Resolution Plan

Public Section

October 2013

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Public Section

1 Summary of resolution plan

1.1 Introduction

Barclays[1] has developed a comprehensive and robust US resolution plan as mandated by the Resolution Plan Final Rule[2] (Final Rule) issued pursuant to Section 165(d) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010[3] (DFA) and the regulatory "Guidance for 2013 §165(d) Annual Resolution Plan Submissions by Foreign-Based Covered Companies that Submitted Initial Resolution Plans in 2012" (the Guidance) published 15 April 2013 by the Board of Governors of the Federal Reserve System (FRB) and the Federal Deposit Insurance Corporation (FDIC). Section 165(d) of DFA and the Final Rule specifies that a foreign banking organization[4] that has $50.0bn or more in worldwide consolidated assets is a covered company subject to the resolution plan requirements set forth in the Final Rule. A covered company must submit a resolution plan annually that provides for the covered company's rapid and orderly resolution in the event of material financial distress[4] at, or failure of, the covered company.

Barclays PLC (BPLC), a public limited company incorporated and domiciled in England and Wales, is a bank holding company under section 8(a) of the International Banking Act of 1978 (IBA). BPLC has over £1,488bn in global consolidated assets as of 31 December 2012, which exceeds the $50bn threshold, and is therefore a covered company subject to the resolution planning requirements of Section 165(d) of DFA and the Final Rule. Barclays operates a universal banking model through which it seeks to build strong and stable relationships with customers and clients by meeting a wide range of their needs across different locations. Barclays' presence in the US dates back to the 1890s. Barclays has steadily increased its US footprint, specifically in investment banking, credit card and wealth management businesses. Barclays' US business is critical to the continued growth of the organization and enables Barclays to serve a global client base, diversify income across geographies, access important strategic markets and achieve growth objectives. Due to Barclays' size,[5] Barclays was among the covered companies required to submit its initial US resolution plan on or before 1 July 2012. Per the Guidance, Barclays' second US resolution submission is due on or before 1 October 2013 (Barclays 2013 US Resolution Plan).

Barclays is supportive of reform efforts to promote global financial stability and mitigate repercussive impact from the distress or failure of any individual large financial institutions. The DFA was developed in response to the recent financial crisis caused by the multiple idiosyncratic failures of individual institutions and their effect on the global financial ecosystem and on broader global economies.

As a Global Systemically Important Financial Institution (G-SIFI), as designated by the Financial Stability Board (FSB), Barclays is subject to requirements for resolvability assessments, recovery and resolution planning, and requirements regarding additional loss absorption capacity. Regulatory supervision regarding recovery and resolution planning includes stronger mandates, increased resources and powers, and higher expectations for risk management functions, data aggregation capabilities, risk governance and internal controls.

In addition to developing and maintaining resolution plans in the US, implementation of the DFA and other regulatory reform initiatives has contributed to a more stable financial system since 2008. Regulatory authorities, including the FRB and the FDIC in the US and the Prudential Regulation Authority (PRA) and the Bank of England (BoE) in the UK, actively work to address cross-border considerations in order to develop sound policies and regulations that will strengthen the global financial system.

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[1] "Barclays" and "Group" are terms which are used to refer to Barclays PLC together with its subsidiaries and/or Barclays Bank PLC together with its subsidiaries. The term "Company", "Parent Company" or "Parent" refers to Barclays PLC and the term "Bank" or "BBPLC" refers to Barclays Bank PLC.

[2] See Federal Reserve System Regulation QQ, 12 CFR Part 243, and Federal Deposit Insurance Corporation Regulation 12 CFR Part 381 (the "Final Rule").

[3] 12. U.S.C. 5365(d).

[4] See Final Rule definition.

[5] Barclays' worldwide consolidated assets exceeded $250bn as per the Final Rule requirement.

The industry has been further shaped by initiatives aimed at reducing systemic risk. These initiatives include:

- Oversight Committees: Establishment of the Payments Risk Committee (PRC) by the Federal Reserve Bank of New York;
- Financial Market Utilities: The designation of systemically important financial market utilities (SIFMUs) by the Financial Stability Oversight Council (FSOC) and the FRB's supervision of those SIFMUs;
- Payment, Clearing and Settlement Systems: Definition of the roles and responsibilities in all jurisdictions of FMUs and the minimum standards to be adopted to support the effective management of payment, clearing and settlement processes, specifically avoidance of contagion in the market, particularly in periods of stress;
- Tri-party Repo Reform: Development of policies and regulations aimed at the reduction in intraday credit exposures, thus mitigating system risk;
- OTC Derivative Reform: Use of central clearing processes for derivatives trading. The establishment of a swap data repository for swap data reporting and record keeping and the deployment of swap execution facilities for regulated trading of swaps. Barclays has also registered BBPLC as a swap dealer with the Commodity Futures Trading Commission (CFTC) and will register BBPLC as a security-based swap dealer with the Securities and Exchange Commission (SEC) in compliance with Sections 731[6] and 764(a)[7] of the DFA; and
- Legal Entity Identifier: Global regulatory and industry initiative instituting a standardized and controlled global legal entity identifier to be utilized worldwide in support of trading activity.

As a result of these initiatives and others, significant progress has been made in the financial industry to reduce the likelihood of future G-SIFI failures and enhance the overall safety and soundness of the financial system.

Barclays actively supports the progress made by the industry and has undertaken significant initiatives to reduce systemic risks, such as:

- Cross-border regulatory coordination: Barclays has actively engaged with US and UK authorities to share information on the progress made by the organization to reduce its risk profile and institute heightened internal oversight and controls, including the adoption of recovery and resolution planning and migration into Barclays' business as usual (BAU) processes;
- Enhanced capital, liquidity and leverage ratios: Barclays has steadily built capital and liquidity reserves since 2008 with further strengthening expected, in accordance with new regulatory requirements and its internal risk appetite. As announced on 30 July 2013, Barclays is also taking steps to attain a 3% PRA Leverage Ratio by June 2014 (the "Leverage Plan"). An underwritten rights issue of £5.8 billion (net of expenses) is a key element of the Leverage Plan – raising this additional equity is expected to further enhance Barclays' capital, liquidity and leverage strength. The estimated fully loaded Common Equity Tier 1(CET1) ratio of 8.1% as at 30 June 2013 adjusted for the Rights Issue is equivalent to 9.3%;
- Executable recovery plan: In consultation with the UK authorities, Barclays has developed an executable global recovery plan that enhances the institution's ability to endure a severe stress with minimal disruption to the market or its customers;
- Development of resolution plan: Barclays has developed resolution plans to enable a rapid and orderly resolution of a failing material entity. The plans also provide Barclays' leadership with insight into areas of opportunity to enable the organization to mitigate potential issues that might be encountered during a resolution in order to apply proper remediation steps and enact operating and business policies and practices to mitigate obstacles and ensure material entities are resolvable;

[6] Section 731 of the Dodd-Frank Wall Street Reform and Consumer Protection Act amends the Commodity Exchange Act to, among other things: (i) prohibit any person from acting as a "swap dealer" or "major swap participant" unless such person is registered with the CFTC; and (ii) prohibits a swap dealer or major swap participant from permitting any person associated with it to effect or be involved in effecting swaps on its behalf if such person is subject to a statutory disqualification. Pursuant to this requirement, the CFTC issued a final rule on 19 March 2012 to establish a process for the registration of swap dealers and major swap participants.

[7] Section 764(a) of the Dodd-Frank Wall Street Reform and Consumer Protection Act requires the SEC to issue rules to provide for the registration of security-based swap dealers and major swap participants. As of submission of this Barclays 2013 US Resolution Plan, the SEC has only issued a proposed rule with regard to this requirement.

- Tri-party Repo Reform: Barclays has a significant presence in the tri-party market and as a result of industry initiatives continues to make significant progress in reducing intraday credit usage and, along with the rest of the industry, has implemented automated deal matching, and collateral optimization processes and procedures resulting in a reduction in exposure since 2011.

