

Redburn Atlantic CEO Conference**29 November 2023****Transcript of fireside chat with Anna Cross****(amended in places to improve accuracy and readability)****Fahed Kunwar, Redburn Atlantic**

Hi everyone, and welcome to the Redburn Atlantic CEO Conference. We've had a number of CEOs across a bunch of sectors, today and tomorrow. Today we are delighted to have the CFO of Barclays, Anna Cross, with us. And thank you for joining us, Anna.

Anna Cross, Group Finance Director

Thank you.

Fahed Kunwar

We'll jump straight into Q&A. This is a pre-recorded session, so unfortunately the Q&A option won't be available, but if there are any questions, please come back to myself or the Investor Relations team at Barclays and we can answer any follow-ups, if there were any. So, maybe I'll just dive in straight into the deep end, Anna, if you don't mind. And just kind of ask about how should we think, obviously, about the investment update that yourself and Venkat are going to do. And can you clarify what your returns targets are at the moment and how you see that evolving?

Anna Cross

Yes, thank you. I mean, we do feel that we owe our investors an update, and that's really what that day is focused on, and what we'll be covering is who we are, where we think we have a right to win, how we're going to allocate capital, and obviously give an update to our financial targets across RoTE, across costs, across how we're thinking about shareholder distributions also. In the meantime, the targets that we've had previously remain true. So, we're targeting greater than 10% RoTE for the current year, although, as we said at Q3, that will, of course, be impacted by structural actions that we're considering for Q4, so excludes that amount. And maybe just a bit of extra colour to help you understand how we're thinking about it. As we take those actions, we're very focused on future returns, and actually, at the third quarter, Venkat talked about us having had sort of two or three years now of being in double-digit RoTE, and really focusing now about what more can we do. So, that will be the focus for the February event.

Fahed Kunwar

That's great. Thanks, Anna. And just thinking about your capital level, obviously, distribution to shareholders is incredibly important, particularly given your valuation. Can we talk about, you've had some press reports of Metro and Tesco Banks groups that I don't expect you to comment on, but just how you think about inorganic versus kind of distribution to shareholders.

Anna Cross

Yes. We said at Q3 that we'd gone into that quarter deliberately at the top end of our capital range, so at 14%. And actually, we're really pleased with the way that we've been able to generate capital from the businesses. So, we've generated more than 130 basis points year-to-date. And hopefully, you can see that we have an increasing bias towards distribution. So, over the last couple of years, that should be coming out pretty

strongly in our results. At the first half, we announced a buyback of £750 million, which on top of the dividend was a total distribution of £1.2 billion. That was up 30% year-on-year. And we continue to see buybacks as a very attractive way of returning capital to shareholders. As it relates to M&A, you're right, I won't talk about specifics. I will say that small things come up over time, and we do look at them, but I wouldn't comment on anything specific now.

Fahed Kunwar

Okay, that's grand. I mean, just on that inorganic stuff, is there a direction of travel where you see potentially more opportunity, like on non-interest income, on wealth, or in the retail side? Is there anything in particular you'd call out, or just very opportunistic?

Anna Cross

More opportunistic, although the things that we've done to date have been more sort of consumer-focused. So, for example, we did the acquisition of the Gap back book in US cards, and obviously we did Kensington earlier this year, but opportunistic and small.

Fahed Kunwar

That makes a lot of sense. And then, if we kind of change tack to the kind of really the topic of the day, for the last few months: it feels on deposits there was a lot of focus on deposit trends across all the UK banks. How do you think about 4Q? Have you – has there been stabilization in the mix effects and the kind of NIM flight path in 2024 from the deposit mix shift? Any colour around what we're seeing on the kind of mix shift in deposits would be great.

Anna Cross

I think the broad trends remain there. And as we would expect, customers continue to seek higher rates and current account deposit levels continue to fall, which is what we would expect within a shrinking money supply. So probably it's a less aggressive pace than Q3, but the trends are still there. So what we talked about at Q3 was expecting that to continue. But at the same time, seeing a positive impact on a continuing basis from the structural hedge, and also seeing a bit of a normalisation within mortgages. So the pressure that we've seen from mortgage margins in the current year actually starting to lessen and become more neutral. So as we look into 2024, we saw one positive: structural hedge, one neutral: mortgages, and one continued sort of headwind, which is those deposit trends.

