Bank of America Financials CEO Conference

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Transcript of fireside chat with C.S. Venkatakrishnan, Group Chief Executive of Barclays

(amended in places to improve accuracy and readability)

Tarik El Mejjad, Bank of America

Hello everyone. Welcome from my side to the 29th financial conference here in London. I'm very pleased today to welcome Mr. C.S. Venkatakrishnan, CEO of Barclays. Really it's a pleasure and honour to have you with us. So let's start with first question. In February, you provided a detailed target to support plans for revenue growth, cost control and capital allocation to deliver both [more than] 12% RoTE and more than £10bn in capital return to shareholders. That was well received by the market. Well done. So it's still early in the three year plan, but what progress has been made so far and what's been easier or harder to execute?

C.S. Venkatakrishnan, Group Chief Executive

Thank you very much Tarik. Thank you for having us here and I'm very pleased to be speaking. As you said, we presented this plan in February of this year. The important thing is that we are executing according to our plan. The plan had three important elements.

The first is that we wanted to take our RoTE from around 10%, which is what it was in 2023, to greater than 12% by 2026. We printed a RoTE at the end of the second quarter of 11.2%, and we feel fully comfortable with the target for FY24, which is to be [above 10%].

Then the second thing, which we said was that we would have capital distributions of greater than £10bn over the period 2024 to 2026. We had done £3bn in 2023, and so this was a little higher. And so far through the first half of this year, we've done £1.2bn in capital distributions of which [c.£400m] is dividends and £750m is share buybacks, which is underway.

The third thing which we said is that we wanted to rebalance our business and to take the Investment Bank, which is about 60% of the RWAs of the bank and make it about 50% of the RWAs of the bank. And that is not by shrinking the Investment Bank, but by keeping the RWAs relatively flat, [and] growing the businesses around it, which are primarily retail and corporate and largely UK facing. And we are on track with that. And an important part of that was a £30bn RWA allocation into the UK facing businesses, our retail and UK Corporate Bank and Private Bank and Wealth Management. We made a down payment initially of £8bn by acquiring the Tesco bank portfolio. So the capital return metrics, and the business metrics are all tracking the plan which we laid out.

Tarik El Mejjad

Very good, thank you. On your points on capital, so one of the key points on your plan was indeed capping capital allocation to the Investment Bank while still delivering revenue growth, and that was core to the strategy.

C.S. Venkatakrishnan

Yeah.

Tarik El Mejjad

So how do you expect to achieve that increase in RWA productivity and where are you in that journey versus what you expected when you announced that plan in February? And in addition, are you still confident in your ability to hold the Investment Bank RWAs at the 2023 level?

C.S. Venkatakrishnan

Yeah, so that's absolutely right. An important element of this plan is to keep the RWAs of the Investment Bank at roughly the 2023 levels. What that means is that the Investment Bank, in my language, does a little diet and exercise. So there's a little bit of RWA efficiency and there's also the absorption of whatever we expect from Basel 3.1, which we can talk about later.

The first and most important thing here is to note that our Investment Bank is at scale. The Investment Bank at the current level of capital allocation is able to operate well in the businesses in which we are, in both [Global] Markets and [Investment] Banking and is able to operate competitively and effectively in those businesses. We saw that through the second quarter, and if you look at [Investment] Banking itself you see some of the statistics that are publicly published in the last couple of months, you continue to see that. So the first thing is the Investment Bank is at scale.

The second is the way we are getting capital efficiency is a reallocation of capital within the Investment Bank, primarily from Investment Banking into Global Markets. And an increase, as you mentioned, in efficiency within the Investment Bank of return per unit RWA. That efficiency measure by the second quarter had gone up about 40 basis points compared to the end of last year. So we are producing on that.

I've also said that our [Global] Markets business is a little further along in the journey because they started a little earlier on that capital efficiency and the [Investment] Banking side is catching up. So that's the way we aim to do it. And the important thing is we are doing it from a position of scale, a position of strength, and a position of great client penetration and client interaction.

On the [Global] Markets side, the way we measure that is the number of our top 100 clients with whom we are top five. So we are a number 6 Investment Bank, totally, and in [Global] Markets and [Investment] Banking. So if you set your sights a little bit higher and you say, well, I want to be [Top] 5 with some people, that number used to be about 30 of the top 100 a few years ago. It's gone to above 50 and we are looking for that to be 70 by 2026. So greater client penetration, more efficient RWA use, allocation within the Investment Bank. We are already seeing the results and we start from a position of scale, strength, and competitiveness.

