s strategy for addressing cyber risk. The Committee also satisfied itself that progress in managing technology risk was good and there was a healthy focus on embedding the right culture.
Reputational issues	Ensuring that Barclays anticipates, identifies and manages reputational issues that may impact it or the industry now or in the future.	§ Tracked Barclays exposure to reputational risks via twice-yearly management reports. § Examined the effectiveness of the current reputation risk framework, including assessing case studies on specific reputational matters.	The Committee took a thematic approach to its assessment of reputational risks and guided management in its approach to managing them. It satisfied itself as to the effectiveness of the reputation risk framework.

Area of focus	Matter addressed	Role of the Committee	Conclusion/action taken
Cultural change	The progress being made on embedding of cultural change.	§ Evaluated the outputs of an independent review by Air Marshal Sir David Walker. § Assessed an industry-wide report by the Group of Thirty (G30) into banking conduct and culture and how Barclays practices benchmarked against the best practices and suggestions outlined in that report.	The Committee endorsed Air Marshal Sir David Walker s report, which confirmed its view that progress had been good but that there was more to do to achieve the cultural change required. It encouraged management to continue to prioritise progress on cultural change. The Committee also concluded that many of the actions Barclays had taken in response to the Salz Review recommendations had aligned its practices with those proposed in the G30 report.
Citizenship	The delivery of the 2015 Citizenship Plan and development of a Shared Growth Plan for 2016-2018.	§ Tracked progress against the current 2015 Citizenship plan via six-monthly reports from management. § With the current Citizenship Plan coming to completion, evaluated the proposed Shared Growth Plan for 2016-2018.	The Committee noted that all targets in the 2015 Citizenship Plan had been met or exceeded, with the exception of our new and renewed household lending target, which had not been possible to achieve owing to market and trading conditions. It endorsed the 2016-2018 Shared Growth Plan, particularly the proposal to link the plan to Barclays core purpose and values and to focus on employability skills.

Read more about Barclays approach to citizenship on page 14.

The Committee also covered the following matters:

Board Reputation Committee allocation of time (%)

		2015	2014
1	Citizenship	**6**	2
2	Reputational issues	**13**	7
3	Culture, conduct and compliance	**57**	52
4	Operational risk	**19**	33
5	Other	**6**	6

§ assessed progress of the programme to implement enhanced controls in the Investment Bank over conflicts of interest between Barclays and third parties

§ evaluated outcomes of regulatory thematic reviews of conduct issues and controls

§ evaluated the levels of attestation by colleagues globally to *The Barclays Way*, the Group s code of conduct

§ assessed the status of specific remediation programmes being implemented by the business

§ provided input to the Board Remuneration Committee on conduct and reputation issues to be taken into consideration for 2015 remuneration decisions

§ tracked progress against the Compliance function s business plan, including updates on resourcing and attrition levels

§ monitored progress of Barclays plans for compliance with the Volcker Rule (restrictions on proprietary trading and certain fund investments by banks operating in the US)

Read more about Barclays risk management on pages 127 to 142 and in our Pillar 3 Report, which is available online at **home.barclays/**annualreport

§ assessed and discussed a report on the Committee s performance during 2014

§ approved revisions to its terms of reference and recommended them to the Board for approval and

§ considered and approved Group Compliance Policies.

Governance: Directors report

What we did in 2015

Board Nominations Committee report[a]

The importance of people as a driving force in sustaining a business over the long term.

Dear Fellow Shareholders

I have often stressed the importance of people as a driving force in sustaining a business over the long term through their expertise, innovation and commitment. This is equally true of your Board, where it is crucially important that we have strong leaders able to make tough, strategic decisions while energising colleagues and galvanising them into action. It is with this in mind that the Committee approached appointments.

During 2015 we announced the appointment of two new non-executive Directors and a new Group Chief Executive. Board Committee membership was refreshed and we also took the opportunity to review the composition and roles of the Board Committees. In addition, we considered the requirements for independent non-executive directors for the boards of our strategically significant subsidiaries, including those that will be formed as the Group implements structural reform. We continued to foster

Looking ahead

We are preparing to implement a new structure in 2016 which will enable us to prepare for structural reform, simplify the organisation and speed up execution of the individual business strategies. These changes give us the opportunity to make sure that we have the right people in senior roles and that we also take action to build strength in each of the business executive teams for the longer term.

John McFarlane

Chairman, Board Nominations Committee

29 February 2016

Committee composition and meetings

The Committee is composed solely of independent non-executive Directors. John McFarlane, as Chairman of the Board, is also Chairman of the Committee. Mike Ashley, Tim Breedon, Crawford Gillies, being the Chairmen of each of the other Board Committees, Reuben Jeffery III and Sir Gerry Grimstone, the Deputy Chairman and Senior Independent Director, are also members of the Committee. Details of the skills and experience of the Committee members can be found in their biographies on pages 36 and 37.

During 2015, there were eight meetings of the Committee, including four additional meetings on Group Chief Executive succession.

executive succession by supporting new initiatives and by directly engaging with senior executives, for example, by mentoring individual senior executives, in order to nurture high potential individuals and help build a stronger succession pipeline.

The Committee was pleased that the Board achieved its target of having 25% female representation on the Board by the end of 2015. The target has subsequently been increased to 33% by 2020. While we also achieved our aspiration to reach 23% female representation within our senior leadership population by the end of 2015, we recognise that we need to sustain our focus to attract more senior women to Barclays and to enable women to grow their careers with us. That will ensure we reach our 2018 goal of 26% women in senior leadership roles. We remain committed to maintaining the momentum of our gender diversity programme.

Committee performance

As part of the annual Board effectiveness review, a separate exercise was conducted to assess the Committee s performance. The assessment found that the Committee is performing effectively. Please see the report on the Board effectiveness review on pages 66 and 67 for more details. I would like to thank my fellow Committee members for their hard work and support during 2015, particularly Sir Michael Rake, who chaired the Committee during the period that I was Executive Chairman, and led the search for a new Group Chief Executive.

Attendance by members at Committee meetings is shown below. The chart on page 63 shows how the Committee allocated its time during 2015. Committee meetings were attended by the Group Chief Executive or Executive Chairman, with the HR Director, the Global Head of Leadership, Learning & Talent, the Global Head of Diversity and Inclusion and representatives from Spencer Stuart presenting on specific items.

Member	Meetings attended/eligible to attend
Sir David Walker (Chairman until 23 April 2015)	2/2
John McFarlane (Chairman from 24 April 2015 16 July 2015 and from 1 December 2015)*	4/4
Sir Michael Rake (Chairman from 17 July 2015 to 1 December 2015)	8/8
Mike Ashley	8/8
Tim Breedon	7/8
Crawford Gillies (from 24 April 2015)	7/7
Reuben Jeffery III	6/7
Sir John Sunderland (until 23 April 2015)	2/2

* John McFarlane stood down as a member of the Committee during the period 17 July 30 November 2015, when he was Executive Chairman. No Director with executive responsibilities may be a member of the Committee

did not attend one meeting owing to prior business commitments

Note

The Chairman and the Group Chief Executive excuse themselves from meetings when the Committee focuses on the matter of succession to their roles.

Committee role and responsibilities

The principal purpose of the Committee is to:

§ support and advise the Board in ensuring that the composition of the Board and its Committees is appropriate and enables them to function effectively

§ examine the skills, experience and diversity on the Board and plan succession for key Board appointments, planning ahead to deal with upcoming retirements and to fill any expected skills gaps

§ provide oversight, at Board level, of the Group s talent management programme and diversity and inclusion initiatives

§ agree the annual Board effectiveness review process and monitor the progress of any actions arising, and

§ keep the Board s governance arrangements under review and make appropriate recommendations to the Board to ensure that they are consistent with best practice corporate governance standards.

You can find the Committee s terms of reference at

home.barclays/corporategovernance

Note

a The name of the Committee changed from the Board Corporate Governance and Nominations Committee in June 2015

The Committee s work

The significant matters addressed by the Committee during 2015 are described below:

Area of focus	Matter addressed	Role of the Committee	Conclusion/action taken
Board appointments	The refreshment of Board and Board Committee membership to secure individuals with the desired skills and experience needed on the Board in light of future strategic direction.	§ Conducted a search for successors to Sir Michael Rake and Antony Jenkins. § Evaluated a gap analysis of the skills and experience on the Board and identified the requirement for new non-executive Directors with financial services experience and the preference to appoint more UK-based Directors given the time commitments associated with Board Committee appointments.	The Committee recommended the appointments of Sir Gerry Grimstone as Deputy Chairman and Senior Independent Director, Jes Staley as Group Chief Executive and Diane Schueneman as a non-executive Director. Please refer to pages 63 to 65 for details of the Board s approach to recruitment of new Directors and the case study of the recruitment of Jes Staley in particular.
Board and Board Committee structure, size and composition	The restructure of the Board and Board Committees to allow the Board to focus on the Group s commercial and strategic performance. The optimum size of the Board, the potential impact of structural reform and the need to constitute subsidiary boards.	§ Reassessed the structure, size and composition of the Board and Board Committees, as well as the current roles and responsibilities of the Board Committees, and recommended a number of changes to the Board. § Requested a working plan for Board succession over the next three years.	The Committee agreed that the size of the Board should be reduced over time and more matters should be delegated to the principal Board Committees. The Committee agreed that non-executive Directors should normally not serve on more than two Board Committees, to avoid being over-stretched, and to reduce the Committees in size over time to a maximum of four members, while taking care to ensure appropriate cross-membership. The Committee recommended revised Board-level

			responsibilities for oversight of risk, including the Board re-taking overall responsibility for enterprise-wide risk, disbanding the Board Enterprise Wide Risk Committee and reallocating responsibility for oversight of the capital and financial aspects of operational risk to the Board Risk Committee.
Succession planning and talent management	The management of Board succession and oversight of the leadership needs of the Group to enable it to meet its strategic aims and its changing make-up resulting from the effects of structural reform.	§ Examined regular reports on succession plans and talent management of the leadership of the Group to address succession planning in the short-term and internal talent development. § Debated options for Directors to engage with members of the Group Executive Committee and senior management to help in nurturing high potential individuals and to support building a stronger succession pipeline.	The Committee agreed a proposal for Committee members to partner high potential senior management. The Committee endorsed the Group s rapid development programme for high potential talent and agreed to support the programme by providing an insight into the role of the Board and its priorities. The Committee also endorsed the introduction of an improved talent assessment process and assessed the efficacy of the Group s external talent acquisition process. The Committee examined the results of internal and external benchmarking exercises, including external benchmarking of senior management roles against similar roles in equivalent companies as part of the work on Group Executive Committee succession.

What we did in 2015

Board Nominations Committee report

Area of focus	Matter addressed	Role of the Committee	Conclusion/action taken
Board effectiveness	The 2015 Board effectiveness review of the Board and its Committees. The progress made against the actions identified in the 2014 Board effectiveness review.	§ Considered the effectiveness of the 2014 Board effectiveness review process and agreed the approach to be taken to the 2015 Board effectiveness review. § Regularly examined progress of the action plan arising from the outcomes of the 2014 Board effectiveness review.	The Committee set the criteria for conduct of the 2015 Board effectiveness review, including the appointment of a new external facilitator, Independent Board Evaluation, and agreed an action plan to address the matters arising from the 2014 Board effectiveness review. See pages 64 and 66 to 67 for a full description of the process and outputs from the 2014 and 2015 effectiveness reviews.
Governance implications of structural reform	The establishment of governance principles for the Group under structural reform.	§ Scrutinised proposed governance guiding principles for the Group post-structural reform, which set out ultimate decision-making powers, while respecting the rights and responsibilities of the boards of the strategically significant subsidiaries: the ring-fence bank (RFB), Barclays Bank PLC, the US Intermediate Holding Company (IHC) and Barclays Africa Group (BAGL).	The Committee endorsed and supported the governance guiding principles. The Committee provided views on the outline board and committee composition of the RFB and Barclays Bank PLC for the Board s consideration.

		§ Discussed the potential composition of the RFB and Barclays Bank PLC boards in light of regulatory requirements.	
Significant subsidiary board composition	The composition of Barclays US IHC board and associated committees.	§ Determined the required structure and composition of the IHC board. § Endorsed the implementation of measures to allow potential future IHC board candidates the opportunity to build their knowledge of Barclays US businesses ahead of the formal creation of the IHC board in 2016.	The Committee agreed the proposed composition of the IHC board, including the appointments of Steve Thieke as chairman and Diane Schueneman as a non-executive director. It oversaw the establishment of a US Governance Review Board to allow proposed IHC board members to familiarise themselves with Barclays US businesses.

In addition the Committee covered the following matters:

§ the review of non-executive Directors performance, independence and time commitment as part of the Committee s assessment of their eligibility for re-election

§ consideration of a new target for Board diversity beyond the end of 2015 in the Company s Board Diversity Policy and recommended it to the Board for approval

§ updating of the *Charter of Expectations* and *Corporate Governance in Barclays*

§ proposals for the 2015 Corporate Governance Report

§ its annual review of the Directors register of interests and authorisations granted and

§ changes to the Committee s terms of reference.

Board Nominations Committee allocation of time (%)

		2015	2014
1	Corporate governance matters	**17**	21
2	Board and Committee composition	**24**	20
3	Succession planning and talent (including CEO succession)	**47**	43
4	Board effectiveness	**6**	11
5	Other	**6**	5

Appointment and re-election of Directors

The Committee reviews Board and Board Committee composition, including potential new non-executive Directors, at each of its meetings. In addition to seeking successors for known retirements from the Board, the Committee monitors the skills and experience the Group needs to be able to deliver its strategic aims, to govern the Group appropriately, to ensure that risks threatening performance are identified and either addressed or mitigated and to set the tone from the top in terms of Barclays corporate culture and values. In 2015, the Committee also focused on the need to identify non-executive directors to serve on the boards of the Group s strategically significant subsidiaries.

When considering a new appointment to the Board, the Committee relies on assessments of the current and expected Board and Board Committee composition, in order to assess the timeline for appointments, and a skills matrix that identifies the core competencies, skills, experience and diversity required for the Board to function effectively, with target weightings for each attribute. These assessments are regularly updated to take account of the Group s needs over time.

The approach to recruiting new non-executive Directors is to create an individual specification with reference to the role requirements, including time commitment, the key competencies and behaviours set out in our *Charter of Expectations* and the desired key skills and experience identified from the skills matrix. The curriculum vitae and references of

potential candidates are assessed by the Committee as a whole, before shortlisted candidates are interviewed by members of the Committee. For certain Board positions, the Committee seeks engagement with key shareholders and Barclays regulators as part of the selection process. Feedback from these parties is taken into account before any recommendation is made to the Board, which is kept informed of progress throughout the selection and recruitment process. An illustration of the rigorous process applied to appointments can be found in the case study and timeline of the process to identify Jes Staley as Group Chief Executive, which is set out on page 65.

Executive search firms MWM Consulting, Egon Zehnder International and Spencer Stuart were instructed to assist with our Director searches in 2015. None of these firms has any other connection with Barclays, other than to provide executive recruitment services. Open advertising for Board positions was not used during 2015, as the Committee believes that targeted recruitment is the optimal way of recruiting for Board positions.

Barclays announced the appointment of two new non-executive Directors during 2015: Diane Schueneman and Sir Gerry Grimstone. In addition, Barclays announced the appointment of Jes Staley as Group Chief Executive. Each of them brings valued skills and experience which contribute to the efficacy of the Board as a whole. As previously reported, Diane Schueneman brings expertise in operations and technology to the Board, which she gained in financial services organisations, as well as wide-ranging experience of implementing change and achieving turnaround in business success and profitability. Sir Gerry Grimstone, who succeeded Sir Michael Rake as Deputy Chairman and Senior Independent Director, is well known, commands great respect within the financial services industry and brings immense experience, integrity and knowledge to his roles at Barclays. Jes Staley has the leadership skills and wide-ranging experience to deliver shareholder value and to take the Group forward strategically and, in particular, possesses a good understanding of corporate and investment banking. Biographical information is provided on pages 36 and 37, with further details available online at home.barclays

Changes in the composition of the Board and the Committee s reassessment of the structure, size and composition of the Board and its Committees resulted in a refresh of the membership of Board Committees, as well as their roles and responsibilities, during 2015. Details of the changes are included in each of the Board Committee reports.

The Directors in office at the end of 2015 were subject to an effectiveness review, as described below. Based on the results of the review, the Board accepted the view of the Committee that each Director proposed for re-election continued to be effective and that they had each demonstrated the level of commitment required in connection with their role on the Board and the needs of the business.

Governance: Directors report

What we did in 2015

Board Nominations Committee report

Diversity statement

The Financial Reporting Council maintains that one of the ways in which constructive board debate can be encouraged is through having sufficient diversity on the board. Barclays agrees with this view and, when it adopted a Board Diversity Policy in 2012, stated the Board s aspirational goal of achieving 25% female representation on the Board by 2015. Female representation on the Board exceeded 25% at the end of 2015, having increased during the year with the appointment of Diane Schueneman. Noting that the latest progress report on *Women on Boards* from the Davies Review has suggested a target of 33% by 2020, Barclays has adopted this new target in its Board Diversity Policy.

The Committee assisted the Board in achieving its target of 25% by ensuring that this was recorded on the Board skills matrix and, in particular, that the search firms were aware of the priority. The Committee also supported a number of initiatives to grow the talent pipeline within the Group and sought opportunities to engage with female members of senior management. Diversity as a whole, including gender, was also taken into account when evaluating the effectiveness of the Board. The comprehensive brief provided to Independent Board Evaluation for this year s review included an evaluation of boardroom dynamics and the effects of diversity. The consultant accordingly assessed the impact of diversity including gender, age, the internationality of the Directors, the breadth of experience, qualifications and skills, concluding that there was a good degree of diversity on the Board with a range of different experiences and outlooks and that the Chairman should continue to nurture inputs from all Directors to derive the benefits of this diversity.

Below Board level, Barclays met its target of 23% female representation among the Managing Director and Director population in 2015. To achieve the target, the Committee endorsed programmes to embed accountability for diversity and inclusion throughout the Group. These efforts included Balanced Scorecard aligned targets for hiring, promotion and attrition set for each business or function, expansion of diversity data to include greater focus, expanding global campaigns to raise awareness and refined communications to drive impact. More details of Barclays diversity and inclusion strategy may be found on page 80.

You can find the Board Diversity Policy at

home.barclays/corporategovernance

Review of Board and Board Committee effectiveness

Barclays conducts an externally facilitated review of the effectiveness of the Board, Board Committees, individual Directors and the Chairman each year. For 2015, the effectiveness review was facilitated by Independent Board Evaluation, an independent external consultancy with no other connection with Barclays. The review process involved the consultant, Ffion Hague, attending certain Board and Board Committee meetings in November and December 2015 as an observer, alongside detailed interviews conducted according to a set agenda with Directors, members of the Group Executive Committee, the Company Secretary and other members of the executive and senior management. Feedback was also sought from external stakeholders. Independent Board Evaluation prepared a report for the Board on the findings from the review process, which was presented to the Board in December 2015. In addition, the Chairman was provided with a report and feedback on the performance of each of the Directors and the Senior Independent Director received a report on the Chairman. A similar process was followed for the Board Committees. Independent Board Evaluation provided feedback to each of the Committee Chairmen on the performance of each Committee. The feedback is scheduled to be discussed by each Committee in early 2016.

Having assessed the findings of the effectiveness review, the Directors were satisfied that the Board and each of its Committees operated effectively during 2015. Nonetheless, the Board identified a number of actions to help maintain and improve its effectiveness. These, together with an update on the actions taken following the 2014 review, are set out on pages 66 and 67.

Directors Conflicts of Interest

Barclays requires Directors to declare any potential or actual conflict of interest that could interfere with a Director s ability to act in the best interests of the Group. The Board has adopted procedures for ensuring that its powers to authorise Directors conflicts operate effectively. A register of actual and potential conflicts and of any authorisation of a conflict granted by the Board is maintained by the Company Secretary and reviewed annually by the Board Nominations Committee.

