



# **Barclays PLC** **Fixed Income Investor Call**

FY 2021 Results Announcement

23 February 2022





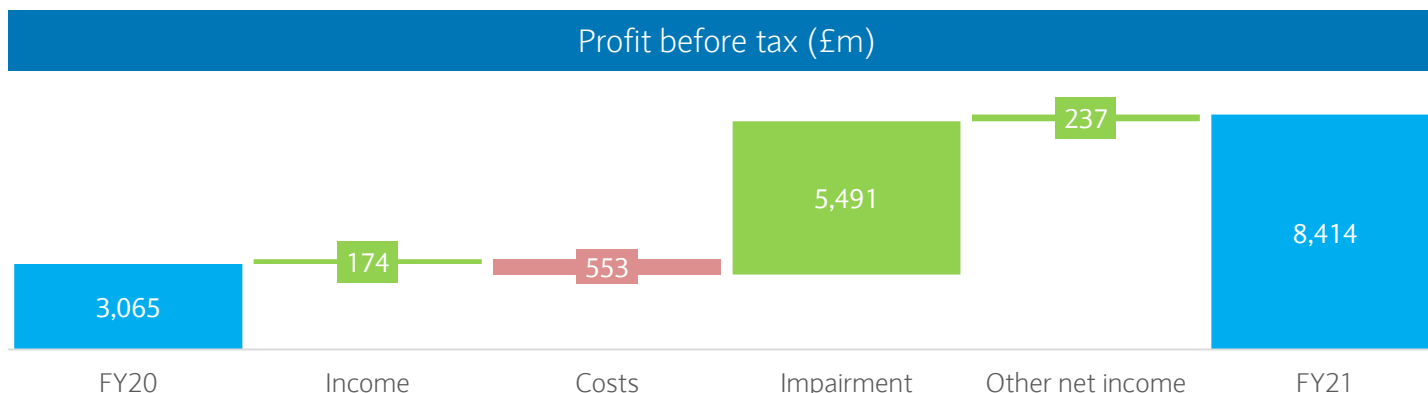
# **Tushar Morzaria**

Barclays Group Finance Director

# FY21 Group highlights

<b>Income</b> £21.9bn <i>FY20: £21.8bn</i>	<b>Costs</b> £14.4bn <i>FY20: £13.9bn</i>
<b>Cost: income ratio</b> 66% <i>FY20: 64%</i>	<b>Impairment</b> £(0.7)bn release <i>FY20: £4.8bn charge</i>
<b>PBT</b> £8.4bn <i>FY20: £3.1bn</i>	<b>EPS</b> 37.5p <i>FY20: 8.8p</i>
<b>RoTE</b> 13.4% <i>FY20: 3.2%</i>	<b>CET1 ratio</b> 15.1% <i>Dec-20: 15.1%</i>
<b>TNAV per share</b> 292p <i>Dec-20: 269p</i>	<b>Liquidity Coverage Ratio</b> 168% <i>Dec-20: 162%</i>

- **Income of £21.9bn up 1%**, despite a 8% depreciation of average USD against GBP
  - BUK income increased 3%, CC&P income decreased 3%, and CIB income decreased 1%
- **Costs increased 4% to £14.4bn**, due to higher structural cost actions and performance costs
  - **Base costs<sup>1</sup> were flat at £12.0bn**, incorporating investment for business growth, favourable FX movements, efficiency savings and lower bank levy
- **Net credit impairment release of £0.7bn**
  - Stage 1 and 2 impairment release of £1.3bn<sup>2</sup>, primarily due to an improved macroeconomic outlook
  - Stage 3 charge was £0.7bn<sup>2</sup>, reflecting reduced unsecured lending balances and benign credit environment
- **PBT of £8.4bn, EPS of 37.5p and RoTE of 13.4%**, with all operating divisions generating double digit returns
- **Total 2021 payout equivalent of 15.0p per share**, including 6.0p total dividend and total buybacks of up to £1.5bn announced in respect of 2021
- **CET1 ratio of 15.1%**, flat vs. Dec-20 including 72bps of capital distributions through dividends and buybacks
- **TNAV per share increased 23p** from Dec-20 to 292p, reflecting 37.5p of EPS, partially offset by net adverse reserve movements and other items



<sup>1</sup> Costs excluding structural cost actions and performance costs | <sup>2</sup> Numbers do not sum to total due to rounding |

# Outlook

## Income

- Barclays' diversified income streams position the Group well for the ongoing economic recovery and rising interest rates

## Impairment

- Impairment charge is expected to remain below pre-COVID-19 pandemic levels in coming quarters given reduced unsecured lending balances and an improved macroeconomic outlook

## Costs

- Inflationary pressures and planned investment spend are expected to result in FY22 costs excluding structural cost actions and performance costs being modestly higher than £12.0bn<sup>1</sup>

## Capital

- The CET1 ratio is expected to be impacted by c.80bps of regulatory changes which took effect from 1 January 2022

## Capital returns

- Capital returns policy incorporates a progressive ordinary dividend, supplemented as appropriate, including with share buybacks

<sup>1</sup> Group cost outlook is based on an average rate of 1.35 (USD/GBP) in 2022 and subject to foreign currency movements |

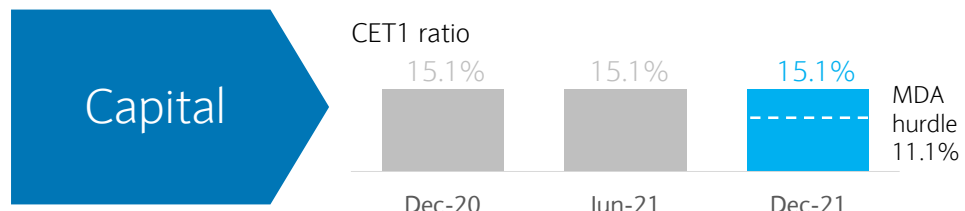


# **Daniel Fairclough**

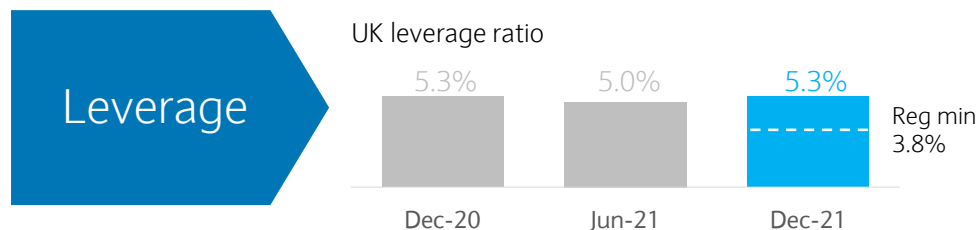
Interim Group Treasurer

# FY21 highlights

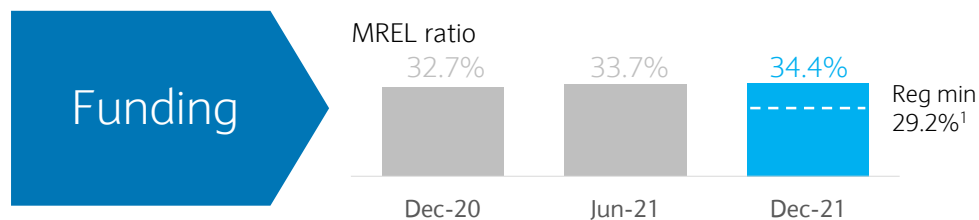
Strong balance sheet evidenced across key metrics



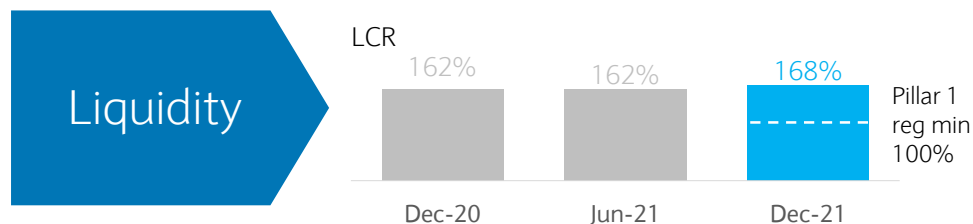
Prudently managing the Group's capital position; CET1 ratio of 15.1%, with target of 13-14%



UK leverage exposure of £1,136bn, with UK leverage ratio of 5.3%



MREL position of £108bn, fulfilling all expected requirements; MREL ratio of 34.4%



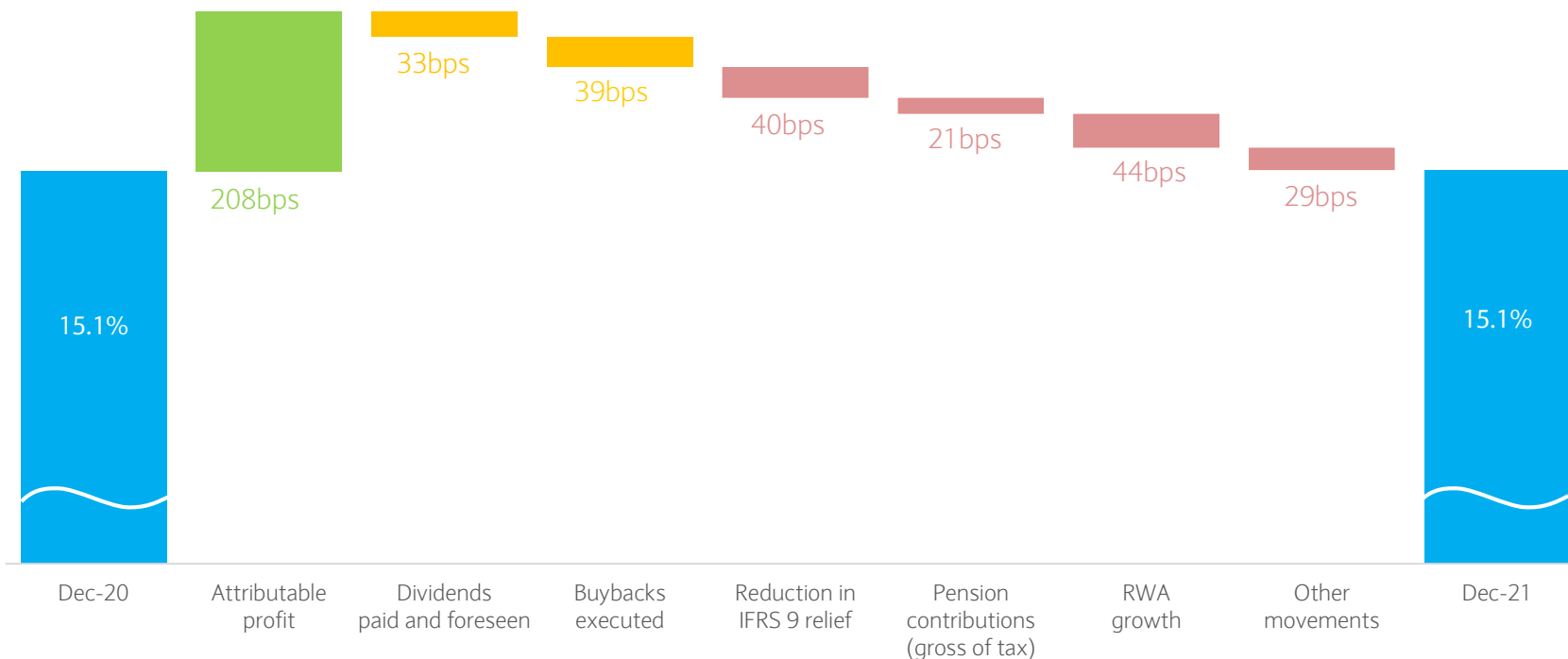
Liquidity pool of £291bn, with LCR of 168%