As part of Barclays' ongoing commitment to resolution planning, Barclays continues to work with the regulatory authorities on the evolution of its resolution plans in the US and the UK. This has been demonstrated by the following:

Development of a prescribed path to resolution

Barclays is working closely with the UK authorities to establish a framework for the enactment of a “single point of entry” resolution strategy that will include a recapitalization model while ensuring continuity of service for each of the material entities, core business lines and critical operations. This includes identifying strategies and solutions that will ensure that services can continue to be provided during a resolution scenario. Barclays is in frequent communication with the PRA, the European Banking Authority (EBA), the FRB and the FDIC regarding developing requirements for recovery and resolution planning.

Industry forums

Barclays proactively participates in industry forums and shared interest discussions through the Securities Industry and Financial Markets Association (SIFMA) and by providing a foreign banking perspective to the Institute of International Bankers (IIB). In addition, through the British Bankers’ Association (BBA) and the Association for Financial Markets in Europe (AFME), Barclays is actively involved in global discussions on resolution planning, in particular on the implications of and best way to implement the forthcoming EU Recovery and Resolution Directive (EU RRD).

Barclays recognizes and supports the critical importance of resolution planning, which serves as a guide for regulatory and insolvency authorities to use in the event of material financial distress or failure. DFA was enacted to ensure that a loss or failure of a financial institution could be managed and resolved without reliance on extraordinary government or taxpayer support. The information and strategies contained in Barclays 2013 US Resolution Plan enables authorities to make expedited and informed decisions to avoid a financial crisis and facilitate a rapid and orderly resolution of Barclays’ US operations.

The development of Barclays 2013 US Resolution Plan is an iterative process with the regulators, and Barclays is committed to maintaining forward momentum in developing an effective resolution plan. Barclays’ commitment to and focus on resolution planning are demonstrated internally through the implementation of group-wide policies, the adoption of additional risk monitoring and internal controls and enhancements to Barclays’ governance framework, and external activities through leadership in industry forums, participation in round table dialogue and continuous dialogue with regulators.

1.2 Material entities

Barclays is a global financial institution with approximately 1,500 legal entities across the world. Barclays has determined there are nine material entities for the purposes of Barclays 2013 US Resolution Plan.

Material entities are defined by the Final Rule as a subsidiary or foreign office of the covered company that is significant to the activities of a core business line or critical operation. Barclays mapped core business lines and critical operations to legal entities that conduct activity in the US market; identified entities that provide operational infrastructure support to entities that conduct activity in the US market and identified entities that are members of clearing organizations relevant to critical operations and/or core business lines in the US.

Barclays' nine material entities include Barclays Capital Inc. (BCI), a US-registered broker-dealer and Futures Commission Merchant (FCM) and Barclays Bank PLC New York Branch (NYBR). Key operational infrastructure support for BCI and NYBR is provided by seven material servicing entities used for Barclays' US operations.[8]

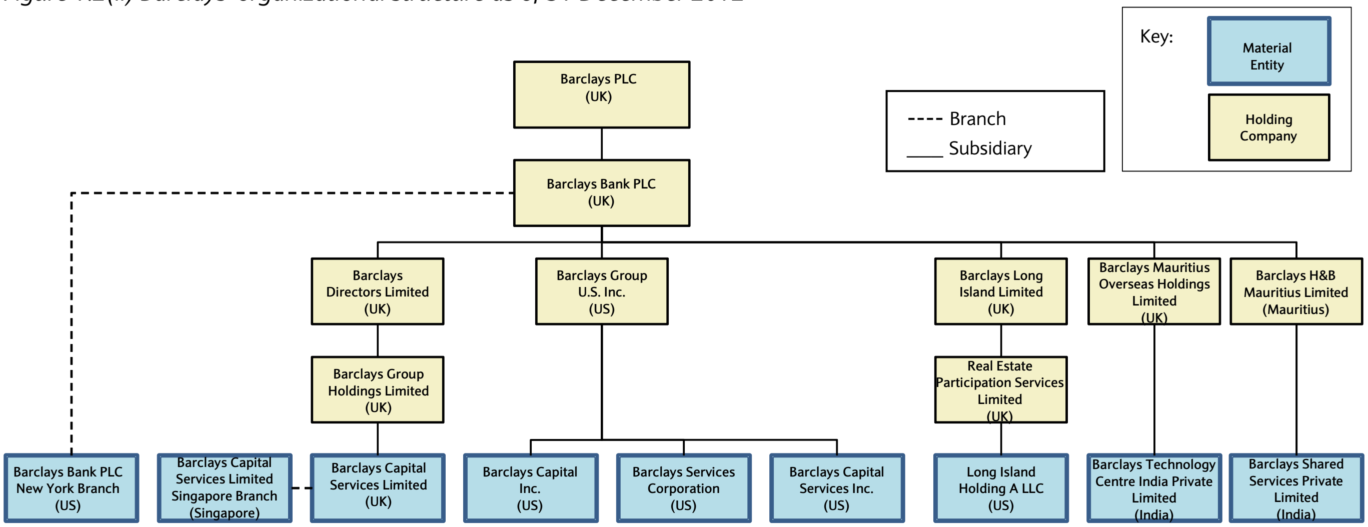
Table 1.2(i) below lists the covered company and nine material entities. Figure 1.2(ii) below depicts the ownership structure of each of the nine material entities.

Table 1.2(i) – Barclays' covered company and material entities

Covered Company	Material Operating Entities	Material Servicing Entities
Barclays PLC (Parent bank holding company)	Barclays Capital Inc. (US broker-dealer and futures commission merchant)	Barclays Services Corporation (Infrastructure support service entity)
	Barclays Bank PLC – New York Branch (New York Branch of Barclays Bank PLC)	Barclays Capital Services Inc. (Infrastructure support service entity)
		Barclays Capital Services Limited (Infrastructure support service entity)
		Barclays Capital Services Ltd - Singapore Branch (Infrastructure support service entity)
		Barclays Technology Centre India Private Limited (Software development & information technology service entity)
		Barclays Shared Services Private Limited (Information technology service entity)
		Long Island Holding A LLC (US entity that owns and leases real property)

[8] Barclays determined that Barclays Bank Delaware, Inc. (BBDE) was not a material entity for purposes of the Barclays 2013 US Resolution Plan pursuant to section 165(d) of the DFA. Further, BBDE had total assets of $18.9bn as of 31 December 2012 and does not meet the regulatory minimum criteria for requiring a separate resolution plan under 12 CFR Part 360.10.

Figure 1.2(ii) Barclays' organizational structure as of 31 December 2012



Barclays Capital Inc. (BCI)

BCI is incorporated in the state of Connecticut and is a wholly-owned indirect subsidiary of BBPLC. BCI is a US registered securities broker-dealer with the Securities and Exchange Commission (SEC), FCM, a commodity pool operator, a commodity trading advisor registered with the Commodity Futures Trading Commission (CFTC), as well as a municipal advisor registered with the SEC and the Municipal Securities Rulemaking Board (MSRB).

BCI is headquartered in New York, with registered domestic branch offices in Atlanta, Boston, Chicago, Dallas, Greenwich, Houston, Los Angeles, Media, Menlo Park, Miami, New York, Palm Beach, Philadelphia, San Juan, San Francisco, Santa Monica, Seattle, Washington, DC and Wells, ME. BCI's client base includes money managers, insurance companies, pension funds, hedge funds, depository institutions, corporations, trust banks, money market and mutual funds, domestic and international governmental agencies and central banks. BCI's activities include transactions in asset-backed securities, agency mortgage-backed securities, listed equities, international debt securities, other corporate related securities, resale and repurchase agreements, securities borrowing and lending and serving as a primary dealer in United States government securities.

Barclays Bank PLC – New York Branch (NYBR)

NYBR is licensed by the New York State Department of Financial Services (NYSDFS) as a New York branch of BBPLC. NYBR's primary activities are deposit taking, lending and management of Barclays' USD funding position.

Barclays Services Corporation (BSC)

BSC is incorporated in the state of Delaware and is a wholly-owned indirect subsidiary of BBPLC. BSC provides infrastructure support services to BCI and NYBR.