Governance in action: the appointment of

Jes Staley

Role requirements

The Committee, which has responsibility for identifying suitable candidates to join the Board, agreed the desired attributes for a successor to Antony Jenkins as Group Chief Executive (CEO). In addition to strong and motivational leadership qualities, the Committee sought candidates with significant experience of retail and/or commercial and investment banking in large scale, complex organisations and an excellent track record of delivery and credibility with regulators and internal and external stakeholders. Personal attributes sought included strategic thinking and the ability to lead and manage change, especially cultural change.

Process

The Committee directed the selection process. As the Chairman had accepted the role of Executive Chairman until a successor was in place, it was agreed that he would step down from the Committee to ensure that it remained composed of independent non-executive Directors and that I would lead the process. It was also agreed that the Committee as a whole would be involved in shortlisting and interviewing candidates and, once preferred candidates had been agreed, to involve the rest of the

Board and key senior executives. Spencer Stuart, an external search consultant, was engaged to assist with the search and selection process.

Search

Having established that there were currently no potential candidates within the Group with the spread and depth of experience required for the role, the Committee examined a long list of candidates produced as a result of the global search and received a presentation from Spencer Stuart covering the prospects for consideration. The Committee identified the most credible prospects to be contacted and invited to interview and requested that the views of the Group s regulators on the preferred type of candidate for the role also be obtained.

I asked Committee members to consider sources for potential candidates that might be approached directly and to recommend potential candidates for the role. In addition, although John McFarlane did not take part in the selection process, he was consulted for his view and insights. I also ensured that Board members were kept up-to-date throughout the process.

Recruitment

As Jes Staley emerged as the preferred candidate and had confirmed his interest in the role, he undertook a series of interviews involving me, the Chairman and members of the Committee. He also met with the remaining members of the Board and the Group Executive Committee.

In addition to the regular communication with Directors, the Board held an additional meeting specifically to discuss the proposed appointment and to allow Directors to share their feedback on Jes Staley before approving his appointment, which was announced on 28 October 2015.

Sir Michael Rake

What we did in 2015

Board Nominations Committee report

Review of Board and Board Committee effectiveness

Board priorities

2014 findings

To refine the Board s priorities for 2015.

Actions taken in 2015

In 2015 the Board re-focused its time on three key themes:

§ focus on core

§ accelerate earnings growth

Exhibiting and upholding the Company s values

2014 findings

To continue the embedding of cultural change across and deeper into the organisation and provide effective oversight of progress.

Actions taken in 2015

The Board Reputation Committee received reports on the progress of cultural change in 2015.

Members of senior management completed a survey on cultural change,

Leveraging Board experience in support of executives

2014 findings

To continue to build effective relationships between the Board and business and functional heads.

Actions taken in 2015

John McFarlane has, and will continue to, discuss his key priorities as Chairman with senior management.

Members of the Board Nominations Committee

Greater awareness of Board Committee work

2014 findings

To continue to deepen the Board s focus on the key priorities and main issues facing each of the Board Committees and to ensure that the Board Committee structure remains appropriate and fit for purpose.

Actions taken in 2015

The Board Committee structure was updated in 2015, following review by the Board Nominations Committee. The revised structure was approved by the Board and implemented from July 2015.

§ high performance ethic. A set of execution priorities was developed for each theme and progress against these priorities was reported to the Board on a regular basis.	the results of which were shared with the Board Reputation Committee. The results of the employee opinion survey and a values survey were shared with the Board.	are mentoring high-potential senior managers.	In line with prior years, all non-executive Directors may attend Board Committee meetings on request, with the agreement of the Committee Chairman. All non-executive Directors were invited to attend Board Risk Committee workshops on risk appetite and on structural reform.
2015 findings To ensure that the Board agenda is optimised, including time for blue-sky discussion of major risks.	**2015 findings** No specific matters were raised during the 2015 review.	**2015 findings** To continue to ensure that all non-executive Directors have the opportunity to contribute to strategic debate.	**2015 findings** To continue to raise awareness across all Board members of the significant issues considered by Board Committees and to continue to refine the remit and scope of the Board Reputation Committee.
Actions to be taken in 2016 We will identify opportunities for more free-ranging Board discussions, including discussion of risk. A revised set of Board objectives will be agreed in order to track progress.	**Actions to be taken in 2016** No actions are proposed for 2016.	**Actions to be taken in 2016** We will continue to identify ways in which the skills and experience of individual non-executive Directors may be leveraged, including partnering individual non-executive Directors with members of the Group Executive Committee.	**Actions to be taken in 2016** We will provide opportunities for Board Committee Chairmen to provide more detailed briefings to non-Committee members on the work of their Committee. We will review the role and scope of the Board Reputation Committee with its new Chairman.

Improvements to the Board appointment process

2014 findings

To continue to ensure that the Board has sufficient visibility of executive succession planning and the talent pipeline.

Actions taken in 2015

The non-executive Directors attended a briefing on talent management and succession planning in April 2015.

The Board Nominations Committee considered Group Executive Committee succession in October 2015. In November 2015, the HR

Director induction

2014 findings

To extend the new Director induction programme to involve senior executives below Group Executive Committee level and to continue to support new Board Committee Chairmen.

Actions taken in 2015

Directors have been offered the opportunity of additional meetings with senior executives as part of their induction programmes.

Effective handling of legacy issues

2014 findings

To continue to focus on the existing priority of overseeing the resolution of legacy issues.

Actions taken in 2015

Work has continued in 2015 to resolve historical legal and conduct risks. Several outstanding issues have been resolved in 2015.

Dealing more strategically with global regulation

2014 findings

To continue to focus the Board s time on strategy and strategic options.

Actions taken in 2015

Additional time was allocated to the discussion of business strategy at Board meetings in 2015. In particular, the Investment Bank and structural reform were both covered in depth.

The Group s three strategic priorities: focus on core; accelerate

Director attended the Board meeting to provide an update on talent and succession.			earnings growth; and high performance ethic, were developed with the Board s collective input. Representatives from the Group s UK and US regulators attended Board and Board Committee meetings during the year.
2015 findings	**2015 findings**	**2015 findings**	**2015 findings**
To continue to assess the skills and experience needed on the Board and to ensure that Board composition is balanced between UK and international members. To enhance Board succession planning, particularly in respect of key roles.	To enhance the Board training and induction programmes with particular focus on the training needs of Board members from outside the financial services sector.	No specific matters were raised during the 2015 review.	To continue to provide opportunities for Board members to provide early input to thinking on major issues and decisions.
Actions to be taken in 2016	**Actions to be taken in 2016**	**Actions to be taken in 2016**	**Actions to be taken in 2016**
We will develop a revised Board succession plan for discussion by the Board Nominations Committee, including planning for succession to key roles, considering the optimum size of the Board and the balance of UK and overseas Directors.	We will schedule as part of the Board s training programme for 2016 specific briefings for non-executive Directors who do not have a financial services background.	No actions are proposed for 2016.	We will continue to allocate sufficient time for Board discussion of strategic priorities and options.

We will schedule additional updates to the Board on talent management and succession planning.

How we comply

UK Corporate Governance Code (the Code)

As Barclays is listed on the London Stock Exchange we comply with the Code. A copy of the Code, published in September 2014, can be found at www.frc.org.uk For the year ended 31 December 2015, and at the date of this report, we applied the main principles and complied with the provisions of the Code, except as disclosed below:

§ provision A.2.1 of the Code states that the roles of the Chairman and the Chief Executive should not be exercised by the same individual. John McFarlane joined the Board as Chairman designate in January 2015, succeeding Sir David Walker in April 2015, and was considered independent on appointment for the purposes of the Code. Antony Jenkins resigned as Group Chief Executive in July 2015 and, pending the appointment of a new Group Chief Executive, John McFarlane was appointed as Executive Chairman. Jes Staley was appointed as Group Chief Executive with effect from 1 December 2015, at which point John McFarlane returned to his role as non-executive Chairman. The Board believes that for Barclays to continue to operate effectively over this period, non-compliance with the Code for a short time was justified and that in that time no single individual had unfettered powers of decision. There was a strong non-executive presence on the Board throughout this period. In addition, while he was Executive Chairman, John McFarlane stood down as Chairman of the Board Nominations Committee, which was chaired by Sir Michael Rake, then Deputy Chairman and Senior Independent Director. John McFarlane also stood down as Chairman of the Board Reputation Committee, which was chaired by Sir Michael Rake until the end of 2015 and is now chaired by Sir Gerry Grimstone, the current Deputy Chairman and Senior Independent Director

§ provision E.2.3 of the Code requires that the Chairman should arrange for all Directors to attend the AGM. While such arrangements were made, Reuben Jeffery III was unable to attend the 2015 AGM owing to a prior engagement. The Chairman and all other Directors attended the meeting and the Committee Chairmen were available to answer questions.

Disclosure and Transparency Rules

We comply with the corporate governance statement requirements of the FCA s Disclosure and Transparency Rules by virtue of the information included in this Governance section of the Annual Report. Certain additional information that is required to be disclosed pursuant to DTR7.2.6 may be found on pages 75 to 78.

New York Stock Exchange (NYSE)

NYSE rules permit Barclays to follow UK corporate governance practices instead of those applied in the US, provided that any significant variations are explained. This explanation is contained in Barclays 20-F filing, which can be accessed from the Securities and Exchange Commission s (SEC) EDGAR database or via our website, home.barclays

A description of our corporate governance practices can be found in *Corporate Governance in Barclays*, which is available online at **home.barclays/corporategovernance**

Leadership

The Role of the Board

As members of the Board of Directors, we have a collective responsibility to create and deliver sustainable value for our shareholders, in a manner that is supported by the right culture, values and behaviours throughout the Group. To support our role in determining the strategic objectives and policies of the Group, there exists a well-defined Corporate Governance framework. We aim to achieve long-term and sustainable value and it is our responsibility as the Board to ensure that management effectively delivers on short-term objectives, while promoting the long-term growth of Barclays.

In addition, we have further responsibility for ensuring that management maintains both an effective system of internal control and an effective risk management and oversight process. When carrying out these responsibilities we consider the Group s business and reputation, the materiality of risks that are inherent in the business and the relevant costs and benefits of implementing controls. The Group s internal control system provides assurance of internal financial controls, compliance with law and regulation and effective and efficient operations.

The Board is the decision-making body for those matters that are considered of significance to the Group owing to their strategic, financial or reputational implications or consequences. To retain control of these key decisions, certain matters have been identified that only we as the Board can approve and there is in place a formal schedule of powers reserved to the Board. As Directors we must act in accordance with the Company s constitution and only exercise powers for the purposes for which they have been conferred. A summary of the matters reserved to the Board is available at home.barclays/corporategovernance. These matters include the approval of Barclays strategy, interim and full year financial statements and any major acquisitions, mergers, disposals or capital expenditure.

Specific responsibilities have been delegated to Board Committees and each Committee has its own terms of reference, which are available on home.barclays/corporategovernance. Each Committee reports to, and has its terms of reference approved by, the Board and the minutes of Committee meetings are shared with the Board. The main Board Committees are the Board Audit Committee, the Board Nominations Committee, the Board Remuneration Committee, the Board Reputation Committee and the Board Risk Committee.

In addition to the principal Board Committees, the Regulatory Investigations Committee, which was formed in late 2012, focuses on providing Board-level oversight of regulatory investigations. This Committee met six times in 2015. John McFarlane is Chairman of the Committee and the other current Committee members are Mike Ashley, Sir Gerry Grimstone, Diane de Saint Victor and Jes Staley. Antony Jenkins, Sir Michael Rake, Sir John Sunderland and Sir David Walker also served on the Committee during 2015, stepping down when they left the Board.

Attendance

In 2015 we attended both scheduled and additional Board meetings, as disclosed in the table below. The Chairman met privately with non-executive Directors ahead of scheduled Board meetings. If, owing to exceptional circumstances, a Director was not able to attend a Board meeting, he or she ensured that their views were known to the Chairman.

Board attendance	Independent	Scheduled meetings eligible to attend	Scheduled meetings attended	Additional meetings eligible to attend	Additional meetings attended
Group Chairman					
John McFarlane	On appointment	8	8	2	2
Executive Directors					
Tushar Morzaria[a]	Executive Director	8	8	2	1
Jes Staley	Executive Director	1	1	0	0
Non-executive Directors					
Mike Ashley	Independent	8	8	2	2
Tim Breedon	Independent	8	8	2	2
Crawford Gillies	Independent	8	8	2	2
Reuben Jeffery III	Independent	8	7	2	2
Wendy Lucas-Bull[b]	Non-Independent	8	8	2	2
Dambisa Moyo	Independent	8	8	2	1
Frits van Paasschen	Independent	8	8	2	2
Sir Michael Rake	Deputy Chairman, Senior Independent Director	8	7	2	2
Diane de Saint Victor	Independent	8	8	2	2
Diane Schueneman	Independent	5	5	1	1
Steve Thieke	Independent	8	8	2	2
Former Directors					
Sir David Walker	On appointment	3	3	0	0
Antony Jenkins	Executive Director	4	4	1	1
Sir John Sunderland	Independent	3	3	0	0

Secretary				
Lawrence Dickinson	8	8	2	2

Notes

a Although eligible to attend, as an executive Director, Tushar Morzaria did not attend the additional meeting held to consider and approve the appointment of the new Group Chief Executive.

b Although we have reached the conclusion that all non-executive Directors exhibit independence of character and judgement, we continue to disclose that, for the purposes of the Code, Wendy Lucas-Bull was not designated as independent owing to her chairmanship of Barclays Africa Group Limited, a 62%-owned subsidiary of Barclays.

Governance: Directors report

How we comply

Board Governance framework

As a Board we may, under the authority of our Articles of Association and where appropriate, delegate all or any of our powers to an individual Director or to a Committee of Directors. Further information on the operations of each of the Barclays Board Committees can be found on the pages referenced above. Board Committee membership is reviewed regularly by the Board Nominations Committee.

Roles on the Board

As Directors we have established a division of responsibilities between running the Board and running the business of the Group. It is the responsibility of the Chairman to lead the Board and to ensure that it operates effectively, while the responsibility for the day-to-day management of Barclays has been delegated to the Group Chief Executive.

Role profiles setting out the responsibilities of the Chairman, the Group Chief Executive, Deputy Chairman, Senior Independent Director, non-executive Directors, Executive Directors, Committee Chairmen and the Company Secretary can be found in *Barclays Charter of Expectations,* which is available on home.barclays/corporategovernance. *Barclays Charter of Expectations* also sets out high-performance indicators for non-executive Directors.

The Group Chief Executive is supported by the Group Executive Committee, which is responsible for making and implementing operational decisions while running the Group s day-to-day business. Further information on the Group Executive Committee can be found on page 38. The Group Executive Management structure has been designed to support management s decision-making responsibilities, aligned to personal accountability and delegated authority, while embedding risk and control in business decision-making.

Effectiveness

Composition of the Board

The Board Nominations Committee is responsible for reviewing Board composition, considering succession plans for both the Board and senior executives, selecting and appointing new Directors and considering the results of the Board effectiveness review. For more information on the work of this Committee in 2015 please turn to page 60.

Our individual biographies can be found on pages 36 and 37: these include our relevant skills and experience, Board Committee membership and any other principal appointments. Details of changes to the Board in 2015 and year to date are disclosed on page 75.

The Board currently comprises a Chairman, who was independent on appointment, two Executive Directors and 11 non-executive Directors. In line with the Code, independent non-executive Directors form a majority of our Board. Each year we consider the independence of our non-executive Directors, using the guidance set out in the Code and behaviours determined by us as essential in order for a Director to be considered independent. These independence criteria are disclosed in *Corporate Governance in Barclays,* which can be viewed at home.barclays/corporategovernance. Having considered this guidance, we have determined those non-executive Directors who are standing for re-election at the 2016 AGM to be independent.

Executive Directors service contracts and the letters of appointment for the Chairman and non-executive Directors are available for inspection at the Company s registered office.

We carry out an annual effectiveness review in order to evaluate our performance as a Board. This evaluation includes an assessment of the effectiveness of Board Committees and individual Directors, to ensure that each of us continues to contribute effectively to the decision-making of the Board. Independence and the existence of any conflicts of interest are considered as part of the effectiveness evaluation. We take the outcomes of the review into account when deciding whether Directors will offer themselves for election or re-election at the AGM.

More information on the Board effectiveness review can be found on page 64.

Time commitment

In order to effectively discharge our responsibilities, non-executive Directors must commit sufficient time to their role. Set out below is the average time commitment for each non-executive position on the Board. In practice, however, time commitment is agreed on an individual basis and for certain Board positions additional time commitment will often be required in order to fulfil extra responsibilities, such as those of the Deputy Chairman, Senior Independent Director and Committee Chairmen. In addition, in exceptional circumstances, we are expected to commit significantly more time than disclosed below.

Role	Expected time commitment
Chairman	80% of a full-time position
Deputy Chairman	0.5 days a week
Senior Independent Director	As required to fulfil the role
Non-executive Director	30-36 days a year (membership of one Board Committee included, increasing to 40-50 days a year if a member of two Board Committees)
Committee Chairmen	50-60 days (inclusive of non-executive Director time commitment)

It is expected that our Chairman will commit as much time as is necessary to fulfil his duties, with his responsibilities to Barclays taking priority over other business commitments. The Chairman and non-executive Directors are also expected to allocate sufficient time to understanding the business, through meetings with regulators and executives and undergoing training to ensure ongoing business awareness. This time is in addition to that spent preparing for, and attending, Board and Board Committee meetings. When appropriate, a Director joining a Board Committee will be given a specific Board Committee induction programme.

Induction

Following appointment, each Director undergoes a comprehensive induction that has been tailored to individual requirements. The personal induction programme is designed and organised by the Company Secretary in consultation with the Chairman and in doing so they consider how to develop each Director s understanding of how the Group works and the key issues that it faces.

The purpose of the induction programme is to provide Directors with the information they need to become as effective as possible within the shortest practicable time after joining the Board. Typically, a new Director will meet with members of the Group Executive Committee and senior management, allowing an opportunity to familiarise themselves with various businesses and discuss specific matters with senior individuals. When an induction programme is complete, in addition to understanding the Group s business, a new Director should have a clear understanding of Barclays relationships with its shareholders, regulators and customers and clients.

In 2015, John McFarlane and Diane Schueneman both received tailored induction programmes on joining the Board. Feedback was sought from both new Directors to ensure that the induction programme remains effective.

Training and development

In order to ensure that our non-executive Directors have the necessary knowledge and understanding of the Group s business to enable them to contribute effectively at Board and Board Committee meetings they are regularly provided with the opportunity for training and development.

As part of the annual performance evaluation process the individual development needs of each non-executive Director are reviewed and discussed with the Chairman. Training can be provided through one-to-one meetings with senior executives, in order to receive further insight into a particular area of the Group s business, or as part of dedicated training on a particular issue identified by the Directors and the Company Secretary.

Our Directors have a continuing responsibility to fulfil their duties as members of the Board and Board Committees and this is managed through the provision of focused training and development opportunities.

During 2015, non-executive Directors attended briefings on the following subjects:

§ talent management and succession planning

§ Senior Managers Regime, and

§ operational resilience.

Board Committees also undertook specific training and details can be found in the respective Committee Chairmen s reports.

During 2015, individual Directors also attended regular meetings with our regulators, external auditors and major shareholders. In addition, the Board Audit Tender Oversight Sub-Committee carried out site visits as part of the audit tender process.

The following provides more detail of a specific training session that took place in 2015.

Governance in action: training and development

Following the July 2015 Board meeting, the non-executive Directors attended a briefing session on the Senior Managers Regime, led by Barclays Compliance. The Senior Managers Regime commences in March 2016 and, although only certain non-executive Directors will be in scope, there are a number of governance, reporting and conduct requirements that will apply to all Board Directors. The briefing session provided an overview of the Senior Managers Regime, with particular focus on the following:

§ an introduction to Reasonable Steps, including practical examples

§ the roles and responsibilities of non-executive Directors in scope

§ guidance for non-executive Directors who are not in scope, and

§ the Conduct Rules (standards that will be expected of all employees in a regulated firm).