<sup>1</sup> Applicable from 1 Jan 2022 |

# Year-end CET1 ratio of 15.1%

Profits contributed 208bps of capital accretion in 2021, with capital distribution of 72bps

YoY CET1 ratio<sup>1</sup> movements



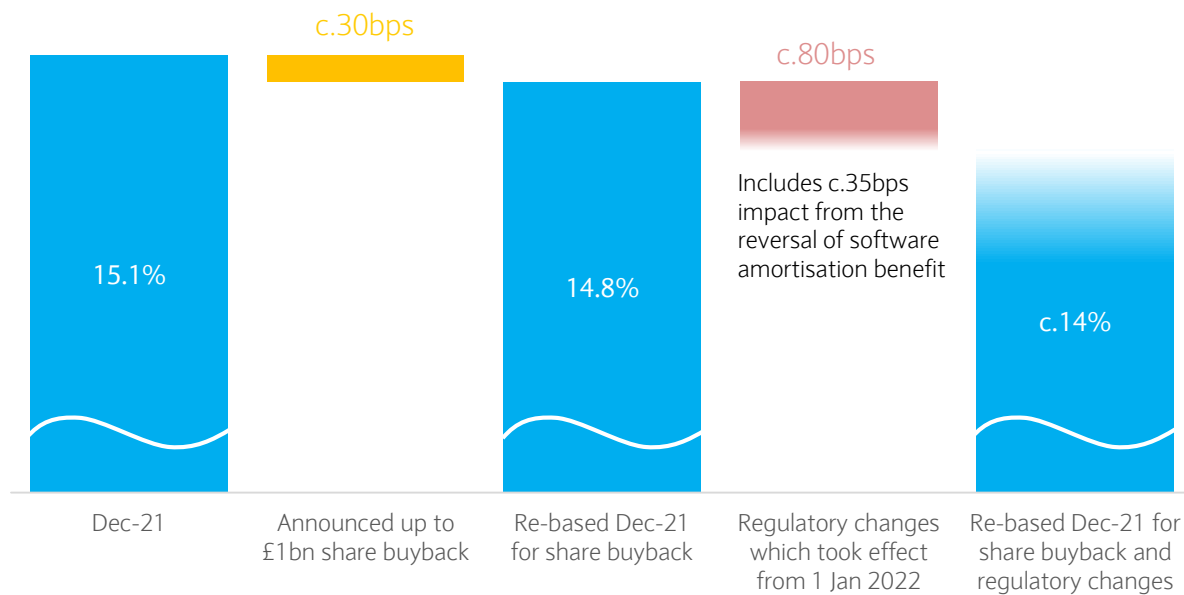
CET1 capital	£46.3bn	£6.4bn	(£1.0bn)	(£1.2bn)	(£1.3bn)	(£0.7bn)		(£1.0bn)	£47.5bn
RWAs	£306.2bn				(£0.6bn)		£8.5bn		£314.1bn

<sup>1</sup> The fully loaded CET1 ratio was 14.7% as at 31 December 2021 (14.3% as at 31 December 2020) | Note: Charts and tables may not sum due to rounding |

# Re-based CET1 ratio of c.14%

Reflects c.30bps for announced share buyback and c.80bps expected impact from regulatory changes

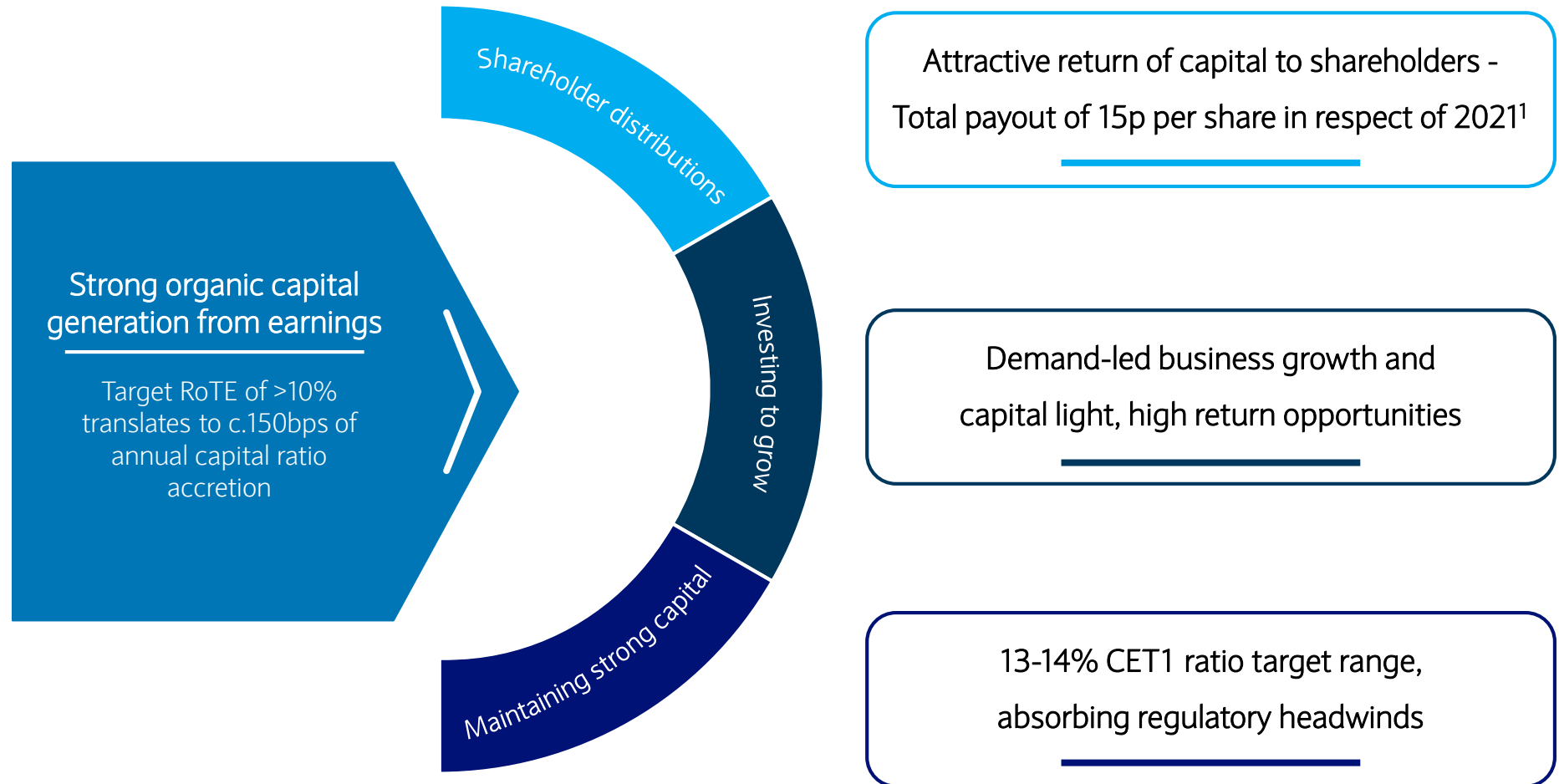
## Near-term CET1 ratio flightpath



- Having absorbed the impact of c.80bps of regulatory items on 1 Jan 2022, no further significant regulatory headwinds are expected over the next couple of years
- Estimated impact from Basel 3.1 on the Group's 2021 RWA level is in the range of 5-10% at the point of implementation. Timing of implementation and rule finalisation expected to be announced in H222



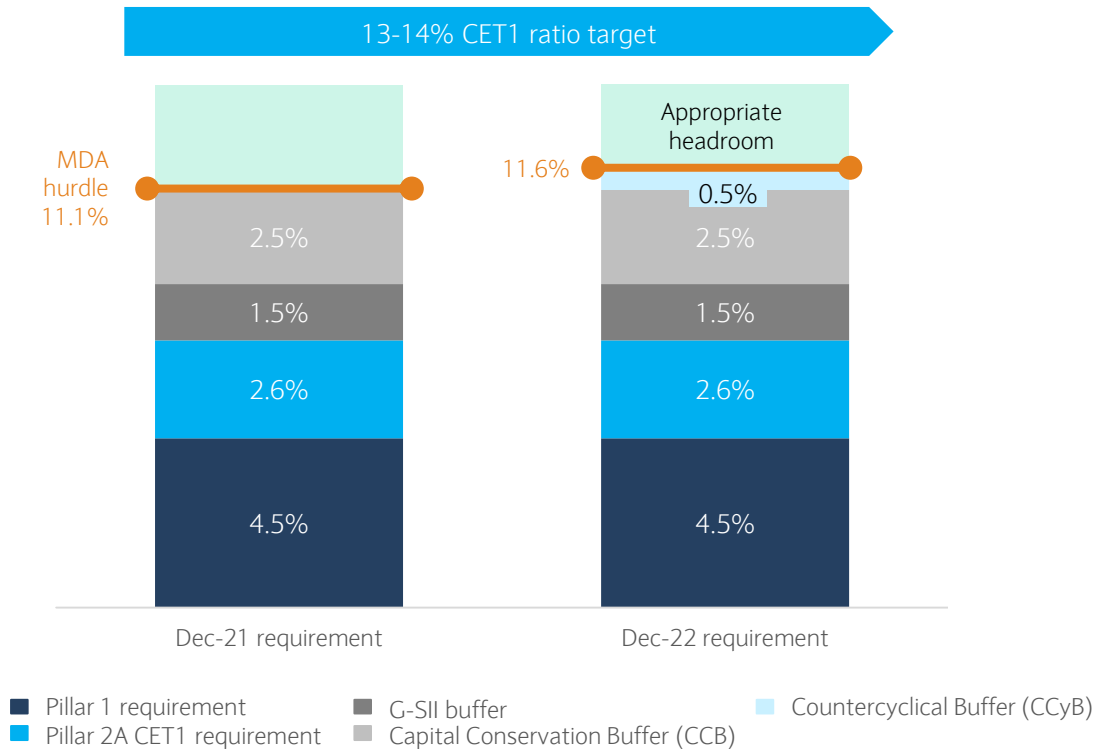
# Prudently allocating capital while delivering attractive return of capital to shareholders



<sup>1</sup> 6.0p total dividend (4.0p full year dividend). Announced up to £1.0bn buyback with FY21 results, bringing total buybacks in respect of 2021 to £1.5bn |

