Barclays PLC FY 2024 Results and Progress Update

Analyst and Investor Conference Call Speech

C.S. Venkatakrishnan, Barclays Group Chief Executive

Anna Cross, Barclays Group Financial Director

C. S. Venkatakrishnan, Chief Executive

Welcome to our full year 2024 results and Progress Update presentation.

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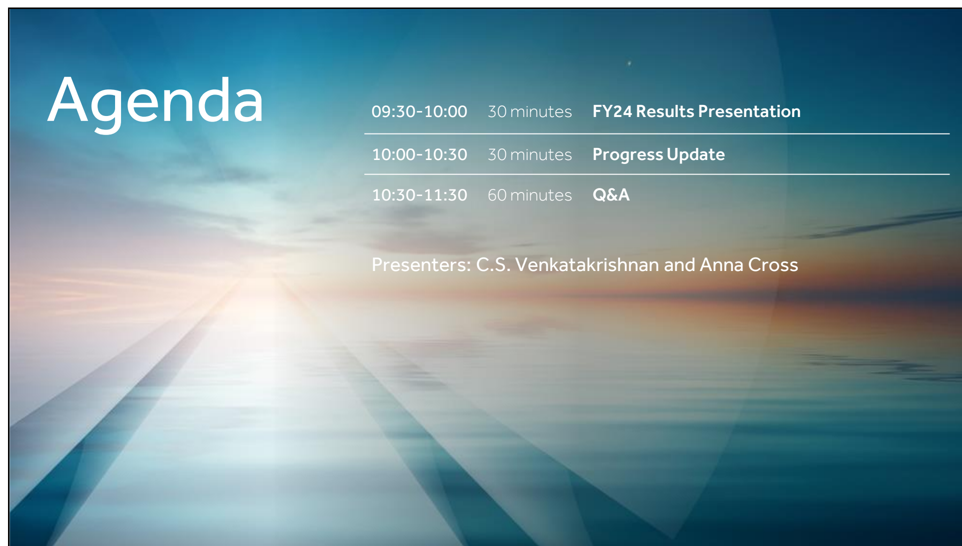

You can see the agenda for the morning on this slide. We'll go straight into the results before turning to review progress in the first year of our three-year plan. And as usual, there will be an opportunity for those in the room to ask questions at the end.

Note we also include an update on key operational developments for each of our five divisions as an annex to today's presentation. We won't talk to these slides, but have included them in the spirit of transparency, and to help you understand how we are delivering our plan.

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We achieved our 2024 financial targets and are on the path to 2026 delivery

Barclays FY24 Results February 2025 | 4

Targets	Q424 actuals	FY24 actuals	2024 targets	2026 targets
Statutory RoTE	7.5%	10.5% *10.5% excl. inorganic activity*[1]	>10% *c.10.5% excl. inorganic activity*[1] ✓	>12%
Total payout		£3.0bn Dividend: £1.2bn Buyback: £1.8bn	Broadly in line with 2023[2] ✓	At least £10bn[3] 2024-2026
Investment Bank RWAs (% of Group)	56%			c.50%
CET1 ratio	13.6%		13-14% ✓	13-14%
Supporting targets and guidance				
Income	£7.0bn	£26.8bn		c.£30bn
Group NII excl. Investment Bank and Head Office[4]	£2.9bn	£11.2bn	>£11.0bn *(Feb 2024: c.£10.7bn)* ✓	
Barclays UK NII[4]	£1.7bn	£6.5bn	c.£6.5bn *(Feb 2024: c.£6.1bn)* ✓	
Cost: income	66%	62%	c.63% ✓	High 50s%
Loan Loss Rate (LLR)	66bps[5]	46bps[5]	50-60bps Through the cycle ✓	50-60bps Through the cycle

[1] Inorganic activity refers to certain transactions announced as part of the FY23 Investor Update designed to improve Group RoTE beyond 2024 | [2] FY23 payout comprised of £1.2bn of dividends and £1.8bn of share buybacks | [3] This multi-year plan is subject to supervisory and Board approval, anticipated financial performance and our published CET1 ratio target range of 13-14% | [4] Excluded acquisition of Tesco Bank which completed on 1st November 2024 | [5] Includes the day 1 impact of the Tesco Bank acquisition. Excluding this, Group LLR for Q424 and FY24 was 47bps and 42bps respectively | Note: Our targets and guidance are based on management's current expectations as to the macroeconomic environment and the business and are subject to change |

Let me start with some performance highlights before handing over to Anna to take you through the financials. At our Investor Update last February, we set out a three-year plan to deliver a better run, more strongly performing and higher returning Barclays.

