Barclays US LLC

2024 Company-Run Dodd-Frank Act Annual Stress Test Disclosure

Supervisory Severely Adverse Scenario

June 2024

Table of contents

Section	Description	Page
A	Overview	2
B	Description of the Supervisory Severely Adverse Scenario	3
C	Results under the Supervisory Severely Adverse Scenario	4
D	Types of risks considered in the Supervisory Severely Adverse Scenario	8
E	Description of methodologies used in stress testing	10
F	Further information	12

A) Overview

- Barclays US LLC ("Barclays") is an intermediate holding company ("IHC") established by Barclays PLC in 2016 following the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act").
- The IHC comprises two main businesses: an investment bank, which provides banking services to corporations, governments and institutions; and a consumer bank, which provides credit card, lending, deposit and payment solutions to personal and small business customers. The IHC accounts for a subset of Barclays PLC's broader operations in the United States ("US"), with a portion of US corporate and investment banking business booked outside the IHC.
- The Dodd-Frank Act and the Board of Governors of the Federal Reserve System (the "FRB") require certain organizations, including Barclays, to conduct regular stress tests and publicly disclose the results of such stress tests. This document provides a summary of Barclays' forecasted risks, calculation methodologies and projected results with regards to the 2024 company-run Dodd-Frank Act Stress-Testing ("DFAST") exercise.
- The results depict the projected impact of the more severe of the two hypothetical scenarios created by the FRB for 2024 DFAST purposes (the "Supervisory Severely Adverse Scenario"). Results are provided for selected financial measures across a nine-quarter planning horizon, beginning with Barclays' actual position as of December 31, 2023.
- The results were calculated using forecasting tools and methodologies developed by Barclays and may differ from other stress-testing analyses produced previously by Barclays or by others, due to the specific stress testing methodologies, assumptions and scenarios used. Further, due to rounding, certain numbers presented throughout this document may not add up precisely to the totals provided.
- The results also use the following assumptions regarding projected capital actions (the "DFAST Capital Actions"), with the first projection quarter (Q1 2024) reflecting actual capital actions taken and the second through ninth quarters (Q2 2024– Q1 2026) including (a) common stock dividends equal to the quarterly average of the actuals paid in the prior year; (b) payments on other capital instruments equal to the stated dividend, interest or principal due in respective quarters; (c) no redemptions or repurchases; and (d) no issuance of common or preferred stock, except for employee compensation or planned mergers and acquisitions.
- This document provides hypothetical estimates from forward-looking exercises of possible outcomes based on an assumed, materially adverse business environment. It should not be viewed as a forecast of actual expected outcomes or otherwise used to make inferences about the actual future performance of Barclays or the broader Barclays PLC group of companies.

B) Description of the Supervisory Severely Adverse Scenario

Overview	• The FRB's hypothetical Supervisory Severely Adverse Scenario is characterized by a severe global recession and features prolonged declines in both residential and commercial real estate prices, which spill over into the corporate sector and affect investment sentiment. • A summary is provided below, with more detailed information available in the FRB's published instructions.[1]
Key Macroeconomic Variables Included	• The US unemployment rate peaks at 10.0% in the third quarter of 2025, a 6.3 percentage point increase relative to the fourth-quarter of 2023. • Real US Gross Domestic Product declines approximately 8.5% over the nine-quarter horizon. • Equity markets decline approximately 55%, accompanied by a significant rise in volatility. • The spread of investment-grade corporate bond yields over the 10-year Treasury rate widens by 580 bps. • Real estate prices decline, with housing prices falling approximately 36% and commercial prices falling 40%. • Short-term interest rates, as measured by the 3-month Treasury rate, fall significantly to 0.1% by the third quarter of 2024 and remain there for the remainder of the scenario. Long-term interest rates, as measured by the 10-year Treasury yield, fall 3.7 percentage points to 0.8% by the second quarter of 2024 and then gradually starts to rise in early 2025 to 1.5% by the end of the scenario. • The US dollar appreciates against the euro, the pound sterling and the currencies of developing Asia, but depreciates slightly against the yen. • Consumer Price Index inflation, measured as an annual rate, declines to 1.3% in 2024 and remains low throughout the rest of the nine-quarter period.
Global Market Shock Components	• The specific shocks provided by the FRB are used to reflect Barclays' Global Market Shock ("GMS") trading and large counterparty default losses. • As required by the FRB, the as-of date for the GMS and counterparty default scenario component is October 13, 2023.