# 13-14% CET1 ratio target continues to provide appropriate headroom above evolving MDA hurdle

## Illustrative evolution of minimum CET1 requirements and buffers



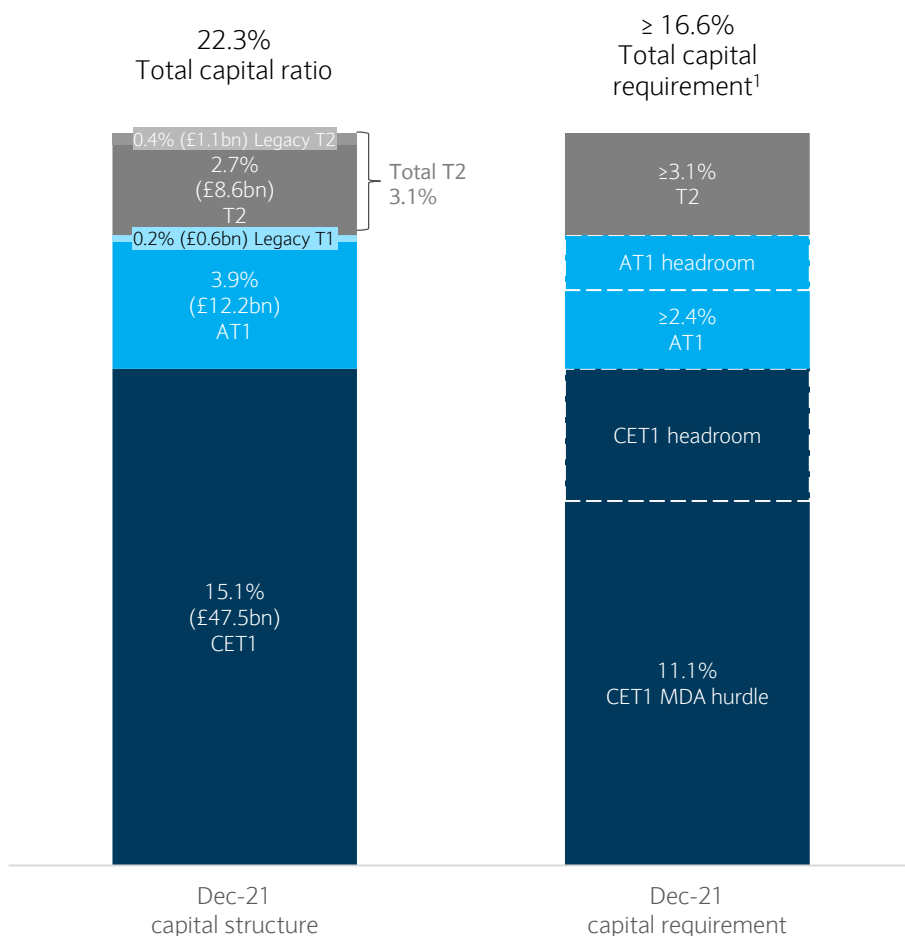
- CET1 ratio target of 13-14%, with an appropriate headroom over the MDA hurdle, which is currently 11.1%<sup>1</sup>
- The UK countercyclical buffer (CCyB) to be re-introduced in Q422 at 1%, and potentially further increased in Q223 to 2%. Expect the requirements to translate at a rate of c.50% for the Group
- View the CCyB as a stress buffer, which can be removed by the regulator in the event of a real or potential macroeconomic stress
- Introduction of Basel 3.1 may be partially mitigated by a reduction in pillar 2A requirements

<sup>1</sup> Barclays' MDA hurdle at 11.1% reflecting the Pillar 2A requirement as per the PRA's Individual Capital Requirement |

# Capital structure well managed

Expect to hold prudent headroom above Tier 1 and total capital minimums

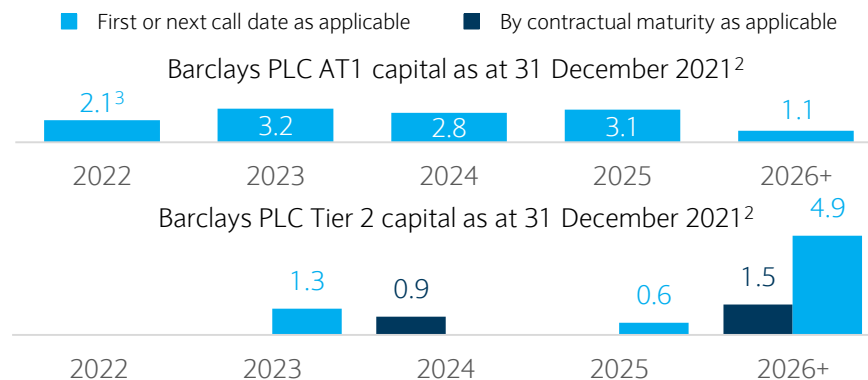
## Illustrative evolution of regulatory capital structure



## Balanced total capital structure

- Aim to manage our capital structure in an efficient manner:
  - Continue to run a robust AT1 level and maintain a conservative headroom
  - AT1 as a proportion of RWAs may vary due to seasonal and FX driven fluctuations, in addition to potential issuance and redemptions
  - AT1 supports attractive opportunities to deploy leverage within the Markets business
  - Expect to hold an appropriate level of Tier 2 to meet our total capital requirement
- Around £3.7bn BBPLC legacy capital instruments outstanding at Dec-21. After 2022 maturities, £1.7bn could remain outstanding in accordance with their call/due dates. Majority of this expected to qualify as Tier 2 until maturity/call or CRR2 grandfathered Tier 2 to Jun-25

## Barclays PLC capital call and maturity profile (£bn)

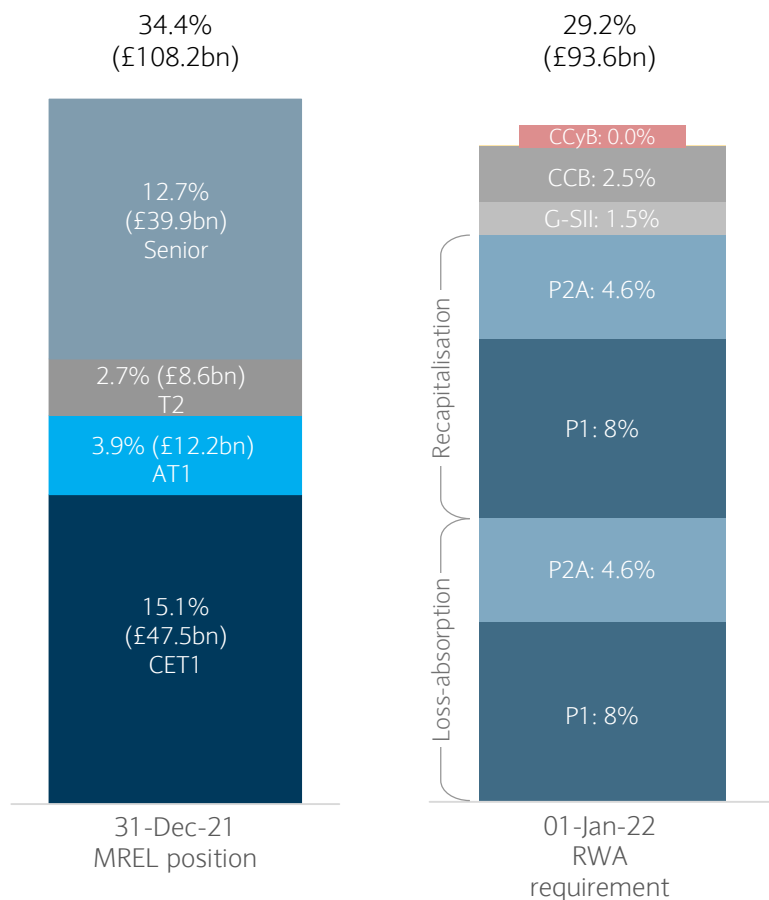


<sup>1</sup> Excludes headrooms | <sup>2</sup> Prepared on nominal basis which will not reconcile with regulatory or accounting bases due to adjustments | <sup>3</sup> The redemption notice relating to the Barclays PLC US\$1.5bn 7.875% AT1 was published on 8 February 2022 |

# MREL position well established

Expect c.£9bn of MREL issuance for 2022

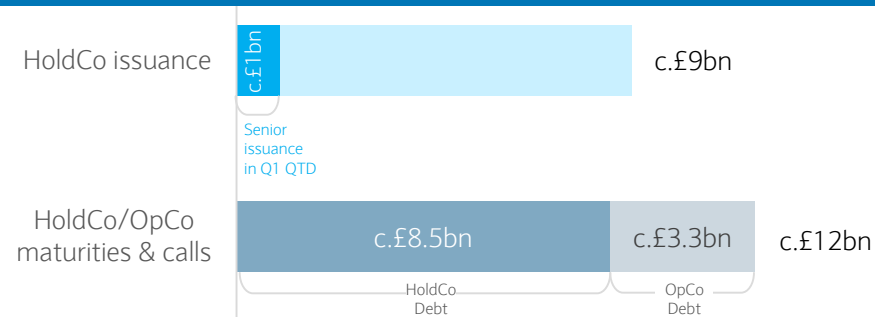
## MREL position of £108.2bn as at Dec-21<sup>1</sup>



## 2022 HoldCo issuance plan

- Expect c.£9bn of MREL issuance across Senior, Tier 2 and AT1, with c.£8bn remaining following c.£1bn of Senior issuance YTD
- Expect to be a net negative issuer
- Issuance plan calibrated to meet MREL requirements and allow for a prudent headroom

## 2022 MREL issuance, maturities and calls



<sup>1</sup> MREL position has been calculated as a percentage of RWAs. The MREL requirement must meet the higher of the RWA or UK spot leverage bases. MREL position of £108.2bn does not include subsidiary issuances that cannot be counted towards MREL from 1 Jan 2022 |

# Sustainable finance activities through Treasury

## Investing in sustainable innovation

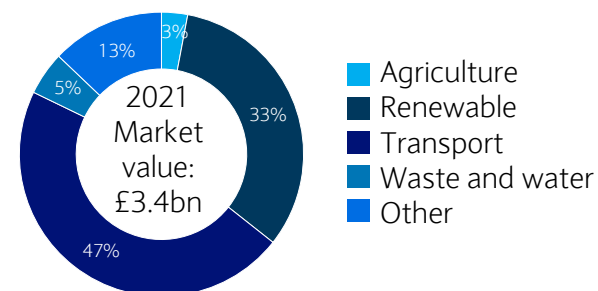
Mandate to invest £175m between 2020-25 in sustainability-focused start-ups; £54m already deployed.



## Other green activities

£3.4bn green bond investment portfolio size

Green bond investment portfolio impact by sector



Green Structured Notes and Commercial Paper Programme<sup>1</sup>

Launched to expand our green product offering for clients, complementing existing Green Bond issuance and experience in equity derivatives

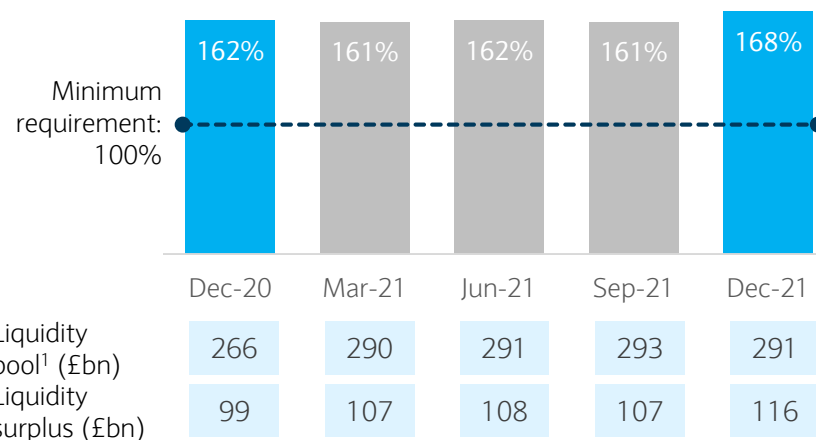
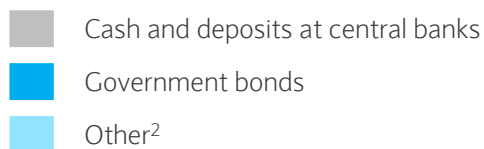
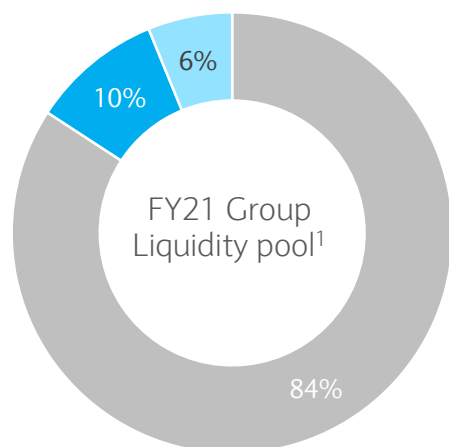
<sup>1</sup> The Green Commercial Paper Programme was launched in February 2022 |

