

BARCLAYS PRINCIPAL INVESTMENTS LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Business review and principal activities

The principal activity of Barclays Principal Investments Limited is to act as a holding company. The Company has been repurposed within the Barclays Group to serve as a single governance / portfolio management holding company, that centrally holds all of Barclays' equity investments.

Business performance

The results of the Company show a loss after tax of £226,516,000 (2021: profit of £7,710,000) for the year. The loss in 2022 is on account of the full impairment of the wholly owned subsidiary, Carnegie Holdings Limited, along with the loss on sale of disposal of our stake in ABSA Bank Limited. These are partially off-set by dividend income received from Entercard and ABSA Bank Limited and income from Barclays Bank PLC in respect of the indemnity against losses taken on Clydesdale Financial Services. The Company has net assets of £70,379,000 (2021: £577,540,000). The value of the Fair Value through Other Comprehensive Income ('FVOCI') investments at the end of the year was Nil (2021: £893,977,000) and the FVOCI reserve was Nil (2021: (£278,637,000)). The decrease in the value of the investment and the reserve is on account of the sale of ABSA Bank Limited. Net cash flow from operating activities for 2022 was £105,070,000 (2021: £237,445,000). The Directors are satisfied with the financial position of the Company at year end.

Future outlook

The Company will continue to act as a single governance / portfolio management holding company under which all of Barclays' equity investments will be centralised into.

Principal risks and uncertainties

The financial risk management objectives and policies which are followed by the Company and the exposure to various financial risks are set out in notes to accounts.

Key performance indicators

The Directors of Barclays PLC manage the group's operations on a business segment basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the relevant business segment, which includes the Company, is discussed in the Barclays PLC 2022 Annual Report, which does not form part of this report.

Section 172(1) statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of the Company for the benefit of its member as a whole and this section forms our Section 172 disclosure, describing how, in doing so, the Directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The Directors also took into account the views and interests of a wider set of stakeholders.

The Directors considered, amongst other matters, the following:

- the likely consequences of any decision in the long term;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company's maintaining a reputation for high standards of business and conduct;
- the need to act fairly as between members of the Company.

You can find out more about who the Barclays Group's key stakeholders are, how management and/or the Directors engaged with them, the key issues raised and actions taken on pages 16 to 20 of the Barclays PLC Annual Report 2022.

Considering this broad range of interests is an important part of the way the Board makes decisions; however, in balancing those different perspectives it won't always be possible to deliver everyone's desired outcome.

BARCLAYS PRINCIPAL INVESTMENTS LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

Section 172(1) statement (continued)

How does the Board engage with stakeholders?

Depending on the decision in question, the relevance of each particular stakeholder group may differ, and equally the Board adopts a variety of methods of engagement with different stakeholder groups. The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of Barclays means that stakeholder engagement often takes place at an operational level.

In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays Group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays Group.

The Board considers and discusses information from across the organisation to help it understand the impact of the Company's operations on, and the interests and views of, our key stakeholders. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.


As a result of these activities and the information it receives, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

The following are some examples of how the Directors have had regard to the matters set out in sections 172 (1)(a)-(f) when discharging their section 172 duties and the effect of that on certain of the decisions taken by them:

Engagement in action

The principal activity of Barclays Principal Investments Limited is to act as a holding company, that has been repurposed within the Barclays Group to serve as a single governance / portfolio management holding company, that centrally holds all of Barclays' equity investments. The Board has taken active measures to ensure they receive regular updates on the investment, liquidity, market, interest risk and the individual performance of these subsidiaries and Joint Ventures to ensure the entity is sufficiently capitalised now and in the future.

This report was approved by the Board and signed on its behalf by:

DocuSigned by:

654723DD87BA4A0...

G J Chapman

Director

Date: 28 September 2023

Company number: 08116604