Barclays Capital Services Inc. (BCSI)

BCSI is incorporated in the state of New York and is a wholly-owned indirect subsidiary of BBPLC. BCSI provides infrastructure support services to BCI and NYBR.

Barclays Capital Services Limited (BCSerL)

BCSerL is a private limited company, domiciled and incorporated in England and Wales. BCSerL is an indirect subsidiary of BBPLC. BCSerL provides infrastructure support services to Barclays Group, including BCI and NYBR.

Barclays Capital Services Ltd - Singapore Branch (BCSerL Singapore)

BCSerL Singapore, a branch of BCSerL, is registered and domiciled in Singapore. BCSerL Singapore provides infrastructure support services to Barclays Group, including BCI and NYBR.

Barclays Technology Centre India Private Limited (BTCI)[9]

BTCI, a private limited company incorporated in India, is an indirect subsidiary of BBPLC. BTCI provides software development and information technology services to Barclays Group, including BCI and NYBR.

Barclays Shared Services Private Limited (BSS)[9]

Barclays Shared Services Private Limited (BSS) , a private limited company incorporated in India, is an indirect subsidiary of BBPLC. BSS provides information technology services, including data processing, payment processing, call center, financial accounting and financial analytics services, to Barclays Group, including NYBR.

Long Island Holding A LLC (LIHA)[9]

LIHA is a limited liability company domiciled in the US and is incorporated in Delaware. It is a wholly owned subsidiary of Barclays Long Island Limited (BLIL), a United Kingdom company that is a subsidiary of BBPLC. LIHA owns freehold and leasehold interests in properties in the US. BCI, NYBR, BSCBSC and BCSI operate from these properties.

[9] BTCI, BSS, LIHA are an additional material servicing entities that were not addressed in the 1 July 2012 resolution plan.

1.3 Core business lines

Core business lines, as defined in the Final Rule, are those business lines of the covered company, including associated operations, services, functions and support, which in the view of the covered company, upon failure, would result in a material loss of revenue, profit or franchise value. Barclays identified five core business lines in accordance with the Final Rule. Table 1.3(i) below lists the core business lines and the material operating entities where the core business lines are conducted for Barclays 2013 US Resolution Plan.

Table 1.3(i) – Core business lines and material operating entities where the business is conducted

Core Business Lines	Material Operating Entity
Equity Liquid Markets	BCI
Fixed Income Credit	BCI, NYBR
Fixed Income Rates	BCI
Fixed Income Securitized Products	BCI, NYBR
Prime Services	BCI

These five core business lines are described as follows:

Equity Liquid Markets: BCI facilitates the trading of liquid equity products for various clients including large institutional investors, banks, broker-dealers, exchanges and institutional hedge funds on an agency or principal basis. The cash equities trading business is an industry sector-based, single-stock trading desk focused on trade execution for institutional clients. BCI's equities program trading team facilitates trade execution and customized solutions across multiple markets for trading baskets of stocks, including portfolio trading on an agency or principal basis. BCI's exchange-traded derivatives business facilitates client flow and makes markets providing liquidity in a variety of equity options and exchange-traded notes (ETNs) on both single names and indices. Products transacted by the equities exchange-traded derivatives desk include exchange-listed options, ETNs and exchange-traded funds (ETFs). Barclays Capital Market Makers (BCMM) is BCI's Designated Market Maker (DMM) unit on the New York Stock Exchange (NYSE), providing liquidity for more than 1,200 NYSE listed stocks. BCI is the registered DMM. BCMM does not transact directly with customers or handle client flows. All of Barclays' US Equity Liquid Markets activities are performed by BCI.

Fixed Income Credit: BCI provides market-making activities and liquidity to institutional investors in corporate debt securities (high grade, hybrids, yankees, high yield and covered bonds), distressed debt and loans. Clients include banks, insurance companies, pension plans, asset managers, money market funds, hedge funds, central banks, broker-dealers and large institutional investors. BCI buys and sells securities to facilitate customer flow orders and provide liquidity for Barclays' new issue corporate business, facilitating Barclays' debt capital markets and leveraged finance businesses. Securities products are traded by BCI and loan products are traded by NYBR.

Fixed Income Rates: BCI offers a full set of products and services to central banks, governments and agencies, broker-dealers, large institutional investors, insurance companies, pension funds, retail firms, investment managers and hedge funds in market-making of government bills, notes and bonds, agency securities, commercial paper and supra sovereign bonds. BCI buys and sells securities to facilitate customer flow orders, hedge for risk management purposes and provide liquidity for new-issue origination. All of Barclays' Fixed Income Rates activities in US are performed by BCI.

Fixed Income Securitized Products: BCI is a major provider in market-making activities and in liquidity to institutional investors for a range of asset backed instruments. Clients include banks, government agencies, broker-dealers, central banks, large institutional investors, mortgage originators and hedge funds. In the US, Fixed Income Securitized Products trades securities including but not limited to: agency residential mortgage backed securities (RMBS), asset backed securities (ABS), commercial mortgage backed securities (CMBS), Agency CMBS, Primary CMBS and residential credit. BCI buys and sells securities to facilitate customer flow orders, hedge for risk management purposes and provide liquidity for new-issue origination and asset securitization. NYBR is leveraged primarily for warehouse financing, commercial loan origination and whole loan trading.

Prime Services: BCI provides financing, execution and services such as margin lending, securities lending, repurchase agreements, clearing and settlement, asset servicing and reporting for large institutional investors, banks, broker dealers, central banks, government agencies and institutional hedge funds. The Prime Services business consists of equity financing, fixed income financing, futures and over-the-counter (OTC) clearing. As a US registered broker-dealer and FCM, BCI is the primary contracting entity for Prime Services activities in the US, however, in regards to the Bank Prime US offering, BBPLC provides the financing and NYBR provides the custody services for the prime services client.

1.4 Summary financial information regarding assets, liabilities, capital and major funding sources

Table 1.4(i) summarizes the consolidated balance sheet and capital position of BPLC as of 31 December 2011 and 2012, in accordance with International Financial Reporting Standards (IFRS).[10]

Table 1.4(i) – Barclays' consolidated balance sheet summary under IFRS[11]

Barclays	31 Dec 12 in £m	31 Dec 11 in £m
Assets		
Cash, balances at central banks and items in the course of collection	87,664	108,706
Trading portfolio assets	146,352	152,183
Financial assets designated at fair value	46,629	36,949
Derivative financial instruments	469,156	538,964
Available for sale financial investments	75,109	68,491
Loans and advances to banks	40,462	47,446
Loans and advances to customers	423,906	431,934
Reverse repurchase agreements and other similar secured lending	176,522	153,665
Other assets	22,535	23,745
Total assets	**1,488,335**	**1,562,083**
Liabilities		
Deposits and items in the course of collection due to banks	78,599	92,085
Customer accounts	385,411	366,032
Repurchase agreements and other similar secured borrowing	217,178	207,292
Trading portfolio liabilities	44,794	45,887
Financial liabilities designated at fair value	78,561	87,997
Derivative financial instruments	462,721	527,910
Debt securities in issue	119,525	129,736
Subordinated liabilities	24,018	24,870
Other liabilities	17,542	16,315
Total liabilities	**1,428,349**	**1,498,124**
Shareholders' equity		
Shareholders' equity excluding non-controlling interests	50,615	54,352
Non-controlling interests	9,371	9,607
Total shareholders' equity	59,986	63,959
Total liabilities and shareholders' equity	**1,488,335**	**1,562,083**
Adjusted gross leverage	19x	20x
Total assets to shareholders' equity	24x	24x
Net asset value per ordinary share	414p	446p
Number of ordinary shares of BPLC (in millions)	12,243	12,199
Year-end United States Dollar exchange rate	1.62	1.54

[10] Refer to the 2012 Barclays PLC annual report for additional detail and disclosures.
[11] Barclays' consolidated balance sheet is shown as restated on 16 April 2013.