# High quality liquidity position

Strong liquidity position, with Group LCR well above regulatory requirements

Majority of pool held in cash and deposits at central banks

Comfortably exceeding minimum requirements



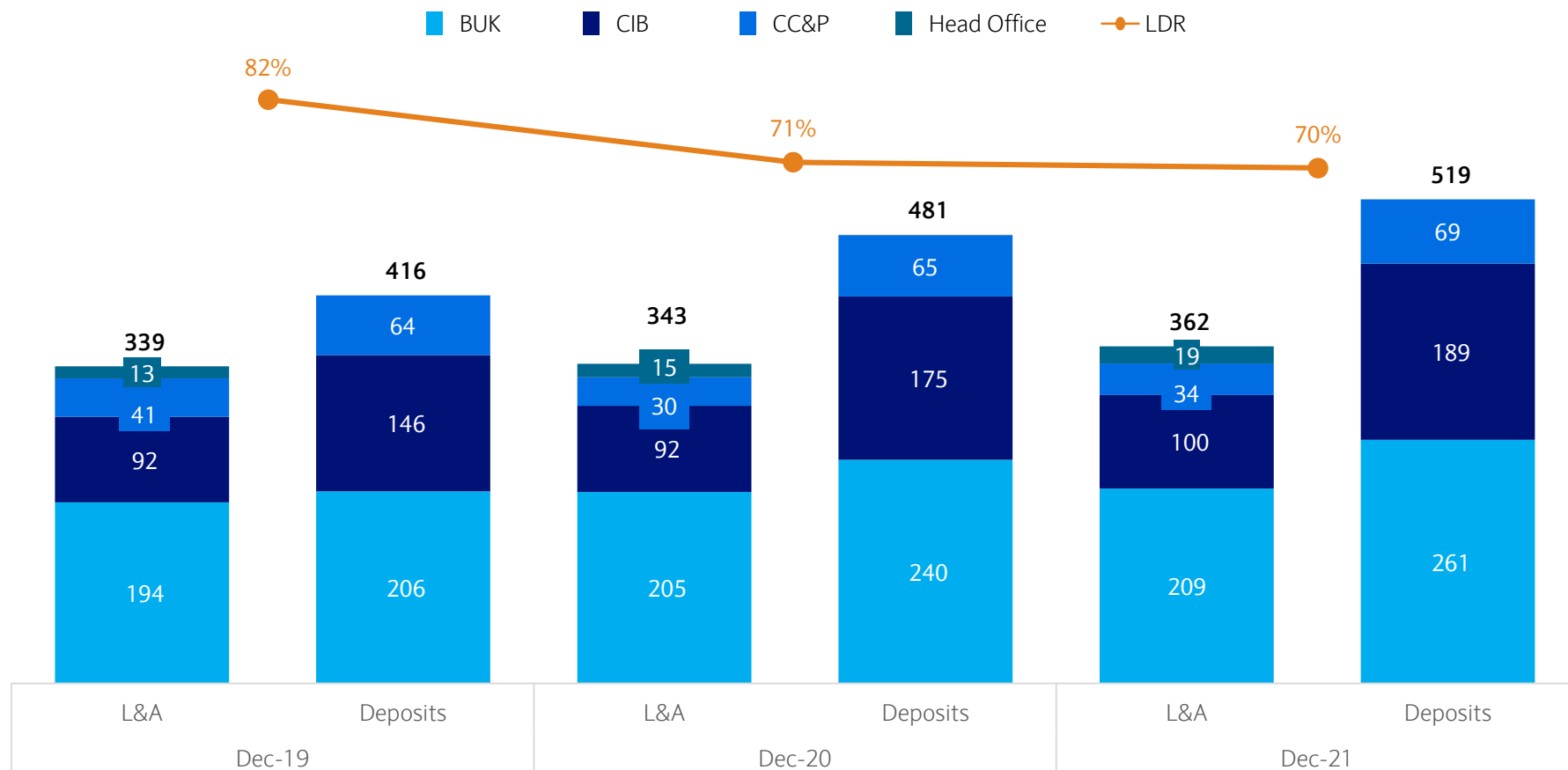
- Quality of the liquidity pool remains high, with the majority held in cash and deposits with central banks, and highly rated government bonds
- The increase in liquidity pool was driven by continued deposit growth, borrowing from the Bank of England's Term Funding Scheme with additional incentives for SMEs, and an increase in wholesale funding, which were partly offset by an increase in business funding consumption
- Liquidity pool of £291bn represents 21% of Group balance sheet

<sup>1</sup> Liquidity pool as per the Group's Liquidity Risk Appetite | <sup>2</sup> Other includes government guaranteed issuers, PSEs, GSEs, international organisations and MDBs, and covered bonds |

# Conservative loan: deposit ratio










Stable LDR YoY, reflecting a solid deposit base

Conservative loan: deposit ratio (LDR) (£bn)<sup>1,2</sup>



<sup>1</sup> Loan: deposit ratio is calculated as loans and advances (L&A) at amortised cost divided by deposits at amortised cost | <sup>2</sup> L&A and deposits at amortised cost, with the exception of BUK, which shows L&A to customers at amortised cost. The remaining BUK L&A is included under Head Office L&A | Note: Charts may not sum due to rounding |

# Strategic priority to maintain strong ratings

Current Senior Long and Short Term ratings	Moody's	Standard & Poor's	Fitch
Barclays PLC	 <p><b>Baa2</b> Positive <b>P-2</b></p>	 <p><b>BBB</b> Positive <b>A-2</b></p>	 <p><b>A</b> Stable <b>F1</b></p>
Barclays Bank PLC (BBPLC)	 <p><b>A1</b> Stable <b>P-1</b></p> <p>Counterparty risk assessment A1/P-1 (cr)</p>	 <p><b>A</b> Positive <b>A-1</b></p> <p>Resolution counterparty rating A+/A-1</p>	 <p><b>A+</b> Stable <b>F1</b></p> <p>Derivative counterparty rating A+/Negative (dcr)</p>
Barclays Bank UK PLC (BBUKPLC)	 <p><b>A1<sup>1</sup></b> Stable <b>P-1</b></p> <p>Counterparty risk assessment Aa3/P-1 (cr)</p>	 <p><b>A</b> Positive <b>A-1</b></p>	 <p><b>A+</b> Stable <b>F1</b></p> <p>Derivative counterparty rating A+/Negative (dcr)</p>

<sup>1</sup> Deposit rating |





# Q&A



# Appendix

# Record FY21 profitability, increased capital distributions

## FY21 metrics

### Returns

Group RoTE 13.4%

### Cost efficiency

Cost: income ratio 66%

### Capital adequacy

CET1 ratio 15.1%

### Capital distributions

Total 2021 payout equivalent of 15.0p per share<sup>1</sup> (£2.5bn)

## Group targets over the medium term

### Returns

Group RoTE >10%

### Capital adequacy

CET1 ratio 13-14%

### Cost efficiency

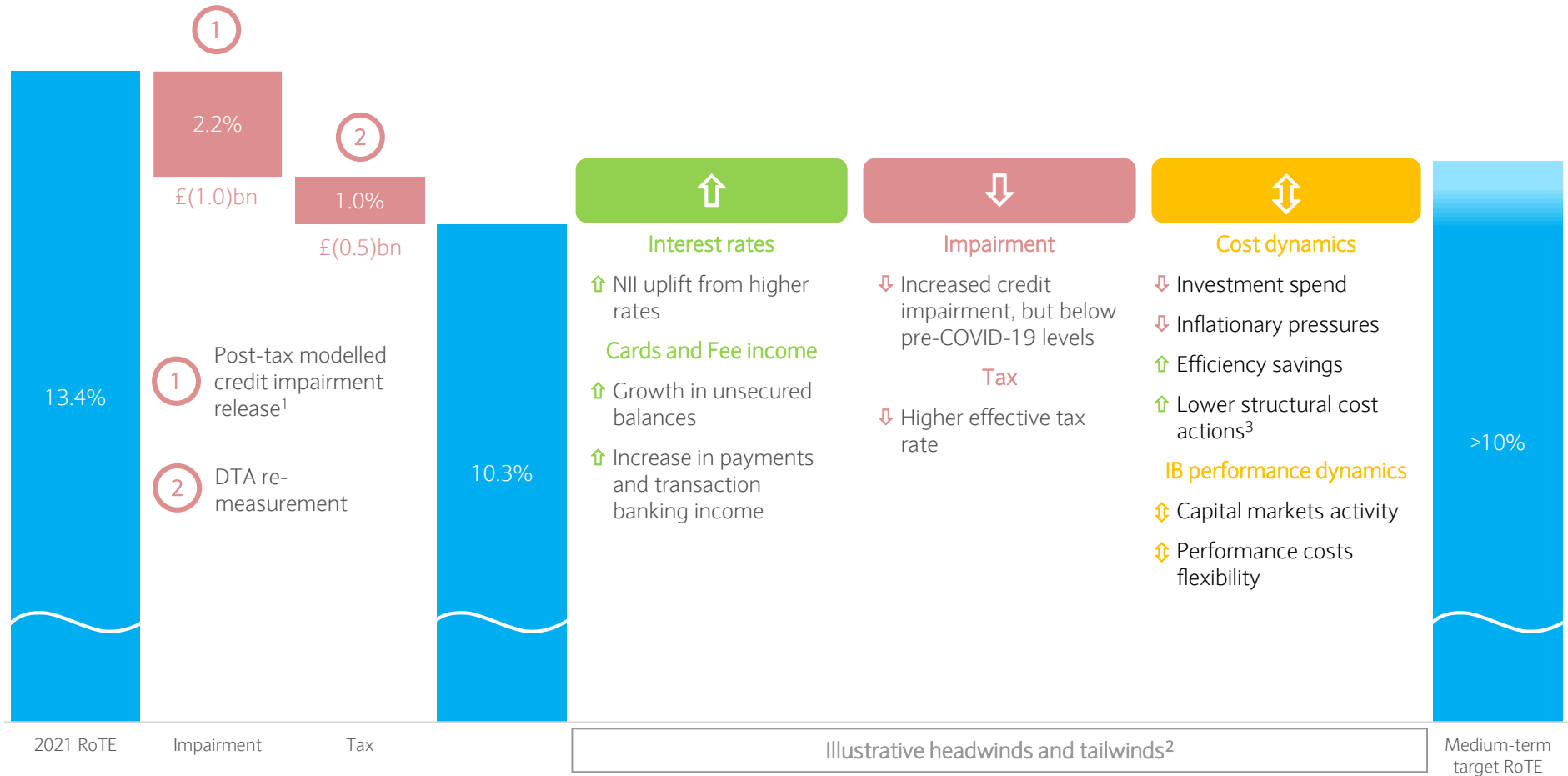
Cost: income ratio <60%

### Capital distributions

Progressive ordinary dividend, supplemented as appropriate, including with share buybacks