Fahed Kunwar

That's great. I mean when you look at the deposit trends, how has it differed by customer cohort, like SMEs, retail, large corporates? Has there been a difference in behavior?

Anna Cross

Yes, there has. I think, as you would expect, [with] large corporates, we saw migration behavior very early in the year, much earlier, because their deposits are very frequently managed by corporate treasurers, and similar sorts of trends from the sophisticated clients that we have within private banking. So again, probably earlier migration. The retail migration has been later, stimulated both by competition, and also, I think, the absolute level of rates themselves.

Fahed Kunwar

That's very helpful. Thank you. And then you mentioned the structural hedge. It feels like quite a long-duration tailwind, not a short-duration tailwind. I mean, how should we, on the investor side, think about the structural

hedge? Think also about the notional coming down, but then the tailwind from rates being so long dated. Any colour on that would be fantastic. Obviously, we had the hedge session today as well, which was incredibly useful, so thank you for that. But any colour on that would be great.

Anna Cross

Yes, thanks for plugging that. So Dan Fairclough, our Treasurer, yesterday did an extended session on structural hedging, which I know that many of our investors and the sell-side community dialled into. So if you missed it, I would encourage you to dial-in and listen to the replay. The headlines are that, as we look at 2023, as we got to the end of Q3, 95% of the structural hedge income was locked in for the year. And that's the great thing about the hedge. You solidify and you create certainty for your income ongoing. And actually, because we'd rolled another quarter, it gave us considerably increased certainty around 2024 and 2025 and we did some disclosure around that at Q3.

If you look at the current level of swap rates, around 4.3%, they are considerably still in excess of the maturing rates, which are between 1% and 1.5% over the next couple of years. I'm just reminding everybody that we've got between £50 billion and £60 billion rolling in each of those years. So that's why we talk about this as a tailwind for the business.

And of course, it doesn't just impact the UK, it's impacting the private bank, it's also impacting the corporate bank. And there is also the equity part of the structural hedge, which will roll irrespective of what happens to deposit levels. And actually, rolling the equity structural hedge alone would give us structural hedge income in 2024 that's higher than 2023. So it is a powerful effect.

Fahed Kunwar

That's great. Thank you very much. And I guess just to round off the points on NIM, the inevitable question on mortgage spread, I think, you put it as a neutral. I think you mentioned that earlier as well.

Anna Cross

Yes.

Fahed Kunwar

There has been quite a lot of competitive pressures in the market. They feel like, looking at the public data, they seem to be easing off as swap rates have fallen. Any comment on kind of mortgage competition, whether that spread pressure is alleviating a little bit? And how you see that market shaping up?

Anna Cross

Yes. I mean, mortgage is always very competitive. And this year is no different. I think probably more than anything it's very focused on refinancing. So it's very much a remortgage market and that means that the net growth in the market is very low or negative. And that in and of itself, makes it very competitive. But what we're really talking about when we talk about the pressure from mortgages easing is actually the churn impacts of what's maturing. So what is maturing in 2024 and beyond is actually a lower margin than what's maturing in 2023. So that sort of back book to front book churn impact will lessen. And that's what gives us certainty really that that becomes more neutral as we go into 2024.

Fahed Kunwar

You haven't given the duration of the book like two years versus five years.

Anna Cross

No, we haven't. I mean, you wouldn't expect us to be very different from the industry overall. Most of what we write is a two-year or five-year fix.

Fahed Kunwar

Got it. That makes a lot of sense. And then you mentioned the point around net loan growth and the refinance activity weighing on net loan growth. I think Venkat talked about unsecured as an opportunity. Just looking at the UK at the moment before we head into the US, how do you see UK loan growth shaping up? You've got the corporate side with bounce back loans, you've got unsecured opportunities, but the mortgage activity being a bit modest because of free mortgaging. How does that all kind of shake out in the mix?

Anna Cross

Yes, I would say loan growth or the demand for loan growth has been more muted really across all of those sectors, whether you are an SME because of the impact of bounce back loans, corporates are very strong on the deposit side. And just that backdrop of macroeconomic uncertainty has caused, I think, both corporates and consumers to pause a little. So what we see in cards behavior in the UK is really strong engagement with the products, that customers are spending but the repayment levels remain really high. And I think that just reflects the economic backdrop and how customers are feeling.