Tarik El Mejjad

Very good. Let me follow up on this in terms of the RWA velocity. Do you have any instruments you use to be more efficient about your capital or is it just the point you mentioned?

C.S. Venkatakrishnan

The first thing I should say is that we have been in the so-called SRT or the risk transfer business for many, many years. And we've used this as a form of both capital management, meaning you enter into engagements where you pay off the interest coming from loans as well as any principal change because people default, right? So you transfer the default risk and you pay the income. We've been doing that in our Investment Bank for many years as a form of capital management, as I said, and risk management, which is when we anticipate things are going to get worse, we dial up the amount and we dialled it up around the

COVID period. Not only do we do this in the Investment Bank, we do it outside the Investment Bank. We did a transaction early this year in our US credit card portfolio for around $1bn with Blackstone, one of the first trades of its kind. I think the first trade of its kind since the financial crisis.

We've done it in our UK portfolio as well. We did it on an auto motor loan portfolio a few years ago. So we are very practiced at this. And it's really important when you think of banks to see how long they've done it because the market, like any program, the buyers need to know what you do, how you do it, what's the quality of your credit and your experience with underwriting. And that's why it's important to have done it and it gives us a real advantage to have been doing it and we will continue to exercise that muscle in every which way.

Tarik El Mejjad

Perfect. Thank you very much. Very clear. Maybe we can move to your business in the UK. So you recently upgraded your Group NII guidance for this year, but how do you expect Barclays UK NII to evolve in a rate-cutting environment, which is actually well engaged now?

C.S. Venkatakrishnan

So we upgraded our NII guidance, as you said, from [c.]£6.1bn to [c.]£6.3bn. The important thing to remember about the way in which we look at our interest rate risk is that of course we have the income, but we also have, again, a long mature and pretty systematic and programmatic structural hedge program. And what that structural hedge program does is that it modulates or moderates the impact of both rising rates and of falling rates.

So when rates rise, our income grows but [more] slowly than if we didn't have the program. And when rates fall, our income falls but more slowly than if we didn't have this program. So that is going to modulate the effect of falling interest rates and that provides, if you like, a ballast to our NII. On top of that, as we report in the second quarter earnings, we have seen stability in deposits after the initial rise in rates. So all of that together is what led us to upgrade our NII and to be fairly confident that even though we are seeing a modest decline in interest rates, the structural hedge program will continue to provide us income protection.

Tarik El Mejjad

Thank you. So you are targeting £30bn growth in UK RWAs over the next 3 years. So you mentioned earlier today, £8bn is from Tesco Finance acquisition. The rest will be organic. So, given that Barclays UK balance sheet reduced in Q2 and the slow low-digit growth in UK, how are you optimistic to reach this target?

C.S. Venkatakrishnan

The first thing, and I speak of this as a risk manager, the first thing for you to know is that we start this with a position where actually we are underweight at that risk. So, we are underweight at that risk because of actions which we took post-Brexit and during COVID, to reduce our risk primarily in unsecured. We've always been at current levels or higher in mortgages. We've seen an increase in our mortgage market share. We see that both in traditional mortgages, as well as specialised mortgages. We bought a specialist mortgage company called Kensington, and we've been originating high LTV and more specialised mortgages through them. Now you have seen a net reduction because although we grew on the asset side, there've also been a large amount of refinancings in the mortgage side, but I think that will modulate.

On credit cards, we are beginning to see growth as well. We have just piloted and launched a co-branded program in the UK with Amazon. Now in the US, we are fairly experienced in co-brand programs. And so, we're doing the Amazon card with Barclays right now, started in July. And of course, Tesco will be a co-

branded program as well. So, we expect to see that organic growth, starting as I said from a position of low risk weight.

I also think even though the UK growth is modest, there is an important opportunity here for large, well-run financial institutions, to price their debt and credit offerings well and take advantage of the flexibility that that offers in this marketplace. And we are building that capability with Tesco, we're building that capability with Kensington, and we expect to use that muscle.