I am encouraged by the progress we have made during the first year. We are executing the plan in a disciplined way and have achieved all of our financial targets for 2024 and we are on track to achieve our 2026 targets.

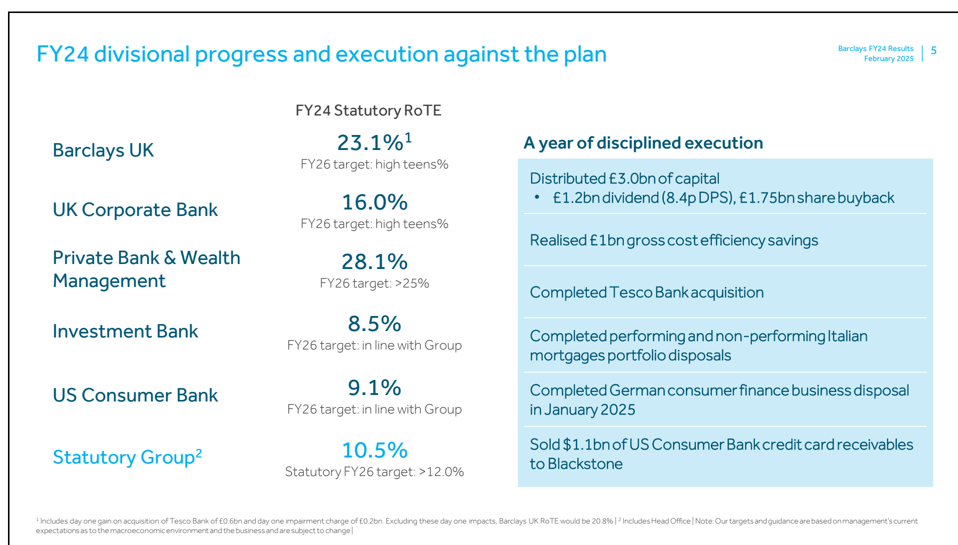
Last year we delivered a Return on Tangible Equity of 10.5%, in line with our target of greater than 10%. We also announced £3.0bn of capital distributions, an important step towards our target to distribute at least £10 billion to shareholders by 2026. This includes £1.2bn of dividends, enabling a 5% increase in our dividend per share, to 8.4 pence. And also £1.75bn in buybacks, £1bn of which was announced today and which we expect to initiate in the coming days.

We have made progress on deploying £30bn of additional RWAs in our highest returning UK businesses, while keeping Investment Bank RWAs broadly stable. This has resulted in the IB falling from 58% to 56% of the Group's RWAs, on its way to our 2026 target of circa 50%. And we remain well-capitalised, ending the year with a 13.6% CET1 ratio, within our 13 to 14% target range.

We are improving the quality of our income, and the stability and durability of our returns. And we are making progress towards our approximately c.£30bn income target in 2026. Our top line grew by £1.4bn or 6% year on year during 2024, and we achieved our NII targets for the Group and for Barclays UK.

Our structural hedge provides a predictable and highly visible source of net interest income growth over several years. And our cost to income ratio for the full year 24 was 62%, better than our guidance of c.63%. Our credit performance was also strong, particularly in the UK, with

a Group loan loss rate of 46bps for the year, below our through the cycle 50-60bps target range.



Across Barclays, we are focused on execution. We delivered £0.3bn of gross cost efficiency savings in Q4, enabling us to achieve our £1bn target for 2024. We remain focused on improving our operational and financial performance across each of our five divisions. Anna will review our financial performance by division shortly, but let me first cover a few highlights.