In addition, Barclays Compliance detailed the work needed in order for Barclays to be ready for implementation of the regime in early 2016. This timetable included scheduling individual briefing sessions with in-scope non-executive Directors.

In late 2015/early 2016, Mike Ashley, Tim Breedon, Crawford Gillies and Sir Gerry Grimstone each had individual meetings with Barclays Compliance in order to cover the reasonable steps that, as a result of their particular role on the Board, each of them will be expected to take under the Senior Managers Regime. The session included a review of case studies, which focused on each Director s prescribed responsibilities under the Senior Managers Regime. The Directors were briefed ahead of the meetings and provided with supporting documentation in advance. These meetings were also attended by the Company Secretary and external advisers.

Information provided to the Board

As set out in the Code, the Chairman is responsible for ensuring that the Board receives accurate, timely and high quality information about the Company s performance at appropriate intervals and in an appropriate manner to enable it to take sound decisions, monitor effectively and provide advice to promote the success of the Company. Our Company Secretary supports the Chairman in ensuring good information flows between the Board, the Board Committees and the senior executives. In addition to providing dedicated support for the Board, the Company Secretary maintains dialogue with our Directors in order to confirm that the information they require in order to fulfil their responsibilities as a member of the Board is being received. If there is a need for independent and professional advice this can be sought by the Board, via the Company Secretary or directly, at Barclays expense.

Directors expect to be kept informed of key developments in the business by both the Executive Directors and senior management and take seriously their responsibility to request any further explanations as required. The Board and Board Committee annual forward calendars of business are formulated to ensure that Directors receive regular reports and presentations, in addition to periodic communications advising of any updates to the business of the Company, current events and the regulatory environment.

Accountability

The Strategic Report on pages 1 to 33 describes the business model and strategy whereby the Company generates and preserves value over the long term and delivers the objectives of the Company.

Risk management and internal control

The Directors have responsibility for ensuring that management maintain an effective system of risk management and internal control and for assessing its effectiveness. Such a system is designed to identify, evaluate and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

Barclays is committed to operating within a strong system of internal control that enables business to be transacted and risk taken without exposing itself to unacceptable potential losses or reputational damage. Barclays has an overarching framework that sets out the Group s approach to internal governance (the *Barclays Guide)*. The *Barclays Guide* establishes the mechanisms and processes by which the Board directs the organisation, through setting the tone and expectations from the top, delegating its authority and assessing compliance.

A key component of the *Barclays Guide* is the Enterprise Risk Management Framework (ERMF). The purpose of the ERMF is to identify and set minimum requirements in respect of the main risks to achieving the Group s strategic objectives and to provide reasonable assurance that internal controls are effective. The key elements of the Group s system of internal control, which is aligned to the recommendations of *The Committee of Sponsoring Organizations of the Treadway Commission, Internal Control Integrated Framework* (2013 COSO), are set out in the risk control frameworks relating to each of the Group s principal and key risks. As well as incorporating our internal requirements, these reflect material Group-wide legal and regulatory requirements relating to internal control and assurance.

Effectiveness of internal controls

Key controls are assessed on a regular basis for both design and operating effectiveness. Issues arising out of business risk and control assessments and other internal and external sources are examined to identify pervasive themes. Where appropriate, control issues are reported to the Board Audit Committee. In addition, regular reports are made to the Board Audit Committee by management, Barclays Internal Audit and the Finance, Compliance and Legal functions covering, in particular, financial controls, compliance and other operational controls.

Risk management and internal control framework

The ERMF is the Group s internal control framework. It is refreshed annually with an assessment of operational maturity provided to the Board Audit Committee. In 2015, the Board Audit Committee received quarterly reports on the effectiveness of the control environment: these reports covered risks and controls including financial, operational and compliance risk.

The Board Audit Committee formally reviews the system of internal control and risk management annually. Throughout the year ending 31 December 2015 and to date, the Group has operated a system of internal control that provides reasonable assurance of effective operations covering all controls, including financial and operational controls and compliance with laws and regulations. Processes are in place for identifying, evaluating and managing the principal risks facing the Group in accordance with the *Guidance on Risk Management, Internal Control and Related Financial and Business Reporting* published by the Financial Reporting Council.

The review of the effectiveness of the system of risk management and internal control is achieved through a four-step approach which is centred on reviewing the effectiveness of the *Barclays Guide* and its component parts, including the ERMF.

1. Governance Risk and Control meetings of the business and functional executive committees monitor, review and challenge the effective operation of key risk management and control processes, including the results of audits and reviews undertaken by Barclays Internal Audit (which include assessments of the control environment and management s control approach) and examinations and assessments undertaken by our primary regulators, on an ongoing basis as part of the system of risk management and internal control. The remediation of issues identified within the control environment is regularly monitored by management and the Board Audit Committee.

2. Testing of the Governance Risk and Control meetings held within the executive committees provides assurance that the committees are effectively overseeing the control environment and associated risk management and internal control processes.

3. The owners of the key governance processes which comprise the *Barclays Guide* undertake a review to confirm that processes have been implemented and are operating effectively.

4. The annual review of the system of risk management and internal control brings together the results of the activities completed in steps 1 to 3 to ensure that each of the key processes has been effectively reviewed.

In 2015, the Board received regular reports covering risks of Group-level significance. Over the year, the Board Risk Committee and the Board Reputation Committee examined reports covering the principal risks (credit risk, market risk, capital risk, liquidity risk, operational risk and conduct risk) as well as reports on risk measurement methodologies and risk appetite. Further details of risk management procedures and potential risk factors are given in the Risk Management section on pages 119 to 142.

Controls over financial reporting

A framework of disclosure controls and procedures is in place to support the approval of the Group s financial statements. The Legal and Technical Review Committee is responsible for examining the Group s financial reports and disclosures to ensure that they have been subject to adequate verification and comply with applicable standards and legislation. The Committee reports its conclusions to the Disclosure Committee. The Disclosure Committee examines the content, accuracy and tone of the disclosures and reports its conclusions to the Board Audit Committee, which debates its conclusions and provides further challenge. Finally, the Board scrutinises and approves results announcements and the Annual Report and ensures that appropriate disclosures have been made. This governance process ensures that both management and the Board are given sufficient opportunity to debate and challenge the Group s financial statements and other significant disclosures before they are made public.

Management s report on internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed under the supervision of the principal executive and principal financial officers to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external reporting purposes in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and issued by the International Accounting Standards Board (IASB). Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect transactions and dispositions of assets; provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that receipts and expenditures are being made only in accordance with authorisations of management and the respective Directors; and provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements.

Internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that internal controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed internal control over financial reporting as of 31 December 2015. In making its assessment, management has utilised the criteria set forth by the 2013 COSO framework. Management concluded that, based on its assessment, the internal control over financial reporting was effective as of 31 December 2015. Our independent registered public accounting firm has issued a report on the Group s internal control over financial reporting, which is set out on page 252.

The system of internal financial and operational controls is also subject to regulatory oversight in the UK and overseas. Further information on supervision by the financial services regulators is provided under Supervision and Regulation in the Risk review section on pages 210 to 215.

Changes in internal control over financial reporting

There have been no changes in the Group s internal control over financial reporting that occurred during the period covered by this report which have materially affected or are reasonably likely to materially affect the Group s internal control over financial reporting.

Remuneration

We have delegated responsibility to the Board Remuneration Committee to determine the remuneration arrangements for the Chairman, our Executive Directors and other senior executives and certain other Group employees, as determined by the Committee. Additional information on the Board Remuneration Committee, including its membership and activities in 2015, can be found on pages 83 to 116 in the Directors remuneration report, which forms part of the corporate governance statement.

Stakeholder engagement

We describe below how we engage with our stakeholders.

Investor engagement

The Board is committed to promoting effective channels of communication with shareholders and upholding good corporate governance as a means of building stronger and more engaged relationships with them. Our comprehensive investor engagement initiatives help us to understand their views about Barclays, which are communicated regularly to the Board. Our shareholder communication guidelines, which underpin all investor engagement, are available on our website at home.barclays/barclays-investor-relations/corporate-governance/shareholder-communication-guidelines

Institutional investors

In 2015, our engagement with institutional investors took place throughout the year, following our quarterly results as well as outside the reporting cycle. This allowed the opportunity for existing and potential investors to engage with us regularly, and promoted dialogue on longer-term strategic developments, as well as about the recent financial performance of the Group.

The Directors, in conjunction with the senior executive team and Investor Relations, participated in varied forms of engagement across multiple geographic locations, reflecting the diverse nature of our equity and debt institutional ownership. Divisional management also presented extensively to investors, promoting greater awareness and understanding of our operational businesses and other functions.

In the past year, discussions with investors focused on the continued execution of our strategic plan outlined in 2014, and the steps taken in 2015 to improve our returns to shareholders, while adapting to the changing regulatory environment and addressing legacy issues. Meetings focused on corporate governance matters also took place throughout the year, covering topics including management changes, remuneration and other AGM-related matters. Following the appointment of Sir Gerry Grimstone as Senior Independent Director on 1 January 2016, our major investors were offered a meeting with him.

During 2015, we held quarterly results briefings, including an in-person presentation for the 2014 results announcement in March 2015, and quarterly breakfast briefings for equity and debt sellside analysts, hosted by the Group Finance Director. For fixed income investors, we held conference calls at our full year and half year results, hosted by our Group Finance Director and Group Treasurer, as well as quarterly briefings for credit analysts.

An independent audit of investor views took place in April 2015. Interviews with a cross-section of institutional shareholders and non-holders, were conducted on specific topics including strategy, business performance and the management team. The findings of the investor audit were presented to the Board.

To enable the effective distribution of information to all investors, transcripts of executive management speeches were uploaded to the Investor Relations section of the website, alongside associated presentation materials. In 2015, we received the UK Investor Relations Society s award for the Best Use of Digital Communications, reinforcing the importance placed on using our website to engage with the market. For example, we introduced short videos providing a summary of our results from our Chairman, Group Chief Executive and Group Finance Director.

How we comply

Private shareholders

Throughout 2015, we continued to communicate with our private shareholders using our shareholder mailings. Also, shareholders can choose to sign up to Shareview so that they receive information about Barclays and their shareholding directly by email. On a practical level, over 60,000 shareholders did not cash their Shares Not Taken Up (SNTU) cheque following the Rights Issue in September 2013. During 2015, we conducted a tracing process to reunite these shareholders with their SNTU monies together with any unclaimed dividends. By the end of the year, we had returned over £2.2m to our shareholders. In addition, we launched a special share dealing service in October 2015 for shareholders holding 4,000 shares or less. Shareholders could donate their sale proceeds to ShareGift if they wished. Shareholders donated nearly £130,000.

Our Annual General Meeting (AGM)

Our AGM continues to be a key date in the diary for the Board. It affords us our primary opportunity to engage with shareholders, particularly our private shareholders, on the key issues facing the Group and any questions they may have. The majority of Directors, including the Chairman, were available for informal discussion before and after the formal business of our 2015 AGM. All resolutions proposed at the 2015 AGM, which were considered on a poll, were passed with votes for ranging from 88.5% to 99.9% of the total votes cast.

The 2016 AGM will be held on Thursday 28 April 2016 at the Royal Festival Hall in London. The Notice of AGM can be found in a separate document, which is sent out at least 20 working days before the AGM and also made available at home.barclays/agm. Voting on the resolutions will again be by poll and the results will be announced via the Regulatory News Service and made available on our website on the same day. We encourage any shareholders who are unable to attend on the day to vote in advance of the meeting via home.barclays/investorrelations/vote or through Shareview (www.shareview.co.uk).

Other statutory information

The Directors present their report together with the audited accounts for the year ended 31 December 2015.

Other information that is relevant to the Directors Report, and which is incorporated by reference into this report, can be located as follows:

Contents	Page

Disclosures required pursuant to Listing Rule 9.8.4R can be found on the following pages:

	Page

Section 414A of the Companies Act 2006 requires the Directors to present a Strategic Report in the Annual Report and Financial Statements. The information can be found on pages 1 to 33.

The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, and as noted in this Directors report, to include certain matters in its Strategic Report that would otherwise be disclosed in this Directors report.

An indication of likely future developments may be found in the Strategic Report.

The particulars of important events affecting the Company since the financial year end can be found in the Strategic Report and Note 29 Legal, competition and regulatory matters.

Profit and dividends

The adjusted profit for the financial year, after taxation, was £3,713m (2014: £3,798m). Statutory profit after tax for 2015 was £623m (2014: £845m). The final dividend for 2015 of 3.5p per share will be paid on 5 April 2016 to shareholders whose names are on the Register of Members at the close of business on 11 March 2016. With the interim dividends totalling 3p per ordinary share, paid in June, September and December 2015, the total distribution for 2015 is 6.5p (2014: 6.5p) per ordinary share. The interim and final dividends for 2015 amounted to £1,081m (2014: £1,057m).

As at 31 December 2015, the distributable reserves of Barclays PLC (the Parent Company) were £7,075m. As at 31 December 2015, the distributable reserves of Barclays Bank PLC were £29,598m.

The nominee companies of certain Barclays employee benefit trusts holding shares in Barclays in connection with the operation of the Company s share plans have lodged evergreen dividend waivers on shares held by them that have not been allocated to employees. The total amount of dividends waived during the year ended 31 December 2015 was £6.4m.

Shareholders may have their dividends reinvested in Barclays by joining the Barclays PLC Scrip Dividend Programme (the Programme). At the Barclays 2013 AGM, shareholders approved the introduction of the Programme to replace the Barclays Dividend Reinvestment Plan. The Programme enables shareholders, if they wish, to receive new fully-paid ordinary shares in Barclays PLC instead of a cash dividend, without incurring dealing costs or stamp duty.

Board of Directors

The names of the current Directors of Barclays PLC, along with their biographical details, are set out on pages 36 and 37 and are incorporated into this report by reference. Changes to Directors during the year are set out below.

Name	Role	Effective date of appointment/ resignation
Diane Schueneman	Non-executive Director	Appointed 25 June 2015
James (Jes) Staley	Executive Director	Appointed 1 December 2015

Sir Gerald (Gerry) Grimstone	Non-executive Director	Appointed 1 January 2016
Sir John Sunderland	Non-executive Director	Retired 23 April 2015
Sir David Walker	Non-executive Director	Retired 23 April 2015
Antony Jenkins	Executive Director	Resigned 16 July 2015
Sir Michael Rake	Non-executive Director	Retired 31 December 2015

John McFarlane succeeded Sir David Walker as Chairman of Barclays with effect from the conclusion of the Barclays PLC AGM in April 2015. John McFarlane held the position of Executive Chairman with effect from 17 July 2015 to 1 December 2015, when Jes Staley took up the position of Group Chief Executive.

Other statutory information

Appointment and retirement of Directors

The appointment and retirement of Directors is governed by the Company s Articles of Association (the Articles), the UK Corporate Governance Code (the Code), the Companies Act 2006 and related legislation.

The Articles may only be amended by a special resolution of the shareholders. The Board has the power to appoint additional Directors or to fill a casual vacancy among the Directors. Any such Director holds office only until the next AGM and may offer himself/herself for election. The Code recommends that all directors of FTSE 350 companies should be subject to annual re-election.

Directors indemnities

Qualifying third party indemnity provisions (as defined by section 234 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2015 for the benefit of the then Directors and, at the date of this report, are in force for the benefit of the Directors in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office. In addition, the Company maintains Directors and Officers Liability Insurance which gives appropriate cover for legal action brought against its Directors.

Qualifying pension scheme indemnity provisions (as defined by section 235 of the Companies Act 2006) were in force during the course of the financial year ended 31 December 2015 for the benefit of the then Directors, and at the date of this report are in force for the benefit of directors of Barclays Pension Funds Trustees Limited as Trustee of the Barclays Bank UK Retirement Fund. The directors of the Trustee are indemnified against liability incurred in connection with the Company s activities as Trustee of the retirement fund.

Similarly, qualifying pension scheme indemnities were in force during 2015 for the benefit of Barclays Executive Schemes Trustees Limited as Trustee of Barclays Bank International Zambia Staff Pension Fund (1965), Barclays Capital International Pension Scheme (No.1), Barclays Capital Funded Unapproved Retirement Benefits Scheme, and Barclays PLC Funded Unapproved Retirement Benefits Scheme. The Directors of the Trustee are indemnified against the liability incurred in connection with the Company s activities as Trustee of the schemes above.

Political donations

The Group did not give any money for political purposes in the UK, the rest of the EU or outside the EU, nor did it make any political donations to political parties or other political organisations, or to any independent election candidates, or incur any political expenditure during the year.

In accordance with the US Federal Election Campaign Act, Barclays provides administrative support to a federal Political Action Committee (PAC) in the US funded by the voluntary political contributions of eligible employees. The PAC is not controlled by Barclays and all decisions regarding the amounts and recipients of contributions are directed by a steering committee comprising employees eligible to contribute to the PAC. Contributions to political organisations reported by the PAC during the calendar year 2015 totalled $79,500 (2014: $103,000).

Environment

Barclays climate action programme focuses on addressing environmental issues where we believe we have the greatest potential to make a difference. The programme focuses on managing our own carbon footprint and reducing our absolute carbon emissions, developing products and services to help enable the transition to a low-carbon economy, and managing the risks of climate change to our operations, clients, customers and society at large. We invest in improving the energy efficiency of our operations and offset the emissions remaining through the purchase of carbon credits. We also have a long-standing commitment to managing the environmental and social risks associated with our lending practices, which is embedded into our credit risk processes. A governance structure is in place to facilitate clear dialogue across the business and with suppliers around issues of potential environmental and social risk.

We have disclosed global greenhouse gas emissions that we are responsible for as set out by the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013. We provide fuller disclosure across our carbon emissions within Barclays Citizenship Data Supplement found on our website home.barclays/citizenship

Global GHG emissions[b]	Reporting year[a] 2015	Reporting year[a] 2014	Reporting year[a] 2013	Comparison year[a] 2012
Total CO_2e (tonnes)[b]	701,600	853,376	1,036,755	1,119,145
Scope 1 CO_2e emissions (tonnes)[c]	65,340	49,939	58,372	47,904
Scope 2 CO_2e emissions (tonnes)[d]	500,086	678,443	791,766	880,995
Scope 3 CO_2e emissions (tonnes)[e]	136,174	124,993	186,616	190,245
Intensity ratio				
Total full time employees (FTE)	129,400	132,300	139,600	139,200
Total CO_2e per FTE (tonnes)	5.42	6.45	7.43	8.04

Notes

a 2015, 2014 and 2013 reporting years cover Q4 from the previous year and Q1, 2, 3 of the reporting year in question. The carbon reporting year is not fully aligned to the financial reporting year covered by the Directors report. This report is produced earlier than previous carbon reporting to allow us to report within the year end financial reporting timelines. The 2012 reporting year is the full calendar year (Jan 2012 Dec 2012).

b The methodology used to calculate our CO_2e emissions is the operational control approach on reporting boundaries and carbon emissions methodology as defined by the World Resources Institute/World Business Council for Sustainable Development (WRI/WBCSD) Greenhouse Gas Protocol (GHG): A Corporate Accounting and Reporting Standard, Revised Edition. Where properties are covered by Barclays consolidated financial statements but are leased to tenants who are invoiced for utilities, these emissions are not included in the Group GHG calculations. For properties where Barclays is the tenant, landlords provide Barclays with utility bills which are included in our emissions reporting.

§

Scope 1 covers direct combustion of fuels and company-owned vehicles (from UK and South Africa only, which are the most material contributors).

§ Scope 2 covers emissions from electricity and steam purchased for own use.

§ Scope 3 covers indirect emissions from business travel (global flights and ground transport) from the UK and South Africa. We have improved our coverage for car hire data and now include data from the US and India. Ground transportation data (excluding Scope 1 company cars) covers those countries where this type of transport is material and robust data is available.