Tarik El Mejjad

Very good. One of the most popular questions we get at the moment on the UK banks as you can imagine, is how the upcoming budget could impact the banking sector in the UK, either positively or negatively. So, we'll be really keen to get your views on this.

C.S. Venkatakrishnan

Yeah, this is as you say, it's an important question. It's also 24/7 live, because the chancellor has been speaking about this. She spoke about it yesterday at the Labour Party Conference. So, we'll have to wait for the details of the budget, but what is the mood music? The mood music from this government since day one, actually, before they even came into office, has been that a) it is focused on UK economic growth, and b) that it is business friendly. Broadly across all industries, it sees the business as an important element of that growth and also with the financial sector and the financial industry. So, those are two important pillars or planks with which to begin.

The next thing about growth is the Chancellor spoke yesterday about investment and the need to have investment. And there's going to be an Investment Summit in the UK on the 14th of October.

So, the constraints the government operates under are obviously if you need greater investment, where's that investment going to be? That's an objective. And the constraint is where you're going to find the money. But with debt to GDP at around 98%, and sterling no longer the reserve currency of the world, and the experience of two years ago, obviously you've got to be careful about how much you borrow and where you borrow. So, the government is looking at that. I think, there may be some capacity that's found in accounting and other aspects, by either measuring the net stock of the public sector, or the value of the public sector stock. So, it's not just an asset / liability question. As well as certain accounting measures related to losses from the Bank of England's Treasury portfolio. So, they may give a little bit of accounting fiscal room.
But the really important part is private investment, which is why industry is important, which is why, we, the financial sector are important, both to channel domestic private investment and international private investment, and that's where that summit comes in.

Now, the next question is where does this money go? So, it looks like it might go in two or three areas. First of all, related to climate, technology, sustainability and just generally industry and pharma. That's good - it's industrial growth. And the second thing is housing. And that's really important for banks, because we will be needed to finance the housing. And second is, housing in the UK is relatively large part of an individual's or a family's expenditure. More so proportionately than in many industrialised countries.
So, if that part of the budget for individuals can grow at a lower rate or inflate less, then that provides room for consumer spending. So I expect investment to translate into spending, and I expect consumer spending to go up. All of that should be positive. There are questions of how it's going to be done, but I view it as positive.

Tarik El Mejjad

And in terms of risks, what do you see?

C.S. Venkatakrishnan

Well the risks are, how do you operate under these budgetary constraints. Which is where you're going to get the money, how are you going to borrow, and how do you channel the private investment? And as in all of these things, how do you keep the focus on what you have to do?

Tarik El Mejjad

Thank you very much. So now we move to the US Consumer Bank. You have started to deliver improved returns, but there are regulatory headwinds in the form of the [IRB] model and the late fees on the horizon. So, what's the latest on those, and how will they affect your path to profitability? Are you still on track to deliver the above 12% RoTE in line with the group by 2026?

C.S. Venkatakrishnan

The answer is yes, we are on track. We started the year with about 4% RoTE in that business. At the end of the second quarter, we reported around 9% RoTE. So, we're on that track. We made allowances in our plan for [IRB] and for late fees, both in the quantum. What's happened since then is that [IRB] will be implemented in the first quarter of 2025, not in the fourth quarter of 2024. And the late fees is stuck in court, so that may take some time in 2025. But it's a question of timing, obviously the longer it takes, the easier the return path in the interim, but we've made adjustments for that so we don't view those as particular problems. So yeah, the return track of that business is as we specified it will be.

Tarik El Mejjad

Thank you. Maybe it's time to open the floor to questions, if there are any. There's one.

Audience Member

Hi, Mark from BDO. A couple of weeks ago at your conference we had some, I guess you could call them scary or concerning headlines on consumer credit. Perhaps you can give us some colour on what's happening in your US card book, what you're seeing in delinquencies, how your book differs from maybe some of the more worrying trends we've seen at the likes of Ally, for example.

C.S. Venkatakrishnan

Yes, I remember that. But I think one of the things to note in our conference was, some people, like the name you mentioned, spoke about worrying consumer trends - others did not. We expect normalised impairments [trending towards] around 400bps [loan loss rate] in our [US] credit card book. We provided at levels slightly higher than that coming into the year, because our models were anticipating higher unemployment, and we were worried a little about growth and interest rates.