I mean, on the plus side, what we have seen is we stepped back into the acquisition market in the first quarter of this year and we are gaining good market share on the sort of flow of new business. Obviously, it takes a while for that to mature into interest-earning lending, but it gives us a line of sight about what that's likely to be over time and gives us confidence that we can grow unsecured in the UK.

Fahed Kunwar

And if I think about kind of corporate lending, how do we think about the repayment of the bounce back loans and all those COVID loans versus the kind of like original activity, organic activity, ex-bounce back loans? Should we see net loan growth in the UK kind of SME space?

Anna Cross

You would expect to, but again, I just call out that point around high levels of deposits and a bit of a backdrop of economic uncertainty. Once we get beyond that sort of economic uncertainty and start to see more consistent, positive economic data in the UK, I would expect us to see loan growth across a number of different markets and I would say that would be true for us in SME as well.

Fahed Kunwar

And then, I guess the last question I had just on loan growth, I think, you've called this out maybe in the third quarter or second quarter, people were paying down their mortgages.

Anna Cross

Yes.

Fahed Kunwar

Mortgage rates have come off, deposit rates have come off just from the public data. Is that a trend that possibly slows down or do you see that carrying on throughout 2024?

Anna Cross

That's a good question. I mean, we have seen that. I see it as very similar as the behavior that we see around UK cards, which is customers keen to continue to deleverage. They still do have high levels of deposits in comparison to the pre-COVID period and just that sort of economic backdrop.

Now, the very positive side of that is that obviously that means customers are weathering what would otherwise be quite a difficult affordability period extremely well.

They are using the resources that they have around them. So, we are seeing very few signs of economic distress. So, offsetting maybe a hopeful expectation in the future on loan growth, at the moment we do have the benefit of very, very low levels of impairment, particularly in cards, but also sort of more broadly, I would say, across the corporate and SME books.

Fahed Kunwar

Yes, it's a very good question, I guess, with one hand you are getting a big benefit on the loan loss side.

Fahed Kunwar

And maybe if I just go on to the loan loss side, I mean, is there any signs of stress anywhere in your UK book at all or is it all pretty much staying benign? And the other question I have is, is the only delta here unemployment? Like, it feels like we've gone through quite a big stress and the loan losses just haven't really picked up at all in the UK.

Is it really watching that unemployment number or is there something else that you think could potentially drive higher loan losses?

Anna Cross

Yes, I mean, unemployment is the big driver of impairments, particularly in unsecured and it's not just an increase in unemployment, it's actually the rate of increase in unemployment that typically we see. I mean, within the UK unemployment remains pretty low, consensus expectations for unemployment remain pretty low and customers are performing incredibly well, but the system has been designed to absorb affordability stress. We stress affordability on all of the products before we lend to customers. And we have been doing that on mortgages, for example, since 2013. I think we are seeing the benefit of that now.

So, even though the economic environment has been more challenging, actually customers are performing really well. And actually what we've seen is that our performance year-to-date has been sort of below the 50 to 60 basis points through the cycle guidance that we've typically given. There is nothing that we see right now that would really, significantly change what we are currently experiencing. We do tend to see seasonally slightly higher impairments in US cards just because of the shape of spending in the US is very holiday-driven. But overall sort of comfortable with the credit performance we see and comfortable with that more through the cycle guidance we've given you.

Fahed Kunwar

Is there a potential actually with all the affordability and all the things that you've done post GFC and that the sector has done really that actually even the 50 to 60 basis points may be too high or is it too optimistic for that question?

Anna Cross

Well, we'll see. I mean our desire, of course, is to get back to growth in UK unsecured and of course, we are growing our US cards book, slowly or more slowly than we have done over the last year or so. So I think our desire to grow the loan book will have some impact which is why we're still comfortable with the 50 to 60.

Fahed Kunwar

That makes sense. I mean, naturally, I guess deviating into US cards has been a real success story. The Gap portfolio has been a very good acquisition so far. How do you think about growth in US cards not only in this macro environment but also the way you've done it – it's been a lot of airline partnerships, for example. Are there other partnerships you're looking at, different distribution strategies in what is a massive market into the US consumer credit.