Barclays	31 Dec 12 in £m	31 Dec 11 in £m
Year-end Euro exchange rate	1.23	1.19
Year-end Rand exchange rate	13.74	12.52

The following provides further financial information for the material entities.

BCI

BCI's balance sheet as of 31 December 2012 was comprised of $309.1bn in total assets of which $217.1bn (70.2%) were collateralized agreements which consist of securities purchased under agreements to resell, securities borrowed and securities received as collateral. Additionally, $69.8bn (22.6%) of BCI's total assets were comprised of financial instruments owned at fair value. Approximately 98% of these financial instruments owned were classified as level 1 (quoted market prices in active markets) or level 2 (internal models with significant observable market parameters) assets as per financial accounting standards ASC 820, and predominantly comprised government and agency securities. The remaining $22.2bn (7.2%) of BCI's assets comprised cash and cash equivalents segregated for regulatory purposes and receivables from customers, broker dealers and clearing organizations.

BCI's total liabilities as of 31 December 2012 were $299.3bn, of which $241.1bn (80.6%) were collateralized financings which consist of securities sold under agreements to repurchase, securities loaned and obligation to return securities received as collateral. Additionally, $21.7bn (7.2%) of BCI's liabilities were financial instruments sold, but not yet purchased, at fair value. One hundred percent of these financial instruments sold were classified as level 1 (quoted market prices in active markets) or level 2 (internal models with significant observable market parameters) as per financial accounting standards ASC 820, and predominantly comprised government securities. The remaining $36.5bn (12.2%) of BCI's liabilities primarily comprised payables to customers, brokers, dealers and clearing organizations, and borrowings (long and short-term) from BBPLC.

BCI's regulatory capital base as of 31 December 2012 was comprised of $7.3bn of equity capital and $2.5bn of subordinated debt. BCI is subject to regulatory capital requirements established by the SEC and maintains capital well in excess of its regulatory minimum[12] in terms of both tentative net capital (TNC) and net capital (NC), both of which are available to absorb losses under going concern and gone concern events. BCI's capital consists of common equity and subordinated debt. BCI has access to additional financing facilities provided by BBPLC.

NYBR

As disclosed in NYBR's 31 December 2012 Call Report,[13] NYBR's total assets were $40.3bn, of which $23.9bn (59.3%) was a net receivable due from related institutions. Additionally, $8.2bn (20.3%) of NYBR's assets were cash and balances due from depository institutions, primarily cash placed on deposit with the Federal Reserve. The remaining $8.2bn (20.3%) of NYBR's assets were primarily comprised of loans and advances and securities purchased under agreements to resell.

As disclosed in NYBR's 31 December 2012 Call Report, NYBR's total liabilities were $40.3bn, of which $34.2bn (84.8%) were deposits from non-related parties. The remaining $6.1bn (15.2%) of NYBR's liabilities were primarily comprised of other borrowed money from non-related parties and trading liabilities.

As a branch of BBPLC, NYBR remits or receives any profit or loss on a monthly basis to BBPLC. NYBR does not hold standalone capital and is not subject to standalone regulatory capital minimums.

BSC, BCSI, BCSerL, BCSerL Singapore, BTCI, BSS, LIHA financial information

BSC, BCSI, BCSerL and BCSerL Singapore, BTCI, BSS and LIHA provide operational infrastructure support to BCI, NYBR and other Barclays' affiliates. These companies have been included in the resolution plan based on the nature of the services they provide,

[12] BCI's regulatory capital minimums are based on the greater of the CFTC minimum (8% of risk margin) and the SEC minimum ($500.0m) as of 31 December 2012.

[13] Regulatory reporting requirements applicable to the Report of Assets and Liabilities of US Branches and Agencies of Foreign Banks conform to generally accepted accounting principles in the US (US GAAP).

and not as a result of any material balance sheet exposures presented by these entities. Accordingly, summary financial information has not been presented for these entities.

Barclays' capital and liquidity management and funding sources

Barclays manages capital and liquidity through a centralized management structure in the Treasury function. The centralized management team has responsibility for the overall capital and liquidity management across all business lines and material entities. This includes Barclays-wide reporting on capital metrics and liquidity, monitoring capital and liquidity risk control frameworks, and establishing appropriate policies and processes.

Capital management

Barclays is committed to maintaining strong capital levels consistent with regulators' expectations. Barclays' capital management objectives are to maintain sufficient capital resources and ensure that Barclays is well capitalized relative to the minimum regulatory capital requirements set by the PRA in the UK and Federal Reserve in the US. These objectives ensure that locally regulated subsidiaries can meet their minimum regulatory capital requirements to support Barclays' risk appetite, economic capital requirements and credit rating.

Barclays monitors its capital management plan through a Capital Management Framework, which includes policies and practices that are approved by the Barclays Capital Committee, implemented consistently and aimed at delivering on the objectives. Barclays Treasury Committee and the BPLC Board approve Barclays' stress plan and capital plan. The impact of regulatory changes are therefore assessed and monitored by Barclays Treasury and Barclays Risk and factored into the capital planning process, which ensures that Barclays always maintains adequate capital to meet its minimum regulatory capital requirements. Capital requirements are actively managed on a centralized basis, at a local entity level and taking into account all the regulatory, economic and commercial environments in which Barclays operates. Barclays' Core Tier 1 capital ratio for Basel II was at 10.9% as of 31 December 2012. This equates to an 8.2% fully loaded pro forma Basel III core ratio. In Q1 2013, the fully loaded pro forma Basel III core ratio improved to 8.4%.[14] Table 1.4(ii) and 1.4(iii) provide additional capital information.

Table 1.4(ii) – Barclays' key capital ratios

Key Capital Ratios	31 Dec 12	31 Dec 11
Core Tier 1	10.9%	11.0%
Tier 1	13.2%	12.9%
Total Capital	17.0%	16.4%

Table 1.4(iii) – Barclays' capital resources summary

Capital Resources	31 Dec 12 in £m	31 Dec 11 in £m
Core Tier 1	41,722	43,066
Total Tier 1 Capital	51,235	50,473
Total Regulatory Capital	65,873	63,948

One of the main objectives of managing risk is to ensure that Barclays achieves an adequate balance between capital requirements and resources. Capital management is integral to Barclays' approach to financial stability and sustainability management and is therefore embedded in the way Barclays' businesses and material entities operate and in the way Barclays manages risk.

Barclays adopts a forward-looking, risk based approach to capital risk management. BBPLC is the primary funding source for its material entities and subsidiaries. Regulated material entities are, at a minimum, allocated adequate capital to meet their current and forecast regulatory and business requirements. Each regulated material entity retains its own capital resources required to meet its regulatory minimum capital requirements, which are monitored and controlled by the Barclays Board and Barclays Treasury. Barclays currently maintains a buffer over its minimum regulatory capital requirements. Treasury Capital Management resources are assigned to each regulated material entity to review and challenge its forecast capital positions and assess its compliance with Treasury Capital Management policies.

[14] Ratios provided are based on UK PRA Basel-based rules.

Liquidity management

The efficient management of liquidity is essential to retaining the confidence of the financial markets and ensuring that Barclays' business is sustainable. The main objectives are to maintain a contingency funding plan that is comprehensive and to maintain liquidity resources that are appropriate to meet the liquidity risk framework. Barclays operates a centralized governance control process that covers all of Barclays' liquidity risk management activities. The Barclays Treasurer is responsible for developing and maintaining Barclays' Liquidity Risk Management framework (the Liquidity Framework), which is sanctioned by the Board Risk Committee (BRC).

Barclays has a comprehensive Liquidity Framework for managing its liquidity risk. The Liquidity Framework is designed to ensure that Barclays maintains sufficient financial resources of appropriate quality for the Barclays funding profile. The Liquidity Framework is delivered via a combination of policy formation, review and governance, analysis, stress testing, limit setting and monitoring.