<sup>1</sup> 6.0p total dividend (4.0p full year dividend). Announced up to £1.0bn buyback with FY21 results, bringing total buybacks in respect of 2021 to £1.5bn |

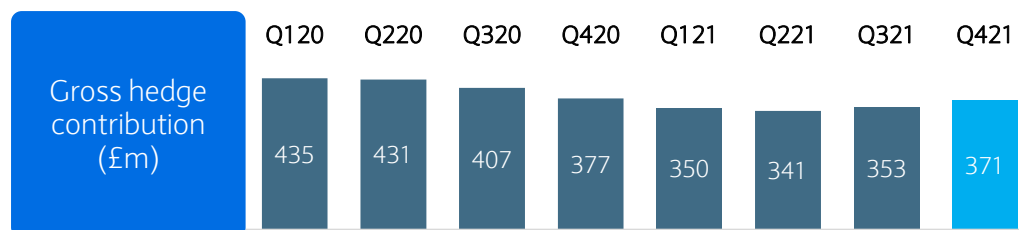
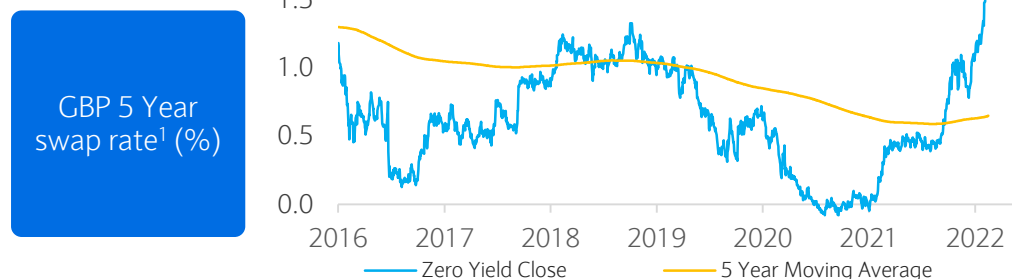
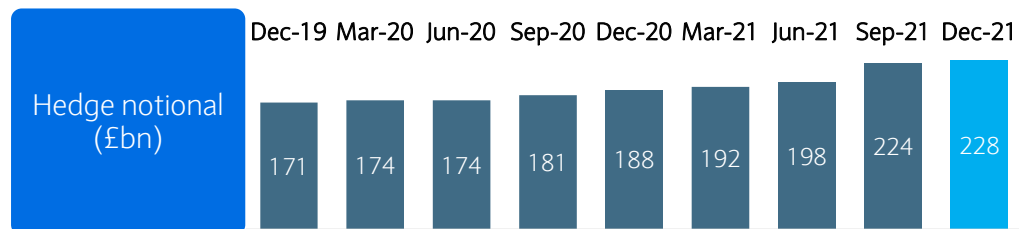
# Barclays is well-positioned to deliver sustainable double digit returns



<sup>1</sup> Post-tax equivalent of Stage 1 and 2 impairment release of £1,346m | <sup>2</sup> Bars not to scale | <sup>3</sup> 2021 structural cost actions reduced the 2021 RoTE by 1.1% | Note: Charts may not sum due to rounding |

# Structural hedge

## Structural hedge program update



- The Group's combined gross equity and product structural hedge contribution was £371m in Q421 (Q321: £353m)
- The combined structural hedge notional as at Dec-21 was £228bn, an increase of £4bn from Sep-21 and a £57bn increase from Dec-19
  - The £57bn increase in structural hedge notional is relative to an increase in Group deposits of £103bn since Dec-19
- The average duration of the structural hedge remains at close to 3 years
- FY21 gross structural hedge income across the Group was £1,415m, £236m lower than FY20
  - Given the move in the yield curve and increase in hedge notional, the structural hedge contribution in FY22 is currently expected to be higher than in FY21

<sup>1</sup> UK Pound Sterling SONIA OIS Zero 5 Year Point (Refinitiv: GBPOIS5YZ=R) |

# Interest rate sensitivity

## Illustrative sensitivity of Group NII to a parallel shift in interest rate curves<sup>1</sup>

Impact of parallel shifts in interest rate curves (£m)	Year 1	Year 2	Year 3
25bps upward	c.275	c.375	c.525
25bps downward	c.(450)	c.(575)	c.(700)

- This analysis assumes an instantaneous parallel shift in interest rate curves
- Around two thirds of the Group income benefit from the illustrative 25bps upward parallel shift is in BUK, with the remaining in BI
- The sensitivity is calculated using a constant balance sheet - i.e. maturing business is reinvested at a consistent tenor and margin
- Actual pricing decisions made in the event of rate rises or falls may differ from those shown in the illustrative scenarios. In the event of multiple rate rises, the pass-through may vary over time
- Pass-through is limited on the downward scenario, as customer rates are floored at 0% for GBP and USD deposits<sup>2</sup>, including when the downward scenario reflects negative base rates
- It does not apply floors to shocked market rates, thus reflecting, for illustrative purposes, the impact of negative base rates on Group NII in the downward scenario
- This sensitivity is not a forecast of interest rate expectations, and Barclays' pricing decisions in the event of an interest rate change may differ from the assumptions underlying this sensitivity. Accordingly, in the event of an interest rate change the actual impact on Group NII may differ from that presented in this analysis

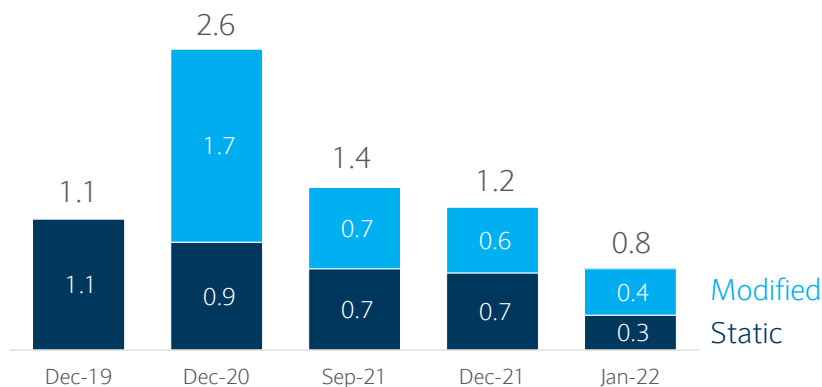
<sup>1</sup> This sensitivity is based on the modelled performance of the consumer and corporate banking book, and includes the impact of both the product and equity structural hedges. It provides the annual impact on Group NII over the next three years, for illustrative purposes only, and is based on a number of assumptions regarding variables which are subject to change. Such assumptions might also differ from those underlying the AEaR calculation in the Annual Report | <sup>2</sup> With regards to the relatively modest balance of EUR deposits that are currently subject to charging, no incremental pass-through of further rates reductions are assumed in the illustrative scenario |

# IFRS 9 transitional relief of c.40bps as at Dec-21

Constructive regulatory action in Q220 gave greater relief for Stage 1 and 2 impairments

- 100% transitional relief for modified impairment post Dec-19 applied until end-2021
- Transitional relief schedule for static component per original schedule
- Total post-tax IFRS 9 transitional relief as at Dec-21 is £1.2bn or c.40bps capital, down c.40bps compared to Dec-20
  - IFRS 9 modified transitional relief applies to Stage 1 and 2 impairments
  - Transitional basis of capital remains the relevant measure for our capital adequacy assessment by regulators
  - Total post-tax IFRS 9 transitional relief is expected to reduce by c.15bps to c.25bps from 1 Jan 2022

IFRS 9 Transitional relief CET1 add-back (£bn)

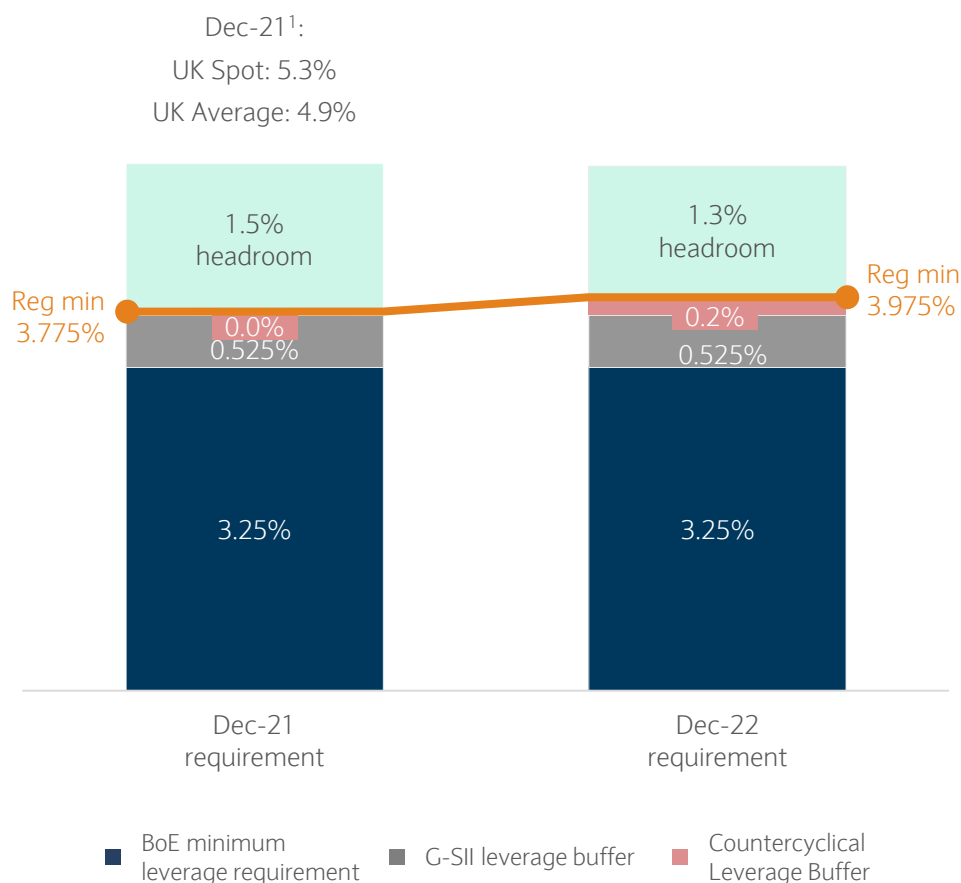


Relief Schedule	Pre-2020	2020 onwards
2020	70%	100%
2021	50%	100%
2022	25%	75%
2023		50%
2024		25%

Note: Charts may not sum due to rounding |

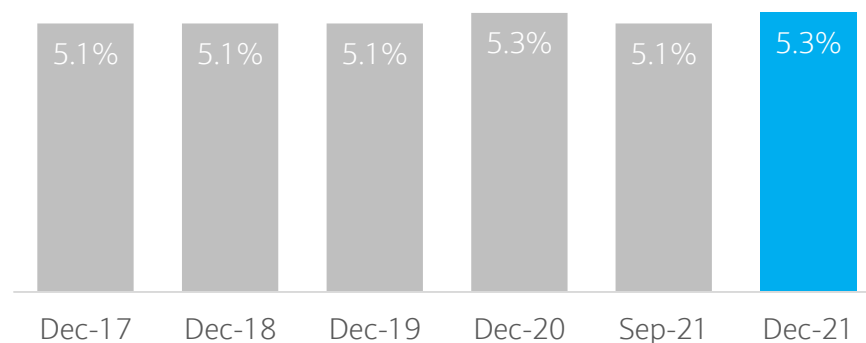
# Group leverage position appropriately managed