So we've provided, and since then our realised impairments have been coming down. So we expect it to be [trending towards] the 400bps level. We're not seeing trends in that impairment in the actual default behaviour that would lead us to suspect anything worse than that.

Tarik El Mejjad

Staying on the asset quality topic, within the group, what are the areas where you could see some stress in your books?

C.S. Venkatakrishnan

So, I should begin overall in the book by saying that in the UK at the end of the second quarter in Barclays UK, our loan loss rate was 1bp. Now, there's only one way it goes from there and that's up. But the point is to say that impairments on the retail side are fairly muted. The big thing, both in the UK and the US, is inflation is coming under control. Obviously, the stock of prices is higher than it used to be three or four years ago. But employment has held firm. And as many people said at our conference in New York, and I've said also, what we see is people economising and managing their budgets.

Then when you go to the wholesale side, we use our risk transfer program quite effectively, up to 30, 40% sometimes of our book is risk hedged. We have been very careful on the commercial real estate side for many, many years. And then on the Investment Bank, again, it's single name issues, prudent but isolated.

Tarik El Mejjad

Okay, very good. You've talked about your plans to improve the capital efficiency in the US cards. Could you help us understand a little bit more on where else in the group you could use this risk transfer to improve capital efficiency?

C.S. Venkatakrishnan

The wholesale book in loans and corporate credit is where we've used it for years and years and that is the biggest program we have. It's called Colonnade. Then we have started using it in US cards and we did the first trade of about $1bn a few months ago and we look to continue to do some of that.

Then in the UK we've done it periodically. We've done a couple of mortgage trades. We did one large trade when we got out of the motor finance business in 2019 and we've looked to continue to do some in mortgages. I think the important part about this is, it's a good tool for capital management. It's a good tool for risk management, but it's got to be evergreen. You can't stop and start. You can't say today, I want to keep these assets on my books so I'm not going to do a trade for the next three years, because the market has to see that. So you'll see us do it in greater or lesser sizes, but across our credit portfolio.

Tarik El Mejjad

So still on capital, we received the UK Basel rules recently. I guess you're still going through those, but what can you tell us already in terms of, now I think you have [more visibility] on impacts and then we'll talk later about the implication on the US rules as well.

C.S. Venkatakrishnan

We stand by the guidance which we gave at the start of the year, which is [the lower end of] 5% to 10% [RWA inflation] total impact on Basel. We also said we'll absorb this within the Investment ank and so everything we've seen so far keeps us in that range.

The thing we have to see are the details and we've had two important concerns, which I think the UK will be addressing. One is that we would want the quantum of the rules to be roughly similar in the jurisdictions which are of importance to us, the UK and the US, [...] and also implementation time to be roughly at the same time. The UK has come out, we have to see the details of the US rules. In the US, the question of timing is more important and while the US changes have been far more substantial because the initial starting point a year ago was far more severe, we just again have to see the details and we have to know what it means.

So I have to reserve comment on that, but I'm hopeful and I remain hopeful that the quantum will be roughly similar and timing will be roughly consistent.

Tarik El Mejjad

Just to follow up on this, in the last few years and we've witnessed that with some CIB businesses, French banks for example in continental Europe, [how difficult has it been to be on the same playing field as banks who require less capital], just to understand what would be the upside now that we could have potentially similar rules?

C.S. Venkatakrishnan

So I think, in my experience of doing this over about a dozen years, if you can be reasonably competitive in a business, your RoTE may be a couple of points better or worse than somebody else's, but if you are reasonably in that range, then you can compete because it's not just that one product, it's a broader relationship with the client.

If the rules are such that it becomes very onerous to compete, then you're probably best off not being in that product. An example which many of us had in the early part of the last decade was once some of the credit risk charges came in, IRC or CRM, many of us got out of some of the more bespoke credit trading tranches and so on. So there are times when certain asset classes which require a lot of capital you will not be as involved in. But generally if it is reasonably comparable, then I think you can be competitive.

Tarik El Mejjad

Okay, and specifically now that Brexit has impacted your CIB business within continental Europe. Did you lose ground on the back of this or you think you're still competitive?

C.S. Venkatakrishnan

We didn't lose ground from a client point of view, we didn't lose ground at all. In fact, we've gained, because of the focus we've put in Europe. Our bank is headquartered in Ireland, but we've got teams all over continental Europe and as you can imagine, fairly heavy trading operation in Paris. So that has given us a greater focus and brought us closer to clients.