The Liquidity Framework is designed to meet the following objectives:

- Maintain liquidity resources that are sufficient in amount, quality and funding profile to meet the liquidity risk framework as expressed by the BPLC Board;
- Maintain market confidence in Barclays' name;
- Satisfy requirements set by regulatory authorities;
- Set limits to control liquidity risk within and across lines of business and legal entities;
- Accurately price liquidity costs, benefits and risks and incorporate those into product pricing and performance measurement;
- Set early warning indicators to identify immediately the emergence of increased liquidity risk or vulnerabilities, including events that would impair access to liquidity resources;
- Project fully, and over an appropriate set of time horizons, cash flows arising from assets, liabilities and off-balance sheet items; and
- Maintain a Contingency Funding Plan that is comprehensive and proportionate to the nature, scale and complexity of the business and that is regularly tested to ensure that it is operationally robust.

As part of the Liquidity Framework, Barclays has established the Liquidity Risk Appetite (LRA), which is the level of liquidity risk Barclays chooses to take in pursuit of its business objectives and in meeting its regulatory obligations. It is measured with reference to anticipated stressed net contractual, behavioral and contingent outflows for a variety of stress scenarios and is used to size the liquidity pool. Barclays' liquidity pool was £150bn as of 31 December 2012. Barclays' liquidity pool is well diversified across major currencies. Barclays monitors LRA stress scenarios for major currencies.

Barclays manages the liquidity pool on a centralized basis. The liquidity pool is held unencumbered against contractual and contingent stress outflows in the LRA stress tests. The liquidity pool comprises cash at central banks, government bonds and other highly liquid securities and represents those resources immediately available to meet outflows in a stress scenario. The BCI liquidity pool is held to meet contractual and contingent stress outflows and regulatory requirements. To the extent that the use of this portion of the liquidity pool is restricted due to regulatory requirements, it is assumed to be unavailable to the rest of Barclays.

Tables 1.4(iv) and (v) provide additional details of Barclays' liquidity pool by composition of assets and by currency, respectively.

Table 1.4(iv) – Composition of Barclays' liquidity pool

Composition	31 Dec 12 in £bn	31 Dec 11 in £bn
Cash and deposits with central banks	85	105
Total government bonds	46	36
Other	19	11
Total	150	152

Table 1.4(v) – Liquidity pool by currency

Currency	31 Dec12 in £bn	31 Dec 11 in £bn
USD	26	41
EUR	66	64
GBP	25	26
Other	33	21
Total	150	152

The basis for sound liquidity risk management is a solid funding structure that reduces the probability of a liquidity stress leading to an inability to meet funding obligations as they fall due. Barclays' overall funding strategy is to develop a diversified funding base (both geographically and by depositor type) and to maintain access to a variety of alternative funding sources in order to provide protection against unexpected fluctuations while minimizing the cost of funding.

Within these criteria, Barclays aims to align the sources and uses of funding. As such, retail and commercial customer loans and advances are largely funded by customer deposits. Barclays' loan to deposit ratio as of 31 December 2012 was 110% (2011: 118%). Incremental funding requirements for these businesses are met using asset backed securities and covered bonds secured primarily by customer loans and advances, such as residential mortgages and credit card receivables. Barclays loan to deposit and secured funding ratio was 88% (2011: 101%). Other assets, together with other loans and advances and unencumbered assets are funded by long term wholesale debt and equity. Barclays' liquidity pool is predominantly funded through wholesale markets.

Trading portfolio assets and reverse repurchase agreements are largely funded in the wholesale markets by repurchase agreements and trading portfolio liabilities, while derivative assets are largely matched by liabilities under derivatives transactions.

US material entity funding sources

- BCI funding: BCI serves as the market access point for Barclays-wide USD secured financing. The BCI balance sheet is funded primarily on a secured basis, via the repo market. Secured financing is performed by the Prime Services business, which has both a fixed income repo desk and an equity financing desk within BCI. BCI holds liquidity in the form of a BCI-domiciled liquidity buffer in excess of its minimum requirement.
- NYBR funding: Within Barclays, NYBR serves to consolidate USD funding. NYBR has access to the discount window at the FRBNY and deposits the USD liquidity pool at the FRBNY. NYBR's balance sheet is funded using external unsecured financing and funding from BBPLC. Barclays acquires unsecured funding primarily through BBPLC, which is the external interface to the wholesale unsecured funding markets.
- BSC, BCSI, BCSerL, BCSerL Singapore, BTCI, BSS, LIHA funding: BSC, BCSI, BCSerL, BCSerL Singapore, BTCI, BSS and LIHA receive service fees through recharges from the various affiliates they support and are profitable due to the nature of their cost-plus business models. They retain working capital to support operating expenditures.

1.5 Derivative and hedging activities

Barclays enters into derivative contracts to satisfy the needs of its clients, for trading purposes and to manage Barclays' exposure to market and credit risks resulting from its trading and market making activities. As part of its Risk Management policies, Barclays manages risks on an aggregate basis; however, entity level controls exist to ensure that exposures of each individual entity are managed appropriately. Barclays uses industry standard derivative contracts whenever appropriate.

Derivatives are used to hedge interest rate, exchange rate, commodity, credit and equity exposures, as well as exposures to certain indices, such as house price indices and retail price indices related to non-trading positions. Where derivatives are held for risk management purposes, and when transactions meet the required criteria for documentation and hedge effectiveness, Barclays applies fair value hedge accounting, cash flow hedge accounting or hedging of a net investment in a foreign operation as appropriate to the risks being hedged.

BCI, a US registered broker-dealer and FCM, engages in trading and clearing of exchange traded derivatives on US exchanges through US-based clearinghouses. BCI provides execution capabilities and engages in clearing of derivatives contracts listed on US exchanges and with US registered Derivatives Clearing Organizations (DCOs), including futures and options on futures, on behalf of clients, as well as Barclays' own trading activity in BCI and other Barclays affiliates. The holders of the exchange-traded instruments provides margin daily with cash or other securities at the clearinghouse, to which the holders look for ultimate settlement. BCI is a clearing member of derivatives clearing organizations, clearing eligible OTC derivatives products in the US.

Under Title VII of the DFA, any swap or security based swap that has been identified by the CFTC or SEC as being subject to mandatory central clearing must be centrally cleared through a regulated clearing house. Any OTC derivative transaction that is subject to mandatory central clearing must also be executed on a "Swap Execution Facility (SEF)" or "Designated Contract Market (DCM)". Phase in of mandatory central clearing of swaps began on 11 March 2013. The participants in these markets are required to register with the CFTC as "swap dealers" or "major swap participants" and/or with the SEC as "securities swap dealers" or "major securities swap dealers", based on designated thresholds, and are subject to CFTC and SEC regulation and oversight.

Barclays' OTC derivatives activities are largely booked in either BBPLC or Barclays Capital Securities Limited, both of which are UK domiciled entities. Barclays has also registered BBPLC as a swap dealer with the CFTC and will register as a security-based swap dealer with the SEC in compliance with Sections 731and 764(a) of the Dodd-Frank Act. These instruments range from standardized transactions in derivative markets to trades where the specific terms are tailored to the requirements of Barclays' customers. In many cases, industry standard documentation (e.g., International Swaps and Derivatives Association (ISDA)) is used, most commonly in the form of a master agreement, with individual transaction confirmations.

1.6 Top twenty memberships in payment, clearing and settlement systems for US Operations

Barclays depends on financial market utilities (FMUs) to execute financial transactions and to provide financial services to its clients. These arrangements allow for greater risk management, operational efficiencies and risk reduction in the trading, clearing and settlement of financial instruments worldwide. “FMUs”, as defined in Section 803(6) of DFA, refers to any person that manages or operates a multilateral system for the purpose of clearing and settlement, payments, custody of securities and other financial transactions between financial institutions that are critical to the financial system. Barclays identified the top twenty FMUs, including exchanges, clearinghouses, payment schemes and custodians, based on their materiality to Barclays’ material entities, core business lines and critical operations, which are listed in Table 1.6(i).