## Minimum leverage requirements and buffers under the UK regime



- Headroom to minimum leverage requirement of 150bps in Q421, while the RWA-based CET1 ratio is expected to remain our primary regulatory constraint through the cycle
- Following the BoE's Financial Policy Committee (FPC) and the PRA's review of the UK leverage framework, the Group now has a single leverage requirement from 1 Jan 2022. The requirement must be met on a daily basis

## UK Spot Leverage Ratio

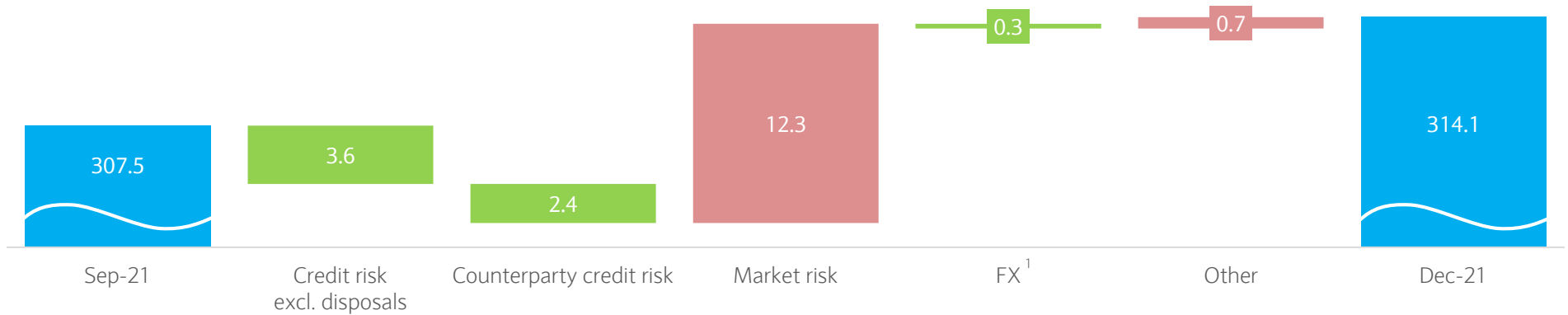


<sup>1</sup> Leverage ratio calculated applying the transitional arrangements of the CRR as amended by CRR II. This includes IFRS 9 transitional arrangements |

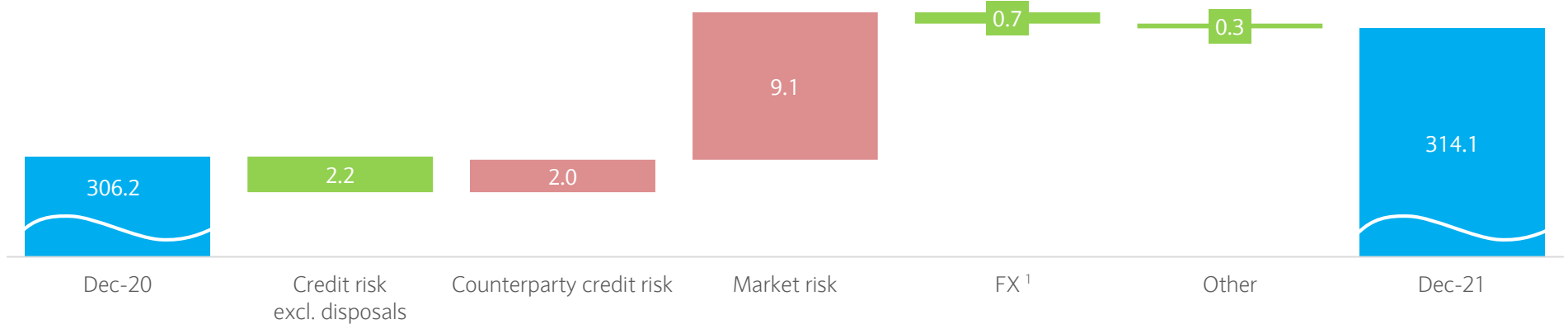


# RWAs increased QoQ and YoY driven by market risk

QoQ RWA movements (£bn)



YoY RWA movements (£bn)



<sup>1</sup> FX on credit risk RWAs | Note: Charts may not sum due to rounding |

# Retaining management adjustments due to economic uncertainty

## Baseline macroeconomic variables (MEVs)

		MEVs used in Q321 results			Q421 MEVs			Change in MEVs		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
UK GDP	Annual growth	6.5%	5.2%	2.3%	6.2%	4.9%	2.3%	-0.3%	-0.3%	-
UK unemployment	Quarterly average	5.0%	5.1%	4.7%	4.8%	4.7%	4.5%	-0.2%	-0.4%	-0.2%
US GDP	Annual growth	6.8%	4.4%	2.4%	5.5%	3.9%	2.6%	-1.3%	-0.5%	+0.2%
US unemployment	Quarterly average	5.5%	4.2%	4.0%	5.5%	4.2%	3.6%	-	-	-0.4%

- Q421 baseline UK and US MEVs have improved from Q321, including unemployment forecasts in both the UK and US

## Balance sheet impairment allowance and management adjustment

Impairment allowance (£m)	Dec-19	Sep-21	Write offs	P&L release	Other incl. FX	Dec-21
Allowance pre management adjustment	6,290	4,794				4,798
Management adjustment	340	1,963				1,486
<i>Of which economic uncertainty adjustments</i>	-	2,039				1,692
<i>Of which other adjustments</i>	340	(76)				(206)
<b>Total</b>	<b>6,630</b>	<b>6,757</b>	<b>(352)</b>	<b>(31)</b>	<b>(90)</b>	<b>6,284</b>
<i>Of which on balance sheet</i>	6,308	6,210				5,742
<i>Of which off balance sheet</i>	322	547				542

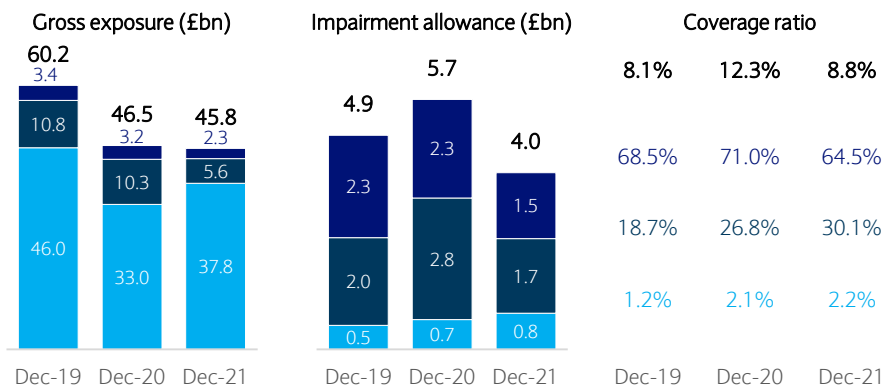
- Total Group impairment allowance reduced by £0.5bn to £6.3bn, reflecting write-offs of £352m, an impairment release of £31m and other movements including FX

Management judgements have been maintained in respect of economic uncertainty, including customers and clients considered to be potentially more vulnerable as government and other support schemes have started to reduce

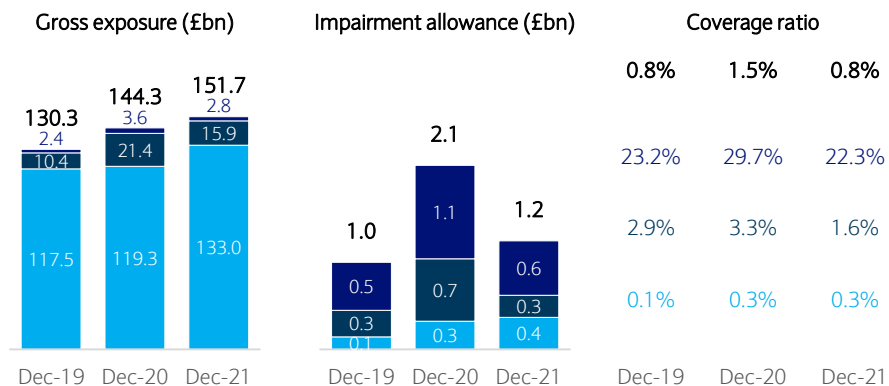
Given reduced unsecured lending balances and an improved macroeconomic outlook, the impairment charge is expected to remain below pre-COVID-19 pandemic levels in coming quarters

# Dec-21 coverage ratios remain strong

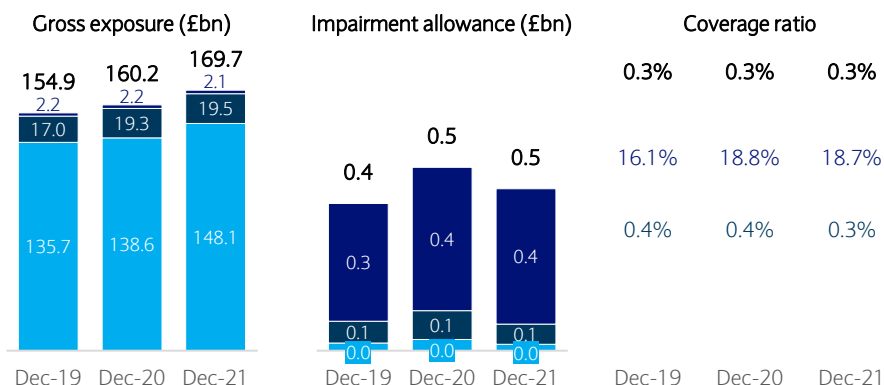
## Credit cards, unsecured loans and other retail lending