We, like all other banks, have to go through the regulatory process of going through the European stress test, European capitalisation, understanding through the joint supervision mechanism of the ECB and that's a work in progress. Every year we get better at this and it will stabilise in its own way and if there's been a "cost", it's been that.

But we think it is important for the banking system to be well-regulated, highly liquid and well-capitalised and that is as true in Europe as it is for us in the UK as it is for us in the US. So we want absolutely to be a constructive part of that system in Europe, an important part of that system in Europe, and therefore to be well-capitalised, liquid and profitable there.

Tarik El Mejjad

Thank you. Cost efficiency has also been core to your strategy. You target £2bn savings by 2026, but on a different pattern of investment spend. Can you take us through what areas you are working on and what investments you are doing?

C.S. Venkatakrishnan

So we said £2bn in the 3 year period. We said at the end of the second quarter, we've already done £400m so far this year and are on track to complete £1bn for 2024, and so there's £1bn left for 2025 and 2026. So all that remains on track.

As far as spending itself goes, we have been investing in our investment bank, especially in the markets business, especially in technology, fairly heavily over the last number of years. We will continue to invest but at a slightly slower pace there. The greater investments are coming where we are also putting in RWAs, which is in the corporate side and in the retail side in the UK. And so that's where we expect to invest in RWAs and proportionately invest more in technology and in our wealth business.

Tarik El Mejjad

Thank you. Moving back to capital and distributions. Investors welcome the focus on the share buyback, but how do you evaluate the capital distribution against organic growth and M&A? Maybe we can follow up on your potential ambitions for more consolidation in UK.

C.S. Venkatakrishnan

First of all, we've been very clear that we've got a hierarchy on capital, so all generated capital and we've been very capital generative in the last couple of years and this year. The generation of capital first goes to keep the bank well capitalised. So we target a CET1 of 13% to 14% at the end of the second quarter if I remember we were 13.6% and so that's where we want to be. In that range of 13% to 14% and that's the first goal.

The second objective is capital return. That's the greater than £10bn that we said we would do over the next 3 years and £[1.2]bn of that we've done in the first half of this year. After that, what's left over can go into investment in the business, either organic investment or potentially inorganic, but that's the hierarchy of capital use.

If we look at the inorganic side, we have three criteria. It should either expand our capability in the way Kensington mortgages did for non-traditional mortgage assets or underwriting of non-traditional mortgages, or it should expand our scale in the way Tesco has done. So it either gives capability or scale and it is of a size that is manageable and that we can manage both from the capital use in item number three in our waterfall and also as a management matter which we feel comfortable dealing with. So those are the criteria. You asked about the UK?

Tarik El Mejjad
Yes.

C.S. Venkatakrishnan

Obviously you have seen some small and medium-sized financial entities under pressure in the UK. It's normal to expect that at turning points in interest rates, and I think what you've got right now is three things coming together. One is, obviously, higher interest rates, before the recent cut in August by the Bank of England, but generally, higher interest rates than were there for the last number of years. The second thing you've had is the maturing of the consumer regime with consumer duty. And the third thing you've had, of course, is the maturing of the capital regime with Basel 3.1.

Entities have to evaluate how they will operate in that circumstance. Everybody from the biggest bank to the smallest financial institution has to do it. Some will feel greater pressure than others. I think generally the big banks are well capitalised and well run, and I think some of the smaller entities, especially if they're focused on specialist areas which are more vulnerable to peculiarities of these rules, may find themselves more vulnerable.

Tarik El Mejjad

Very clear. Is there any question on the floor? There's one here.

Audience Member

If I could just ask thoughts on the continued growth of private markets and the opportunities that presents for Barclays. I guess we spoke to SRT, but also maybe the risks given that seems to be particular focus for the Bank of England on the regulatory side?

C.S. Venkatakrishnan

What we call 'private credit' or what is termed broadly 'private credit' is something that banks have been doing since their existence. It is issuing loans to individuals, corporations and so on, and keeping it on their books. What you've had now in the last number of years is non-bank entities venturing into this market. These are loans which are not securitised. These are not corporate debt instruments, but these are loans held on the balance sheet. What you've had is non-bank entities venturing into this. They bring a couple of advantages.