Table 1.6(i) – Top twenty memberships and participations[15]

Type of Service Provided	Payment, Clearing and Settlement System	Jurisdiction	US Material Entity Holding membership
Exchanges	Chicago Mercantile Exchange Group (CME)	United States	BCI
	Chicago Board of Trade (CBOT)		
	Chicago Board Options Exchange (CBOE)		
	International Securities Exchange (ISE)		
	NASDAQ OMX PHLX		
	New York Stock Exchange (NYSE)		
	NASDAQ		
Clearing and Settlement	Depository Trust & Clearing Corporation (DTCC): ▪ National Securities Clearing Corporation (NSCC) ▪ Fixed Income Clearing Corporation (FICC)	United States	BCI
	Options Clearing Corporation (OCC)	United States	BCI
	Chicago Mercantile Exchange Group (CME) Clearing	United States	BCI
	Intercontinental Exchange (ICE) ICE Clear Europe Limited (ICE Clear Europe) ICE Clear U.S., Inc. (ICE Clear US) ICE Clear Credit LLC (ICE Clear Credit)	United Kingdom United States	BCI BCI BCI
	LCH Clearnet SwapClear FCM	United Kingdom United States	BCI
Custodians and Tri-Party Agents	Depository Trust & Clearing Corporation (DTCC): ▪ Depository Trust Company (DTC)	United States	BCI
	Bank of New York Mellon (BNYM)	United States	BCI
	JP Morgan Chase (JPMC)	United States	BCI
	Citibank (Citi)	Varies by Master Custody Agreement	BCI
	Euroclear	Belgium United Kingdom	BCI & NYBR
	Clearstream	Luxembourg	BCI & NYBR
Payment	Fedwire Funds Service (Fedwire)	United States	NYBR
	Clearing House Interbank Payments System (CHIPS)		
	Automated Clearing House (ACH)		

[15] Table represents memberships in clearinghouses, custodians, payments schemes and exchanges.

1.7 Foreign operations

Barclays is a major global financial services provider engaged in personal banking, credit cards, corporate and investment banking and wealth and investment management, with an extensive international presence in Europe, the Americas, Africa and Asia. With over 300 years of history and expertise in banking, Barclays operates in over 50 countries and employs approximately 140,000 people. Barclays lends, invests, and protects money for customers and clients worldwide.

As described in the 2012 Barclays PLC annual report, Barclays' activities are organized under the following business segments:

Investment Bank

Barclays' investment bank provides a full suite of banking services to corporations, governments and institutions worldwide. Services include arranging and underwriting debt and equity issuance, providing advice on mergers and acquisitions, corporate finance and restructurings, making active markets for securities across global debt and equity exchanges and delivering strategic risk management solutions.

Corporate Banking

Barclays' corporate bank provides clients with banking, cash management and financing services, in exchange for interest and fees, to facilitate growing businesses' ability to conduct business domestically and internationally. Barclays' corporate bank works closely with clients to achieve their potential through cash management, loans and trade finance and risk management services.

Wealth and Investment management

Barclays' wealth and investment management division provides a full range of wealth management services to affluent and high-net-worth clients globally, including banking, credit, investments and advisory services.

UK Retail and Business Banking (UK RBB)

UKRBB is Barclays' UK-based high street retail bank network and brand presence. UKRBB has over 15 million personal customers and serves over 750,000 businesses.

Europe Retail and Business Banking (Europe RBB)

Barclays provides a full range of banking, investment and insurance products tailored to meet our customers' financial needs. Europe RBB provides services to over 1.5 million retail customers and businesses in Europe.

Africa Retail and Business Banking (Africa RBB)

Barclays provides retail and business banking services for 14.3 million customers and clients across 12 countries. In 2012, Barclays consolidated the banking operations of Barclays Africa and Absa (one of South Africa's largest financial services groups) into a single management structure.

Barclaycard

Barclaycard provides flexible and innovative credit card and payment solutions for over 29 million personal and business customers worldwide.

Table 1.7(i) provides a breakdown of Barclays' income by geography.

Table 1.7(i) – Adjusted Income by geographic region

Region	2012 in £m	2011 in £m
UK	12,012[16]	11,981[16]
Europe	3,816	4,207
US	7,599	6,083
Africa and Middle East	4,510	4,967
Asia	1,106	1,274
Total	29,043	28,512

[16] UK adjusted income excludes the impact of an own credit charge of £4,579m (2011: gains of £2,708m), gains on debt buy-backs £nil (2011: gains of £1,130m).

1.8 Material supervisory authorities

Barclays' operations, including its overseas offices, subsidiaries and associates, are subject to a significant body of rules and requirements that regulate and establish requirements for Barclays' conduct of its banking and financial services business. These apply to business operations, affect financial returns and include reserve and reporting requirements, prudential requirements and conduct of business regulations. These requirements are set by the relevant central banks and regulatory authorities that supervise Barclays in the jurisdictions in which it operates. The requirements reflect global standards developed by, among others, the Basel Committee on Banking Supervision and the International Organization of Securities Commissions. They also reflect requirements derived from EU directives.

Authorities in the UK

In the UK, until 31 March 2013, the Financial Services Authority (FSA) was the independent body responsible for the regulation and supervision of deposit taking, life insurance, home mortgages, general insurance and investment business. Following the implementation of the Financial Services Act 2012, the BoE has responsibility for monitoring the financial system as a whole, and the system of regulation in the UK has undergone reorganization. As of 1 April 2013, the regulation and supervision of Barclays is divided between the Prudential Regulation Authority (PRA) and the Financial Conduct Authority (FCA). In addition, the Financial Policy Committee (FPC) of the BoE has significant influence on the prudential requirements that may be imposed on the banking system. The FPC has a number of macro-prudential tools at its disposal that may be used to vary the prudential requirements to which UK banks are subject, including the power to vary the counter-cyclical capital buffer and to vary sectoral capital requirements.

The Financial Services and Markets Act 2000 (FSMA), as amended, remains the principal statute under which financial institutions are regulated in the UK. BBPLC is authorized under FSMA to carry on a range of regulated activities within the UK and is subject to consolidated prudential supervision by the PRA. In its role as prudential supervisor, the PRA seeks to maintain the safety and soundness of financial institutions, with the aim of strengthening, but not guaranteeing, the protection of customers and the financial system. The Banking Act 2009 (the Banking Act) established a regime to allow the PRA, the HM Treasury and the BoE to resolve failing banks in the UK.

Authorities in the US

In the US, BPLC, BBPLC and Barclays' US subsidiaries are subject to a comprehensive regulatory structure involving numerous statutes, rules and regulations, including the International Banking Act of 1978 (IBA), the Bank Holding Company Act of 1956, as amended (BHC Act), the Foreign Bank Supervision Enhancement Act of 1991, the Financial Services Modernization Act of 1999, the USA PATRIOT Act of 2001 and the DFA. Such laws cover the activities of Barclays in the US and impose prudential requirements. The US branches of BBPLC are subject to extensive federal and state supervision and regulation by the FRB and the state banking supervisors. Barclays operates one US insured depository institution, Barclays Bank Delaware (BBDE), a Delaware chartered commercial bank, which is subject to supervision and regulation by the FDIC, the Delaware State Bank Commissioner and the Consumer Financial Protection Bureau. Only the deposits of BBDE are insured by the FDIC. An additional US banking entity is Barclays Wealth Trustees (US) NA (BWT), an uninsured non-depository trust company chartered and supervised by the OCC.

BPLC and BBPLC are bank holding companies registered in the US and supervised by the FRB, which exercises umbrella authority over Barclays' US operations. BPLC and BBPLC hold financial holding company status under the Bank Holding Company Act. Financial holding companies may engage in a broader range of financial and related activities than are permitted to registered bank holding companies that do not maintain financial holding company status, including underwriting and dealing in all types of securities. Financial holding companies such as BPLC and BBPLC are required to meet or exceed certain capital ratios and be deemed by the regulators as "well managed". BBDE and BWT are also required to meet certain capital requirements and be deemed well managed. As an insured depository institution, BBDE must maintain a "satisfactory" rating under the Community Reinvestment Act of 1977 (CRA). If the "satisfactory" rating is not maintained, the FDIC may require Barclays to cease certain activities in the United States.