https://www.federalreserve.gov/publications/2024-stress-test-scenarios.htm

C) Results under the Supervisory Severely Adverse Scenario

Capital Ratios: Actual Q4 2023, Projected Q1 2024 to Q1 2026

Regulatory Capital Ratio[1,2]	Actual Q4 2023	Projected Stressed Capital Ratios[3]		Regulatory Minimum
		Ending	*Nine-Quarter Minimum*	
Common Equity Tier 1 Capital Ratio	13.7%	8.3%	8.3%	4.5%
Tier 1 Risk-Based Capital Ratio	15.1%	9.8%	9.8%	6.0%
Total Risk-Based Capital Ratio	16.9%	11.5%	11.5%	8.0%
Tier 1 Leverage Ratio	8.5%	5.4%	5.4%	4.0%
Supplementary Leverage Ratio	6.0%	3.9%	3.9%	3.0%

Risk-Weighted Assets: Actual Q4 2023, Projected Q1 2026

Item	Actual Q4 2023	Projected Q1 2026
Risk Weighted Assets[4] ($bn)	111.0	105.1

1 Projected stressed capital ratios indicate hypothetical estimates under an economic outcome that is significantly more severe than expected actual business conditions. The estimates are not intended to represent or forecast actual or expected business conditions.

2 Capital actions as per the FRB's DFAST Capital Action instructions.

3 The US Basel III standardized approach is used to calculate risk weighted assets for credit risk and market risk with respect to the Common Equity Tier 1 Capital Ratio, the Tier 1 Risk-Based Capital Ratio and the Total Risk-Based Capital Ratio.

4 The US Basel III standardized approach is used to calculate both actual and projected risk weighted assets.

C) Results under the Supervisory Severely Adverse Scenario (continued)

Projected Losses, Revenues and Net Income before Taxes: Projected Q1 2024 to Q1 2026

Item[1]	$m	% of Average Assets[2]
Pre-Provision Net Revenue ("PPNR")[3]	(603)	(0.3)%
Other Revenue	-	
less		
Provisions[4]	4,735	
Realized Losses/(Gains) on Securities (AFS/HTM)[5]	-	
Trading and Counterparty Losses	1,779	
Other Losses/(Gains)[6]	-	
equals		
Net Income/(Losses) Before Taxes	**(7,117)**	**(3.9)%**
Memo Items		
Other Comprehensive Income	11	
Other Effects on Capital	*Actual Q4 2023*	*Q1 2026*
Accumulated Other Comprehensive Income in Capital ("AOCI")	(25)	(30)

1 Income statement categories used for the results conform to the FRB's definitions; classifications of revenue and expense items may differ from Barclays' financial disclosures.

2 Average Assets are the average of total assets across the nine-quarter projection period.

3 PPNR is equal to net interest income plus non-interest income, less non-interest expense, impairment losses for other intangible assets and operational risk losses.

4 Provisions are calculated as the sum of forecasted net credit losses and the change in the allowance for loan and lease losses over the nine-quarter period.

5 Available for Sale ("AFS") and Held to Maturity ("HTM") securities.

6 Includes goodwill impairment.

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C) Results under the Supervisory Severely Adverse Scenario (continued)

Loan Loss Projections: Projected Q1 2024 to Q1 2026

Loan Type	$m[1]	Portfolio Loss Rates
First Lien Mortgages, Domestic	-	-
Junior Liens and Home Equity Lines of Credit, Domestic	-	-
Commercial and Industrial	27	20.3%
Commercial Real Estate, Domestic	5	100.0%
Credit Cards	4,843	17.4%
Other Consumer[2]	28	6.0%
Other Loans[3]	2	0.0%
Total Projected Loan Losses	**4,905**	**12.2%**