Anna Cross

Yeah. I mean you're right. It's a \$1 trillion market in the US and the way we think about that book is very different to the way we think about it in the UK. Really what we're doing is we're providing consumer credit to the customers of 22 big partners, big institutional clients of our investment bank essentially. So there's a real nexus between the two businesses. And when we purchased Gap and onboarded Gap as a client, we built the capability actually to service retail clients as well as the clients that we'd probably be more used to dealing with, for example, the airline files.

So we've definitely increased our addressable market in terms of the partners that we could take on. And we are focused on that. And in terms of how we feel about the macroeconomic environment for our prime and super prime customers, so those who are at FICO 660 or above, actually what we see is a behavior very similar to pre-pandemic. So they're using the cards. They're engaged with them. They're repaying at similar levels. Delinquency levels are at very similar levels, so very healthy.

Where we've seen some deterioration is at FICO 660 and below - that's a small part of our book. For us, it's 12% of the balances and we've taken some credit action there and very watchful of that space. Our macroeconomic forecast, we use consensus forecasts, so the consensus forecast for US unemployment is for unemployment to rise from its around 3.9 at the moment to about 4.4. We've reflected that in our impairment modelling.

So actually the high coverage levels that you see in US cards, the Stage 2 coverage is around 35%, actually reflects an expectation that we would expect delinquencies to increase to reflect that unemployment increase. But of course, that's in the provisioning that we already have today.

Fahed Kunwar

That's great. Thank you. Could I follow-up a little bit on that point around distribution. It's a really interesting one. I mean, does the Gap portfolio, what you've done now, enable direct distribution potentially rather than going through partners? Or do you think it'll always be a partner led approach? And the follow-up is, can you find partners that aren't a member of the investment bank or a client of the investment bank?

Anna Cross

Yeah. So we previously did have a Barclays branded strategy in the US - that's the strategy that we moved away from

in the last few years, actually, our expertise and our capability is really working with those partners. And the fact that we are 100% focused on them is really important in those discussions. We don't compete in the wallet for their card and actually that's something that those partners believe is important.

And we are a really established player in this market. So of course, we do have access to other opportunities and typically a file will come up for renewal and we like many of the other players in the US will have the opportunity to look at that and decide whether or not it's one that we want to bid for.

Fahed Kunwar

That makes a lot of sense. Thanks, Anna for the clarification. If we could move maybe to costs now, obviously we talked about the structural cost actions in Q4. Can we talk about the intention of those cost actions and the kind of payback? I'm definitely going to try on quantum of those structural cost actions in Q4.

And I guess the final point, which is probably the most important bit, how do you think about those structural cost actions, with the point you made earlier about distribution being a very important part of the capital allocation strategy, so a lot of questions in that one...

Anna Cross

Yeah. I understand, and thank you for saying structural cost actions. We were very deliberate in the way we described them. We want to make it clear that we're not embarking on a multi-year restructuring here. And actually what we were talking about was specific actions that relate to our structural costs.

And by that, really what we mean is people, property, infrastructure. As we do the investor update in February, we will come back and be really clear about what they relate to and what the paybacks are. But broadly speaking, people, typically around a year in payback, property, more than that, infrastructure somewhere in between.

But as we think about those actions, what we're really doing is we're thinking about how to enhance the future returns of the business and improving those returns. But the other thing that we are thinking about is shareholder distribution. So we said at Q3, we very deliberately went into the fourth quarter at the top end of our capital range to allow us to take structural cost actions and continue to distribute capital to shareholders. That's really important to us and hopefully people will see the commitment to that at the half year.

In terms of quantum, I won't be too specific. What I would say is just reiterate what I said at Q3, which is in a typical year, we normally talk about 200 to 300. Clearly, because we're calling this out and we felt we had a disclosure obligation to call it out for the fourth quarter, we're indicating something that's a bit more than that.

Fahed Kunwar

Okay. That's very helpful. Thank you. And in the UK specifically, wage inflation has definitely run hotter than it has in other regions, definitely developed market regions or developed market countries. How do you think about costs into 2024, given that wage inflation we're seeing in the UK, [excluding] the structural cost actions?

Anna Cross

Yeah. I mean, we've been laser focused on that all year really. We've seen wage inflation, inflation around technology costs, quite structural inflation really through the business. And so we've been really focused on driving efficiency programs to offset that inflation. And so what you can see is that our costs, we gave some quite firm cost guidance at the beginning of the year around the shape of the costs and how we expected Q1 to be the high point of operating costs.