BCI is subject to ongoing supervision and regulation by the SEC, the Financial Industry Regulatory Authority (FINRA), and other government agencies and self-regulatory organizations (SROs) as part of a comprehensive scheme of regulation of all aspects of the securities business under the US federal and state securities laws. BCI's commodity futures and options-related operations are subject to ongoing supervision and regulation by the CFTC, the National Futures Association and other SROs.

Authorities outside the UK and US

Outside the UK and US, Barclays has operations located in continental Europe, in particular France, Germany, Spain, Switzerland, Portugal and Italy, that are regulated by local central banks and other regulatory authorities; in Asia Pacific, Barclays is regulated by various authorities, including the Hong Kong Monetary Authority, the Financial Services Agency of Japan, the Australian Securities and Investments Commission, the Monetary Authority of Singapore, the China Banking Regulatory Commission and the Reserve Bank of India; in Africa and the Middle East, Barclays is regulated by various authorities, including the South African Reserve Bank; and in the Americas, in particular Mexico, Brazil, and Canada, Barclays is regulated by Comision Nacional Bancaria y de Valores, Central Bank of Brazil, and Office of the Superintendent of Financial Institutions and other regulatory authorities.

The regulatory changes adopted in response to the 2008 financial crisis have, and will continue to have, a substantial impact on all financial institutions, including Barclays. Regulatory change is being pursued at a number of levels, notably through the G20, the FSB and the Basel Committee on Banking Supervision (BCBS) globally, regionally through the EU, and nationally through the UK, the US and other countries.

1.9 Principal officers

The tables below provide a list of principal officers for BPLC.

Table 1.9(i) – Barclays Board of Directors

Executive	Title
Sir David Walker	Barclays Chairman
Antony Jenkins	Barclays Chief Executive Officer
Tushar Morzaria (from mid Oct 2013)	Group Finance Director
David Booth	Non – Executive Director
Fulvio Conti	Non – Executive Director
Simon Fraser	Non – Executive Director
Reuben Jeffery III	Non – Executive Director
Dambisa Moyo	Non – Executive Director
Sir Michael Rake	Non – Executive Director
Sir John Sunderland	Non – Executive Director
Tim Breedon CBE	Non – Executive Director
Diane de Saint Victor	Non – Executive Director
Frits van Paasschen	Non – Executive Director
Michael Ashley	Non – Executive Director
Wendy Lucas-Bull	Non – Executive Director

Table 1.9(ii) – Barclays Executive Committee

Executive	Title
Antony Jenkins	Group Chief Executive Officer
Peter Estlin (acting until Oct 2013)[17]	Group Finance Director
Robert Le Blanc	Chief Risk Officer
Mark Harding[18]	Group General Counsel
Ashok Vaswani	Chief Executive, Retail and Business Banking
Maria Ramos	Chief Executive, Absa Group and Barclays Africa
Valerie Soranno Keating	Chief Executive, Barclaycard
Sir Hector Sants	Head of Compliance and Regulatory Relations
Shaygan Kheradpir	Group Chief Operations and Technology Officer
Eric Bommensath	Co-Chief Executive, Corporate & Investment Banking
Tom King	Co-Chief Executive, Corporate & Investment Banking
Hugh McGee III	Chief Executive, Barclays Americas
Irene McDermott Brown	Group Human Resources Director

[17] Tushar Morzaria has been appointed Barclays Group Finance Director from mid Oct 2013.
[18] Bob Hoyt has been appointed Barclays Group General Counsel from mid Oct 2013.

1.10 Resolution planning, corporate governance structure and processes related to resolution planning

Barclays has a well-embedded governance structure, subject to continual review and comprising three primary tiers:

- Board[19] level oversight;
- Barclays level executive management oversight; and
- Business level executive management monitoring and oversight.

Each of the three tiers has responsibility for the development and approval of the resolution plan as follows:

- Board level oversight: The Board's principal duty is to promote the long-term success of Barclays by creating and delivering sustainable shareholder value. It does this by setting strategy and overseeing its implementation by management. While the ultimate focus is long-term growth, the Board seeks to ensure that management strikes an appropriate balance between promoting long-term growth and delivering short-term objectives. In setting and monitoring the execution of strategy, the Board aims to ensure that Barclays maintains an effective system of internal control and an effective risk management and oversight process across Barclays, delivering growth in a controlled and sustainable way.
- Group Executive Committee oversight: Oversight for the day-to-day management of the business activities of Barclays is delegated by the BPLC Board to the Barclays Chief Executive. In turn, the Barclays Chief Executive delegates certain of his powers and authorities, through a series of personal delegations e.g., risk and finance matters, to the Chief Risk Officer and the Barclays Finance Director respectively, and to the Group Executive Committee to assist him in the execution of his responsibilities.
- Business level executive management monitoring/oversight: Business level executive management performs activities in accordance with defined responsibilities. Responsibilities include oversight of regulatory matters and reviewing the status of outstanding external regulatory and external audit findings.

Resolution plan governance

Barclays has developed a governance structure that leverages the existing Barclays governance framework for the purpose of the resolution plan. Barclays continues to develop and maintain the resolution plan.

The resolution plan, and the process by which it has been prepared, is subject to approvals from:

- The Board of Directors of BPLC;
- The Barclays Group Executive Committee;
- The Recovery and Resolution Plan (RRP) Steering Committee; and
- Relevant Accountable Executives within each of the business units and central functions:
    - BCI Board of Directors is responsible for approval of the BCI components of the US resolution plan.
    - NYBR Branch manager also reviews and signs off on the resolution plan.

BPLC's Board of Directors is the ultimate owner of the resolution plan and is responsible for approving the plan annually. They are responsible for overseeing the implementation of the plan, which includes the documentation of supporting processes, methods and accountabilities.

[19] Board is defined as the Barclays PLC Board of Directors.

Resolution analysis, plan development and plan delivery are owned and managed by Barclays Group Risk Function, which provides oversight and guidance to the business on matters relating to the structure, guidance, content and planning of the resolution analysis undertaken in the resolution plan.

All resolution analysis is subject to a cross-functional review process to incorporate information from the appropriate business subject matter experts (SMEs) and ensure completeness of the content and alignment to the guidance provided by the regulators. Additionally, certain components of the resolution plan are reviewed by consulting bankruptcy experts, whose knowledge and feedback offers an additional level of review.

1.11 Material management information systems

Barclays is committed to investing in management information systems (MIS) and reporting capability and maintains a robust catalog of management information around risk, financial, funding and liquidity, regulatory and operations. MIS include business aligned technology and enterprise-wide technology solutions to ensure effective and efficient management, promote standardized processes and procedures across the organization and deliver quality services.

A broad range of critical MIS is utilized by Barclays to provide flexible client and business intelligence reporting, enabling the firm to compete at the highest level in an evolving business and regulatory climate. Key MIS generate multiple reports to support the business and senior management in comprehensively monitoring Barclays' business. Management's use of MIS in strategic decision making effectively mitigates potential risks inherent in its operations and ensures the soundness of Barclays' business.

Barclays' resolution plan describes the scope, content and frequency of key financial, operational and risk management internal reports utilized in BAU for Barclays' material entities, core business lines and critical operations, in order to provide the appropriate resolution authorities with a concise view of the information Barclays' material entities utilize. Upon commencement of insolvency or resolution proceedings, pertinent management reports and access to information systems will be made available to regulatory authorities and consultants with bankruptcy expertise.

Barclays' compliance, finance, treasury, risk, operations, front office and technology functions utilize key MIS and applications as part of BAU operations for risk management, accounting, financial and regulatory reporting for its material entities. Applications are provided through three key sources:

- In-house Applications: Applications developed (i.e., software code written) within Barclays. These are referred to as Barclays' internal applications.
- Standard Third-Party Applications: Applications licensed from a third party that have not been customized to meet Barclays' requirements beyond basic configurations required for installation and integration. Such applications are licensed to Barclays' entities and are subject to contractual terms with the licensor.
- Customized Third-Party Applications: Third-party applications that have been customized to meet Barclays' requirements.

