BARCLAYS PLC
Form 6-K
July 30, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM 6-K

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

July 30, 2014

Barclays PLC and
Barclays Bank PLC
(Names of Registrants)

1 Churchill Place
London E14 5HP
England

(Address of Principal Executive Offices)

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

Form 20-F x   Form 40-F

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

Yes   No x

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

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

This Report comprises:

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

EXHIBIT INDEX

Barclays announces Half Yearly Report - dated 30 July 2014

SIGNATURES

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

BARCLAYS PLC
(Registrant)

Date: July 30, 2014

By: /s/ Marie Smith

Marie Smith
Assistant Secretary

BARCLAYS BANK PLC
(Registrant)

Date: July 30, 2014

By: /s/ Marie Smith

Marie Smith
Assistant Secretary

Barclays PLC
Results Announcement

30 June 2014

Table of Contents

BARCLAYS PLC, 1 CHURCHILL PLACE, LONDON, E14 5HP, UNITED KINGDOM. TELEPHONE: +44 (0) 20 7116 1000. COMPANY NO. 48839

Notes

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

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

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

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

The information in this announcement, which was approved by the Board of Directors on 29 July 2014 does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2013, which included certain information required for the Joint Annual Report on Form 20-F of Barclays PLC and Barclays Bank PLC to the US Securities and Exchange Commission (SEC) and which contained an unqualified audit report under Section 495 of the Companies Act 2006 (which did not make any statements under Section 498 of the Companies Act 2006) have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

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

Forward-looking statements

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

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

Performance Highlights

Income Statement

Group performance

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

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

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

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

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

Core performance

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

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

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

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

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

Non-Core performance

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

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

Balance Sheet, Leverage and Capital Management

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

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

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

Performance Highlights

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

Net tangible asset value per share		
PRA leverage exposure	£1,266bn	£1,365bn
Estimated BCBS 270 leverage exposure	£1,353bn	n/a
Capital Management		
CRD IV fully loaded		
Common equity tier 1 ratio3	9.9%	9.1%
Common equity tier 1 capital	£40.8bn	£40.4bn
PRA adjusted tier 1 capital	£43.2bn	£40.5bn
Risk weighted assets3	£411bn	£442bn
PRA leverage ratio	3.4%	3.0%
Estimated BCBS 270 leverage ratio	3.4%	n/a
Funding and Liquidity		
Group liquidity pool	£134bn	£127bn
Estimated CRD IV liquidity coverage ratio	107%	96%
Loan: deposit ratio4	92%	91%
Adjusted Profit Reconciliation	30.06.14	30.06.13
Adjusted profit before tax	3,349	3,591
Own credit	52	86
Provision for PPI redress	(900)	(1,350)
Provision for interest rate hedging products redress	-	(650)
Statutory profit before tax	2,501	1,677

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

Performance Highlights

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

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

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

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

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

Group Chief Executive Officer's Review

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

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

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

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

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

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

Antony Jenkins, Group Chief Executive

Group Finance Director's Review

Income Statement

Group performance
· Adjusted profit before tax was down 7% to £3,349m largely driven by currency movements and a reduction in the Investment Bank profitability, partially offset by improvements in Personal and Corporate Banking (PCB), Barclaycard, and Barclays Non-Core (BNC)
· Adjusted income decreased 12% to £13,332m whilst impairment reduced by 33% to £1,086m, resulting in a 9% decrease in net operating income to £12,246m
· Adjusted operating expenses were down 9% to £8,877m, including costs to achieve Transform (CTA) of £494m (2013: £640m) and litigation and conduct charges of £211m (2013: £126m), reflecting savings associated with prior Transform initiatives and currency movements
· Statutory profit before tax was £2,501m (2013: £1,677m), reflecting an additional £900m of provisions for PPI redress (2013: £1,350m) and the non-recurrence of a provision for interest rate hedging products redress compared to the prior year (2013: £650m)
· The effective tax rate on adjusted profit before tax increased to 33.1% (2013: 31.3%). The effective tax rate on statutory profit before tax remained constant at 35.8% (2013: 35.4%).
· Adjusted Group attributable profit was £1,760m (2013: £2,055m), resulting in an adjusted Group return on average shareholders' equity of 6.5% (2013: 7.8%) reflecting the equity raised from the rights issue in Q413 and the decrease in Core profit before tax partially offset by improvements in BNC performance