In cases where we have collected new data for previously unreported consumption, we have restated the baseline if the new data amounts to a material change greater than 1% of the total consumption. If the change is less than 1%, we have reported consumption from the point at which the data became available. If it is greater than 1%, we have restated the baseline and previous years figures based on actual or estimated figures. Reasons for restatements in data are due to more accurate data being available which led to replacements of estimates with actual data for 2012, 2013 and 2014.

c Fugitive emissions reported in Scope 1 for 2015, 2014 and 2013 cover emissions from UK, Americas, Asia-Pacific and South Africa. Fugitive emission data for 2012 is not available. Business travel reported in Scope 1 covers company cars in the UK and South Africa. This covers the majority of our employees where we have retail operations with car fleets.

d Scope 2 carbon emissions from electricity have been calculated using location-based carbon conversion factors as defined by the GHG Protocol 2015. We are mindful of the new location and market based methodology for accounting Scope 2 electricity emissions and these emissions will be reported in future reports.

e Scope 3 is limited to emissions from business travel which covers global flights and ground transport from the UK and South Africa. We have improved our coverage for car hire data and now include data from the US and India. Ground transportation data (excluding Scope 1 company cars) covers only countries where this type of transport is material and data is available.

Research and development

In the ordinary course of business, the Group develops new products and services in each of its business divisions.

Share capital

Share capital structure

The Company has ordinary shares in issue. The Company s Articles also allow for the issuance of sterling, US dollar, euro and yen preference shares (preference shares). No preference shares have been issued as at 26 February 2016 (the latest practicable date for inclusion in this report). Ordinary shares therefore represent 100% of the total issued share capital as at 31 December 2015 and as at 26 February 2016 (the latest practicable date for inclusion in this report). Details of the movement in ordinary share capital during the year can be found in Note 31 on page 318.

Voting

Every member who is present in person or represented at any general meeting of the Company, and who is entitled to vote, has one vote on a show of hands. Every proxy present has one vote. The proxy will have one vote for and one vote against a resolution if he/she has been instructed to vote for or against the resolution by different members or in one direction by a member while another member has permitted the proxy discretion as to how to vote. On a poll, every member who is present or represented and who is entitled to vote has one vote for every share held. In the case of joint holders, only the vote of the senior holder (as determined by order in the share register) or his proxy may be counted. If any sum payable remains unpaid in relation to a member s shareholding, that member is not entitled to vote that share or exercise any other right in relation to a meeting of the Company unless the Board otherwise determine. If any member, or any other person appearing to be interested in any of the Company s ordinary shares, is served with a notice under section 793 of the Companies Act 2006 and does not supply the Company with the information required in the notice, then the Board, in its absolute discretion, may direct that that member shall not be entitled to attend or vote at any meeting of the Company. The Board may further direct that if the shares of the defaulting member represent 0.25% or more of the issued shares of the relevant class, that dividends or other monies payable on those shares shall be retained by the Company until the direction ceases to have effect and that no transfer of those shares shall be registered (other than certain specified excepted transfers). A direction ceases to have effect seven days after the Company has received the information requested, or when the Company is notified that an excepted transfer of all the relevant shares to a third party has occurred, or as the Board otherwise determines.

Transfers

Ordinary shares may be held in either certificated or uncertificated form. Certificated ordinary shares shall be transferred in writing in any usual or other form approved by the Secretary and executed by or on behalf of the transferor. Transfers of uncertificated ordinary shares shall be made in accordance with the Companies Act 2006 and CREST Regulations.

The Board is not bound to register a transfer of partly-paid ordinary shares or fully-paid shares in exceptional circumstances approved by the FCA. The Board may also decline to register an instrument of transfer of certificated ordinary shares unless it is duly stamped and deposited at the prescribed place and accompanied by the share certificate(s) and such other evidence as reasonably required by the Board to evidence right to transfer, it is in respect of one class of shares only, and it is in favour of a single transferee or not more than four joint transferees (except in the case of executors or trustees of a member).

In accordance with the provisions of Section 84 of the Small Business, Enterprise and Employment Act 2015, preference shares may only be issued in registered form. Preference shares shall be transferred in writing in any usual or other form approved by the Secretary and executed by or on behalf of the transferor. The Company s registrar shall register such transfers of preference shares by making the appropriate entries in the register of preference shares. Each preference share shall confer, in the event of a winding up or any return of capital by reduction of capital (other than, unless otherwise provided by their terms of issue, a redemption or purchase by the Company of any of its issued shares, or a reduction of share capital), the right to receive out of the surplus assets of the Company available for distribution among the members and in priority to the holders of the ordinary shares and any other shares in the Company ranking junior to the relevant series of preference shares and pari passu with any other class of preference shares (other than any

class of shares then in issue ranking in priority to the relevant series of preference shares), repayment of the amount paid up or treated as paid up in respect of the nominal value of the preference share together with any premium which was paid or treated as paid when the preference share was issued in addition to an amount equal to accrued and unpaid dividends.

Variation of rights

The rights attached to any class of shares may be varied either with the consent in writing of the holders of at least 75% in nominal value of the issued shares of that class or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. The rights of shares shall not (unless expressly provided by the rights attached to such shares) be deemed varied by the creation of further shares ranking equally with them or subsequent to them.

Limitations on foreign shareholders

There are no restrictions imposed by the Articles or (subject to the effect of any economic sanctions that may be in force from time to time) by current UK laws which relate only to non-residents of the UK and which limit the rights of such non-residents to hold or (when entitled to do so) vote the ordinary shares.

Exercisability of rights under an employee share scheme

Employee Benefit Trusts (EBTs) operate in connection with certain of the Group s Employee Share Plans (Plans). The trustees of the EBTs may exercise all rights attached to the shares in accordance with their fiduciary duties other than as specifically restricted in the relevant Plan governing documents. The trustees of the EBTs have informed the Company that their normal policy is to abstain from voting in respect of the Barclays shares held in trust. The trustees of the Global Sharepurchase EBT and UK Sharepurchase EBTs may vote in respect of Barclays shares held in the EBTs, but only as instructed by participants in those Plans in respect of their partnership shares and (when vested) matching and dividend shares. The trustees will not otherwise vote in respect of shares held in the Sharepurchase EBTs.

Special rights

There are no persons holding securities that carry special rights with regard to the control of the Company.

Major shareholders

Major shareholders do not have different voting rights from those of other shareholders. Information provided to the Company by major shareholders pursuant to the FCA s Disclosure Rules and Transparency Rules (DTRs) are published via a Regulatory Information Service and is available on the Company s website. As at 31 December 2015, the Company had been notified under Rule 5 of the DTRs of the following holdings of voting rights in its shares.

Person interested	Number of Barclays shares	% of total voting rights attaching to issued share capital[a]
The Capital Group Companies Inc[b]	1,172,090,125	6.98
Qatar Holding LLC[c]	813,964,522	6.65
BlackRock, Inc.[d]	822,938,075	5.02
Norges Bank	506,870,056	3.02

Notes

a The percentage of voting rights detailed above was calculated at the time of the relevant disclosures made in accordance with Rule 5 of the DTR.

b The Capital Group Companies Inc (CG) holds its shares via CG Management companies and funds. Part of the CG holding is held as American Depositary Receipts.

c Qatar Holding LLC is wholly owned by Qatar Investment Authority.

d Total shown includes 1,408,618 contracts for difference to which voting rights are attached. On 25 January 2016, BlackRock, Inc. disclosed, by way of a Schedule 13G filed with the SEC, beneficial ownership of 1,109,026,156 ordinary shares of the Company as of 31December 2015, representing 6.6% of that class of shares.

Governance: Directors report

Other statutory information

Powers of Directors to issue or buy back the Company s shares

The powers of the Directors are determined by the Companies Act 2006 and the Company s Articles. The Directors are authorised to issue and allot shares and to buy back shares subject to annual shareholder approval at the AGM. Such authorities were granted by shareholders at the 2015 AGM. It will be proposed at the 2016 AGM that the Directors be granted new authorities to allot and buy back shares.

Repurchase of shares

The Company did not repurchase any of its ordinary shares during 2015 (2014: none). As at 26 February 2016 (the latest practicable date for inclusion in this report) the Company had an unexpired authority to repurchase ordinary shares up to a maximum of 1,650,234,602 ordinary shares.

Change of control

There are no significant agreements to which the Company is a party that are affected by a change of control of the Company following a takeover bid. There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

Going concern

The Group s business activities and financial position, the factors likely to affect its future development and performance, and its objectives and policies in managing the financial risk to which it is exposed and its capital are discussed in the Strategic Report and in the Risk Management section.

The Directors considered it appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to auditor

Each Director confirms that, so far as he/she is aware, there is no relevant audit information of which the Company s auditors are unaware and that each Director has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company s auditors are aware of that information. This confirmation is given pursuant to section 418 of the Companies Act 2006 and should be interpreted in accordance with and subject to those provisions.

Directors responsibilities

The following statement, which should be read in conjunction with the Auditors report set out on pages 245 to 251, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditors in relation to the accounts.

The Directors are required by the Companies Act 2006 to prepare accounts for each financial year and, with regards to Group accounts, in accordance with Article 4 of the IAS Regulation. The Directors have prepared group and individual accounts in accordance with IFRS as adopted by the EU. The accounts are required by law and IFRS to present fairly the financial position of the Company and the Group and the performance for that period. The Companies Act 2006 provides, in relation to such accounts, that references to accounts giving a true and fair view are references to fair presentation.

The Directors consider that, in preparing the accounts on pages 243 to 347, and the additional information contained on pages 143 to 241, the Group has used appropriate accounting policies, supported by reasonable judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

Having taken all the matters considered by the Board and brought to the attention of the Board during the year into account, the Directors are satisfied that the Annual Report and Financial Statements, taken as a whole, are fair, balanced, understandable, and provide the information necessary for shareholders to assess the Company s position and performance, business model and strategy.

Directors responsibility statement

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

The Directors are responsible for the maintenance and integrity of the Company s website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

The Directors, whose names and functions are set out on pages 36 and 37, confirm to the best of their knowledge that:

(a) the financial statements, prepared in accordance with the applicable set of accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole, and

(b) the management report, which is incorporated into the Directors Report on pages 35 to 78, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Lawrence Dickinson

Company Secretary

29 February 2016

Barclays PLC

Registered in England, Company No. 48839

Governance

People

During 2015 we have continued our work to enhance support for our colleagues in their careers and to enable them to contribute to the long-term success of Barclays.

Culture, values and learning

We are into our third year of cultural change at Barclays. We have defined a common set of Values and Behaviours and embedded them into our core people processes so that they are recognised and understood by our colleagues. Having set the tone from the top by driving cultural change through our Group Executive Committee and business/ functional senior leaders, we have delivered a number of group-wide initiatives to embed the organisational culture. Our leadership development programme is underpinned by our Values, and ensures all senior management are aware of, and are enabled to role model our Values and Behaviours. Both the Barclays Leadership Academy and the Global Curriculum, which provides colleagues with development resources focused on personal and behavioural skill, are widely available and provide a consistent approach to core and leadership development.

We continue to assess candidate alignment to our Values and Behaviours through our recruitment and promotion processes and we also ensure new joiners attend the Being Barclays Global Induction programme, which provides an in-depth experience of the Values and life at Barclays. All colleagues are required to attest and demonstrate their understanding of expected behaviours through the Global Code of Conduct (The Barclays Way).

Early careers and apprenticeships

Barclays is committed to helping young people achieve their ambitions when they enter the world of work, so our Early Careers proposition includes graduate, internship and apprenticeship programmes which provide structured support to young people. In 2015, we launched our Bolder Apprenticeship Programme, targeting long-term unemployed adults over the age of 24, which is the first of its kind in the UK and underlines our commitment to tackling societal issues and attracting diverse talent.

We provide pathways for progression from apprentice to graduate supported by recognised qualifications and, in doing so, help to create an internal talent pipeline. In 2015, Barclays hired over 1,000 interns, 800 graduates and have created over 2,500 apprenticeships since 2013. During 2015 we increased our gender diversity across our internship programmes by 8% to 42% female representation.

My Career and mentoring tool

Colleague development, both personal and professional, has been a priority in 2015. We launched the My Career online portal which provides a wide range of information and tools to help colleagues understand their potential and make informed career decisions. We recognise the importance of great mentor relationships and have deployed an online tool to match mentors and mentees based on skill sets and experience.

Wellbeing

Our new global wellbeing programme, Be Well launched in 2015, aiming to support employee engagement and improve health and well-being. The programme includes existing health and well-being resources, as well as new investment in areas such as employee health screenings, a global speaker series and a new global portal which acts as a gateway to education materials and events.

Performance management

Colleagues are encouraged to align their objectives to business and team goals and behavioural expectations are set in relation to our Values. Performance is assessed against both what colleagues do and how they do it. The Values in Action framework provides all colleagues with the tools to assess what objectives they achieved and how they achieved them, together with a guide on expected behaviours in line with the Values. Our global recognition plan allows colleagues to recognise the outstanding achievements of those who have demonstrated our Values, with over 188,500 colleagues receiving a Values Thank You in 2015.

Managing change

Where business restructuring has been necessary to support the transformation of our business and cost profile, we have consulted on potential job losses with employee representatives, as well as the impacted individuals. Our aim has been to treat all colleagues with respect and to avoid compulsory redundancies wherever possible. We have placed significant emphasis on both voluntary redundancy programmes as well as internal redeployment via Internals First .

Internals First supports colleagues who have been impacted by change and provides individual support to ensure that we retain talent within Barclays. Internals First is deployed in all our main locations and is managed by a dedicated team. In 2015, 935 colleagues registered for Internals First support and we redeployed 39% of them within Barclays. Throughout 2015, colleagues attended Internals First Career and Networking Events and opted for outplacement support services.

During 2015, we also developed Be Informed , which is available on both desktop and mobile devices. This intuitive support site gives transparent and helpful advice for colleagues who are impacted by change, including how to manage change, further career options available to them and where to go for help and support during periods of uncertainty.

When an employee does leave Barclays as a consequence of restructuring, our commitment is to ensure they are given the best support for the next stage in their career and life. Following an extensive review, a new globally consistent career transition service has been implemented which offers personalised advice and support for all employees placed at risk of redundancy.

Industrial relations

We continue to advocate and practise a partnership approach to industrial relations and value the relationships we have with over 30 trade unions, works councils and staff associations around the world. In particular, our formal partnership with Unite since 2000 is one of the longest standing in the UK. During 2015, we have continued to have regular, constructive dialogue with employee representatives on a wide range of topics that affect employees, facilitated through established regional consultation forums which bring together representatives from across our businesses.

We are confident that through all these established core people processes and others we have created the right landscape at Barclays to sustain the desired organisational culture. We also believe that while we have a common purpose, Values, and vision, this can mean different things for different parts of our business and so we need to continue to shape our culture in a way that makes sense for each of our business areas. To that end, in 2015, each business CEO was tasked with driving the organisational culture for their business and we supported this by deploying business-specific training academies across the Group. This will continue into 2016.

Governance

People

Your View

Barclays   recognises the importance of listening to our colleagues and maintaining open, two-way dialogues between the organisation and colleagues. The views of our colleagues shape the decisions we make, helping us create an environment that colleagues want to work in, which we in turn believe will help drive high performance.

We deployed a global colleague survey,   Your View   once again in 2015 to seek the views of colleagues. This year s survey was more focused, based on the insights derived from the previous year s survey, and asked for our colleagues views on a range of topics, including our Values, leadership and line management, the working environment, and citizenship. The results showed a near-universal understanding among colleagues of the Values and related behaviours (97% favourable) with 81% agreeing that role modelling the Values is central to creating the right culture at Barclays.

Compared to 2014, colleagues feel an increased sense of job accomplishment and enthusiasm, believe more strongly in Barclays   goals, and are more likely to recommend Barclays as a place to work. Sustainable Engagement is at 75%, a 3% increase compared to 2014. This is a strong result, suggesting action taken during 2015 is having an impact, notwithstanding the continued and sustained change we have experienced. We have performed an in-depth review of the results of the survey with all senior leaders, and will continue to focus our efforts on improving employee engagement in 2016.

Barclays regularly updates employees regarding the financial and economic factors affecting the company s performance throughout the year, using a variety of communications channels. These include CEO and senior leader email communications, line manager briefing packs, video interviews and talking points which are distributed to employees every quarter to coincide with Barclays   financial reporting calendar. They are all designed to build awareness and understanding of Barclays   results and the broader macroeconomic environment, and to drive dialogue around what the figures mean and how employees should respond. We also hold a variety of events for all employees, across each business division and function throughout the year, which provide employees the chance to hear directly from the CEO, ExCo member or leader and to ask them questions. We have also recently introduced an   Ask the Experts   communication which gives perspectives from across the bank on what Barclays   results mean and how they are received by different stakeholders such as investors, politicians and the media.

Flagship campaigns are released to all employees each quarter, covering topics such as wellbeing, recognition and dynamic working. Each quarter, colleagues and managers receive interactive updates to raise awareness of the tools being introduced to help them develop their careers at Barclays and to provide them with the opportunity to understand and engage in employee initiatives. Colleagues are also kept informed through regular intranet and email updates about the progress Barclays is making across activity such as our Diversity and Inclusion agenda, Performance Management and annual Pay and Reward processes.

Employees are invited to share their opinion on what it is like to work at Barclays through regular interactive events with senior leaders. These events provide employees with the opportunity to discuss their perspective on a range of areas to help senior management understand what is working well and where we need to improve. Any changes that are implemented as a result of colleague feedback are communicated through leadership briefings and engagement initiatives at an individual business/function level.

Colleagues are also encouraged to be involved with the company s performance by participating in Barclays all-employee shareplans, which have been running successfully for over 10 years. Further details of our approach to remuneration are included in the Remuneration Report pages 86 and 87.

Diversity and Inclusion

Barclays global Diversity and Inclusion (D&I) strategy sets out objectives, and frames our plans for each of five core pillars: Gender, LGBT, Disability, Multicultural and Multigenerational. Central to each pillar is building an inclusive culture, which is why we continue to build leadership competency about Unconscious Bias and have had more than 10,000 participants undertake the training. Following our 2014 programme to engage senior leaders, our Everyday Ism s programme has this year opened up dialogue with colleagues more widely focusing on stereotypes, assumptions and bias.

An important aspect of our D&I agenda is ensuring people from all backgrounds have equal opportunity to join, and progress through, our organisation. In support of this, we have established candidate shortlist diversity goals for senior positions to provide focus during talent decisions, and ensure hiring panels are diverse to broaden assessment perspectives.

This ethos begins with our most senior roles. Having achieved the target we set ourselves in 2012 to increase Board level diversity to 25%, we have now challenged ourselves to achieve a minimum of 33% by 2020. To strengthen the pipeline, we have consecutively achieved our year on year goals towards representation of women in senior roles to 26% by 2018. We have more to do, but are pleased when progress towards greater inclusion is recognised. During 2015, respected organisations such as Stonewall in the UK, Working Mother in the US and Community Business in Asia have praised our programmes and achievements, citing our D&I work as innovative and robust.

Gender

Sustaining progress towards our Balanced Scorecard and Board Diversity goals remains a core focus. Our Board membership has increased to four women, with one woman on Group Executive Committee. Our female senior leadership population stood at 23% at the end of 2015 representing a consecutive 1% increase year-on-year since 2011. Women are also leading countries where we operate, for example in Ireland, Brazil, Singapore, Botswana and Gibraltar.

At all levels, our gender pipeline is strengthening thanks to extensive programmes which focus on building capability and fostering gender intelligence. Our internal HeForShe campaign, in partnership with the United Nations, asks colleagues to pledge a specific commitment that will contribute to gender parity. Since launching HeForShe, 60% of new Women s Initiative Network members have been male, and men have also taken active roles as mentors and sponsors.

Also new this year is our Returnship programme which is enabling senior women who needed to pause their career, the opportunity to refresh their skills and confidence in preparation for a return to leadership roles. For the eighth year running, we were pleased to be included in The Times Top 50 Workplaces for Women in the UK, and for the third successive year to be named in Working Mother 100 Best Companies in the US.