Barclays UK delivered a Return on Tangible Equity of 23% for the year. On 1st November we completed the acquisition of Tesco Bank. Through this acquisition, we have gained a strategic relationship with the UK's largest retailer, supporting growth in our home market. We plan to leverage our expertise in partnership credit cards, developed over decades in the US, to drive further growth and customer engagement. Across the rest of Barclays UK, deposit balances have continued to stabilise, and lending trends are encouraging, resulting in organic balance sheet growth in the fourth quarter.

UK Corporate and Private Bank and Wealth Management divisions also contributed to the Group's balance sheet expansion.

In the Investment Bank, our objective is to improve returns by regaining market share and improving our RWA productivity and cost efficiency. I am broadly satisfied with how we have fared against these metrics, and of course I expect further significant progress in each of the next two years in order to deliver our targets. The 8.5% RoTE in 2024, is up 1.5% year on year, and is a good step on our journey to deliver returns in line with the Group by 2026. And we expect the Investment Bank to deliver further progress on RoTE in the year ahead.

Returns in the US Consumer Bank improved to 9% from 4%, as impairment charges normalised as expected, and as we proactively improved our operational performance.

We also made good progress to simplify the bank by divesting the non-strategic businesses that we outlined at our Investor Update. This included the Italian mortgage portfolios in 2024, and the German consumer finance business, completed last month. Before I hand over to Anna, I would like to make two broad points.

First, is about the composition and quality of our businesses and of our results. As I hope you see in our 2024 outcomes, and in our 2025 outlook, we are aiming to construct a bank with a good mix of businesses which perform well individually, and collectively. We aim to achieve a healthy balance between consumer and wholesale activities; a sound revenue weighting among fees, interest and transactions; and a geographical mix which takes advantage of the full scope of our presence in the UK, the depth and breadth of our business in the US and, from both those locations, bridges to the important financial centres of the world. Through this we aim to deliver robust and reliable performance across interest rate and credit cycles. That is the objective of the business strategy which we presented last year and which we continue to prosecute.

My second broad point is that, while Anna and I have the honour to present our results, the performance has been generated by over 90,000 colleagues at Barclays. They have helped implement this strategy so far and are core to our achieving success over the next two years. To further align their efforts with our shareholders' interests, our colleagues should be able to participate in the ultimate outcome of their work – which is the change in our share price. Therefore, we are announcing today a share grant of approximately £500 each for the vast majority of our colleagues, essentially all employees, across locations, outside of Managing Directors and what we call material risk takers. I have long felt that this kind of alignment between shareholders and employees through broad-based equity participation strengthens business outcomes. In the UK, broad-based share ownership has been sadly declining. This represents our effort towards arresting and correcting this trend.

With that, over to you Anna.

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Barclays Group Q424 and FY24

Q424[1]		FY24[1]	
7.5% Statutory RoTE Q423: (0.9)%	£1.7bn Profit before tax Q423: £0.1bn	10.5% Statutory RoTE FY23: 9.0%	£8.1bn Profit before tax FY23: £6.6bn
£7.0bn Income Q423: £5.6bn	£0.7bn Impairment Q423: £0.6bn	£26.8bn Income FY23: £25.4bn	£2.0bn Impairment FY23: £1.9bn
66% Cost: income ratio Q423: 88%	£4.6bn Costs Q423: £4.9bn	62% Cost: income ratio FY23: 67%	£16.7bn Costs FY23: £16.9bn
66bps Loan loss rate Q423: 54bps	6.7p EPS Q423: (0.7)p	46bps Loan loss rate FY23: 46bps	36.0p EPS FY23: 27.7p
13.6% CET1 ratio Sept-24: 13.8%	357p TNAV per share Sept-24: 351p	13.6% CET1 ratio Dec-23: 13.8%	357p TNAV per share Dec-23: 331p

[1] Includes £927m of structural cost actions in Q423. FY23 RoTE excl. Q423 structural cost actions was 10.6%, Q423 RoTE excl. structural cost actions was 5.1% |

Anna Cross, Group Finance Director

Thank you, Venkat, and good morning everyone.

Slide 6 summarises our financial highlights for the fourth quarter and full year.

