

About Barclays



Overview

Barclays is a **British universal bank**. We are diversified by business, by different types of customer and client, and by geography. Our businesses include consumer banking and payments operations around the world, as well as a top-tier, full service, global corporate and investment bank

Our purpose is **creating opportunities to rise**. For **over 325 years** we have funded progress, and today we remain committed to helping to make our world more sustainable, more inclusive and more connected

For further information about Barclays, please visit our website [home.barclays](https://www.barclays.com)

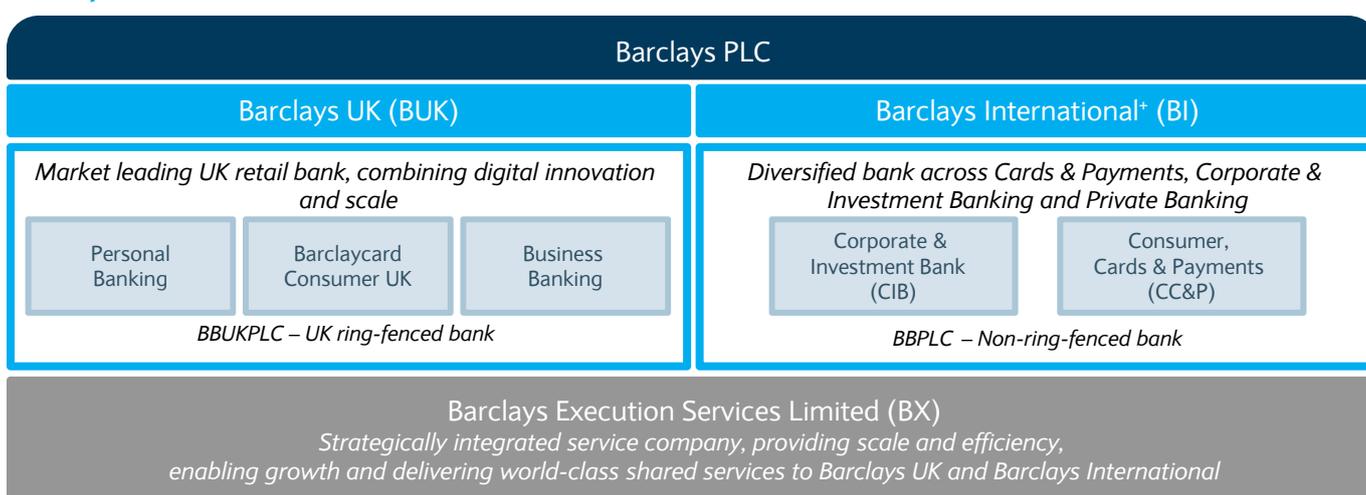
Strategy

- Two clearly defined businesses, **Barclays UK** and **Barclays International**, provide **diversification** and enhance **financial resilience**, thus contributing to the delivery of **consistent and sustainable returns** through the cycle
- Focused on **improving our return on tangible equity** on a sustainable basis, whilst also delivering **attractive capital returns to shareholders**
- Q4 2019** demonstrates **another quarter of successful execution** of our strategy, with further **progress towards our financial targets**

Key Group financials – Q4 2019

Income	£5,301m
PBT ¹	£1,264m
RoTE ¹	6.9%
CET1 ratio ²	13.8%
RWAs	£295.1bn
TNAV	262p

Group Divisional Structure



* Includes Head Office

Financial targets

<p>Returns</p> <p>Group Return on Tangible Equity (RoTE)</p> <p>>10% over time</p> <p>Meaningful YoY improvement in 2020¹</p>	<p>Capital</p> <p>Group CET1 Ratio</p> <p>c.13.5%</p>	<p>Costs</p> <p>Group Cost Target</p> <p><60% cost: income ratio over time</p>
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Results overview¹ – Q4 2019

- **Group RoTE of 6.9% and EPS of 4.7p:** Income was up 4% YoY driven by improvement across all operating businesses
- **Costs of £3.5bn:** Costs decreased 9%³, with positive cost: income jaws across all operating businesses due to disciplined cost actions, efficiency measures across the Group, and lower bank levy
- **Barclays UK RoTE of 18.7%:** Resilient performance with 5% income growth. Lower interest earning lending in UK cards, reflective of reduced risk appetite and higher customer repayments, was more than offset by the benefits of further debt sales and treasury operations
- **Barclays International RoTE of 6.0%:** Robust CIB performance with income up 8%, particularly due to FICC. Consumer, Cards & Payments income was up 6%, with continued growth in US co-branded cards balances and the Private Bank
- **CET1 ratio increased 40bps to 13.8%:** Strong CET1 ratio reflecting 28bps of profits and 37bps from lower RWAs and other movements, offset by 18bps for dividends paid and foreseen on ordinary shares and AT1 coupons

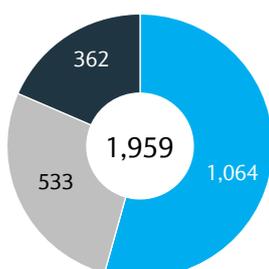
Group performance ¹			
Quarter ended (£m)	Dec-19	Dec-18	% change
Income	5,301	5,073	4%
Impairment	(523)	(643)	19%
Total operating expenses	(3,534)	(4,033)	12%
Other net income	20	37	(46%)
PBT	1,264	434	