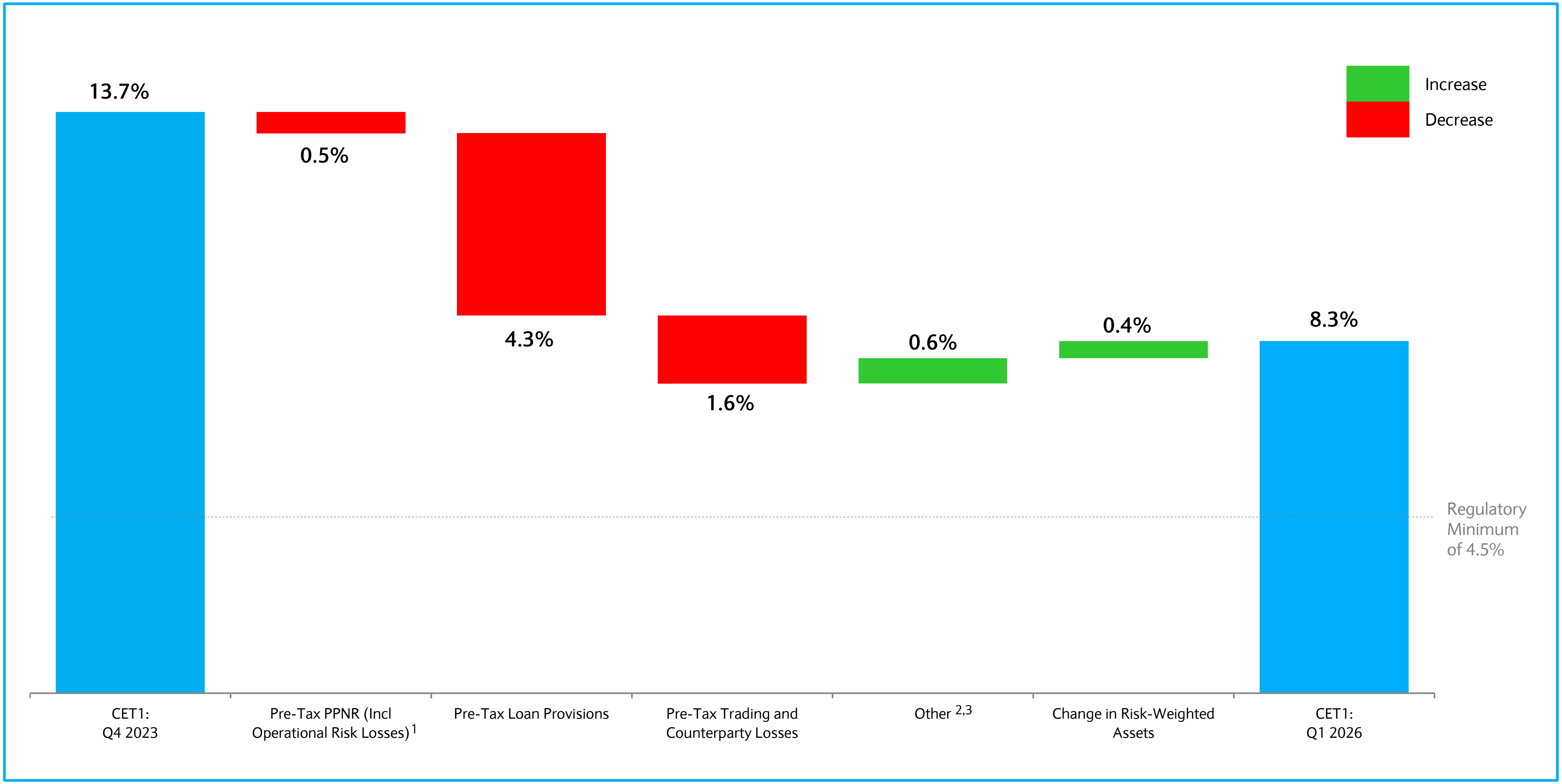
1 Average loan balances are calculated across the nine-quarter projection period. Loans held for sale or measured at fair value are excluded from average loan balances.