Profit before tax was £8.1bn andwas up 24%. This included a Q4 profit before tax of £1.7bn, up from £0.1bn. Before going into the detail, as always I would note that our results are affected by FX rates.

The year-on-year performance in Q4 was impacted by a weaker US dollar, which decreased our reported income, costs and impairments. Conversely, the dollar strengthened from Q3 to Q4.

And I'll call out these effects where appropriate.

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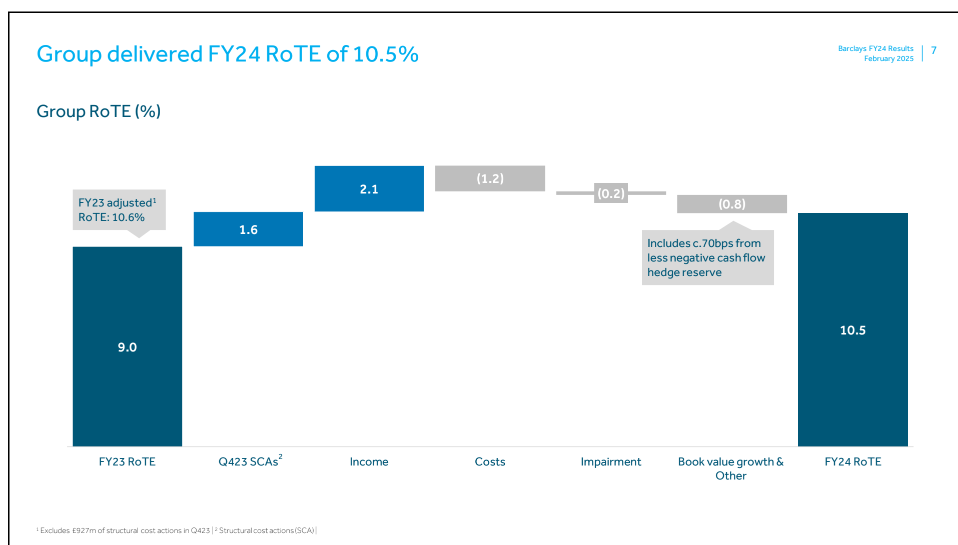

Group statutory RoTE was 10.5% for 2024, versus our target of greater than 10%. This was against the previous year's RoTE of 9.0%, which was impacted by £0.9 billion of structural cost actions in Q4. Much of the improvement in RoTE reflected higher income, particularly in the Investment Bank, Barclays UK and Private Bank and Wealth Management. This improvement occurred even as we grew tangible book value per share by 26 pence during the year, to 357 pence.

Throughout the year, as you know, I have been looking for four things in our performance: income stability, cost discipline and progress on efficiency savings, credit performance, and a robust capital position.

We delivered on all four. I'll now cover these in more detail, starting with income on slide 8.

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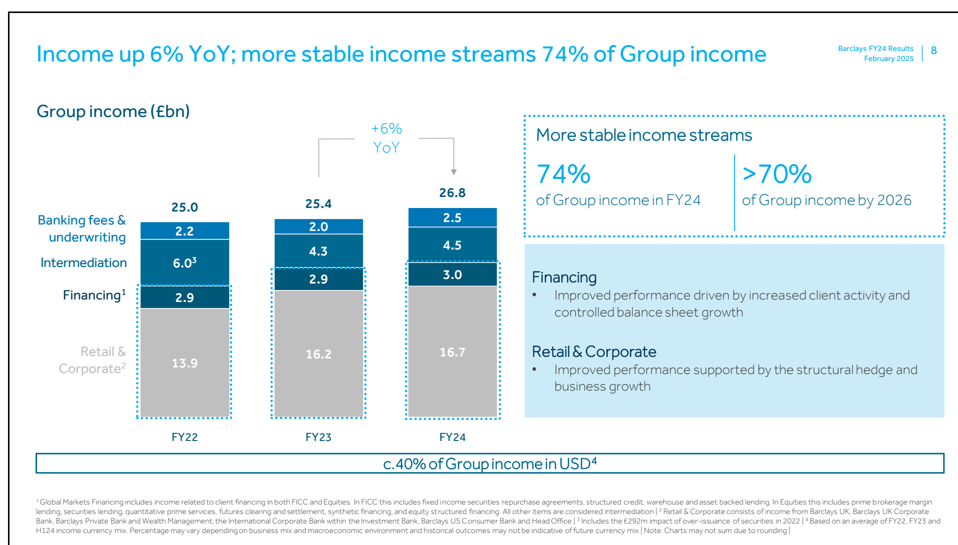

Our income growth continues to be supported by the structural hedge, and is now complemented by balance sheet growth.