And we reiterated that at Q3. So actually between Q2 and Q3, operating costs were flat and actually they were flat year-on-year. So hopefully that helps you think about how we are dealing with inflation, really trying to drive efficiency through the organisation being laser focused on costs.

Fahed Kunwar

I guess the inevitable question on cost goes into the investment bank, given that's I guess where the highest cost income ratio is. How are you feeling about the investment banking franchise at the moment? It's been – the last five years have been lots of market share gains in lots of areas in the investment bank, but clearly the returns are dragging versus where the UK retail bank is. So any color on kind of the general mood music, I guess, on the investment bank and how you think about that franchise going forward?

Anna Cross

Yeah. I mean, we do feel that we've got the size and scale across the CIB complex to compete very effectively and generate good returns and compete with our US banking peers. And the performance through the last few years demonstrates that across the complex, we have the breadth and capability to perform in a real range of macroeconomic environments.

If you sort of try and drill down a level below that within our investment banking franchise, within debt capital markets, we've traditionally been extremely strong. That's been a traditional area for strength for us. And actually what we'd really like to do is continue to build out the strength in equity capital markets and also in M&A, and we made some good strides towards that in Q3. So for example, in ECM, we were one of the four global coordinators on the Arm deal. We were, I think, third in US IPO's, but it's a much smaller business for us. So whilst, we're growing it very successfully, it's still smaller than we would want it to be.

And then on the market side, we're really focused on core presence in the UK and the US and we've made great strides forward. So we are number three in credit and that's really improved over the last few years. We're number two or number one in fixed income financing. We're number five in prime, whereas previously we were around number seven or number eight.

Fahed Kunwar

Are those in the US, Anna, sorry, or the UK rather than the US.

Anna Cross

Total. Reflecting the market wallet. And that does reflect where we've invested in the business, both in terms of people, but more importantly actually in technology. So we're very focused on areas where we feel we have a strength, where we feel we have a right to win as opposed to competing everywhere. So for example, we're not in commodities. So think of it as a focussed strategy, a bit one where we can continue to grow.

Fahed Kunwar

Am I right in inferring from what you said, I think most of the things you mentioned require balance sheet light businesses? Is it a fair summary to say the balance sheet light parts at IB, investment banking, is where you'd like to focus and the balance sheet heavy ones, perhaps less of a focus?

Anna Cross

Well, ECM and M&A are definitely more balance sheet light, it's as much as making sure we've got a balanced portfolio within banking and really our focus on prime and fixed income financing. Yes, of course there's the focus on those being more capital light, because they are secured lending. They're very RWA efficient. But at the same time, they're important because they're inherently more stable and put some real ballast into the markets business. And also they are a really, really important part of the overall offering for our clients. We're very focused on the top 100 clients that we have. We're very focused on the fact that clients who finance with us will also trade with us. So there's a number of nexuses to other businesses that again we are very thoughtful of.

Fahed Kunwar

And if you don't mind me asking, anything on the current market conditions for in particular the markets business at the moment?

Anna Cross

Yeah, I think the current market backdrop is a little like what we've experienced in Q2 and Q3 in that you've almost got not quite enough volatility for Markets, but a little too much for Banking. And we see that going into Q4, the VIX is lower than it was this time last year. Everybody can see the level of banking activity across Dealogic, so it's actually very similar to what we've seen in the prior quarters.

I think the other thing I would say is one of the things we called out in Q3 was flowing into our corporate business and transaction banking in particular: that attracts quite a lot of revenue from the liquidity pool. And again, in this kind of rates environment, the kind of disposal income that you get from that liquidity pool is a bit lower. And again, we see that trend continue into Q4. So more of the same, really, in terms of the backdrop and it being a bit challenging, really, across the CIB complex.

Fahed Kunwar

When I think about that last bit in the CIB, I guess, is probably where we focus the least. Well, at least, sorry, we do on the sell side, I'm sure you don't. I understand your point around current environment being a little bit muted. How do you think about that business on a two to three year view?

Anna Cross

Yes. I mean, we have seen our Transaction Banking business grow very nicely, reflecting not just the rate curve, but actually the buildup of deposits. And it's a really, really core part of our franchise. And we've seen corporate lending income somewhat recover as well over the last year. And that's really the absence of leveraged finance marks that typically flow through that line.