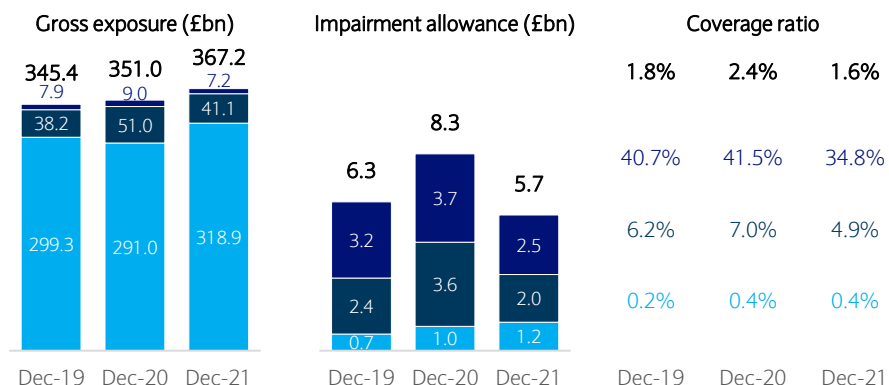
## Wholesale loans



## Home loans



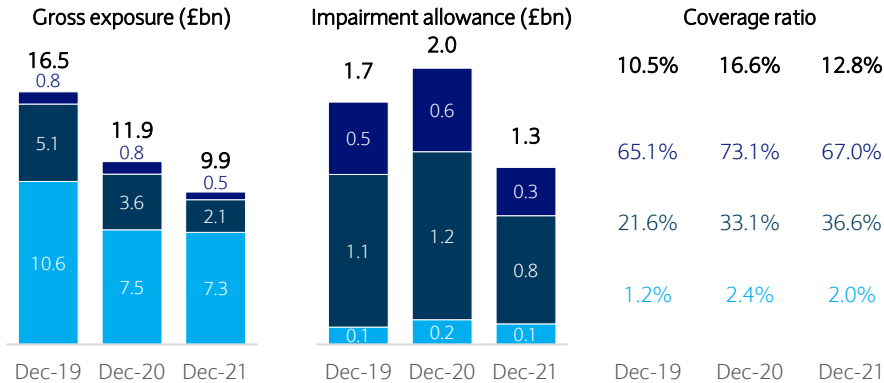
## Total loans



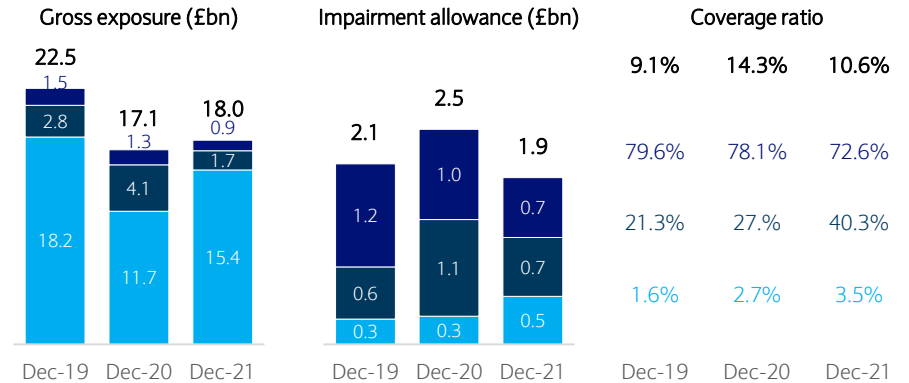
■ Stage 1 ■ Stage 2 ■ Stage 3

# Dec-21 UK and US cards coverage ratios still meaningfully above pre-pandemic levels

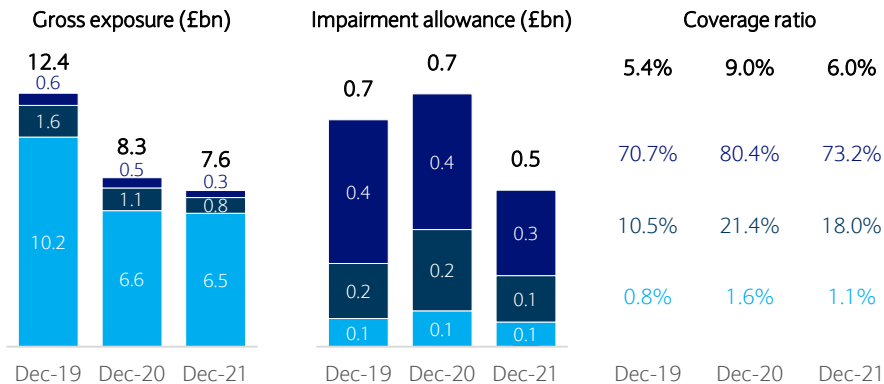
## UK cards



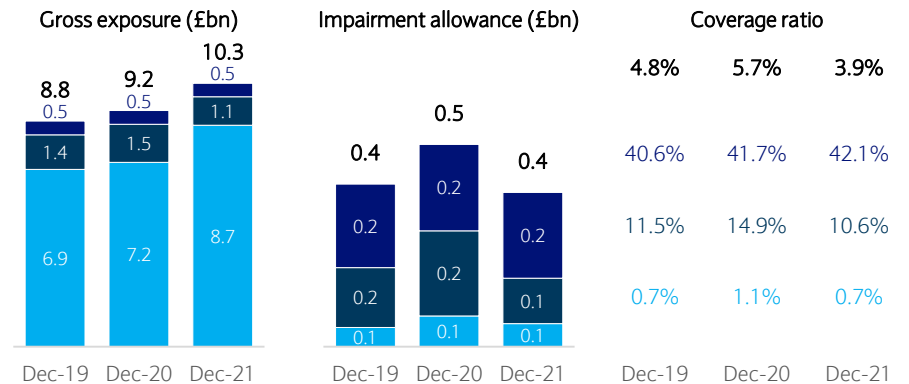
## US cards



## UK Personal loans and partner finance



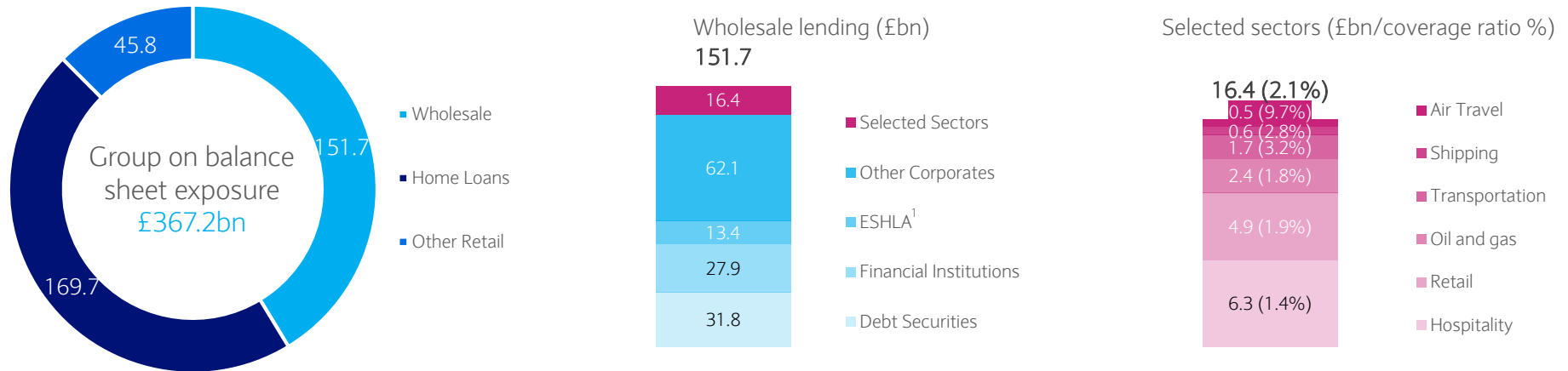
## Germany and other unsecured lending



■ Stage 1   ■ Stage 2   ■ Stage 3

# Wholesale exposures are diversified and appropriately covered, especially in selected vulnerable sectors

## Wholesale and vulnerable sector exposure



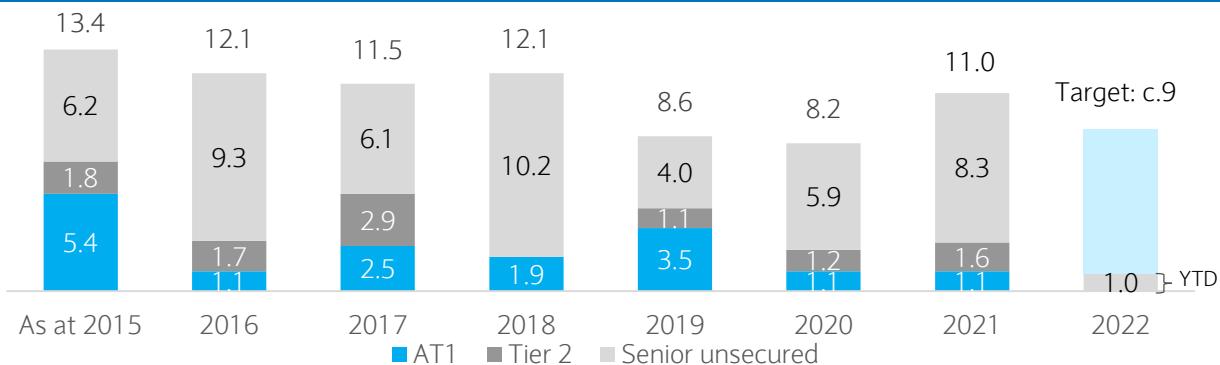
## Well diversified portfolio across sectors and geographies

- Majority of exposure (>65%) is to clients internally rated as Investment Grade or have a Strong Default Grade classification. Non-Investment Grade exposure is typically senior and lightly drawn
- c.30% of the book is secured, increasing to >60% for the selected vulnerable sectors
- c.25% synthetic protection provided by risk mitigation trades, increasing to >30% for some selected vulnerable sectors
- Active identification and management of high risk sectors have been in place following the Brexit referendum, with actions taken to enhance lending criteria and reduce risk profile
- Covenants in place based on leverage, LTVs, and debt service ratios for clients in high risk sectors
- Retail – top names are typically consumer staples, Investment Grade or secured against premises/subject to asset-backed loans
- Air travel – tenor of lending typically with an average life of 2-4 years, senior secured for high yield counterparties and focused on top tier airlines in the UK and US
- Oil & gas – exposure across a range of oil and gas sub-sectors globally, with majority to Investment Grade counterparties (including oil majors)

<sup>1</sup> Education, Social Housing and Local Authority |

# Strong progress in HoldCo issuance

Annual HoldCo issuance volume (£bn)<sup>1,2</sup>



2021 HoldCo issuance by currency<sup>2</sup>



**March:** USD 1bn Senior  
**March:** USD 1bn Tier 2



**March:** EUR 1bn Tier 2  
**May:** EUR 2bn Senior



**May:** AUD 600m Senior



**June:** CHF 260m Senior



**June:** JPY 77bn Senior



**June:** CAD 450m Senior

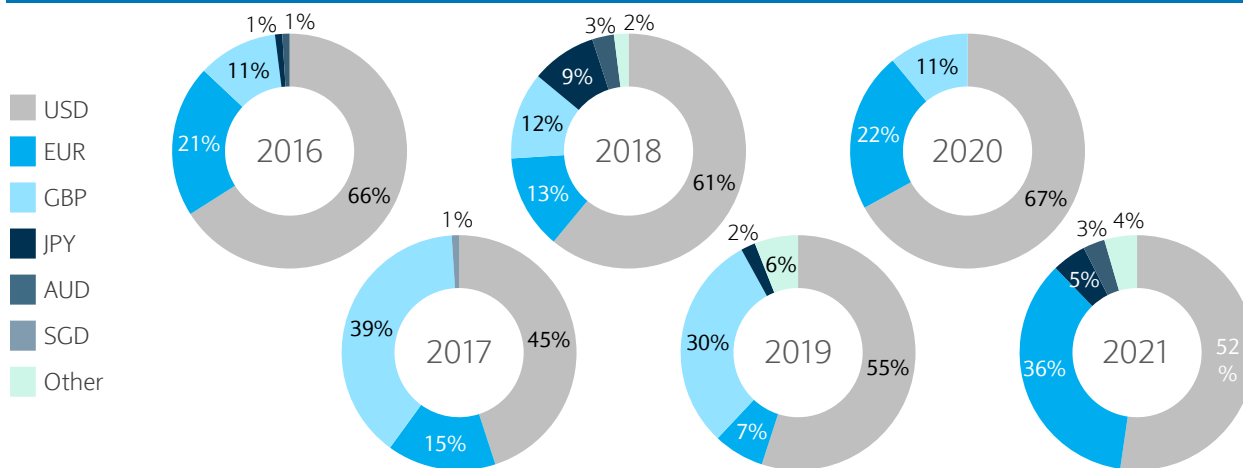


**August:** EUR 1.5bn Senior



**August:** USD 1.5bn AT1  
**November:** USD 4bn Senior

Diversified currency of HoldCo issued instruments (%)<sup>3</sup>



<sup>1</sup> Annual issuance balances based on FX rate at end of respective periods for debt accounted instruments and historical transaction rates for equity accounted instruments | <sup>2</sup> 2021 issuance includes USD 4bn Senior Unsecured and USD 400m Senior Unsecured Formosa, which constitute pre-funding for 2022 | <sup>3</sup> FX rates as at respective period ends | Note: Charts may not sum due to rounding |