One is, of course, that they are large and they have capital to deploy.

The second is that they run under a different regulatory regime than the banks do. So it is, if you like, less punitive at some level.

And third is, there are many sophisticated players who can be very discriminating in what they offer, and they're serving a need for their own clients to get access to this asset class. That's all on the plus side.

On the other side, the relationship that companies have with whoever finances them is not just a financing relationship but an operational relationship. With a bank, not only do you come to us for loans, but we also manage your accounts, we do your payments for you, we provide foreign exchange, et cetera. That totality of the relationship is very difficult to supplant and nor do I think these private entities are looking to supplant.

I think if I were a corporate, I would have to look at all providers of capital, but also understand the importance of the relationship of the bank, which is more than just lending. And in fact, we talk about different parts of our businesses, where some places we have much more of an operational relationship and we're trying to grow the lending relationship, and in other places we have more lending relationship and we try to grow the operational relationship. But we always look at it as an entirety. That is a risk not for the system, but for the company. It has to look at the entirety of its relationship.

Then if you come to the system, which is your point about the Bank of England, the system has to ask basically a couple of questions. Are the people who are providing this private credit, the non-bank people, are they sophisticated enough and able to do discriminating enough credit selection so that they're not affected at a negative point in the cycle? I have no doubt that the large entities are very sophisticated. There are lots of smaller entities who have come in. We shall see.

The second thing is, what are the bank's own exposures to these funds in terms of providing leverage? All the banks do this and I think it's important for us to be, again, sophisticated and careful in how we provide leverage, where, and in what quantity. Those are the systemic risks that the credential regulator would have to concern themselves with.

Tarik El Mejjad

Any more questions on the floor? There's one there. Please?

Audience Member

Thanks very much. Politicians in both the UK and US have been talking about significant increases in tax burdens on people with higher incomes and higher asset positions. In the UK in particular, you've had changes in the non-dom proposals. How do these affect your ability to hire the right people in the right places? And in particular, could you comment on if there are changes to the non-dom environment, does it affect your ability to have the right staff on board here in London?

C.S. Venkatakrishnan

That's a good question. I think broadly, for us, it will not. That's probably because we have a very different staff mix than certain private entities and different compensation sectors. Because for the private entities, it's not just dom and non-dom, it's also whatever happens to carried interest. For us, that's not the case.

I'll tell you, when we look at our staffing, you do get senior people who move, say, from the US to the UK, and there the non-dom may come into play. Not if you're coming from the US because the US, as you know, taxes all its citizens globally, but if you come from other jurisdictions like Asia. So, there's a small number of people who may be affected.

The other attractive thing about the UK, incidentally, is that for very qualified, younger people, the visa regime is much more attractive and you're able to hire qualified, young people and get them on working visas, ultimately on a path to residency and citizenship much faster in the UK than you are in the US. That's a great attraction for us in getting talent from around the world and even talent from the US.

Tarik El Mejjad

I will end it here. Thank you very much for your time. It was a pleasure to have you.

C.S. Venkatakrishnan

Perfect. Thank you.

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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, business strategy, income levels, costs, assets and liabilities, impairment charges, provisions, capital leverage and other regulatory ratios, capital distributions (including policy on dividends 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), plans and objectives for future operations, International Financial Reporting

Standards ("IFRS") 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, regulations, governmental and regulatory policies, expectations and actions, voluntary codes of practices and the interpretation thereof, changes in 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 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 in the banking and financial services industry; capital, liquidity, leverage and other regulatory rules and requirements 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 reforms to benchmark interest rates and indices; 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 conflicts in Ukraine and the Middle East on European and global macroeconomic conditions, political stability and financial markets; political elections, including the impact of the UK, European and US elections in 2024; developments in the UK's relationship with the European Union ("EU"); the risk of cyberattacks, information or security breaches, technology failures or operational disruptions and any subsequent impact 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. In setting its targets and outlook for the period 2024-2026, Barclays has made certain assumptions about the macroeconomic environment, including, without limitation, inflation, interest and unemployment rates, the different markets and competitive conditions in which Barclays operates, and its ability to grow certain businesses and achieve costs savings and other structural actions. 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 2023 and Interim Results Announcement for the six months ended 30 June 2024 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.