



## Barclays UK

Investor Update: 20<sup>th</sup> February 2024

Long-established scale player  
with trusted brand

c.20m Personal Banking customers<sup>1</sup>

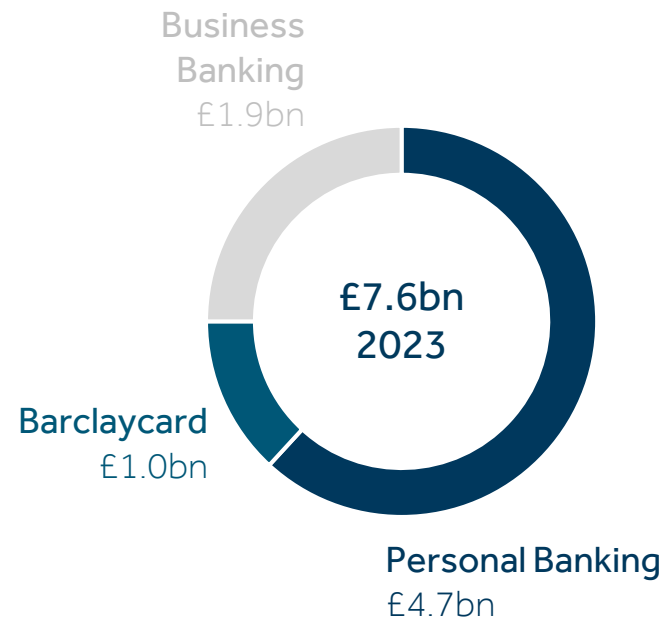
c.5m Credit card accounts<sup>1</sup>

c.1m Business banking customers

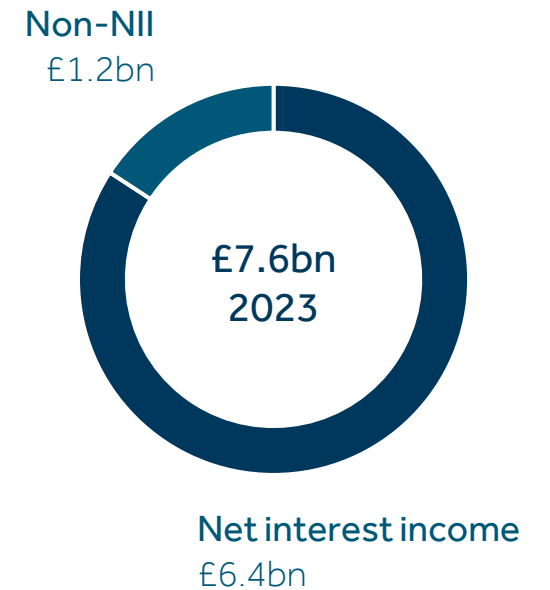
## Core strengths

1. Strong franchise deposit base
2. Well-performing lending book
3. Long-term RoTE track-record

## Income by segment



## Income by type

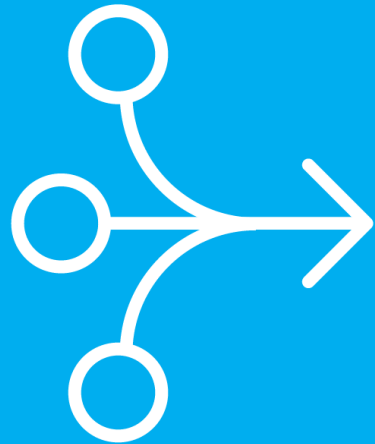


<sup>1</sup> Active customers/accounts |

# Financial performance 2021-23

	2021	2022	2023
RoTE	18%	19%	19%
<b>Total income (£bn)</b>	<b>6.5</b>	<b>7.3</b>	<b>7.6</b>
Net interest income (£bn)	5.2	5.9	6.4
Cost: income ratio	68%	60%	58%
Loan Loss Rate (bps)	(16)	13	14
Loan: deposit ratio (%)	85%	87%	92%

## Simpler



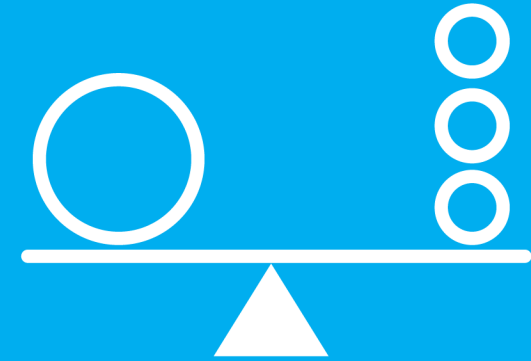
Deliver operational efficiencies to facilitate investment in growth