Income in the Investment Bank, while seasonally lower in Q4, benefitted from the execution of our initiatives to improve productivity, and an increase in the industry wallet. Together, this resulted in a 6% increase in total Group income for the year, to £26.8 billion. Excluding FX, income was up 7% year-on-year[1].

More stable income streams from Retail, Corporate, and Financing grew 3% year-on-year and, together, contributed 74% of Group income.

Turning to NII.

[1] *Based on an average USD/GBP FX rate of 1.24 for Q423 and 1.28 for Q424*

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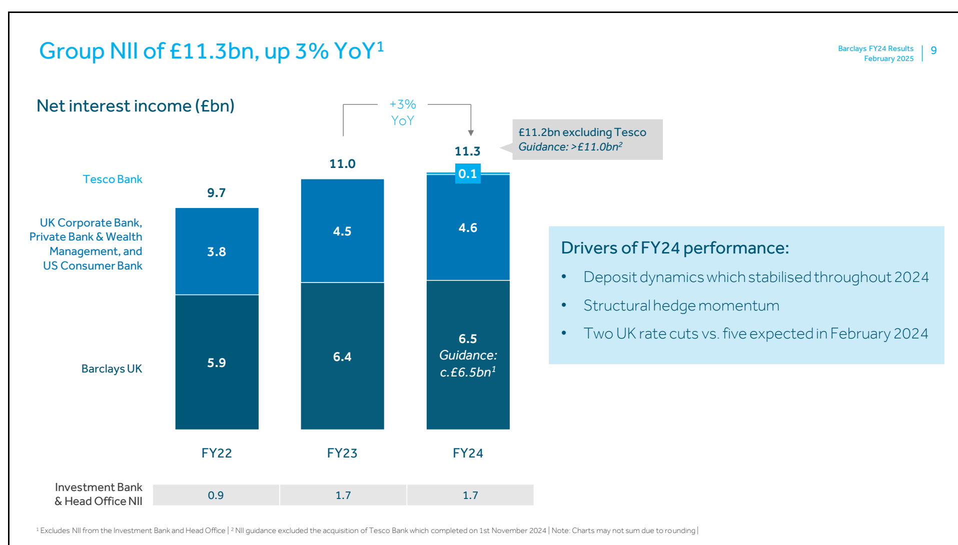

Our Group net interest income increased for the third consecutive year, by 3% in FY24 to £11.3bn. Excluding Tesco, Group NII increased 2% to £11.2bn and, within this, Barclays UK rose 1% to £6.5bn.

Both were in line with our guidance at Q3, and more favourable than our February guidance. This reflected the benefit of higher than expected interest rates and faster deposit stabilisation on our NII, including as a result of higher reinvestment income from the structural hedge.

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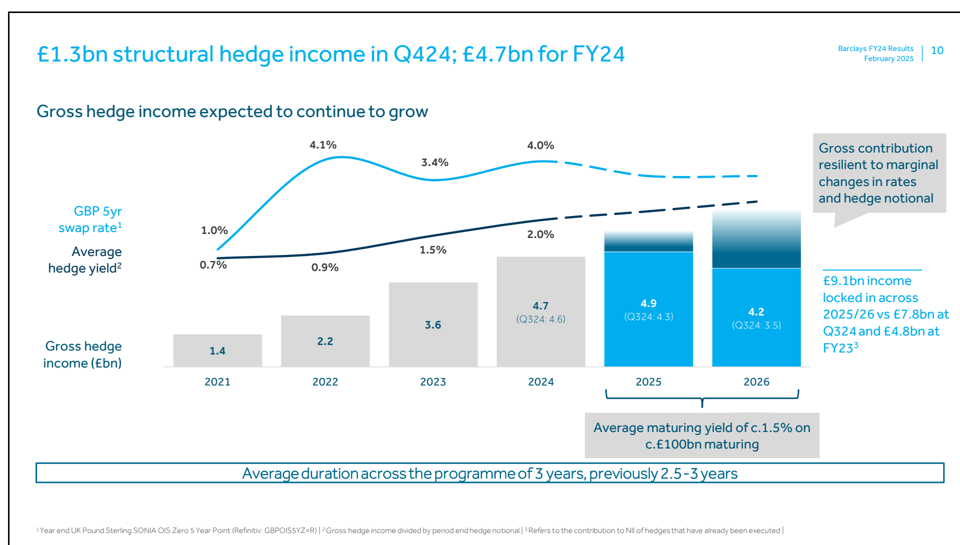