Performance measures			
Basic earnings per share	4.7p	0.3p	
RoTE	6.9%	0.4%	
Cost: income ratio	67%	79%	
Loan loss rate (LLR)	60bps	77bps	

Barclays UK

Split of income (£m)

- Personal Banking
- Barclaycard Consumer UK
- Business Banking

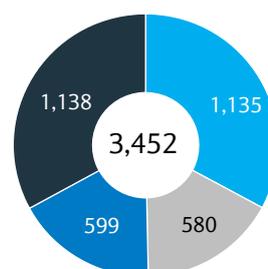


RoTE¹: 18.7%

Barclays International

Split of income (£m)

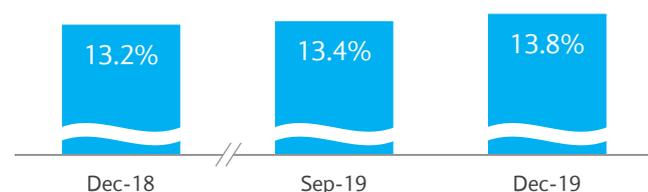
- Markets
- Banking fees
- Corporate
- Consumer, Cards & Payments



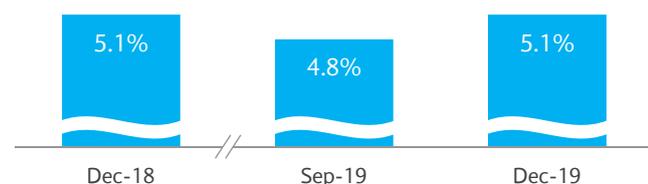
RoTE¹: 6.0%

Financial strength

CET1 ratio



Robust UK leverage ratio



Solid liquidity and funding base

Group	Sep-19	Dec-19
Liquidity pool	£226bn	£211bn
Liquidity coverage ratio	151%	160%
Loan: deposit ratio ⁴	82%	82%

Strong asset quality

	Group Retail ⁵	Group Wholesale ⁵
As at 31.12.19		
As at 31.12.18		
Total gross exposure (£bn)	208.7	136.8
	204.5	128.7
Total impairment allowance (£bn)	5.3	1.0
	5.7	1.1
Total coverage ratio (%)	2.5%	0.8%
	2.8%	0.8%

Credit ratings

As at 13 February 2020

	Barclays PLC	Barclays Bank PLC	Barclays Bank UK PLC
Fitch	A / Stable / F1	A+ / Stable / F1	A+ / Stable / F1
Moody's	Baa2 / Stable / P-2	A1 / Stable / P-1	A1 ⁶ / Negative / P-1
S&P	BBB / Stable / A-2	A / Stable / A-1	A / Stable / A-1

Footnotes

- ¹ Excluding litigation and conduct
- ² CET1 ratio is currently 170bps above the expected regulatory minimum level. The headroom will continue to be reviewed on a regular basis
- ³ Excluding GMP charge of £140m in Q418
- ⁴ Loan: deposit ratio is calculated as loans and advances at amortised cost divided by deposits at amortised cost
- ⁵ Group also includes Head Office
- ⁶ Deposit rating

Important Notice

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

Information relating to:

- regulatory capital, leverage, liquidity and resolution is based on Barclays' interpretation of applicable rules and regulations as currently in force and implemented in the UK, including, but not limited to, CRD IV (as amended by CRD V applicable as at the reporting date) and CRR (as amended by CRR II applicable as at the reporting date) texts and any applicable delegated acts, implementing acts or technical standards. All such regulatory requirements are subject to change;
- MREL is based on Barclays' understanding of the Bank of England's policy statement on "The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL)" published in June 2018, updating the Bank of England's November 2016 policy statement, and the non-binding indicative MREL requirements communicated to Barclays by the Bank of England. Binding future MREL requirements remain subject to change including at the conclusion of the transitional period, as determined by the Bank of England, taking into account a number of factors as described in the policy statement and as a result of the finalisation of international and European MREL/TLAC requirements;
- future regulatory capital, liquidity, funding and/or MREL, including forward-looking illustrations, are provided for illustrative purposes only and are not forecasts of Barclays' results of operations or capital position or otherwise. Illustrations regarding the capital flight path, end-state capital evolution and expectations and MREL build are based on certain assumptions applicable at the date of publication only which cannot be assured and are subject to change. The Bank of England will review the MREL calibration by the end of 2020, including assessing the proposal for Pillar 2A recapitalisation, which may drive a different 1 January 2022 MREL requirement than currently proposed. The Pillar 2A requirement is subject to at least annual review.

Forward-looking Statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by members of the management of the Group (including, without limitation, during management presentations to financial analysts) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend payout ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets, estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, IFRS impacts and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The forward-looking statements speak only as at the date on which they are made and such statements may be affected by changes in legislation, the development of standards and interpretations under IFRS, including evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions; the effects of any volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entity within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; instability as a result of the exit by the UK from the European Union and the disruption that may subsequently result in the UK and globally; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual financial position, future results, dividend payments, capital, leverage or other regulatory ratios or other financial and non-financial metrics or performance measures 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 our filings with the SEC (including, without limitation, our Annual Report on Form 20-F for the fiscal year ended 31 December 2019), which are available on the SEC's website at www.sec.gov.

Subject to our 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.