## Better



Focus on improving customer relationships

## More balanced



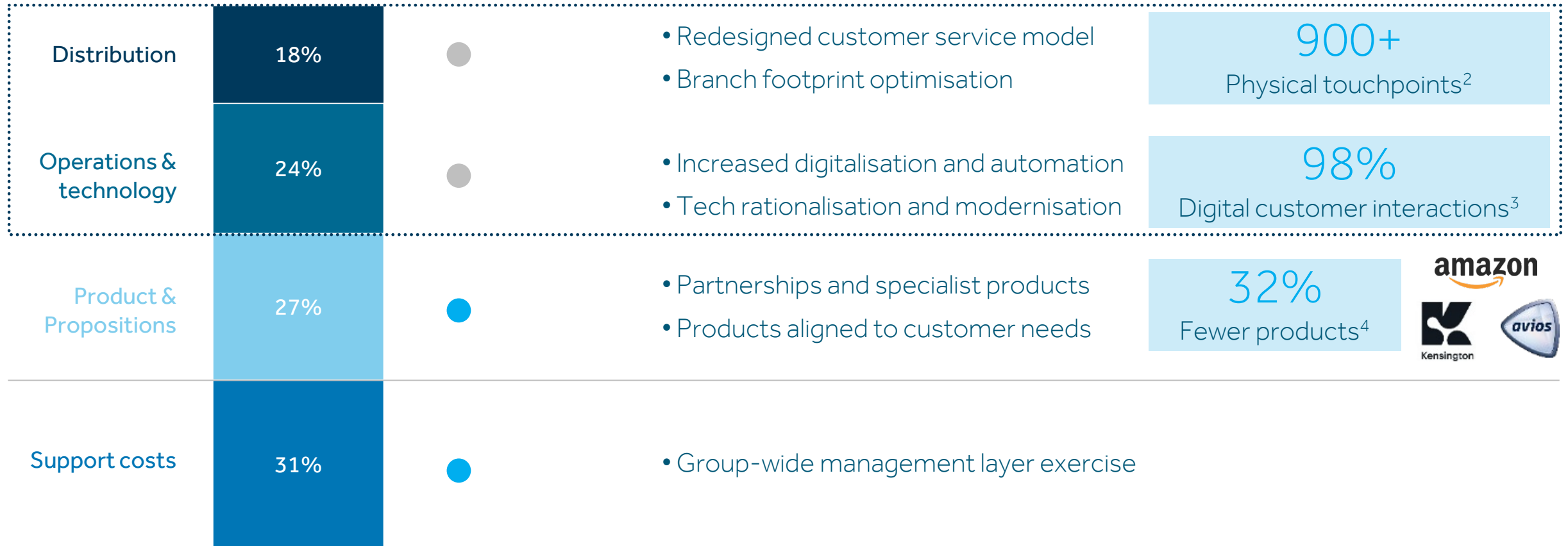
Grow lending market share

# Simpler: deliver operational efficiency

## Barclays UK today

CIR: 58%

vs. peers<sup>1</sup>



2023 Costs

● Improve

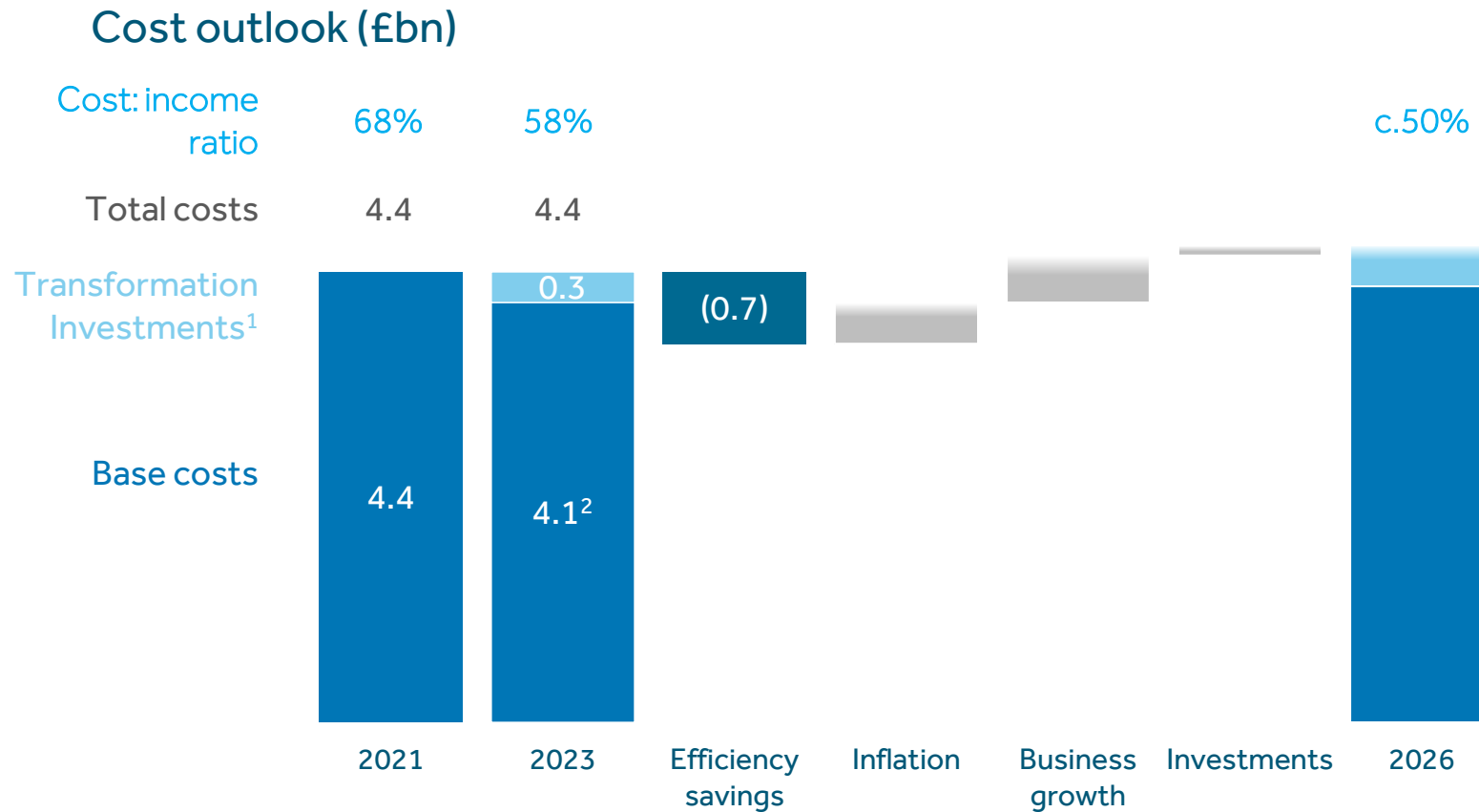
● In-line

□ Focus area



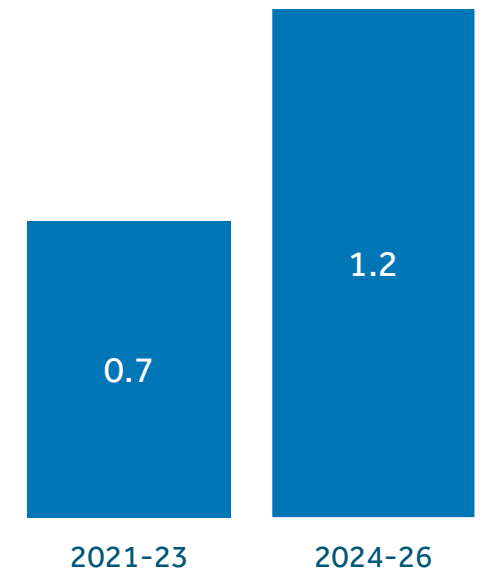
<sup>1</sup> Analysis conducted by Boston Consulting Group | <sup>2</sup> Forecast by the end of 2024, including branches, alternative touchpoints, shared banking hubs, and Eagle Lab incubation hubs | <sup>3</sup> Includes all self-serve channels including ATM, branch self-service devices and digital channels i.e. Mobile app and online banking | <sup>4</sup> Products in 2023 vs. 2022

# Simpler: facilitating investment in growth



## Transformation Investments<sup>1</sup>

Revenue growth, cost efficiency and regulation and control



### Benefits

Efficiencies	£0.4bn	<b>£0.7bn</b> <b>2026 vs. 2023</b>
Income	£0.1bn	
	2023 vs. 2021	