The structural hedge is designed to reduce income volatility and manage interest rate risk. The high proportion of balances hedged reduces our sensitivity to the short-term effect of rate cuts.

NII from the hedge increased £1.1bn during the year, to £4.7bn. Income provided by the hedge is significant and predictable. We've now locked in £9.1bn of gross income over the next 2 years, up from £7.8bn at Q3 and £4.8bn a year ago.

This income will continue to build as we reinvest maturing assets at higher yields. As customer deposit behaviour has stabilised, the average duration of the hedge has increased modestly to around 3 years.

Moving onto costs.

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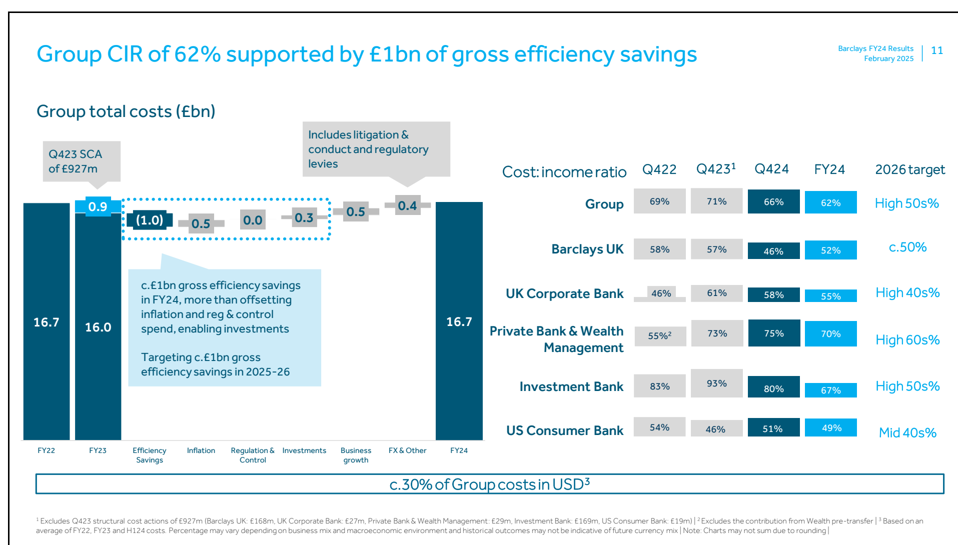

We achieved a cost income ratio of 62% for the year, below our c.63% target. This included a £90 million motor finance provision in Q4.

In line with our plan, we delivered £1.0bn of gross efficiency savings during the year, including £0.3bn during Q4. These savings created capacity for investments and business growth.

We also took proactive steps to accelerate structural cost actions in a number of our divisions, given the strong performance in the year, whilst importantly still delivering on our cost: income ratio target. The cost of these measures, which will support our future returns and efficiency, came to £110m in the quarter, or £273m in total for 2024, well within our normal annual range.

Turning now to impairment.