Core Performance
· Profit before tax was down 10% to £3,840m, as improved performance across the majority of the Core businesses was more than offset by a reduction in Investment Bank profit
· Income decreased 7% to £12,674m, reflecting a 18% reduction in the Investment Bank, driven by a decrease in Markets, and a reduction in Africa Banking due to currency movements, partially offset by growth in Barclaycard and PCB
– Net interest income increased 10% to £5,899m driven by strong savings and mortgage growth in PCB, volume growth in Barclaycard, and lower funding costs, partially offset by a reduction in Africa Banking due to currency movements
– Investment Bank income was down 18% to £4,257m driven by a 22% decrease in Markets income, partially offset by a 5% increase in Banking income
· Credit impairment charges improved 13% to £937m. This reflected:
– Lower impairments in PCB as an improving UK economic environment has a positive impact on the majority of retail and wholesale portfolios in the UK
– Lower impairment in Africa Banking mortgages, on a constant currency basis, driven by improvements mainly in the South Africa mortgages portfolio
– Stable impairment in Barclaycard as volume growth was largely offset by currency movements
– Releases across a number of counterparties coupled with low level of new charges in Investment Bank

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

Non-Core performance

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

Group Finance Director's Review

Balance Sheet and Leverage

Balance Sheet

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

Leverage exposure

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

Capital Management

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

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

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

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

Group Finance Director's Review

Funding and Liquidity

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

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

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

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

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

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

Dividends

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

Outlook

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

Tushar Morzaria, Group Finance Director

Condensed Consolidated Financial Statements

Condensed Consolidated Income Statement (Unaudited)

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

1 For notes to the Financial Statements see pages 55 to 88.
2 The profit after tax attributable to other equity holders of £90m (2013: £nil) is offset by a tax credit recorded in reserves of £19m (2013: £nil). The net amount of £71m, along with NCI, is deducted from profit after tax in order to

calculate earnings per share.

Condensed Consolidated Financial Statements

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

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

1 For notes, see pages 55 to 88.

Condensed Consolidated Financial Statements

Condensed Consolidated Balance Sheet (Unaudited)

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

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

1 For notes, see pages 55 to 88.

Condensed Consolidated Financial Statements

Condensed Consolidated Statement of Changes in Equity (Unaudited)

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

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

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

Condensed Consolidated Financial Statements

Condensed Consolidated Cash Flow Statement (Unaudited)

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

Results by Business

Personal and Corporate Banking

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

Loan loss rate (bps)	21	29	28

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

Results by Business

Personal and Corporate Banking

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

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

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

Income Statement - H114 compared to H113

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

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

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

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

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

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

Income Statement - Q214 compared to Q114

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

Balance Sheet - 30 June 2014 compared to 31 December 2013

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

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

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

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

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

Results by Business

Barclaycard

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

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

Results by Business

Barclaycard

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

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

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

Income Statement - H114 compared to H113

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

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

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

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

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

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

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

- Profit before tax improved 24% to £764m

Income Statement - Q214 compared to Q114

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

Balance Sheet - 30 June 2014 compared to 31 December 2013

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

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

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

Results by Business

Africa Banking

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

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

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

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

Results by Business

Africa Banking

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

The current focus areas of execution are:

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

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

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

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

Income Statement - H114 compared to H113

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

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

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

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

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

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

Income Statement - Q214 compared to Q114

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

Balance Sheet - 30 June 2014 compared to 31 December 2013

-

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

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

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

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

Results by Business

Investment Bank

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

Cost: income ratio	76%	91%	63%	

Analysis of Total Income

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

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

Results by Business

Investment Bank

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

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

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

Income Statement - H114 compared to H113

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

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

- Markets income decreased 22%

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

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

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

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

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

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

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

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

1 Source: Dealogic daily feed, 1 July 2014.

Results by Business

Income Statement - Q214 compared to Q213

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

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

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

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

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

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

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

· Profit before tax decreased 50% to £567m

Balance Sheet - 30 June 2014 compared to 31 December 2013

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

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

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

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

Results by Business

Head Office and Other Operations

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