# Pension deficit reduction contributions

CET1 ratio headwinds from pension reduction contributions fully incorporated into prudent capital plan and CET1 target

- As at 31 December 2021, the Group's IAS 19 pension surplus across all schemes was £3.6bn (December 2020: £1.5bn). The UK Retirement Fund (UKRF), which is the Group's main scheme, had an IAS 19 pension surplus of £3.8bn (December 2020: £1.8bn). The movement for the UKRF was driven by £700m of deficit contributions, higher corporate bond yields and favourable asset returns, partially offset by higher expected long term price inflation
- The latest annual update as at 30 September 2021 showed the funding position had improved to a £0.6bn surplus from a £0.9bn deficit as at 30 September 2020. The improvement was mainly due to £0.7bn of deficit reduction contributions and favourable asset returns, partially offset by higher expectations for future price inflation

Capital impact of deficit reduction contributions (£bn)	2020	2021	2022	2023	2024	2025	2026	Sum 2020-26
Based on 2019 Triennial valuation	(0.5)	(0.7)	(0.3)	(0.3)	(0.5) (paid in Q419) <sup>1</sup>	-	-	(2.3)
Jun-2020 Investment in Senior Notes <sup>2</sup>	0.75	-	-	(0.25)	(0.25)	(0.25)	-	-
Capital impact (pre-tax)	0.25	(0.7)	(0.3)	(0.55)	(0.75)	(0.25)	-	(2.3)
Capital impact (bps) – based on Dec-21 RWAs	8bps	(22)bps	(10)bps	(18)bps	(24)bps	(8)bps		

<sup>1</sup> £500m paid in Q419 relates to the unwind of Senior notes | <sup>2</sup> Barclays Bank PLC asked the UKRF Trustee to consider an investment in a Senior note (similar to the issued note in December 2019) in order to manage the capital impact of 2020 contributions to the UKRF |

# Strong legal entity capital and liquidity positions

Continue to manage legal entity capital ratios with appropriate headroom to requirements

## Barclays PLC

— Accounting and regulated sub-group

- - - Accounting sub-group

### Barclays Bank UK PLC (BBUKPLC) sub-group

Barclays Bank UK PLC (solus)  
Capital regulated on a consolidated and solus basis<sup>1</sup>

#### Subsidiaries

*No material regulated subsidiaries exist in the BBUKPLC sub-group*

### Barclays Bank PLC (BBPLC) sub-group

Barclays Bank PLC (solo)  
Capital continues to be regulated on a solo basis<sup>2</sup>

#### US IHC

*Capital continues to be regulated on a standalone basis by the Fed*

**Barclays Bank Ireland**  
*Regulated by the Single Supervisory Mechanism of the ECB*

#### Other subsidiaries

*A mix of regulated and unregulated subsidiaries*

BBUKPLC metrics <sup>3</sup>	FY20	H121	FY21
CET1 ratio	15.6%	16.0%	15.2%
Average UK leverage ratio	5.6%	5.6%	5.5%
LCR <sup>4</sup>	160%	203%	204%
Liquidity pool	£60bn	£80bn	£86bn

BBPLC (solo) metrics <sup>3</sup>	FY20	H121	FY21
CET1 ratio	14.2%	13.9%	13.0%
CRR leverage ratio	3.9%	3.6%	3.7%
LCR <sup>4</sup>	145%	131%	140%
Liquidity pool <sup>5</sup>	£206bn	£211bn	£205bn

<sup>1</sup> Regulation on a consolidated basis became effective on 1 Jan 2019 | <sup>2</sup> BBPLC (solo) contains additional relatively small entities that are brought into scope for regulatory solo requirements | <sup>3</sup> Capital metrics calculated based on CRR transitional arrangements, as amended by CRR II. This includes IFRS 9 transitional arrangements and the grandfathering of CRR and CRR II non-compliant capital instruments | <sup>4</sup> BBUK Group and BBPLC DoLSub liquidity coverage ratios | <sup>5</sup> Barclays Bank Group liquidity pool |



# Our Purpose underpins the strong progress we delivered against our ESG strategy in 2021

## Our Purpose:

The reason Barclays exists;  
the societal need we fulfil

We deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term



Environment

- Achieved emissions reductions of -22%<sup>1</sup> / -8%<sup>1</sup> in Energy / Power portfolios
- Founding member of NZBA<sup>2</sup> and member of SMI FSTF<sup>3</sup>
- Built expertise including appointment of new Group Head of Sustainability
- Joined the Get Nature Positive Commitment and TNFD<sup>4</sup> Forum
- Addressing nature and biodiversity considerations in our financing and operations



Social

- New ambitions to increase black and minority ethnic representation in our workforce
- Comprehensive support for colleagues through the pandemic
- Extended our Female Innovators Lab to the UK and Europe
- Added socio-economic inclusion as our sixth D&I agenda



Governance

- Launched our updated Purpose, Values and Mindset
- Announced 'Say on Climate' shareholder vote to be held at the 2022 AGM

<sup>1</sup> From a baseline of 12 months to 31 December 2020 measured using BlueTrack™: Energy absolute emissions – 75.0 MtCO<sub>2</sub> / Power emissions intensity – 320 KgCO<sub>2</sub>/MWh | <sup>2</sup> Net-Zero Banking Alliance | <sup>3</sup> Sustainable Markets Initiative's Financial Services Task Force |

<sup>4</sup> Taskforce for Nature-related Financial Disclosures |

# Disclaimer

## Important Notice

The terms Barclays or Group refer to Barclays PLC together with its subsidiaries. The information, statements and opinions contained in this presentation do not constitute a public offer under any applicable legislation, an offer to sell or solicitation of any offer to buy any securities or financial instruments, or any advice or recommendation with respect to such securities or other financial instruments.

## Information relating to:

- regulatory capital, leverage, liquidity and resolution is based on Barclays' interpretation of applicable rules and regulations as currently in force and implemented in the UK, including, but not limited to, CRD IV (as amended by CRD V applicable as at the reporting date) and CRR (as amended by CRR II applicable as at the reporting date) texts and any applicable delegated acts, implementing acts or technical standards and as such rules and regulations form part of UK law pursuant to the EU (Withdrawal) Act 2018, subject to the temporary transitional powers (TTP) available to UK regulators to delay or phase-in on-shoring changes to UK regulatory requirements between 31 December 2020 and 31 March 2022. Throughout the TTP period, the Bank of England and the PRA are expected to review the UK legislation framework and any disclosures made by the Group will be subject to any resulting guidance. All such regulatory requirements are subject to change. References herein to 'CRR as amended by CRR II' mean, unless otherwise specified, CRR as amended by CRR II, as it forms part of UK law pursuant to the European Union (Withdrawal) Act 2018 and as amended by the Financial Services Act 2021 and subject to the TTP, as at the applicable reporting date;
- MREL is based on Barclays' understanding of the Bank of England's policy statement on "The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL)" published in December 2021, updating the Bank of England's June 2018 policy statement, and its MREL requirements communicated to Barclays by the Bank of England. Binding future MREL requirements remain subject to change including at the conclusion of the transitional period, as determined by the Bank of England, taking into account a number of factors as described in the policy, along with international developments. The Pillar 2A requirement is also subject to at least annual review;
- future regulatory capital, liquidity, funding and/or MREL, including forward-looking illustrations, are provided for illustrative purposes only and are not forecasts of Barclays' results of operations or capital position or otherwise. Illustrations regarding the capital flight path, end-state capital evolution and expectations and MREL build are based on certain assumptions applicable at the date of publication only which cannot be assured and are subject to change.

## Important Information

In preparing the ESG information in this FY 2021 Fixed Income Results Presentation we have:

- made a number of key judgements, estimations and assumptions, and the processes and issues involved are complex. This is for example the case in relation to financed emissions, portfolio alignment, and classification of environmental and social financing.
- used ESG and climate data, models and methodologies that we consider to be appropriate and suitable for these purposes as at the date on which they were deployed. However, these data, models and methodologies are not of the same standard as those available in the context of other financial information, nor subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. There is an inability to rely on historical data as a strong indicator of future trajectories, in the case of climate change and its evolution. Outputs of models, processed data and methodologies will also be affected by underlying data quality which can be hard to assess.
- reproduced certain data assured by KPMG in the Annual Report. Barclays appointed KPMG to perform limited independent assurance over selected ESG content in the Annual Report which has been marked in the Annual Report with the symbol  $\Delta$ . The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (UK) 3000 Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the International Standard on Assurance Engagements 3410 Assurance of Greenhouse Gas Statements. A limited assurance opinion was issued, which includes details of the scope, reporting criteria, respective responsibilities, work performed, limitations and conclusion, and is available on our ESG resource hub at: <https://home.barclays/sustainability/esp-resourcehub/>. Certain data assured by KPMG in the Annual Report has been reproduced in this FY 2021 Results Presentation. This is marked in this FY2021 Fixed Income Results Presentation with the symbol  $\Delta$ . No other information in this FY2021 Results Presentation has been subject to external assurance or audit.

(iv) the data, models and methodologies used and the judgements estimates or assumptions made are rapidly evolving and this may directly or indirectly affect the metrics, data points and targets contained in this FY 2021 Fixed Income Results Presentation. We continue to review and develop our approach to data, models and methodologies in line with market principles and standards as this subject area matures. Further development of accounting and/or reporting standards could impact (potentially materially) the performance metrics, data points and targets contained in this report. In future reports or presentations we may present some or all of the information for this reporting period using updated or more granular data or improved models, methodologies, market practices or standards. Such re-presented information may result in different outcomes than those included in this FY 2021 Fixed Income Results Presentation. Where information is re-presented from time to time, we will identify this and (where we think it is appropriate) include an explanation. It is important for readers and users of this presentation to be aware that direct like-for-like comparisons of each piece of information disclosed may not always be possible from one reporting period to another.

## Forward-looking Statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by members of the management of the Group (including, without limitation, during management presentations to financial analysts) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, capital distributions (including dividend pay-out ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets (including, without limitation, environmental, social and governance (ESG) commitments and targets), estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, IFRS impacts 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. The forward-looking statements speak only as at the date on which they are made. Forward-looking statements may be affected by a number of factors, including, without limitation: changes in legislation, the development of standards and interpretations under IFRS, including evolving practices with regard to the interpretation and application of accounting and regulatory standards, emerging and developing ESG reporting 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, the Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively, environmental, social and 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 applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions; the effects of any volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entity within the Group or any securities issued by such entities; direct and indirect impacts of the coronavirus (COVID-19) pandemic; instability as a result of the UK's exit from the European Union ("EU"), the effects of the EU-UK Trade and Cooperation Agreement and the disruption that may subsequently result in the UK and globally; the risk of cyber-attacks, information or security breaches or technology failures on the Group's reputation, business or operations; 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 financial position, future results, capital distributions, capital, leverage or other regulatory ratios or other financial and non-financial metrics or performance measures or ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in Barclays PLC's filings with the SEC (including, without limitation, Barclays PLC's Annual Report on Form 20-F for the fiscal year ended 31 December 2021), which are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

Subject to Barclays' obligations under the applicable laws and regulations of any relevant jurisdiction, (including, without limitation, the UK and the US), in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## Non-IFRS Performance Measures

Barclays management believes that the non-IFRS performance measures included in this document provide valuable information to the readers of the financial statements as they enable the reader to identify a more consistent basis for comparing the businesses' performance between financial periods and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays management. However, any non-IFRS performance measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. Non-IFRS performance measures are defined and reconciliations are available on our results announcement for the period ended 31 December 2021.