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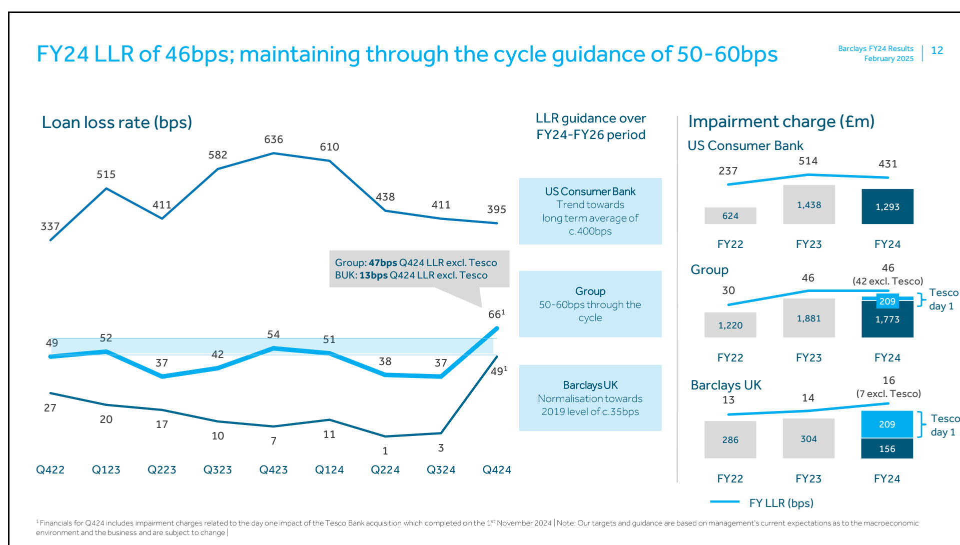

The FY24 impairment charge of £2.0bn equated to a Loan Loss Rate of 46bps. This included a day 1 charge for Tesco Bank of £209m, where accounting rules require balances to be brought onto our books at stage 1.

The UK credit picture remains benign with low and stable delinquencies in our consumer books, and wholesale loan loss rates below our through the cycle expectations. Specifically, the Barclays UK charge was £365m including Day 1 effects from Tesco, resulting in a Loan Loss Rate of 16bps for 2024.

The US Consumer Bank impairment charge was down 10% year on year at £1.3bn.

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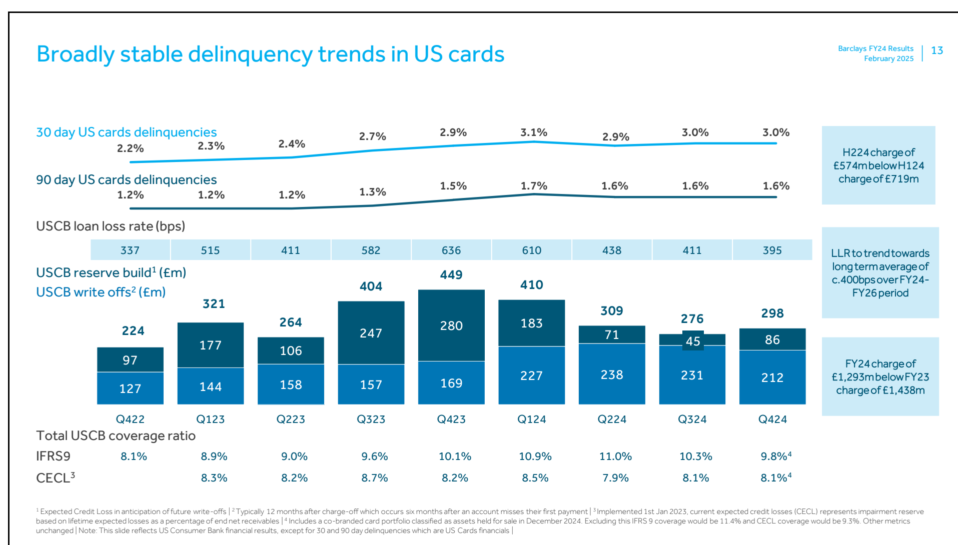

Delinquencies in USCB are developing in line with our expectations, with 30 and 90-day delinquencies stable. As guided, impairment charges in this business were lower in 2024 versus the prior year, and H2 was also lower than H1. Coverage ratios remain strong.