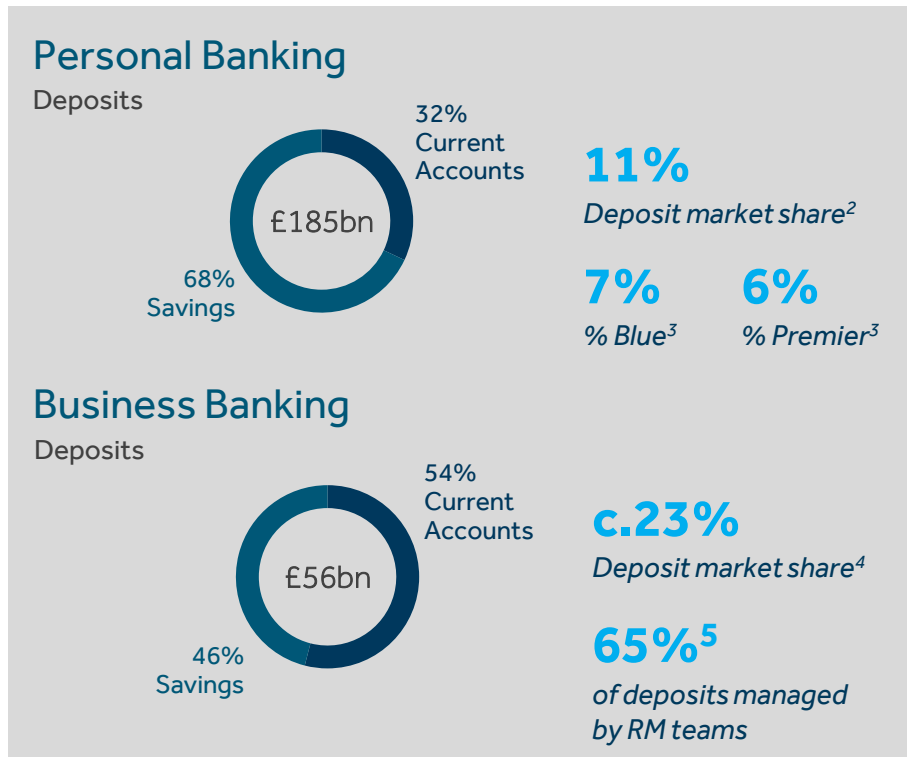
**More streamlined organisation today**

- More tech FTE
- Customer servicing model
- Branch footprint optimisation

<sup>1</sup> Transformation programme investments in regulation and control, cost efficiency and revenue growth and protection (excludes structural cost actions) | <sup>2</sup> Includes Q423 structural cost actions of £168m | Note: Charts may not sum due to rounding |

# Better: focus on improving customer relationships

## Barclays UK today



## Barclays UK tomorrow

- **Better processes & service model**
- **Enhanced product offerings** that reflect evolving customer needs
- **Expand value-added services** and solutions for businesses (incl. Fintech partnerships and sustainability)