Female representation

Above shows the positive change in female representation within Barclays from 2014 (H2) to 2015 (H2)

LGBT

An inclusive culture is vital for colleagues to have the freedom and choice to bring their whole selves to work, and in particular for people to be open about their sexual orientation if they choose to. Our Your View survey saw 5% of global colleagues identifying as being LGBT globally, a 1% increase since 2014. Enabling that culture are our Global Allies colleagues from every region who share our commitment to LGBT equality and who take an active role in shaping an LGBT-inclusive workplace. The Allies programme is led by Spectrum, our employee network for anyone interested in LGBT matters. Since 2001, Spectrum has been an important contributor of insight and innovation and now connects colleagues across the world, with the Spectrum App providing access outside the workplace.

#PrideHeroes was the theme of Pride in London, which we were again the lead sponsors of in 2015. More than 400 colleagues, leaders, friends and family came together for Pride, with many more joining other events across our regions of operation. A specially Pride wrapped DLR train carried the #RidewithPride message across London, with ATM s up and down the UK communicating our support for LGBT equality. ATM messaging also conveyed our advocacy for IDAHOBIT (International Day Against Homophobia, Biphobia and Transphobia). For World AIDS Day, £ for £ matching augmented colleague fundraising for organisations leading on the treatment and prevention of AIDS.

Independent recognition reflects the sustained impact of our global work and further motivates us to continue to shape our culture so that colleagues can be themselves at work. In Singapore, we won best LGBT employee network at this year s ALMA Awards, and Stonewall continue to name us as one of just eight Star Performer organisations that are seen as leaders globally. Colleagues across a range of levels were this year recognised in the Financial Times OUTstanding list of 100 LGBT business leaders, and in the Pride Power List.

Disability

Our aspiration to become the most accessible bank remains firm. Understanding where we need to focus attention is key which is why we value our Disability Listening forums to bring together colleagues who have insight with those who have influence to turn ideas into action. We listen to our customers too, directly and via our external partners from RNIB to Leonard Cheshire as part of our continual improvement ethos. Their feedback contributed to us becoming the first bank to receive an accreditation from AbilityNet for our Mobile Banking app, reflecting its improved accessibility functionality.

In another first, we successfully launched our Return on Disability Exchange Traded Notes (ETNs) on the New York Arca Stock Exchange. The ETNs are a first of a kind investment product, linked to the performance of an index developed in conjunction with The Return on Disability Group. They provide investors with exposure to US based companies that have acted to attract and serve people with disabilities, and their friends and family, as customers and employees.

Continually improving our own workplace is a steadfast aim, and is why we expanded This Is Me from a UK to a global campaign. Originally focused on mental health, through This Is Me colleagues tell their stories as to how disability touches their lives. The stories told via This Is Me included members of our Reach employee network, which connects anyone interested in disability. The inclusive culture enabled by Reach is instrumental in helping us attract people who have a disability, so that they bring their talent to us. Our apprenticeship programme is just one career route that we are ensuring is fully accessible to all.

Awards and recognition from exemplar organisations, including the Business Disability Forum, indicates that we are fast moving towards our own most accessible ambition but we want to share learning with others. To celebrate and recognise the 25th anniversary of the American Disability Act (ADA), we partnered with the New York Mayor s Office to host the only B2B event in the ADA calendar to stimulate thought leadership and encourage partnership. Our Your view Survey saw over 6% of colleagues identifying as having a disability globally, a 1 percentage point improvement from previous year results.

We recognise ability is multi-faceted. We give full and fair consideration to applications from candidates who may have a disability. Our people processes ensure all colleagues can progress their careers, with

comprehensive training and development, and through tailored and needs-based workplace adjustments where relevant. Employees who become disabled during their employment with us can access a full range of services and support ensuring, where-ever possible, we retain their talent. Ongoing reviews ensure adjustments are updated and relevant to individual requirements, providing the ability for colleagues to move between roles with consistent support.

Multigenerational

We benefit from the diverse perspectives of employees from five generations and need to ensure our workplace is inclusive for all. Work and place are increasingly becoming less co-joined, with shifts in technology and generational expectations requiring us to think and act differently. Dynamic Working, our signature campaign relevant to colleagues every life stages with the strapline of how do your work your life , encourages dialogue about the integration of personal and professional responsibilities through smarter working. With flexibility and agility at the core, more than 12,000 line managers and their teams have participated in workshops, presentations and training to open up discussions about how work could be done differently.

Multigenerational

Above shows the different generations working at Barclays and the percentage change over 2014 (H2) and 2015 (H2)

Changing careers is another important time, which is why our Armed Forces Transitioning, Employment and Rehabilitation (AFTER) programme also continued to see ex-military talent join our company, or be supported to gain relevant work-ready skills. Our LifeSkills programme continue to prepare young people for their first steps into the world of work and our Emerge network ensures new joiners, whatever their career stage, feel connected from the moment they arrive.

In Singapore, we won the Most Empowering Company for Mums award by the National Trades Union Congress while in the US we were included in the 100 Best Companies for Working Mothers . In the UK, our approach to Talent Attraction was recognised by Working Mums as well as by Business In the Community who felt our apprenticeship and LifeSkills programmes were award winning.

Governance

People

Multicultural

Our global footprint covers more than 50 countries, making multicultural inclusion imperative. Fostering cross-cultural connections is enabled by Embrace our multicultural network which brings together all those who share an interest in all aspects of race, ethnicity, nationality and faith. Embrace took an active role in Interfaith week, when leaders hosted discussions to gain insight and ideas for better serving our multicultural customers and clients, and for engaging colleagues across our global community. Embrace also helped us mark important cultural and religious calendar dates throughout 2015 such as Diwali and Eid, creating communications and events to bring to life the rich multicultural diversity of our people. Day-to-day, this diversity is enabled by, for example, a dedicated quiet room in many of our larger sites for prayer and reflection, and by serving halal and kosher food in our canteens.

Ensuring Black, Asian and Minority Ethnic (BAME) female entrepreneurs can sustain and develop their businesses has been a shared focus via our partnership with the UK Women s Business Council, and in 2015 we also supported the Black British Business Awards to celebrate the achievements of BAME leaders in the UK.

Insight from BAME colleagues has been put into practice for our attraction and recruitment processes, including profiling available roles in jobsites dedicated to the diverse job-seeker and targeting high calibre candidates for our apprenticeship programmes. 26% of our Bolder apprentices have been from a BAME background, evidencing our engagement approach is working but we will continue to strive to ensure our workforce is representative of our communities.

Multicultural

Above shows the percentage of underrepresented populations that make up our global and regional populations. Note that underrepresented populations are defined regionally to ensure inclusion with all groups in the workplace

a UK includes Asian, Mixed, Black, Other and Non-disclosed.
b US includes Hispanic/Latino, Asian, Mixed, Black, Other and Non-disclosed.
c South Africa includes African, Indian, Coloured, Other, and Non-disclosed.

FTE by region

	2015	2014	2013
United Kingdom	**49,000**	48,600	54,400
Continental Europe	**7,400**	9,900	9,800
Americas	**10,600**	10,900	11,100
Africa and Middle East	**43,600**	44,700	45,800
Asia Pacific	**18,800**	18,200	18,500
Total	**129,400**	132,300	139,600

Governance: Remuneration report

Annual statement from the Chairman of the Board Remuneration Committee

The Committee s priorities are to ensure that Barclays pays for sustainable performance, aligns remuneration with risk and delivers a greater proportion of the income we generate to our shareholders.

Remuneration Committee members

Chairman

Crawford Gillies (member from 1 May 2014,

Chairman from 24 April 2015)

Sir John Sunderland (until 23 April 2015)

Members

Sir David Walker (until 23 April 2015)

Tim Breedon

Steve Thieke

Dambisa Moyo (from 1 September 2015)

Contents	Page

The tables marked audited in the report have been audited by PricewaterhouseCoopers LLP

Dear Shareholders

I am pleased to introduce my first Remuneration report as Chairman of the Board Remuneration Committee, having taken over from Sir John Sunderland on 24 April 2015.

The Committee thought carefully about Barclays remuneration philosophy during 2015, and we agreed a revised, simplified statement, which articulates Barclays overarching approach to remuneration. This is set out in full on page 86 and is the background to our 2015 decisions.

The Committee s priorities are to ensure that Barclays pays for sustainable performance, aligns remuneration with risk and delivers a greater proportion of the income we generate to our shareholders.

Performance and pay

The Committee s 2015 pay decisions took full consideration of financial performance, both on an adjusted and a statutory basis, and non-financial performance including progress towards the 2018 targets within the Balanced Scorecard. The Committee also recognised the need to improve returns to shareholders and to accelerate delivery. We are committed to moving this forward in a manner that is consistent with Barclays Values to ensure that legacy events are not repeated.

Although there were improvements in the Core operating businesses with Core adjusted profit before tax up 3%, Group adjusted profit before tax was down 2% to £5,403m for 2015. Group statutory profit before tax was down 8% at £2,073m. The Group s capital position has continued to strengthen with a CRD IV fully loaded Common Equity Tier 1 (CET1) ratio of 11.4% and a leverage ratio of 4.5% at the end of the year. Cost targets have been met and Barclays Non-Core has made significant progress in reducing its risk weighted assets.

Against this background, the Group incentive pool for 2015 is again significantly lower than in prior years, down by £191m or 10% in absolute terms at £1,669m compared to the incentive pool of £1,860m for 2014. Similarly, the 2015 Investment Bank incentive pool is down 7%, despite the Investment Bank s adjusted profit before tax increasing by 17%.

Total compensation costs are down 6%, and the compensation to adjusted net income ratio is 37.2%, down from 37.7% in 2014. The Core compensation to adjusted net income ratio is also down at 34.7% (2014: 35.7%).

Risk and conduct

A central feature of our remuneration philosophy is that remuneration must be aligned with risk, and with the conduct expectations of Barclays, our regulators and stakeholders. The Group incentive pool outlined above is after adjustments the Committee has made for both risk and conduct events. In addition to specific risk and conduct events, we also adjusted the incentive pool to take account of an overall assessment of a wide range of future risks, non-financial factors that can support the delivery of a strong conduct culture and other factors including reputation, impact on customers, markets and other stakeholders.

We have a robust process for considering risk and conduct issues as part of individual performance management reviews with outcomes reflected in individual incentive decisions. Individuals who are directly or indirectly accountable for risk and conduct events have had their remuneration adjusted as appropriate. This includes reductions in current year bonus levels and reductions in vesting amounts of deferred awards through the application of malus. Further details can be found on page 89.

Key remuneration decisions for executive Directors

2015 saw a change in Group Chief Executive. All of the associated remuneration decisions were made in accordance with the Directors remuneration policy approved by our shareholders at the 2014 Annual General Meeting (AGM).

We announced on 28 October 2015 that Jes Staley was to become Group Chief Executive with effect from 1 December 2015. He was appointed on a salary of £1,200,000 and Role Based Pay of £1,150,000 commensurate with market pay levels. He was not eligible for a 2015 bonus or a grant under the 2016-2018 long term incentive plan (LTIP)

Governance: Remuneration report

Annual statement from the Chairman of the Board Remuneration Committee

cycle. The Committee approved the grant of a share buy-out award to compensate him for an unvested share award granted to him by a previous employer which was forfeited as a result of him joining Barclays. The award was made on terms aligned to the forfeited award. Jes Staley satisfied, at the date of joining, the executive Directors shareholding requirement of four times salary through his personal purchase of 2,790,000 Barclays shares.

During the four month period between Antony Jenkins departure as Group Chief Executive and Jes Staley starting in the role, John McFarlane served as Executive Chairman. He indicated to the Committee that he did not wish his remuneration to be increased during that time, and therefore his fee remained unchanged for the period during which he served as Executive Chairman.

The Committee also approved compensation arrangements on Antony Jenkins departure as Group Chief Executive during the year. Further details can be found on page 101.

Bonuses for both of the executive Directors in role at the start of 2015 were determined against the financial, Balanced Scorecard and personal measures set at the beginning of the year. The Committee approved a pro-rated 2015 bonus award of £505,000 for Antony Jenkins. A 2015 bonus award of £701,000 was approved for Tushar Morzaria. Tushar Morzaria took on significantly increased executive responsibilities in the second half of 2015 and we regard this bonus as fully deserved in recognition of his strong performance. Further details of the Committee s 2015 decisions for the executive Directors are set out on pages 93 and 94.

During the year, we also reviewed the performance measures of our LTIP to ensure they are appropriate given our strategy and align the interests of executive Directors and shareholders. We have changed the financial measures and given them an increased weighting of 70% for the award to be granted in 2016 and added a comprehensive Risk Scorecard as the new risk measure which will focus on Barclays management of principal risks (including Conduct Risk). Before formal approval, we engaged with shareholders on these changes. Tushar Morzaria is the only participant in this LTIP cycle. Further details are set out on page 95.

Regulatory developments

The volume and pace of regulatory change has continued during 2015.

The PRA made revisions to the Remuneration part of its Rulebook (formerly the UK Remuneration Code) which apply from 1 January 2016. These include the seven, five and three year tiered deferral requirements for Senior Managers and different categories of Material Risk Taker (MRT) respectively, and the potential extension of the clawback period to 10 years for Senior Managers (under certain circumstances). These changes, which apply globally to Barclays as a UK-headquartered bank, further emphasise the competitive disadvantages attributable to the lack of a global level regulatory playing field .

Further revisions to the Remuneration part of the PRA Rulebook are expected during 2016 as a consequence of the European Banking Authority s (EBA) final Guidelines on sound remuneration policies. The most significant changes include a prohibition on the payment of dividends on deferred shares and an increase to a one year (from six months) holding period for incentive awards delivered in shares to the large majority of MRTs. The Guidelines apply from 1 January 2017. The application of the Guidelines to UK firms, once confirmed by the PRA and FCA, will contribute to changes to our Directors remuneration policy in 2017.

Agenda for 2016

In line with legal requirements, we will be seeking shareholder approval for our Directors remuneration policy at the 2017 AGM. As a Committee, we will review our remuneration policy to ensure that future arrangements are fully aligned to our strategy to accelerate delivery to shareholders in a manner consistent with Barclays Values and also to meet new regulatory requirements. This will be developed over the coming months and we will engage constructively with shareholders and regulators as we do so.

Our Remuneration report

We have provided an At a glance summary of 2015 performance and pay on the next page. The Annual report on Directors remuneration provides further details.

The report has been prepared in accordance with the remuneration disclosures required by the Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013. The Remuneration report (other than the part containing the Directors remuneration policy) will be subject to an advisory vote by shareholders at the 2016 AGM.

On behalf of the Board

Crawford Gillies

Chairman, Board Remuneration Committee

29 February 2016

How did we perform and pay in 2015?

The Committee s 2015 pay decisions took full consideration of financial and non-financial performance. Adjusted profit before tax decreased between 2014 and 2015 by 2%, while the absolute reduction in the Group incentive pool was 10%.

Since 2010 the Group incentive pool has declined steadily, from £3,484m in 2010 to £1,669m in 2015 a decrease of more than 50% over five years. Over the same period, Group adjusted profit before tax is down 4%.

Adjusted profit before tax

Group incentive pool

Note:

a 2013 adjusted profit before tax has been revised to account for the reclassification as an adjusting item of £173m of charges, relating to a US residential mortgage-related business settlement with the Federal Housing Finance Agency.

How much were executive Directors paid in 2015?

All of the Committee s 2015 decisions in relation to executive Directors remuneration were made within the parameters of the Directors remuneration policy which was approved at the 2014 AGM.

	Antony Jenkins[a]		Tushar Morzaria		Jes Staley[b]
	£000		£000		£000
	2015	2014	**2015**	2014	**2015**
Fixed Pay					
Salary	598	1,100	800	800	100
Role Based Pay (RBP)	516	950	750	750	96
Benefits	89	100	82	95	48
Pension	197	363	200	200	33
Variable pay					
Annual Bonus[c]	505	1,100	701	900	
LTIP[d]	1,494	1,854			
Total pay	3,399	5,467	2,533	2,745	277

Notes

a The 2015 figures for Antony Jenkins relate to the period to 16 July 2015 when he ceased to be a Director, save in the case of the LTIP which relates to the whole period pursuant to the LTIP rules. In accordance with his contractual entitlements, Antony Jenkins will receive salary, RBP, benefits and pension, in instalments, until 7 July 2016 subject to mitigation. Full details of his leaving arrangements can be found on page 101.

b The 2015 figures for Jes Staley relate to the period from 1 December 2015 when he joined the Board as Group Chief Executive. On joining Barclays, Jes Staley was granted a share award of 896,450 Barclays shares to compensate him for an unvested share award granted to him by JP Morgan. The award will be delivered on 14 March 2016 in line with the vesting date of the original JP Morgan award.

c 2015 bonus awards reflect the formulaic outcome of 2015 performance against the financial measures and the Committee s assessment of progress towards the Balanced Scorecard targets. These resulted in a total of 22.1% (out of 50% maximum) and 15% (out of 35%) of the maximum bonus being payable respectively. Personal objectives were assessed by the Committee on an individual basis.

d Over the 2013-2015 LTIP performance period, a return on risk weighted assets (RoRWA) of 0.21% and a loan loss rate (LLR) of 53bps resulted in nil (out of 50%) outcome for RoRWA and 30% (out of 30%) for LLR. The Balanced Scorecard assessment was 9% (out of 20%). Therefore 39% of the maximum number of shares will be considered for release in March 2016, subject to an additional two year holding period.

How will executive Directors pay be structured?

2016 Fixed pay

	Salary £000	RBP £000	Pension £000
Jes Staley	1,200	1,150	396
Tushar Morzaria	800	750	200

Salary, RBP, pension and benefits are unchanged from 2015.

Variable pay

2016 Annual Bonus

Maximum 80% of fixed pay

2016 performance measures and weighting:

Financial		
Adjusted profit before tax	20%	
CET1 ratio	20%	
Adjusted costs	10%	
		50%
Balanced Scorecard		35%
Personal objectives		15%

2016-2018 Long term incentive plan

Maximum 120% of fixed pay

2016-2018 cycle performance measures and weighting:

Financial		
Adjusted return on tangible equity (subject to CET1 ratio underpin)	25%	
CET1 ratio	25%	
Cost:income ratio	20%	
		70%
Balanced Scorecard		15%
Risk Scorecard (new Risk measure which will focus on Barclays management of principal risks, including Conduct Risk)		15%

Tushar Morzaria is the only participant in the 2016-2018 LTIP cycle.

Governance: Remuneration report

Remuneration policy for all employees

This section sets out Barclays remuneration policy for all employees, explaining the philosophy underlying the structure of remuneration packages, and how this links remuneration to the achievement of sustained high performance and long-term value creation.

Remuneration philosophy

In October 2015, the Committee formally adopted a revised, simplified remuneration philosophy which articulates Barclays overarching remuneration approach and is set out below.

Barclays Remuneration philosophy

Attract and retain talent needed to deliver Barclays strategy	Long term success depends on the talent of our employees. This means attracting and retaining an appropriate range of talent to deliver against our strategy, and paying the right amount for that talent
Align pay with investor interests	Ensure employees interests are aligned with those of investors (equity and debt holders), both in structure and the appropriate balance of returns
Reward sustainable performance	Sustainable performance means making a positive contribution to stakeholders, in both the short and longer term, playing a valuable role in society

Support Barclays Values and culture	Results must be achieved in a manner consistent with our Values. Our Values and culture should drive the way that business is conducted
Align with risk appetite, risk exposure and conduct expectations	Designed to reward employees for achieving results in line with the Bank s risk appetite and conduct expectations
Be clear, transparent and as simple as possible	All employees and stakeholders should understand how we reward our employees. Remuneration structures should be as simple as possible so that everyone can understand how they work and the behaviours they reward

Remuneration and performance

Our remuneration philosophy applies to all employees across the whole of Barclays. It ensures that all employees are aligned with and support the achievement of Barclays Group priorities.

This is achieved by linking remuneration to a broad assessment of performance, based on expected standards of delivery and behaviour, which are discussed with employees at the start of, and throughout, the performance year. Under the Barclays performance management approach, employees are encouraged to align each of their objectives to business and team goals, and behavioural expectations are set in relation to our Values. This ensures that clear expectations are set for not only what employees are expected to deliver, but also how they are expected to go about it.