So, I've talked about the quarter-on-quarter trajectory being a bit more challenging, but I would say, the fundamentals of this business are the corporate franchise. So to the extent that you can continue to grow and service your clients and actually this is a business we have invested in. So we've invested in our technology that we present to those clients that allows them to navigate the products that we have within Transaction Banking more effectively. So there's an opportunity to grow balances here both on lending and liabilities, but also fee related products, so FX, trade, etc.

So I would expect, again, as the economy continues to recover in the UK, that we'll benefit from that. Probably one of the other things just for folks to remember, as we are comparing 2023 on 2022, is of course, Q3 and Q4 last year were quite significantly impacted by the volatility associated with the sort of mini budget. So folks should just consider that.

But as we go into 2024, our hope is that as we see economic stabilisation and actually some real clarity about whether or not rates have peaked, that will obviously bring activity back, particularly into investment banking, it's just very difficult to sort of determine exactly when that will happen in terms of a particular quarter.

Fahed Kunwar

That makes a lot of sense. Can I ask one last question on the CIB? How do the C and the IB flow together? Like, how do you cross sell within the two divisions, if you don't mind me asking?

Anna Cross

Yes. Well, within our corporate bank, there's clearly a huge range of size of clients. So actually what we call an SME in Barclays UK is typically £6.5 million turnover and below. And that means when you get into the Corporate Bank, there's a real range of sort of smaller and mid-sized corporates all the way through to the largest institutions. So the crossover between the C and the IB is more at the top end of C in terms of scale.

Fahed Kunwar

Got it.

Anna Cross

And typically, where we're dealing with clients – corporate clients who may be FTSE 100, FTSE 250, FTSE 350, they're the clients that really have more of a requirement for banking activity and banking advice, whether that be in debt, equity or indeed in M&A or indeed in broking. And then probably have a complexity around their business that requires some market interaction. So I'd say, it's probably at the larger end of the C clients, where we see the biggest opportunity, and actually demonstrably can service our clients across quite a wide range of products.

Fahed Kunwar

That's great, and I really appreciate it. I think I've taken up all of the time, and we've had a very good run through the business, looking forward to the investor update with Q4 results. So thank you for your time, and thank you, everyone, for listening. If there were any follow-up questions, like I said, I'm around, the Investor Relations team from Barclays is also around. So thank you very much, and thanks again, Anna.

Anna Cross

Thank you. Good luck for the rest of the conference.

Fahed Kunwar

Cheers.

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than disclosures relating to other subjects given market challenges in relation to data reliability, consistency and timeliness, and in relation to the use of estimates and assumptions and the application and development of methodologies. These factors mean disclosures may be amended, updated, and recalculated in future as market practice and data quality and availability develops.

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. 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 directors, officers and employees of the Group (including during management presentations) 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 levels, costs, assets and liabilities, impairment charges, provisions, capital, leverage and other regulatory ratios, capital distributions (including dividend policy and share buybacks), return on tangible equity, projected levels of growth in banking and financial markets, industry trends, any commitments and targets (including environmental, social and governance (ESG) commitments and targets), business strategy, plans and objectives for future operations and other statements that are not historical or current facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. 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, regulation and the interpretation thereof, changes in International Financial Reporting Standard (IFRS) and other accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards; the outcome of current and future legal proceedings and regulatory investigations; 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 incidents and similar events beyond the

Group's control; the impact of competition; capital, leverage and other regulatory rules applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions, including inflation; volatility in credit and capital markets; market related risks such as changes in interest rates and foreign exchange rates; higher or lower asset valuations; changes in credit ratings of any entity within the Group or any securities issued by it; changes in counterparty risk; changes in consumer behaviour; the direct and indirect consequences of the Russia-Ukraine war on European and global macroeconomic conditions, political stability and financial markets; 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 any 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; the Group's ability to access funding; and the success of acquisitions, disposals and other strategic transactions. A number of these factors are beyond the Group's control. As a result, the Group's actual financial position, results, financial and non-financial metrics or performance measures or its 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 US Securities and Exchange Commission (SEC) (including, without limitation, Barclays PLC's Annual Report on Form 20-F for the financial year ended 31 December 2022, and Interim Results Announcement for the six months ended 30 June 2023 filed on Form 6-K), which are available on the SEC's website at www.sec.gov.

Subject to Barclays PLC's 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 in our results announcement for the period ended 30 June 2023.