Improve customer satisfaction



Maintain deposit resilience

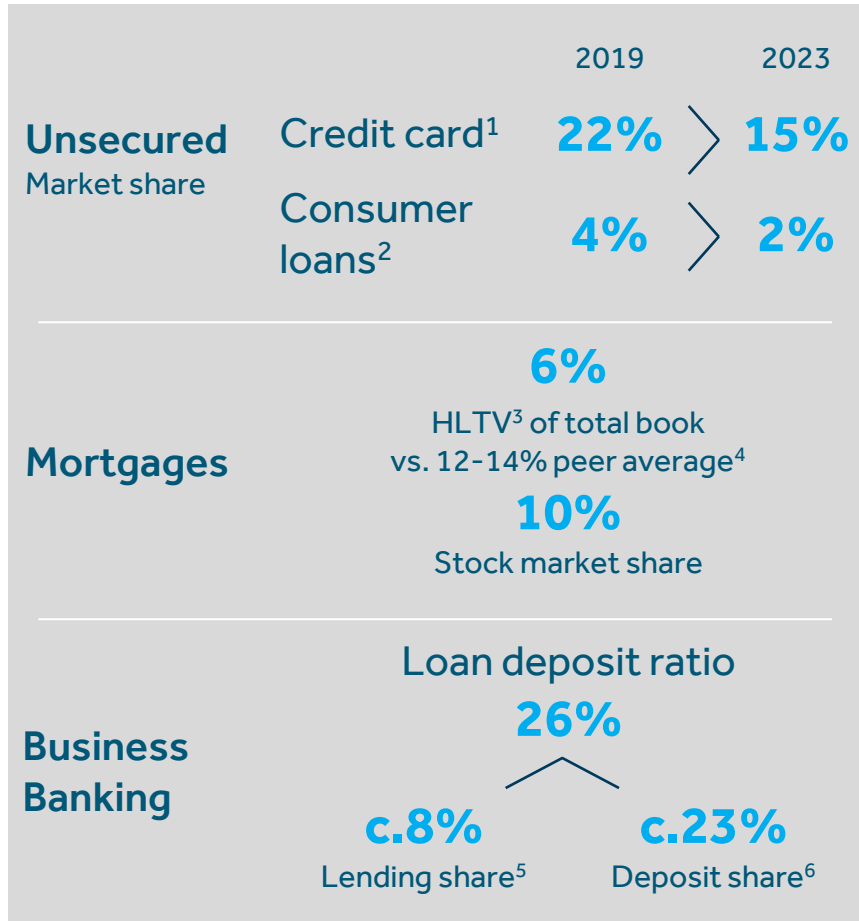


Maintain funding advantage

<sup>1</sup> Based on an average of Barclays Brand 12-month rolling net promoter score (Source: IPSOS FRS Survey) | <sup>2</sup> Personal deposits market based on total market balances (Source: Bank of England) | <sup>3</sup> Proportion of higher tier retail current account membership offering by volume of Personal Banking accounts | <sup>4</sup> Indicative market share estimated using UK Finance data. This estimate reflects our best attempt to measure Barclays share of small medium enterprise deposits amongst the seven largest providers (Source: UK Finance) | <sup>5</sup> Proportion of deposits from clients covered by BUK relationship managers/ specialist teams |

# More balanced: opportunity to grow lending market share

## Barclays UK today



## Barclays UK tomorrow

- Simplified customer journeys
  - Enhanced risk and affordability models
  - Launch dual brand and open market strategy
- 
- Upgraded broker channel and conversion rates
  - Increased HLTV and specialist solutions (KMC<sup>7</sup>)
  - Enhanced Premier and Blue client offering
- 
- Automated credit decisioning
  - Asset and sustainable lending propositions
  - Accelerated digital journeys

Grow market share

Improve application margins

Grow market share

<sup>1</sup> Credit card market share based on total balances (Source: Bank of England) | <sup>2</sup> Market share based on Barclays Consumer Loans, excluding Barclays Partner Finance, as a % of total consumer credit excluding credit cards and student loans (Source: Bank of England) | <sup>3</sup> 85%+ LTV | <sup>4</sup> Based on an average of estimated proportion of HLTV at HSBC, Lloyds and NatWest (definition of HLTV mortgages varies between banks) | <sup>5</sup> Indicative market share estimated using Bank of England data. This estimate reflects our best attempt to measure Barclays share of SME lending | <sup>6</sup> Indicative market share estimated using UK Finance data. This estimate reflects our best attempt to measure Barclays share of small medium enterprise deposits amongst the seven largest providers (Source: UK Finance) | <sup>7</sup> Kensington Mortgage Company |