Individual performance is then evaluated against both the what (performance against objectives) and the how (demonstration of our Values). This evaluation takes into account various factors including:

§ performance against agreed objectives (both financial and non-financial) and core job responsibilities

§ adherence to relevant risk policies and procedures and control frameworks

§ behaviour in line with Barclays Values

§ colleague and stakeholder feedback

- input from the Risk and Compliance functions where there are concerns about the behaviour of any individuals or the risk of the business undertaken.

There is no specific weighting between the financial and non-financial considerations for employees because all of them are important to the determination of the overall performance assessment.

Linking individual performance assessment and remuneration decisions to both the Barclays business strategy and our Values in this way promotes the delivery of sustainable individual and business performance, and establishes clear alignment between remuneration policy and Barclays strategy.

Remuneration structure

The remuneration structure for employees is aligned with that for executive Directors, set out in detail in the Directors remuneration policy which was approved by shareholders at the 2014 AGM. A full copy of the policy can be found on the Barclays PLC website. An abridged version is at pages 108 to 116 of this Report.

Employees receive salary, pension and other benefits and are eligible to be considered for an annual bonus. Employees in some customer-facing businesses participate in incentive plans including plans based on a balanced scorecard of performance which has good customer outcomes at its centre. The plans also recognise how results have been achieved in line with Barclays Values. Some senior employees receive Role Based Pay (RBP). Remuneration of PRA Material Risk Takers (MRTs) is subject to the 2:1 maximum ratio of variable to fixed pay. A total of 1,523 (2014: 1,277) individuals were MRTs in 2015. Capital Requirements Regulation (CRR) disclosures on MRTs are set out on pages 159 and 160 of Barclays PLC 2015 Pillar 3 Report.

Barclays is a long standing supporter of the Living Wage. As an accredited Living Wage employer, Barclays commits to ensure that all permanent UK employees and those UK employees of third party contractors who provide services to us at our sites, are paid at least the current London or UK Living Wage. This is a commitment which we have also extended to all our UK employed apprentices.

Fixed remuneration

Salary	Salaries reflect individuals skills and experience and are reviewed annually in the context of annual performance assessment. They are increased where justified by role change, increased responsibility or a change in the latest available market data. Salaries may also be increased in line with local statutory requirements and in line with union and works council commitments.
Role Based Pay (RBP)	A small number of senior employees receive a class of fixed pay called RBP to recognise the seniority, breadth and depth of their role.
Pension and benefits	The provision of a competitive package of benefits is important to attracting and retaining the talented staff needed to deliver Barclays strategy. Employees have access to a range of country specific company funded benefits, including pension schemes, healthcare, life assurance and

Barclays share plans as well as other voluntary employee funded benefits. The cost of providing these benefits is defined and controlled. Gracechurch Services Corporation is used to employ US nationals seconded overseas allowing them to retain eligibility to US benefits.

Variable remuneration

Annual bonus

Annual bonuses incentivise and reward the achievement of Group, business and individual objectives, and reward employees for demonstrating individual behaviours in line with Barclays Values.

The ability to recognise performance through variable remuneration enables the Group to control its cost base flexibly and to react to events and market circumstances. Bonuses remain a key feature of remuneration practice in the highly competitive and mobile market for talent in the financial services sector. The Committee is careful to control the proportion of variable to fixed remuneration paid to individuals.

Bonus deferral levels are significantly in excess of PRA requirements.

The typical deferral structures include:

For MRTs:		For non-MRTs:		For Managing Directors in the Investment Bank:	
Incentive award	Amount deferred	Incentive award	Amount deferred	Incentive award	Amount deferred
< £500,000	40%	Up to £65,000	0%	All values	100%
^{3} £500,000	60%	> £65,000	Graduated level of deferral		

Deferred bonuses are generally delivered in equal portions as deferred cash under the Cash Value Plan (CVP) and deferred shares under the Share Value Plan (SVP), each typically vesting in annual tranches over three years subject to the rules of the plans (as amended from time to time) and continued service.

Deferred bonuses are subject to malus provisions which enable the Committee to reduce the vesting level of deferred bonuses (including to nil) at its discretion. Events which may lead the Committee to do this include, but are not limited to, employee misconduct or a material failure of risk management.

Clawback applies to any variable remuneration awarded to a MRT on or after 1 January 2015 in respect of years for which they are a MRT. Barclays may apply clawback if, at any time during the seven year period from the date on which variable remuneration is awarded to a MRT: (i) there is reasonable evidence of employee misbehaviour or material error, and/or (ii) the firm or the business unit suffers a material failure of risk management, taking account of the individual s proximity to and responsibility for that incident.

Share plans Alignment of senior employees with shareholders is achieved through deferral of incentive pay into the SVP. We also encourage wider employee shareholding through the all employee share plans. 82% of the global employee population (excluding Africa) are eligible to participate.

2015 incentives

This section provides details of how 2015 total incentive award decisions were made.

2015 pay and performance headlines

The key performance considerations which the Committee took into account in making its remuneration decisions for 2015 are highlighted below:

§ Group adjusted profit before tax was down 2% to £5,403m (2014: £5,502m) while the Investment Bank adjusted profit before tax was up 17% at £1,611m (2014: £1,377m)

§ Group statutory profit before tax was down 8% at £2,073m (2014: £2,256m)

§ the CET1 ratio was up to 11.4% (2014: 10.3%)

§ the leverage ratio was up to 4.5% (2014: 3.7%)

§ Balanced Scorecard progress has been made against the Balanced Scorecard in respect of 2018 targets. Full details of 2015 performance against the eight key measures within the Scorecard are set out on page 11.

The pay outcomes and decisions can be summarised as follows:

§ the Group compensation to adjusted net income ratio improved to 37.2% (2014: 37.7%). The Core compensation to adjusted net income ratio also improved to 34.7% (2014: 35.7%)

§ total compensation costs decreased 6% to £8,339m (2014: £8,891m). Total compensation costs in the Investment Bank were down 5% at £3,423m (2014: £3,620m)

§ total incentive awards granted were £1,669m, down 10% on 2014. Investment Bank incentive awards granted were £976m, down 7% on 2014

- there has been strong differentiation on the basis of individual performance to allow the Group to more effectively manage compensation costs

- average value of incentive awards granted per Group employee is £12,900 (2014: £14,100) and the average value of incentive awards granted per Investment Bank employee is £46,500 (2014: £51,400)

- levels of bonus deferral continue to significantly exceed the minimum requirements in the Remuneration part of the PRA Rulebook and are expected to remain among the highest deferral levels globally. 2015 bonuses awarded to Managing Directors in the Investment Bank were again 100% deferred.

2015 pay Questions and answers

How do you justify a 2015 incentive pool of £1,669m?

The Committee remains focused on aligning pay to performance and setting pay at a level which is no more than necessary but is motivational to ensure that we accelerate the delivery of shareholder value.

In line with our financial performance, the final 2015 incentive pool at £1,669m is down 10% on 2014.

The following chart illustrates the reduction in variable remuneration over the period from 2010.

Barclays incentive pools

Notes

a 2013 Investment Bank incentive pool has been restated from £1,574m to reflect the business reorganisation. The 2010, 2011 and 2012 Investment Bank incentive pools have not been restated.

b Part of the reduction in incentive pools in 2014 was due to the introduction of Role Based Pay.

What have you done in terms of conduct adjustments in 2015?

A key feature of our revised remuneration philosophy is the alignment of remuneration with risk appetite and with the conduct expectations of Barclays, our regulators and stakeholders. The Committee takes risk and conduct events very seriously and ensures that there are appropriate adjustments to individual remuneration and, where necessary, the incentive pool.

The Remuneration Review Panel, which reports to the Committee, supports the Committee in this process. The Panel is chaired by the Chief Risk Officer and includes senior representatives from the key control functions of Risk, Compliance, Internal Audit, Legal and HR. It sets the policy and processes and is responsible for assessing and recommending to the Committee compensation adjustments for risk and conduct events.

We have a robust process for considering risk and conduct as part of individual performance management reviews with outcomes reflected in individual incentive decisions. When considering individual responsibility, a variety of factors are taken into account such as:

§ whether the individual was solely responsible for the event or whether others were also responsible, if not directly involved,

§ whether the individual was aware (or could reasonably have been expected to be aware) of the failure,

§ whether the individual took or missed opportunities to take adequate steps to address the failure, and

§ whether the individual, by virtue of seniority, could be deemed indirectly responsible, including staff who drive the Group s culture and set its strategy.

Individuals who were directly or indirectly accountable for an event have had their remuneration adjusted as appropriate. This includes reductions in current year bonus levels and reductions in vesting amounts of deferred awards through the application of malus. In addition, a number of employees have been terminated for responsibility and accountability for risk and conduct events resolved during the year. The Committee fully acknowledges the impact such risk and conduct events have on shareholders and believes it is wholly appropriate that this should be reflected in incentive decisions for those whose performance and conduct falls short of Barclays standards.

The Committee recognises that conduct events continue to weigh on Group performance, impacting profitability and returns, so in addition to reductions to individuals incentive outcomes, material adjustments have also been made to the incentive pool for conduct. These included, but were not limited to, the settlement reached with the New York

State Department of Financial Services in respect of its investigation into electronic trading of Foreign Exchange, the settlements reached with the US Securities and Exchange Commission and New York State Attorney General in respect of those agencies investigations relating to the operation of LX (an alternative trading system), and the settlement reached with the FCA following an investigation into whether Barclays carried out the appropriate due diligence in connection with a transaction it executed in 2012.

The Committee also made a further adjustment in respect of the settlements reached with a number of authorities in May 2015 in relation to investigations into certain sales and trading practices in the Foreign Exchange market and the setting of the US Dollar ISDAFIX benchmark, over and above the substantial adjustments made in 2014 as part of the Committee s prudent approach towards incentive funding. The Committee took a similar prudent approach in determining 2015 incentive funding.

The overall impact on the incentive pool resulting from both the direct financial impact on performance and the additional adjustments applied by the Committee is a reduction in excess of £600m.

We have also, in addition to the adjustment for specific risk and conduct issues, adjusted the incentive pool to take account of an overall assessment of a wide range of future risks (including Conduct), non-financial factors that can support the delivery of a strong conduct culture and other factors including reputation, impact on customers, markets and other stakeholders.

Total incentive awards granted current year and deferred (audited)

	Barclays Group			Investment Bank		
	Year ended 31.12.15 £m	Year ended 31.12.14 £m	% change	**Year ended 31.12.15 £m**	Year ended 31.12.14 £m	% change
Total current year bonus	839	885	5	367	381	4
Total deferred bonus	661	757	13	579	634	9
Bonus pool	**1,500**	**1,642**	**9**	**946**	**1,015**	7
Commissions, commitments and other incentives	169	218	22	30	38	21
Total incentive awards granted	**1,669**	**1,860**	**10**	**976**	**1,053**	**7**
Proportion of bonus that is deferred	44%	46%		61%	62%	
Total employees (full time equivalent)	129,400	132,300	2	21,000	20,500	(2)
Average bonus per employee	£12,900	£14,100	9	£46,500	£51,400	10

Deferral levels vary according to the incentive award quantum. With reductions in incentive award levels, this has reduced the proportion of the bonus that is deferred.

Deferred bonuses are delivered, subject to the rules, and only once an employee meets certain conditions, including continued service. This creates a timing difference between the communication of the bonus pool and the charges that appear in the income statement which are reconciled in the table below:

Reconciliation of total incentive awards granted to income statement charge (audited)

	Barclays Group			Investment Bank		
	Year ended 31.12.15	Year ended 31.12.14		**Year ended 31.12.15**	Year ended 31.12.14	
	£m	£m	% change	**£m**	£m	% change
Total incentive awards for 2015	1,669	1,860	10	976	1,053	7
Less: deferred bonuses awarded in 2015	(661)	(757)	13	(579)	(634)	9
Add: current year charges for deferred bonuses from previous years	874	1,067	18	736	854	14
Other[a]	2	(108)		51	12	
Income statement charge for performance costs	**1,884**	**2,062**	**9**	**1,184**	**1,285**	**8**

Note

a Difference between incentive awards granted and income statement charge for commissions, commitments and other incentives

Governance: Remuneration report

2015 incentives

§ Employees only become eligible to receive payment from a deferred bonus once all of the relevant conditions have been fulfilled, including the provision of services to the Group.

§ The income statement charge for performance costs reflects the charge for employees actual services provided to the Group during the relevant calendar year (including where those services fulfil conditions attached to previously deferred bonuses). It does not include charges for deferred bonuses where conditions have not been met.

§ As a consequence, the 2015 incentive awards granted decreased 10% compared to 2014, while the income statement charge for performance costs decreased by 9%.

Income statement charge (audited)

	Barclays Group			Investment Bank		
	Year ended 31.12.15 £m	Year ended 31.12.14 £m	% change	**Year ended 31.12.15 £m**	Year ended 31.12.14 £m	% change
Deferred bonus charge	874	1,067	18	736	854	14
Current year bonus charges	839	885	5	367	381	4
Commissions, commitments and other incentives	171	110	(55)	81	50	(62)
Performance costs	**1,884**	**2,062**	**9**	**1,184**	**1,285**	**8**
Salaries[a]	4,954	4,998	1	1,847	1,749	(6)
Social security costs	594	659	10	248	268	7
Post retirement benefits[b c]	545	624	13	112	120	7
Allowances and trading incentives	147	170	14	56	64	13
Other compensation costs	215	378	43	(24)	134	
Total compensation costs[d]	**8,339**	**8,891**	**6**	**3,423**	**3,620**	**5**
Other resourcing costs						
Outsourcing	1,034	1,055	2	15	9	(67)
Redundancy and restructuring	134	358	63	84	239	65
Temporary staff costs	697	530	(32)	248	176	(41)
Other	185	171	(8)	51	42	(22)
	2,050	**2,114**	**3**	**398**	**466**	**15**

Total other resourcing costs						
Total staff costs	**10,389**	**11,005**	**6**	**3,821**	**4,086**	**6**
Compensation as % of adjusted net income	**37.2%**	**37.7%**		**45.5%**	**47.6%**	
Compensation as % of adjusted income	**34.0%**	**34.6%**		**45.2%**	**47.7%**	

Notes

a Salaries include Role Based Pay and fixed pay allowances.
b Post retirement benefits charge includes £246m (2014: £242m) in respect of defined contribution schemes and £(130)m credit (2014: £382m) in respect of defined benefit schemes.
c 2015 post-retirement benefits have been adjusted to exclude the impact of a £429m (2014: nil) gain on valuation of a component of the defined benefit liability. Including the gain would result in a compensation: adjusted net income ratio of 35.3% and a compensation: adjusted income ratio of 32.3%.
d In addition, £236m of Group compensation (2014: £250m) was capitalised as internally generated software.

§ Total staff costs decreased 6% to £10,389m, principally reflecting a 9% decrease in performance costs and a 63% decrease in redundancy and restructuring charges.

§ Performance costs decreased 9%, reflecting a 18% decrease in the charges for deferred bonuses, a 5% decrease in the bonus charge partially offset by an increase in other performance charges.

§ Redundancy and restructuring charges decreased 63% to £134m, predominantly due to the non-recurrence of the 2014 restructuring costs in the Investment Bank.

Deferred bonuses awarded are expected to be charged to the income statement in the years outlined in the table that follows.

Year in which income statement charge is expected to be taken for deferred bonuses awarded to date[a]

	Actual		Expected[b]	
	Year ended 31.12.14	**Year ended 31.12.15**	Year ended 31.12.16	2017 and beyond
	£m	**£m**	£m	£m
Barclays Group				
Deferred bonuses from 2012 and earlier bonus pools	488	117	13	
Deferred bonuses from 2013 bonus pool	579	293	111	17
Deferred bonuses from 2014 bonus pool		464	194	100
Deferred bonuses from 2015 bonus pool			370	247
Income statement charge for deferred bonuses	**1,067**	**874**	**688**	**364**
Investment Bank				
Deferred bonuses from 2012 and earlier bonus pools	398	101	11	
Deferred bonuses from 2013 bonus pool	456	239	93	13
Deferred bonuses from 2014 bonus pool		396	167	80
Deferred bonuses from 2015 bonus pool			341	217
Income statement charge for deferred bonuses	**854**	**736**	**612**	**310**

Bonus pool component	Expected grant date	Expected payment date(s)[c]	Year(s) in which income statement charge arises[d]
Current year cash bonus	§ March 2016	§ March 2016	§ 2015
Current year share bonus	§ March 2016	§ March 2016	§ 2015
Deferred cash bonus	§ March 2016	§ March 2017 (33.3%) § March 2018 (33.3%) § March 2019 (33.3%)	§ 2016 (48%) § 2017 (35%) § 2018 (15%) § 2019 (2%)
Deferred share bonus	§ March 2016	§ March 2017 (33.3%) § March 2018 (33.3%)	§ 2016 (48%) § 2017 (35%)

§ March 2019 (33.3%)	§ 2018 (15%) § 2019 (2%)

Notes

[a] The actual amount charged and payments made are subject to all conditions being met prior to the expected payment date and will vary compared with the above expectation. In addition, employees receiving a deferred cash bonus may be awarded a service credit of 10% of the initial value of the award at the time that the final instalment is made, subject to continued employment. Dividend equivalent shares may also be awarded under SVP awards.

[b] Does not include the impact of grants which will be made in 2016 and 2017.

[c] Share awards may be subject to an additional holding period.

[d] The income statement charge is based on the period over which conditions are met.

Governance: Remuneration report

Annual report on Directors remuneration

This section explains how our Directors remuneration policy was implemented during 2015.

Executive Directors

Executive Directors: Single total figure for 2015 remuneration (audited)

The following table shows a single total figure for 2015 remuneration in respect of qualifying service for each executive Director together with comparative figures for 2014.

	Salary £000		Role Based Pay £000		Taxable benefits £000		Annual bonus £000		LTIP £000		Pension £000		T £0
	2015	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**
kins[a]	598	1,100	516	950	89	100	505	1,100	1,494	1,854	197	363	3,399
rzaria	800	800	750	750	82	95	701	900			200	200	2,533
	100		96		48						33		277

Notes

a The 2015 figures for Antony Jenkins relate to the period to 16 July 2015 when he ceased to be a Director, save in the case of the LTIP which relates to the whole performance period. Details of his leaving arrangements are provided on page 101.

b The 2015 figures for Jes Staley relate to the period from 1 December 2015 when he joined the Board as Group Chief Executive.

John McFarlane was appointed Executive Chairman from 17 July 2015 pending the appointment of a new Group Chief Executive. At his request, he received no increase in fees. Details of his fees are provided on page 100. John McFarlane is not eligible to participate in Barclays cash, share or long-term incentive plans or pension plans.

Additional information in respect of each element of pay for the executive Directors (audited)

Salary

Jes Staley commenced employment as Group Chief Executive on 1 December 2015 on a salary of £1,200,000 per annum. Tushar Morzaria was paid a salary of £800,000 per annum as Group Finance Director. Antony Jenkins was paid a salary of £1,100,000 per annum.

Role Based Pay (RBP)

Executive Directors receive RBP which is delivered quarterly in shares, subject to a holding period with restrictions lifting over five years (20% each year). The value shown is of shares at the date awarded.

Taxable benefits

Taxable benefits include private medical cover, life and ill health income protection, tax advice, relocation, home leave related costs, car allowance, the use of a company vehicle and driver when required for business purposes and other benefits that are considered minor in nature.

Annual bonus

Annual bonuses are discretionary and are typically awarded in Q1 following the financial year to which they relate. The 2015 bonus awards reflect the Committee s assessment of the extent to which the executive Directors achieved their Financial (50% weighting) and Balanced Scorecard (35% weighting) performance measures, and their personal objectives (15% weighting). More information on the performance measures and the outcomes for the 2015 bonuses is set out on pages 93 and 94. Jes Staley was not eligible for a 2015 bonus.