Barclays operates a Business Continuity Management (BCM) program to facilitate business recovery planning and validation, and to execute expeditious and effective crisis response. BCM should protect customers, shareholders and businesses from experiencing any major disruption and allows for recovery of data and information, if needed, in a planned and controlled manner. A data repository has been developed to maintain critical information on all technology services used within the bank.

The resolution plan provides detailed information regarding capabilities of Barclays MIS to collect, maintain and report information in a timely manner for its material entities. Policies and minimum standards apply for MIS required for business operations in order to ensure consistency in planning and implementation in a managed and secured manner.

Key MIS provides:

- Risk:
  - Market risk: Capital and risks arising from financial market events, including the production of value-at-risk and other statistical indicators of risk;
  - Counterparty risk trading: The accounting and hedging of derivative credit risk, including the production of credit valuation adjustment and specialized risk capabilities for other product segments; and
  - Credit risk: Capital and risks arising from creditworthiness of clients and trading partners, as well as legal agreement support, including trade capture and processing, eTrading, risk aggregation, marking, pricing and valuation services, as well as research-driven and client-facing libraries, services, and applications to support the credit business globally;
- Finance: Support of product control, financial control, and regulatory reporting, as well as shared data information, including the production of profit and loss statements, and the general ledger;

- Treasury and liquidity: Liquidity, funding, and capital sizing and allocation processes, including internal transfer pricing, early warning indicators, and a wide range of funding reporting;
- Procurement: Global procurement information, including contracts and vendors;
- Equity and fixed income, currencies and commodities: State-of-the-art risk platforms that produce consistent and aggregated snapshots of valuations, risk and profit and loss at regular intervals throughout the day and at end-of-day, including valuation and pricing services, trade booking, straight-through-processing, lifecycle management, corporate action processing and downstream settlements for all cash and derivative products;
- Compliance: Risks arising from compliance with regulations around the world, including anti-money laundering, sanctions, surveillance and case management tools; and
- Legal: Processes include document management and client on-boarding, including global netting agreements (GNAs).

Barclays is always looking to identify opportunities to enhance its MIS portfolio to provide greater transparency, improved control and increased accuracy of information in a cost-efficient manner for management decision making, for analysis by external stakeholders and for regulatory review.

1.12 Description of resolution strategy

Top-Down Resolution in the UK

Barclays' global preferred future resolution strategy is a single point of entry or Top-Down Resolution (TDR) strategy involving bail-in (which involves the write down, or conversion to equity, of certain liabilities, so as to recapitalize a bank). This strategy would involve the resolution authority imposing losses on creditors of BPLC, and potentially of BBPLC, thereby effectively strengthening the regulatory capital position of the Barclays Group as a whole. Where losses arise at the subsidiary level, these could be passed up to the parent through the parent's investments in, or loans to, the subsidiary. Bail-in at the parent level could then be used to absorb losses realized at the subsidiary level and thus ensure that entities, including those identified as material entities in the Barclays 2013 Resolution Plan, will continue to remain operational, as deemed appropriate. Although the preferred strategy is a TDR involving bail-in, other resolution strategies could be considered more appropriate by the resolution authority depending on the circumstances.

Barclays has worked extensively with the UK and other authorities in furthering the development of this future strategy. Bail-in as a resolution tool is envisaged in the proposed EU Recovery and Resolution Directive (EU RRD), which is expected to be transposed into national law in the UK by 2015. The required implementation date for bail-in provisions may be later (2016-2018); however, Member States of the EU are permitted to introduce the bail-in provisions earlier.

Under existing law, BBPLC is capable of being the subject of the special resolution regime (SRR) established by the UK Banking Act 2009. Once the Bank of England (BoE) and Prudential Regulation Authority (PRA) determines that the general condition for resolution has been satisfied, the UK authorities have a choice of three stabilization options including transferring to a private sector purchaser, a bridge bank or temporary public ownership (TPO). When deciding between these options, the authorities have a duty to mitigate financial instability.

Certain aspects of Barclays' global preferred resolution strategy reflect its understanding of the preferences and priorities of the UK resolution authorities. These preferences and priorities may change as work on EU RRD and other relevant legislation is progressed and/or as other relevant regulatory developments occur. In the context of UK and European proposals for retail bank ring-fencing, and the US Dodd-Frank Act Section 165 proposal, changes to the group structure may be required. These changes will incorporate requirements from the final rules as they are passed into legislation, and take account of any other changes that could facilitate a TDR strategy involving bail-in.

Barclays 2013 US Resolution Plan

Taking into consideration the quality of the assets and strength of the balance sheets at the US entities, combined with the TDR strategy being developed for Barclays in the UK, Barclays believes its US entities are unlikely to undergo a resolution event or become insolvent. Barclays appreciates and supports the importance of resolution planning and is committed to fully analyze and take measures to ensure a rapid and orderly resolution of its US operations should such an event occur.

In keeping with the Final Rule and the Guidance, Barclays 2013 US Resolution Plan focuses on the subsidiaries, branches and agencies, and critical operations and core business lines that are domiciled in the US or conducted in whole or in material part in the US (collectively, the US operations). Interconnections and interdependencies among the US operations and the covered company, BPLC, in the UK or any foreign-based and US affiliates are also addressed. In keeping with the permissible resolution strategies in Barclays 2013 US Resolution Plan as described in the Guidance, Barclays 2013 US resolution strategy facilitates a rapid and orderly resolution of its broker-dealer, BCI, which operates Barclays primary US business and whose failure would potentially have the most impact on the US markets and therefore could pose a threat to the financial stability of the US. Barclays' US strategy assumes BBPLC's New York Branch management continues to operate the branch under heightened supervision by the NYSDFS and that BSC, BCSI, BCSerL, BSCerL Singapore, BTCI, BSS and LIHA will remain operational and continue to provide infrastructure and support required to resolve BCI while continuing critical operations.

Barclays' resolution strategy facilitates a rapid and orderly resolution of its US material entities, core business lines and critical operations and mitigates the risk of serious adverse effects to the financial stability of the United States. The steps and actions to support Barclays' strategy are described in detail in Barclays 2013 US Resolution Plan submitted to the FRB/FDIC, including the key requirements for continuation of critical operations, the wind-down of core business lines and the identification and remediation of potential obstacles to resolution. Importantly, Barclays plan includes a detailed strategic analysis of funding and liquidity required to support its resolution strategy through resolution of BCI. Barclays' strategy provides analysis of the implications if certain assumptions in its plan were not realized and/or if identified regulatory and/or third-party cooperation is not achieved.

Barclays 2013 US Resolution Plan provides an analysis demonstrating that BBDE is adequately protected from the activities of BCI to withstand a resolution action.

Conclusion

Barclays has continued to enhance its global resilience, reducing the likelihood of a bankruptcy or failure occurring in the future, and has made it a primary objective to further improve its global resolvability. Leveraging a sound, global RRP framework in the UK and US, Barclays continues to advance US-specific RRP efforts to ensure an orderly resolution that minimizes the risk of systemic impact to the US financial system.

Barclays has a robust global recovery planning process[20] in place that includes a range of feasible options available to manage the viability of the firm during stressed conditions. Through the development of an effective Barclays 2013 US Resolution Plan and implementation of broader initiatives, including embedding resolution planning into its corporate governance process, enhancement of a secured financing framework, enhancing capital, liquidity and leverage strength through rights issue, further substantiation of BCI and NYBR liquidity pools and enhancement of daily stress testing, Barclays has continued to improve resolvability overall.

Barclays continues to demonstrate a strong commitment to working with global regulators and resolution authorities to strengthen global resolution and recovery planning, identify and remediate potential obstacles to resolution, devote resources to develop a robust US specific resolution plan, and enhance the efforts of the banking industry to ensure a safe and sound global financial system.

[20] The Financial Services Authority (FSA) Consultation Paper CP 11/16 and subsequent FSA Feedback Statement FS 12/1, Recovery and Resolution Plans, published August 2011 and May 2012 respectively.