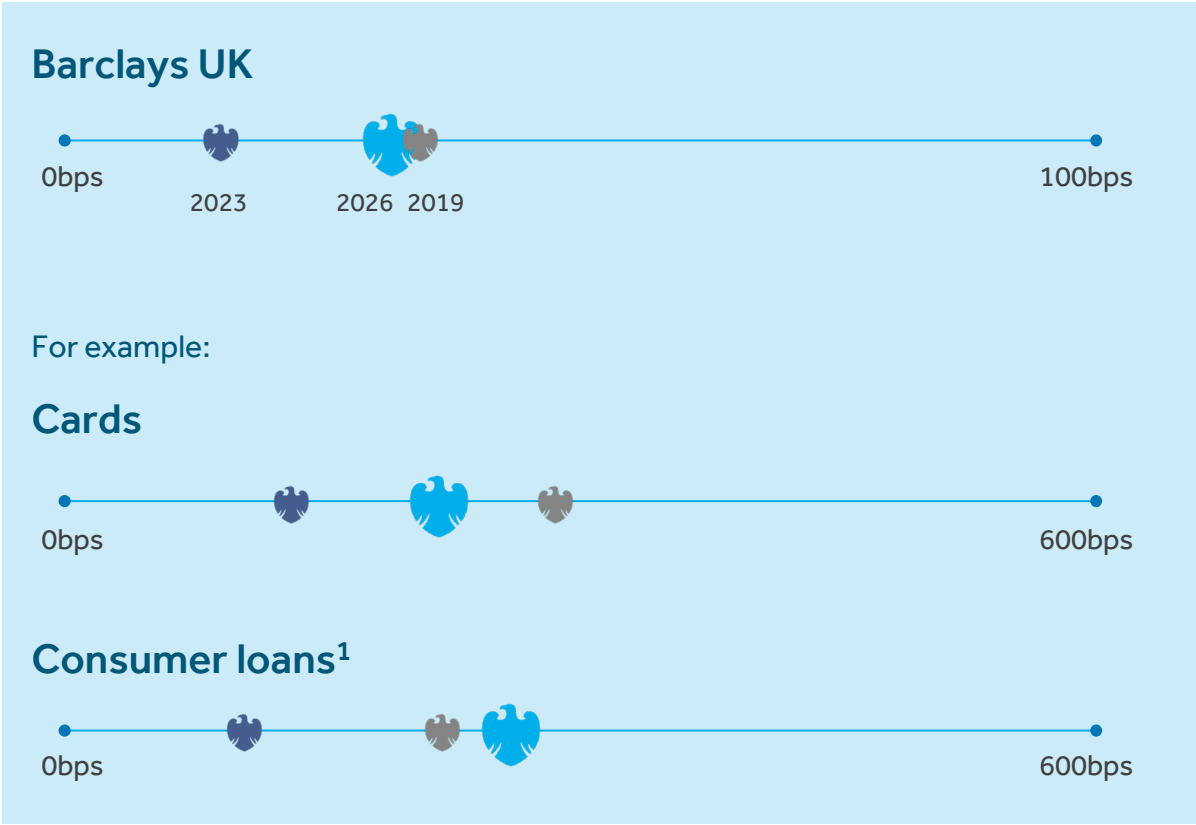


# More balanced: maintaining risk discipline whilst achieving growth

## Evolution of Barclays UK impairment



## Loan Loss Rate



Risk level consistent across key products

<sup>1</sup> Includes Consumer Loans excluding Barclays Partner Finance

# Tesco Bank acquisition and partnership underpins growth ambitions

## Portfolios to be acquired<sup>1</sup>

Credit cards	Proforma Barclays UK
£4bn	£15bn
Consumer loans	Proforma Barclays UK
£4bn	£8bn
Deposits	Proforma Barclays UK
£7bn	£248bn

## Consistent with our ambitions

- Grow market share in key portfolios
- Risk profiles in line with existing portfolios
- Integration into BUK operating infrastructure over time
- Total day one RWAs of c.£8bn

## Further opportunities

- ✓ Partnership to grow Tesco branded loans and deposits
- ✓ Strategic relationship with the UK's largest retailer
- ✓ Ability to market via Tesco's distribution channel and open market

<sup>1</sup> Gross lending balances for Credit cards and Consumer loans |

# Today's financials and 2026 targets

Financials	2021	2022	2023	2026 Targets
RoTE	18%	19%	19%	High teens %
Total income (£bn)	6.5	7.3	7.6	Mid-single digits NII CAGR 2024 NII c.£6.1bn <sup>1</sup>
Net interest income (£bn)	5.2	5.9	6.4	
Cost: income ratio	68%	60%	58%	c.50%
Loan Loss Rate (bps)	(16)	13	14	Normalisation towards 2019 level c.35bps
Risk weighted assets (£bn)	72	73	74	Grow contribution to Group RWA

<sup>1</sup> Excludes planned acquisition of Tesco Bank's retail banking business |

# Disclaimer

## Important Notice

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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 and as such rules and regulations form part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended. All such regulatory requirements are subject to change and disclosures made by the Group will be subject to any resulting changes as at the applicable reporting date;
- 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 December 2021, updating the Bank of England's June 2018 policy statement, and its 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 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.

## Non-IFRS performance measures

Barclays' management believes that the non-IFRS performance measures included in this presentation 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 presentation are not a substitute for IFRS measures and readers should consider the IFRS measures as well. Refer to the appendix of the Barclays PLC Results Announcement for financial year ended 31 December 2023, which is available at Barclays.com, for further information and calculations of non-IFRS performance measures included throughout this presentation, and the most directly comparable IFRS measures.

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