60% of each executive Director s 2015 bonus will be deferred in the form of a share award under the Share Value Plan vesting over three years with one third vesting each year. 20% will be paid in cash and 20% delivered in shares. All shares (whether deferred or not deferred) are subject to a further six month holding period from the point of release. 2015 bonuses are subject to clawback provisions and, additionally, unvested deferred 2015 bonuses are subject to malus provisions which enable the Committee to reduce the vesting level of deferred bonuses (including to nil).

LTIP

The LTIP amount included in Antony Jenkins 2015 single total figure is the value of the amount scheduled to be released in relation to the LTIP award granted in 2013 in respect of performance period 2013-2015. As Tushar Morzaria and Jes Staley were not participants in this cycle, the LTIP figure in the single figure table is shown as zero for them. Release is dependent on, amongst other things, performance over the period from 1 January 2013 to 31 December 2015. The performance achieved against the performance targets is as follows.

Performance measure	Weighting	Threshold	Maximum vesting	Actual	% of award vesting
Return on risk weighted assets (RoRWA)	50%	13% of award vests for average annual RoRWA of 1.1%	Average annual RoRWA of 1.6%	0.21%	0%
Loan loss rate	30%	10% of award vests for average annual loan loss rate of 75bps	Average annual loan loss rate of 60bps or below	53bps	30%
Balanced Scorecard	20%	Performance against the Balanced Scorecard was assessed by the Committee to determine the percentage of the award that may vest between 0% and 20%. Each of the 5Cs in the Balanced Scorecard has equal weighting.		See below	9%
Total					**39%**

A summary of the Committee s assessment against the Balanced Scorecard performance measure over the three year performance period is provided below.

Category	Performance	Vesting out of maximum 4% for each C
Customer and Client	The Customer and Client Relationship metrics remained stable at 4th place as a strong performance in corporate banking, combined with improvements in Barclaycard UK and Barclays current accounts, was offset by the impact of reshaping the Wealth business and competitive challenges in South Africa. The Client Franchise Rank remained stable at 5th place in challenging market conditions.	2%
Colleague	There has been continued advancement towards Barclays 2018 gender goal of 26% women in senior leadership roles; at 23% by the end of 2015. Sustained Engagement is currently 75%, a positive result in light of the ongoing change the organisation has experienced in 2015. Further work is required to achieve the 2018 target.	2%
Citizenship	In Citizenship Plan, 10 out of 11 metrics on target shows Barclays is having a positive impact on the communities in which it operates, with lending to households the only initiative to lose momentum primarily as a result of market and trading conditions.	3%
Conduct	While Conduct reputation as measured by the YouGov survey improved over the period, the Committee nevertheless determined that, by reference to the material conduct events that crystallised during the performance period, nil vesting was appropriate.	0%
Company	There has been a significant strengthening in the CET1 ratio, which is ahead of 2018 target, however work remains to deliver an acceptable return to shareholders, with adjusted RoE slightly down on 2014.	2%
Total		**9%**

The LTIP award is also subject to a discretionary underpin whereby the Committee must be satisfied with the underlying financial health of the Group based on profit before tax. The Committee was satisfied that this underpin was met, and accordingly determined that the award should be considered for release to the extent of 39% of the maximum number of shares under the total award. The shares are scheduled to be released in March 2016. After release, the shares are subject to an additional two year holding period.

Pension

Executive Directors are paid cash in lieu of pension contributions. This is market practice for senior executives in comparable roles.

2015 Annual bonus outcomes

The Committee considered each of the eligible executive Directors performance against the financial and non-financial measures which had been set to reflect the strategic priorities for 2015. Performance against their individual personal objectives (15% weighting overall) is assessed on an individual basis. The Committee may exercise its discretion to amend the formulaic outcome of assessment against the targets.

Financial (50% weighting)

The approach taken to assessing financial performance against each of the financial measures is based on a straight line outcome between 25% for threshold performance and 100% applicable to each measure for achievement of maximum performance.

The formulaic outcome from 2015 performance against the financial measures gave a total of 22.1% out of 50% being payable attributable to those measures. A summary of the assessment is provided in the following table.

Financial performance measure	Weighting	Threshold 25%	Maximum 100%	2015 Actual	2015 Outcome
Adjusted profit before tax	20%	£5,801m	£7,022m	£5,403m	0.0%
Adjusted costs (ex CTA)	10%	£16,780m	£15,182m	£16,205m	5.2%
CET1 ratio	10%	10.47%	11.34%	11.4%	10.0%
Leverage ratio	10%	4.17%	4.72%	4.5%	6.9%
Total Financial	**50%**				**22.1%**

Governance: Remuneration report

Annual report on Directors remuneration

Balanced Scorecard (35% weighting)

Progress in relation to each of the five Cs of the Balanced Scorecard was assessed by the Committee. The Committee took an approach based on a three-point scale in relation to each measure, with 0% to 3% for below target, 4% or 5% for a met target, and 6% or 7% for above target progress against a particular Balanced Scorecard component.

Based on this approach to assessing performance against 2015 Balanced Scorecard milestones, the Committee agreed a 15% outcome out of a maximum of 35%. A summary of the assessment is provided in the following table.

Balanced Scorecard 5 Cs	Weighting	Metric[a]	2015 Target	2015 Actual	2015 Assessment by the Committee	2015 Outcome out of maximum 7% for each C
Customer and Client	7%	PCB, Barclaycard and Africa Banking weighted average ranking of Relationship Net Promoter Score v peer sets	4th	4th	Met target	4.0%
		Client Franchise Risk	5th	5th	Met target	
Colleague	7%	Sustained engagement of colleagues score	82-88%	75%	Below target	2.0%
		% women in senior leadership	23%	23%	Met target	
Citizenship	7%	Citizenship Plan initiatives	11/11	10/11	Below target	3.0%
Conduct	7%	Conduct Reputation (YouGov Survey)	5.6/10	5.4/10	Below target	3.0%
Company	7%	Adjusted return on equity	5.9%	4.9%	Below target	3.0%
		CET1 ratio	11.0%	11.4%	Above target	
Total Balanced Scorecard	**35%**					**15.0%**

Note

a Further details in respect of each metric can be found on pages 12 to 16.

Individual outcomes including assessment of personal objectives

Performance against each of the executive Directors individual personal objectives (15% weighting overall) was assessed by the Committee on an individual basis.

(i) Antony Jenkins

A summary of the assessment for Antony Jenkins against his specific performance measures is provided in the following table.

Performance measure		Weighting	Outcome
Financial	See table on page 93	50%	22.1%
Balanced Scorecard 5Cs	See table above	35%	15.0%
Personal objectives	Judgemental assessment see below	15%	11.0%
Total		100%	48.1%
Final outcome approved by the Remuneration Committee			**48.1%**

The Committee determined at the time of his departure that he would remain eligible for a pro-rated 2015 bonus for the part of the year in which he was Group Chief Executive, subject to an assessment post year end of the relevant performance measures and the general discretion of the Committee. Although it was deemed the appropriate time for Barclays to change Group Chief Executive in mid-2015, the Committee recognised that during the first half of the year Antony Jenkins showed full commitment to continuing to embed a customer and client focused culture backed by the Barclays Values and to delivering on financial commitments with particular focus on capital accretion, reducing costs and continuing the rundown of Non-Core. He was also responsible for ensuring that the Conduct Risk Framework was embedded into the business. Given Antony Jenkins overall personal performance in the first half of the year, the Committee judged that 11% of a maximum of 15% was appropriate.

In aggregate, the performance assessment resulted in an overall formulaic outcome of 48.1% of maximum bonus opportunity being achieved. The resulting 2015 bonus, pro-rated for service, is £505,000.

(ii) Tushar Morzaria

A summary of the assessment for Tushar Morzaria against his specific performance measures is provided in the following table.

Performance measure		Weighting	Outcome
Financial	See table on page 93	50%	22.1%
Balanced Scorecard 5Cs	See table above	35%	15.0%
Personal objectives	Judgemental assessment see below	15%	13.0%
Total		100%	50.1%
Final outcome approved by the Remuneration Committee			**50.1%**

The Committee concluded that Tushar Morzaria had delivered a strong personal performance throughout the year, and noted that during the second half of the year (pending Jes Staley s arrival) this was achieved while discharging considerably increased executive responsibilities. During 2015, Tushar Morzaria continued to drive transformational change, encouraging focus on the simplification of the operating model, including improved process and technology. He managed external relationships very effectively, in particular with shareholders, investors and regulators. He personally worked hard on improving colleague engagement and diversity and actively participated in supporting and promoting Barclays Citizenship agenda. He has managed risk effectively and embedded a positive risk culture. He has also fully embedded the Conduct Risk Framework into the activities of Group Finance, Tax and Treasury. The Committee, in particular, recognised Tushar Morzaria s role in the significant improvement in the Bank s capital position and in driving further focus on close and effective cost management during 2015. Given this strong personal performance, the Committee judged that 13% of a maximum of 15% attributable to individual objectives was appropriate.

As a result, the formulaic outcome for Tushar Morzaria was 50.1% of maximum bonus opportunity. The resulting 2015 bonus is £701,000.

Executive Directors: other LTIP awards

The Directors remuneration reporting regulations require inclusion in the single total figure of only the value of the LTIP awards whose last year of performance ends in the relevant financial year and whose vesting outcome is known. For 2015, this is the award to Antony Jenkins under the 2013-2015 LTIP cycle and further details are set out on page 92. This section sets out other LTIP cycles in which the executive Directors participate, the outcome of which remains dependent on future performance.

LTIP awards to be granted during 2016

The Committee decided to make an award under the 2016-2018 LTIP cycle to Tushar Morzaria with a face value at grant of 120% of his fixed pay at 31 December 2015. Jes Staley is not eligible for a grant under the 2016-2018 LTIP cycle.

The 2016-2018 LTIP award will be subject to the following performance measures.

Performance measure	Weighting	Threshold	Maximum vesting
Adjusted return on tangible equity (RoTE)	25%	6.25% of award vests for average adjusted RoTE of 7.5%	average adjusted RoTE of 10.0%
		CET1 ratio must remain at or above an acceptable level for any of this element to vest. The threshold will be reviewed and set annually based on market conditions and regulatory requirements (11% as at 31 December 2016).	
CET1 ratio as at 31 December 2018	25%	6.25% of award vests for CET1 ratio of 11.6%	CET1 ratio of 12.7%
Cost:income ratio	20%	5% of award vests for average cost:income ratio of 66%	average cost:income ratio of 58%
Risk Scorecard	15%	Performance against the Risk Scorecard is assessed by the Committee, with input from the Group Risk function, Board Risk Committee and Board Reputation Committee as appropriate, to determine the percentage of the award that may vest between 0% and 15%. The Risk Scorecard measures performance against three broad categories Risk Profile (including Conduct), Control Environment and Risk Capability using a combination of quantitative and qualitative metrics. Specific targets within each of the categories are deemed to be commercially sensitive. Retrospective disclosure of performance will be made in the	

		2018 Remuneration report subject to commercial sensitivity no longer remaining.
Balanced Scorecard	15%	Performance against the Balanced Scorecard is assessed by the Committee to determine the percentage of the award that may vest between 0% and 15%. Each of the 5Cs in the Balanced Scorecard has equal weighting. Assessment will be made against progress towards the 2018 targets as set out on page 11.

Straight line vesting applies between the threshold and maximum points in respect of the financial measures.

The award is subject to a discretionary underpin by which the Committee must be satisfied with the underlying financial health of the Group.

Outstanding LTIP awards

(i) LTIP awards granted during 2014

The performance measures for the awards made under the 2014-2016 LTIP cycle are shown below.

Performance measure	Weighting	Threshold	Maximum vesting
Return on risk weighted assets (RoRWA)	50%	23% of award vests for average annual RoRWA of 1.08%	Average annual RoRWA of 1.52%
Loan loss rate	20%	7% of award vests for average annual loan loss rate of 70bps	Average annual loan loss rate of 55bps or below
Balanced Scorecard	30%	Performance against the Balanced Scorecard is assessed by the Committee to determine the percentage of the award that may vest between 0% and 30%. Each of the 5Cs in the Balanced Scorecard has equal weighting. The targets within each of the 5Cs are deemed to be commercially sensitive. However, retrospective disclosure of the targets and performance against them will be made in the 2016 Remuneration report subject to commercial sensitivity no longer remaining.	

Straight line vesting applies between the threshold and maximum points in respect of the RoRWA and loan loss rate measures. If the Committee is satisfied with the underlying financial health of the Group based on profit before tax, depending on the extent of its satisfaction, the percentage of Barclays shares that may be considered for release by the Committee under the RoRWA measure can be increased or decreased by 10% of the total award, subject always to a maximum of 50% of the award. Performance outcome will be determined at the end of the performance period. For Antony Jenkins, the resulting number of shares will then be pro-rated to his termination date.

(ii) LTIP awards granted during 2015

Awards were made on 16 March 2015 under the 2015-2017 LTIP cycle at a share price on the date of grant of £2.535, in accordance with our remuneration policy to the executive Directors. This is the price used to calculate the face value below.

	% of fixed pay	Number of shares	Face value at grant	Performance period
Antony Jenkins	120%	1,142,248	£2,895,599	2015-2017

Tushar Morzaria	120%	828,402	£2,099,999	2015-2017

Annual report on Directors remuneration

The performance measures for the 2015-2017 LTIP awards are as follows:

Performance measure	Weighting	Threshold	Maximum vesting
Net generated equity[a]	30%	7.5% of award vests for Net Generated Equity of £1,363m	Net Generated Equity of £1,844m
Core return on risk weighted assets (RoRWA) excluding own credit	20%	5% of award vests for average annual Core RoRWA of 1.34%	Average annual Core RoRWA of 1.81%
Non-Core drag on adjusted return on equity (RoE)	10%	2.5% of award vests for Non-Core drag on adjusted RoE of 4.02%	Non-Core drag on adjusted RoE of 2.97%
Loan loss rate	10%	2.5% of award vests for average annual loan loss rate of 70bps	Average annual loan loss rate of 55bps or below
Balanced Scorecard	30%	Performance against the Balanced Scorecard is assessed by the Committee to determine the percentage of the award that may vest between 0% and 30%. Each of the 5Cs in the Balanced Scorecard has equal weighting. The targets within each of the 5Cs are deemed to be commercially sensitive. However, retrospective disclosure of the targets and performance against them will be made in the 2017 Remuneration report subject to commercial sensitivity no longer remaining.	

Note

a Net generated equity is a metric which converts changes in the CET1 ratio into an absolute capital equivalent measure. For remuneration purposes, Net generated equity will exclude inorganic actions such as rights issues, as determined by the Committee.

Straight line vesting applies between the threshold and maximum points in respect of the financial and risk measures. The award is subject to a discretionary underpin by which the Committee must be satisfied with the underlying financial health of the Group. For Antony Jenkins, the resulting number of shares will then be pro-rated to his termination date.

Executive Directors: pension (audited)

Jes Staley and Tushar Morzaria receive cash in lieu of pension. The 2015 cash in lieu of pension shown below for Jes Staley is for the period 1 December 2015 to 31 December 2015.

Antony Jenkins left the UK pension scheme in April 2012, and then started receiving cash in lieu of pension. He has benefits in both the final salary 1964 section and in the cash balance Afterwork section. The accrued pension shown below relates to his 1964 section pension only. The other pension entries relate to his benefits in both sections. Antony Jenkins ceased to be an executive Director on 16 July 2015. The 2015 cash in lieu of pension shown below is for the period 1 January 2015 to 16 July 2015.

	Accrued pension at 31 December 2015 £000	Increase in value of accrued pension over year net of inflation £000	Normal retirement date	Pension value in 2015 from DB Scheme £000	2015 Cash in lieu of pension £000	2015 Total £000
Antony Jenkins	4	0	11 July 2021	0	197	197
Tushar Morzaria					200	200
Jes Staley					33	33

Executive Directors: Statement of implementation of remuneration policy in 2016

The introduction of new deferral and LTIP requirements in the Remuneration part of the PRA Rulebook and EBA Guidelines will require some structural changes as to how the approved Directors remuneration policy will be implemented in 2016. It is therefore our intent to consult with shareholders over proposed changes once formulated. This section explains how the approved Directors remuneration policy would be implemented in 2016 under the current framework.

	Jes Staley	Tushar Morzaria	Comments
Salary	£1,200,000	£800,000	No change from 2015.
RBP	£1,150,000	£750,000	Delivered quarterly in shares subject to a holding period with restrictions lifting over five years. No change from 2015.
Pension	33% of salary	25% of salary	Fixed cash allowance in lieu of participation in pension plan. No change from 2015.
Maximum bonus	80% of fixed pay	80% of fixed pay	Variable remuneration for the executive Directors is delivered through bonus and LTIP, both of which are currently deferred over three years. Variable remuneration for the 2016 performance year will be delivered in line with the requirements of the Remuneration part of the PRA Rulebook, including the vesting requirements. Awards under the LTIP will be delivered in shares. The performance and holding periods will be determined before the awards are made in Q1 2017. Vesting will be dependent on performance over the performance period and subject to a further holding period after vesting.
Maximum LTIP	120% of fixed pay	120% of fixed pay	

Total Fixed Pay

The Directors remuneration policy sets out the policy on RBP for executive Directors. Following the EBA Guidelines, published in December 2015, and despite the formal power to reduce RBP in the Directors remuneration policy, the Committee has agreed, as they also did in 2015, that total fixed pay (salary and RBP elements) will not be reduced in 2016. The Committee will review the structure of RBP in light of the change in regulation and any changes will be reflected in the Directors remuneration policy which will be presented to shareholders for approval at the 2017 AGM.

Clawback and malus

Clawback applies to any variable remuneration awarded to the executive Directors on or after 1 January 2015. Barclays may apply clawback if at any time during the seven year period from the date on which any variable remuneration is awarded: (i) there is reasonable evidence of individual misbehaviour or material error, and/or (ii) the firm suffers a material failure of risk management, taking account of the individual s proximity to, and responsibility for, that incident. For variable remuneration awards granted to executive Directors in respect of 2016 onwards, the clawback period may be extended to 10 years in circumstances where the Company or a regulatory authority has commenced an investigation which could potentially lead to the application of clawback.

As set out in the Directors remuneration policy, malus provisions will continue to apply to unvested deferred awards.

Deferral

A seven year deferral period (with no vesting prior to the third anniversary of award, and vesting no faster than on a pro rata basis between the third and seventh year), will apply to any deferred variable remuneration awarded to the executive Directors in respect of the 2016 performance year onwards.

2016 Annual bonus performance measures

Performance measures with appropriately stretching targets have been selected to cover a range of financial and non-financial goals that support the key strategic objectives of the Company. The performance measures and weightings are shown below.

Financial (50% weighting)	§ Adjusted profit before tax (20% weighting)
	§ Adjusted costs (10% weighting)

A performance target range has been set for each financial measure.	§ CET1 ratio (20% weighting)
Balanced Scorecard (35% weighting)	Progress towards the five year Balanced Scorecard targets will be assessed by the Committee at the year end. Each of the 5Cs in the Balanced Scorecard will have equal weighting
Personal (15% weighting)	The executive Directors have the following joint personal objectives for 2016: § structure the business effectively, ensuring it is focused on a sustainable core proposition with a simpler performing portfolio, with the majority of restructuring completed in 2016 § make significant progress in exiting Non-Core by the end of 2016 § deliver on financial commitments with particular focus on improvement in cost and productivity, as evidenced by an improved profit and a lower cost:income ratio § manage risk and conduct effectively and make significant progress in ensuring that legacy events are both resolved expediently and not repeated. In addition, individual personal objectives for 2016 are as follows: Jes Staley: § implement the new management structure to support structural reform, including a new operating model designed to improve efficiency § make substantive progress towards a higher performing culture in line with our Values, while strengthening employee engagement at all levels § foster an externally focused and customer-centric culture. Tushar Morzaria: § demonstrate effective management of external relationships and reputation § strengthen the performance ethic and employee engagement in Group Finance, Tax and Treasury, while also improving productivity.