2 Other Consumer represents retail installment loans.

3 Other Loans includes loans to depositories and other foreign banks (including intercompany loans to other Barclays entities), loans to purchase and carry securities and municipal tender option bond loans.

C) Results under the Supervisory Severely Adverse Scenario

Common Equity Tier 1 Capital Ratio: Key Drivers, Q4 2023 to Q1 2026



1 Pre-Tax PPNR includes losses from operational risk events and impairment losses for other intangible assets.

2 Capital actions as per the FRB's DFAST Capital Action instructions.

3 Represents impact from tax, goodwill impairment and regulatory capital components including deferred tax asset deductions, goodwill and intangibles deductions.

D) Risks considered in the Supervisory Severely Adverse Scenario

The risks described below are considered most relevant to Barclays, based on their significance to the IHC's risk profile and specific vulnerabilities. Barclays' stress-testing results reflect these risks.

Treasury and Capital Risk	• The risk of having an insufficient level or composition of capital to support normal business activities and meet regulatory capital requirements under normal operating environments or stressed conditions, both actual and as defined for internal planning or regulatory stress-testing purposes. • The risk of being unable to meet contractual or contingent obligations or of Barclays not having the appropriate amount, tenor and composition of funding and liquidity to support its assets. • The risk of capital or income volatility arising from a mismatch between the interest rate exposures of Barclays' non-traded assets and liabilities. • The risk of pre-provision net revenue declining as a consequence of lower deal and transaction volumes, trading activity levels, spreads earned and other sources of revenue streams. • The risk of loss associated with affiliate relationships, notably Barclays' parent entity and dependencies on the parent entity's creditworthiness. • The risk of reduced revenue opportunities or increased capital constraints as a result of changes in the regulatory environment, the emergence of geopolitical risks or other changes in the competitive landscape.
Credit Risk	• The risk of loss from the failure of clients, customers or counterparties to fully honor their obligations to the firm, including the payment of principal, interest, collateral or other obligations. • The risk of higher retail credit losses and associated loan loss provisions from deterioration in the US macroeconomic environment, particularly in employment, consumer debt levels, and residential real estate metrics.

D) Risks considered in the Supervisory Severely Adverse Scenario (continued)

Market Risk	• The risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables including interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations. • The risk of unexpected losses on residual trading inventory positions, both from sudden adverse directional systemic moves as well as sector or name-specific idiosyncratic events, including default.
Operational Risk	• The risk of loss from inadequate or failed processes or systems, human factors or external events including fraud where the root cause is not due to credit or market risks. • The risk of business disruption from technology outages or system errors and the associated cost to remediate issues given high transaction volumes and reliance on complex technology and data management systems. • The risk of data breaches, including loss of sensitive data; increased frequency and severity of cyber attacks.
Compliance Risk	• The risk of poor outcomes for, or harm to customers, clients and markets arising from the delivery of the firm's products and services (also known as Conduct Risk) • The risk to Barclays, its clients, customers and markets from a failure to comply with applicable laws, rules and regulations (also known as Laws, Rules and Regulations Risk)
Other Risks	• Barclays further considers and manages a range of other risks that could be significant in capital planning and capital adequacy assessment processes including climate risk, legal risk, model risk and reputational risk. • In addition, Barclays continues to actively assess the actual and potential impacts of a range of potential macroeconomic and geopolitical situations on the IHC's capital adequacy, including both inflation and recent military actions, and what such events could mean for Barclays' ability to continue to support our clients, customers and communities.