Detailed calibration of the Financial and Balanced Scorecard targets is commercially sensitive and it is not appropriate to disclose this information externally on a prospective basis. Disclosure of achievement against the targets will be made in the 2016 Annual Report subject to the targets no longer being commercially sensitive. The Committee may exercise its discretion to amend the formulaic outcome of assessment against the targets. Any exercise of discretion will be disclosed and explained.

Illustrative scenarios for executive Directors remuneration

The charts below show the potential value of the executive Directors 2016 remuneration in three scenarios: Minimum (i.e. fixed pay only), Maximum (i.e. fixed pay and the maximum variable pay that may be awarded) and Mid-point (i.e. fixed pay and 50% of the maximum variable pay that may be awarded). For the purposes of these charts, the value of benefits is based on an estimated annual value. The scenarios do not reflect share price movement between award and vesting. LTIP is included at face value; the amount received and included in the single total figure for remuneration will depend on performance over the performance period.

A significant proportion of the potential remuneration of the executive Directors is variable and is therefore performance related. It is also subject to deferral, malus and clawback.

Total remuneration opportunity: Group Chief Executive (£000)

Total remuneration opportunity: Group Finance Director (£000)

In the above illustrative scenarios, benefits include regular contractual benefits. Additional ad hoc benefits may arise, for example, overseas relocation of executive Directors, but will always be provided in line with the Directors remuneration policy.

Performance graph and table

The performance graph below illustrates the performance of Barclays over the financial years from 2009 to 2015 in terms of total shareholder return compared with that of the companies comprising the FTSE 100 index. The index has been selected because it represents a cross-section of leading UK companies.

In addition, the table below provides a summary of the total remuneration of the relevant Group Chief Executive over the same period as the previous graph. For the purpose of calculating the value of the remuneration of the Group Chief Executive, data has been collated on a basis consistent with the single figure methodology.

Year	2009	2010	2011	2012	2012	2013	2014	2015	2015
Group Chief Executive	John Varley	John Varley	Bob Diamond	Bob Diamond[a]	Antony Jenkins[b]	Antony Jenkins	Antony Jenkins	Antony Jenkins[b]	John McFarlane[c]
Group Chief Executive single figure of total remuneration £000s	2,050	4,567	11,070[e]	1,892	529	1,602	5,467[f]	3,399	305
Annual bonus against maximum opportunity %	0%	100%	80%	0%	0%	0%	57%	48%	N/A
Long-term incentive vesting against maximum opportunity %	50%	16%	N/A[g]	0%	N/A[g]	N/A[g]	30%	39%	N/A[g]

Notes

a Bob Diamond left the Board on 3 July 2012.

b Antony Jenkins became Group Chief Executive on 30 August 2012 and left the Board on 16 July 2015.

c John McFarlane was Executive Chairman from 17 July 2015 to 30 November 2015. His fees, which remained unchanged, have been pro-rated for his time in the position. He was not eligible to receive a bonus or LTIP.

d Jes Staley became Group Chief Executive on 1 December 2015.

e This figure includes £5,745k tax equalisation as set out in the 2011 Remuneration report. Bob Diamond was tax equalised on tax above the UK rate where that could not be offset by a double tax treaty.

f Antony Jenkins 2014 pay is higher than in earlier years since he declined a bonus in 2012 and 2013 and did not have LTIP vesting in those years.

g Not a participant in a long-term incentive award which vested in the period.

Percentage change in Group Chief Executive s remuneration

The table below shows how the percentage change in the Group Chief Executive s salary, benefits and bonus between 2014 and 2015 compares with the percentage change in the average of each of those components of pay for UK based employees.

	Salary	Role Based Pay	Benefits	Annual bonus
Group Chief Executive[a]	0.0%	0.0%	20.0%[b]	(15.6%)
Average based on UK employees[c]	3.0%	12.2%[d]	0.0%	(8.0%)

Notes

a The 2015 figures for the Group Chief Executive are based on former Group Chief Executive, Antony Jenkins, and are annualised in order to provide a meaningful comparison of the year on year change in remuneration for the Group Chief Executive and UK based employees.

b The percentage change in benefits for the Group Chief Executive represents an increase in the cost to Barclays of existing benefits. There was no change in actual benefit provision to the former Group Chief Executive from 2014 to 2015.

c Certain populations were excluded to enable a meaningful like for like comparison.

d The majority of the increase was due to the introduction of Role Based Pay to certain populations, including new MRTs required to comply with PRA/EBA requirements.

We have chosen UK based employees as the comparator group as it is the most representative group for pay structure comparisons.

Relative importance of spend on pay

A year on year comparison of the relative importance of pay and distributions to shareholders is shown below. 2015 Group compensation costs have reduced by 6% and dividends to shareholders have increased 2% from 2014.

Chairman and non-executive Directors

Remuneration for non-executive Directors reflects their responsibilities and time commitment and the level of fees paid to non-executive Directors of comparable major UK companies.

Chairman and non-executive Directors: Single total figure for 2015 fees (audited)

	Fees		Benefits		Total	
	2015 £000	2014 £000	**2015 £000**	2014 £000	**2015 £000**	2014 £000
Chairman						
John McFarlane[a]	628		11		639	
Sir David Walker[b]	285	750	6	19	291	769
Non-executive Directors						
Mike Ashley	207	213			207	213
Tim Breedon	232	240			232	240
Crawford Gillies[c]	178	91			178	91
Reuben Jeffery III	135	160			135	160
Wendy Lucas-Bull[d]	358	367			358	367
Dambisa Moyo	152	151			152	151
Frits van Paasschen	88	80			88	80
Sir Michael Rake[e]	250	250			250	250
Diane de Saint Victor	135	135			135	135
Diane Schueneman[f k]	74				74	
Sir John Sunderland[g]	60	190			60	190
Steve Thieke[h k]	184	131			184	131
Fulvio Conti[i]		37				37
Simon Fraser[j]		47				47
Total	**2,966**	**2,842**	**17**	**19**	**2,983**	**2,861**

Non-executive Directors are reimbursed expenses that are incurred for business reasons. Any tax that arises on these reimbursed expenses is paid by Barclays.

The Chairman is provided with private medical cover and the use of a company vehicle and driver when required for business purposes.

Notes

a

John McFarlane joined the Board as a non-executive Director with effect from 1 January 2015 and as Chairman from 24 April 2015. The total includes non-executive Director fees of £78,000 for the period from 1 January 2015 to 24 April 2015.

b Sir David Walker retired from the Board with effect from 23 April 2015.

c Crawford Gillies joined the Board as a non-executive Director with effect from 1 May 2014.

d The 2014 figure has been updated to include fees received by Wendy Lucas-Bull for her role as Chairman of Barclays Africa Group Limited. The 2015 figure includes fees received by her in 2015 for that role.

e Sir Michael Rake retired from the Board with effect from 31 December 2015.

f Diane Schueneman joined the Board as a non-executive Director with effect from 25 June 2015.

g Sir John Sunderland retired from the Board with effect from 23 April 2015.

h Steve Thieke joined the Board as a non-executive Director with effect from 7 January 2014.

i Fulvio Conti retired from the Board with effect from 24 April 2014.

j Simon Fraser retired from the Board with effect from 24 April 2014.

k Diane Schueneman and Steve Thieke both served in 2015 on the US Governance Review Board, which is an advisory board set up as the forerunner of the board of our US intermediate holding company which will be established during 2016. The 2015 figures for Diane Schueneman and Steve Thieke include fees of $37,500 and $75,000 for these roles respectively.

Chairman and non-executive Directors: Statement of implementation of remuneration policy in 2016

2016 fees, subject to annual review in line with policy, for the Chairman and non-executive Directors are shown below.

	1 January 2016 £000	1 January 2015 £000	Percentage Increase
Chairman[a]	800[b]	750	
Deputy Chairman[a]	250	250	0
Board member	80	80	0
Additional responsibilities			
Senior Independent Director	30	30	0
Chairman of Board Audit or Board Remuneration Committee	70	70	0
Chairman of Board Risk Committee	60	60	0
Chairman of Board Reputation Committee	50	50	0
Membership of Board Audit or Board Remuneration Committee	30	30	0
Membership of Board Reputation or Board Risk Committee	25	25	0
Membership of Board Nominations Committee	15	15	0

Notes

a The Chairman and Deputy Chairman do not receive any other additional responsibility fees in addition to the Chairman and Deputy Chairman fees respectively.

b John McFarlane was appointed Chairman on 24 April 2015 on fees of £800,000.

Payments to former Directors

Former Group Chief Executive: Antony Jenkins

Antony Jenkins ceased to be Group Chief Executive on 16 July 2015. In accordance with his contractual entitlements, Antony Jenkins will receive base salary, RBP, benefits and pension until 7 July 2016 (the Termination Date). These payments are being made in instalments and are subject to mitigation in the event that Antony Jenkins brings his termination date forward.

The Committee carefully considered the circumstances of Antony Jenkins departure, taking into account his contribution in bringing the Group to a much stronger position during a difficult period for the Group. Against that background, the Committee agreed to exercise its discretion to treat Antony Jenkins as an eligible leaver for the purposes of his variable pay in accordance with the Directors remuneration policy approved by shareholders at the 2014 AGM. The Committee agreed that:

§ Antony Jenkins would remain eligible for an annual bonus in respect of 2015, pro-rated to 16 July 2015

§ Antony Jenkins 260,355 deferred shares will be considered for release in full on the scheduled release dates. After release, the shares will be subject to an additional 6 month holding period

§ the unvested LTIP awards granted to Antony Jenkins in 2014 and 2015 will be considered for release on the scheduled release dates subject to achievement of the applicable performance measures and time pro-rated to the Termination Date. The maximum number of shares (subject to the achievement of the applicable performance measures) after reduction for time pro-rating are LTIP 2014-2016: 1,418,805 shares and LTIP 2015-2017: 475,937 shares. After vesting, the shares will be subject to an additional two year holding period

§ all outstanding unvested deferred awards are subject to malus provisions.

The Company has paid £106k in respect of outplacement services and legal costs in connection with Antony Jenkins termination of employment in line with the approved Directors remuneration policy on terminations.

Former Group Finance Director: Chris Lucas

In 2015, Chris Lucas continued to be eligible to receive life assurance cover, private medical cover and payments under the Executive Income Protection Plan (EIPP). Full details of his eligibility under the EIPP were disclosed in the 2013 Directors Remuneration report (page 115 of the 2013 Annual Report). Chris Lucas did not receive any other payment or benefit in 2015.

Other policy information

Outside appointments

During the period while he was Executive Chairman, John McFarlane retained fees in respect of external directorships at Westfield Corporation Limited of $62k and at Old Oak Holdings Limited of £37k.

Directors shareholdings and share interests

Executive Directors shareholdings and share interests

The chart below shows the value of Barclays shares held beneficially by Jes Staley and Tushar Morzaria as at 26 February 2016 that count towards the shareholding requirement of, as a minimum, Barclays shares worth four times salary. The current executive Directors have five years from their respective date of appointment to meet this requirement. At close of business on 26 February 2016, the market value of Barclays ordinary shares was £1.6910.

The table below shows shares owned beneficially by all the Directors and shares over which executive Directors hold awards which are subject to either deferral terms or performance measures. The shares shown below, that are subject to performance measures, are based on the maximum number of shares that may be released (before pro-rating for Antony Jenkins).

Interests in Barclays PLC shares (audited)

	Owned outright	Unvested: Subject to performance measures	Unvested: Not subject to performance measures	Total as at 31 December 2015 (or date of retirement from the Board, if earlier)	Total as at 26 February 2016
Executive Directors					
Antony Jenkins[a]	5,540,236	4,579,983	260,355	10,380,574	
Tushar Morzaria	931,310	2,204,213	741,829	3,877,352	3,877,352
Jes Staley[b]	2,812,997		896,450	3,709,447	3,709,447
Chairman					
John McFarlane[c]	11,995			11,995	11,995
Sir David Walker[d]	151,455			151,455	
Non-executive Directors					
Mike Ashley	23,547			23,547	23,547
Tim Breedon	19,196			19,196	19,196
Crawford Gillies	58,856			58,856	58,856
Reuben Jeffery III	184,988			184,988	184,988
Wendy Lucas-Bull	14,672			14,672	14,672
Dambisa Moyo	40,696			40,696	40,696
Frits van Paasschen	17,184			17,184	17,184
Sir Michael Rake[e]	75,670			75,670	
Diane de Saint Victor	21,579			21,579	21,579
Diane Schueneman[f]	2,000			2,000	2,000
Sir John Sunderland[g]	139,081			139,081	
Steve Thieke	23,123			23,123	23,123
Sir Gerry Grimstone[h]					97,045

Notes

a Antony Jenkins left the Board with effect from 16 July 2015.
b Jes Staley joined the Board as Group Chief Executive with effect from 1 December 2015.
c John McFarlane joined the Board as a non-executive Director with effect from 1 January 2015 and as Chairman with effect from 24 April 2015. He was Executive Chairman from 17 July 2015 to 30 November 2015.
d Sir David Walker retired from the Board with effect from 23 April 2015.
e Sir Michael Rake retired from the Board with effect from 31 December 2015.
f Diane Schueneman joined the Board as a non-executive Director with effect from 25 June 2015.
g Sir John Sunderland retired from the Board with effect from 23 April 2015.
h Sir Gerry Grimstone joined the Board as Senior Independent Director and Deputy Chairman with effect from 1 January 2016. On appointment, he held 97,045 Barclays PLC shares.

Barclays Board Remuneration Committee

The Board Remuneration Committee is responsible for overseeing Barclays   remuneration as described in more detail below.

Terms of Reference

The role of the Committee is to:

§ set the overarching principles and parameters of remuneration policy across the Group

§ consider and approve the remuneration arrangements of the Chairman, the executive Directors, other senior executives and those employees whose total annual compensation exceeds an amount determined by the Committee from time to time (currently £2m or more)

§ exercise oversight for remuneration issues.

The Committee also considers and approves buy-outs of forfeited rights for new hires of £2m or more, and packages on termination where the total discretionary value is £1m or more. It reviews the policy relating to all remuneration plans including pensions, and considers and approves measures to promote the alignment of the interests of shareholders and employees. It is also responsible for the selection and appointment of its independent remuneration adviser.

The Terms of Reference can be found at home.barclays/corporategovernance or from the Company Secretary on request.

Chairman and members

The Chairman and members of the Committee are as follows:

§ Crawford Gillies, Committee member since 1 May 2014 and Chairman since 24 April 2015

§ Tim Breedon, Committee member since 1 December 2012

§ Steve Thieke, Committee member since 6 February 2014

§ Dambisa Moyo, Committee member since 1 September 2015

Former Chairman and members

Members who left the Committee during 2015 were as follows:

§ Sir John Sunderland, Committee member since 1 July 2005 and Committee Chairman from 24 July 2012 to 23 April 2015

§ Sir David Walker, Committee member from 1 September 2012 to 23 April 2015

All current members are considered independent by the Board.

Remuneration Committee attendance in 2015

	Number of meetings eligible to attend	Number of meetings attended
Crawford Gillies	7	7
Tim Breedon	7	7
Steve Thieke	7	7
Dambisa Moyo	4	4
Sir John Sunderland	1	1
Sir David Walker	1	1

The performance of the Committee is reviewed each year as part of the Board Effectiveness Review. The December 2015 review concluded that Board members have confidence in the effectiveness of the Committee. Full details of the Board Effectiveness review can be found on page 64.

Advisers to the Remuneration Committee

During 2015, the Committee was advised by Towers Watson (now known as Willis Towers Watson). The Committee is satisfied that the advice provided by Towers Watson to the Committee is independent. Towers Watson is a signatory to, and its appointment as adviser to the Committee is conditional on adherence to, the voluntary UK Code of Conduct for executive remuneration consultants.

Towers Watson s work in 2015 included advising the Committee and providing the latest market data on compensation and trends when considering incentive levels and remuneration packages. A representative from Towers Watson attends Committee meetings. When requested by the Committee, Towers Watson is available to advise and meet with the Committee members separate from management.

Fees for Committee work are charged on a time/cost basis and Towers Watson was paid a total of £195,000 (excluding VAT) in fees for its advice to the Committee in 2015 relating to the executive Directors (either exclusively or along with other employees within the Committee s Terms of Reference).

Towers Watson provides pensions advice, advice on health and benefits provision, assistance and technology support for employee surveys and performance management, and remuneration data to the Group. Towers Watson also provides pensions advice and administration services to the Barclays Bank UK Retirement Fund.

The Committee regularly reviews the objectivity and independence of the advice it receives from Towers Watson.

In the course of its deliberations, the Committee considers the views of the Group Chief Executive, Group Human Resources Director and the Group Reward and Performance Director. The Group Finance Director and Chief Risk Officer provide regular updates on Group and business financial performance and the Group s risk profile respectively.

No Barclays employee or Director participates in discussions with, or decisions of, the Committee relating to his or her own remuneration. No other advisers provided significant services to the Committee in the year.

Governance: Remuneration report

Annual report on Directors remuneration

Remuneration Committee activities in 2015

The following provides a summary of the Committee s activities during 2015 and at the January and February 2016 meetings when 2015 remuneration decisions were finalised.

Meeting	Fixed and variable pay issues	Governance, risk and other matters
February 2015	§ Approved executive Directors and senior executives 2015 fixed pay	§ Risk adjustment and malus review
	§ Approved 2015 executive Directors annual bonus performance measures	§ Approved 2014 Remuneration report
	§ Approved group salary and RBP budgets for 2015	§ Review of 2014 reward communications strategy
	§ Approved final 2014 incentive funding	§ Finance and Risk updates
	§ Approved proposals for executive Directors and senior executives 2014 bonuses and 2015 LTIP awards for executive Directors	
May 2015	§ 2015 early incentive funding projections	§ Consideration of the outcomes of the 2014 Board Committees effectiveness review
		§ Update on EBA consultation on draft revised remuneration guidelines

		§ Employee compensation adjustment review
		§ Barclays remuneration approach review
July 2015		§ Review of Committee activity and Terms of Reference
		§ Consideration of process for appointment of Committee s independent adviser from April 2016
		§ Update on July 2014 PRA consultation and resulting changes to the Remuneration part of the PRA Rulebook
		§ Scope of remuneration philosophy review
		§ Employee compensation adjustment review
October 2015 (Two meetings)	§ Approved Jes Staley s remuneration arrangements	§ Remuneration philosophy review
November 2015	§ 2015 incentive funding projections	§ Finance and Risk updates including ex ante risk adjustment
	§ 2016 LTIP performance measures	§ Updates on headcount and attrition
		§ 2015 payround shareholder engagement planning
		§ Employee compensation adjustment review
December 2015	§ Initial considerations on senior executives 2016 fixed pay	§ Review of draft 2015 Remuneration report

	§ 2015 incentive funding proposals and initial proposals for senior executives 2015 bonuses	§ Finance and Risk updates including ex ante risk adjustment § Updates on headcount and attrition
January 2016	§ 2015 incentive funding proposals	§ Finance and Risk updates
February 2016 (Two meetings)	§ Approved executive Directors and senior executives 2016 fixed pay § Approved 2016 executive Directors annual bonus performance measures § Approved Group fixed pay budgets for 2016 § Approved final 2015 incentive funding § Approved proposals for executive Directors and senior executives 2015 bonuses and 2016 LTIP awards for executive Directors	§ Approved 2015 Remuneration report § Finance and Risk updates including ex ante risk adjustment § Appointment of Committee independent adviser § Updates on headcount and attrition

Regular items: market and stakeholder updates including PRA/FCA, US Federal Reserve and other regulatory matters; updates from Remuneration Review Panel meetings; operation of the Committee s Control Framework on hiring, retention and termination; and LTIP performance updates.

Statement of voting at Annual General Meeting

The table below shows the voting result in respect of our remuneration arrangements at the AGM held on 23 April 2015 and the last policy vote at the AGM held on 24 April 2014:

	For	Against	Withheld

	% of votes cast Number	% of votes cast Number	Number
Advisory vote on the 2014 Remuneration report	97.50% 11,385,216,004	2.50% 291,926,107	63,613,057
Binding vote on the Directors remuneration policy	93.21% 9,936,116,114	6.79% 723,914,712	154,598,278

Additional remuneration disclosures