E) Description of methodologies used in forecasting

Overview of Estimation Methodologies	• Barclays uses an interconnected network of models to simulate business performance over nine quarters, under both baseline and stressed market conditions. Outputs from this simulation process include income statement, balance sheet and resource consumption metrics, as well as capital and leverage ratios. • Where quantitative methods are supplemented with qualitative approaches such as expert judgment or management input, Barclays operates a comprehensive process to ensure appropriate review and challenge at multiple levels of the organization. • In addition, for models and other estimation methods that use assumptions around the continuation of historical relationships, such assumptions are examined and independently validated to assess their validity for conditions of acute market stress.
Pre-Provision Net Revenue and Balance Sheet Projection Methodologies	• PPNR is equal to net interest income plus non-interest income, less non-interest expense, operational risk losses and intangible impairment losses. • The income components of PPNR are derived using methodologies informed by macroeconomic variables and expert judgment. These are estimated at a business or segment level. • The non-interest expense components of PPNR use estimation methods that reflect the current cost base and incorporate a defined set of management actions which reduce costs as appropriate in stressed scenarios. These are estimated at a legal entity level. • The operational risk loss components of PPNR include legal losses, non-legal losses (such as credit card fraud) and idiosyncratic events. They use estimation methods informed by macroeconomic variables, historical experience and expert judgment. • Asset and liabilities are projected for each of Barclays' main businesses using quantitative and qualitative methods, which may include assumptions based on expert judgment.

E) Description of methodologies used in forecasting (continued)

Risk-Weighted Asset Projection Methodologies	• Risk-weighted assets comprise two components for Barclays: – The standardized approach, which is used for credit, counterparty credit and specific market risk exposures. – Modeled market risk, which is used for general market risk exposures. • Standardized approach projections are calculated using scaled trade balances, augmented by models that project key inputs such as collateral mix and credit ratings and aligned to the US Basel III standardized approach. • Modeled market risk projections rely primarily on historical averages and macroeconomic scenario paths to help make such projections appropriately dynamic and responsive to the volatility of the IHC's underlying assets.
Retail and Wholesale Credit Loss Provisions	• Retail loss provisions reflect the credit characteristics of Barclays' credit card and installment loan portfolios: – The models used for this metric are informed by macroeconomic variables such as unemployment, housing prices, interest rates, customer behavior and credit bureau attributes. – Probability of default, exposure at default and loss given default calculations are performed to calculate net credit loss forecasts either at a loan or portfolio level. – Build or release in the allowance for loan and lease loss over the forecast horizon is determined using lifetime allowance for credit losses (as calculated using the Current Expected Credit Loss accounting standard). • In consideration of the profile of Barclays' US business, wholesale loan losses are not material. Wholesale loss provisions are calculated using actual balance sheet data as inputs.
Trading and Counterparty Loss	• Trading and counterparty loss is estimated using internal models which simulate the application of GMS market stress on these portfolios. Such losses are recognized in the first quarter of the projection period. • Large counterparty default loss is computed by applying the GMS scenario to relevant counterparty exposures and simulating the default of Barclays' largest trading counterparty (as ranked by net stressed current exposure).
Capital	• The estimates of risk-weighted assets, balance sheet, revenue and loss forecasts described above are used by Barclays to project its capital position on a quarterly basis over the nine-quarter planning period.

F) Further information

- 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 Barclays PLC and its subsidiaries (together the "Barclays Group").
- Barclays cautions that no forward-looking statement is a guarantee of future performance and that actual results or other financial conditions 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 may also be made verbally by members of the management of the Barclays Group in connection with this document.
- Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Barclays Group's future financial position, future results, dividend payments, capital, leverage or other regulatory ratios or other financial and non-financial metrics or performance measures (the "Future Performance").
- 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 and such statements may be affected by influences and factors which are beyond the Barclays Group's control. As a result, the Barclays Group's actual Future Performance may differ materially from the statements or guidance set forth in the forward looking-statements.
- Subject to the Barclays Group's obligations under the applicable law and regulations of any relevant jurisdiction (including, without limitation, the UK and the US) in relation to disclosure and on-going information, the Barclays Group undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.
- The reader should, however, consult any additional disclosures that the Barclays Group has made or may make in documents it has published or may publish via the Regulatory News Service of the London Stock Exchange or has filed or may file with the US Securities and Exchange Commission (the "SEC") (including, without limitation, Barclays PLC's Annual Report on Form 20-F for the fiscal year ended December 31, 2023, as amended), which are available on the SEC's website, www.sec.gov.