Looking ahead, we expect the loan loss rate in FY25 to be similar to FY24. This includes the lagged effect of higher delinquencies in the past 12-18 months and the anticipated day 1 effect of bringing the General Motors partnership on board in Q325. I would also note that loan loss rates tend to be seasonally higher in Q1, given holiday spend in Q4.

Turning now to our UK growth.

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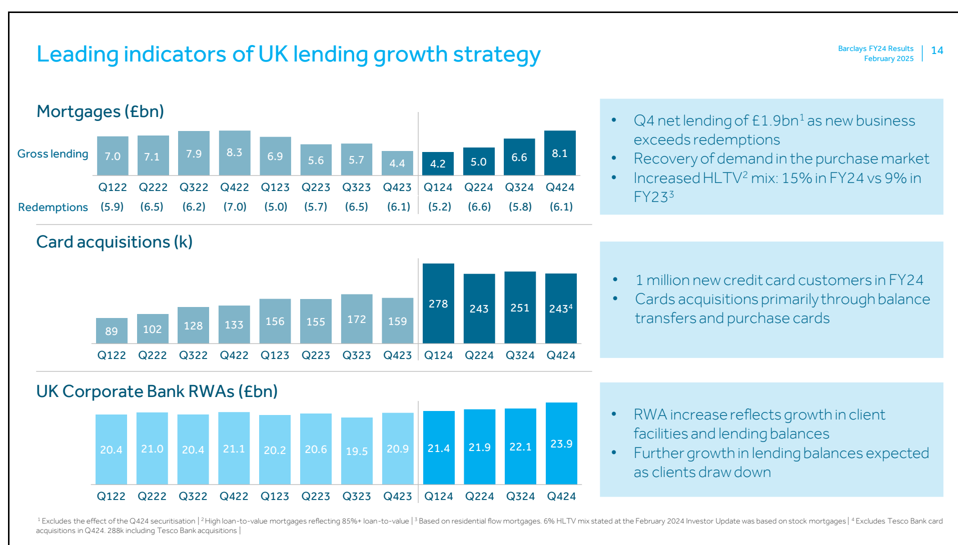

This slide summarises key aspects of our organic growth. Gross mortgage lending strengthened throughout the year, supported by a more active property market and higher loan to value lending. 15% of our mortgage lending was to higher LTV borrowers, up from 9% in 2023.

We acquired 1 million new Barclaycard customers, up 58% year-on-year, as part of our strategy to regain market share in unsecured lending.

And in the UK Corporate Bank we deployed around £3bn of RWAs by extending client lending facilities, to support future lending growth. Clients have now started to draw down on these facilities, reflected in around £1bn of net UK corporate loan growth in Q4.

Turning now to Barclays UK. You can see financial highlights on slide 15, but I will talk to slide 16.

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Barclays UK Q424 and FY24

Q424[1,2]

Value	Metric	Comparison
28.0%	Statutory RoTE	Q423: 14.9%
£1.1bn	Profit before tax	Q423: £0.6bn
£2.6bn	Income	Q423: £1.8bn
£1.8bn	Net Interest Income	Q423: £1.6bn
46%	Cost: income ratio	Q423: 66%
£283m	Impairment	Q423: £37m
49bps	Loan loss rate	Q423: 7bps
£207.7bn	Loans[3]	Sept-24: £199.3bn
£84.5bn	RWAs	Sept-24: £77.5bn
£244.2bn	Deposits	Sept-24: £236.3bn

FY24[1,2]

Value	Metric	Comparison
23.1%	Statutory RoTE	FY23: 19.2%
£3.6bn	Profit before tax	FY23: £2.9bn
£8.3bn	Income	FY23: £7.6bn
£6.6bn	Net Interest Income	FY23: £6.4bn
52%	Cost: income ratio	FY23: 58%
£365m	Impairment	FY23: £304m
16bps	Loan loss rate	FY23: 14bps
£207.7bn	Loans[3]	Dec-23: £202.8bn
£84.5bn	RWAs	Dec-23: £73.5bn
£244.2bn	Deposits	Dec-23: £241.1bn

[1] Includes day one gain on acquisition of Tesco Bank of £0.6bn and day one impairment charge of £0.2bn | [2] Includes Q423 structural cost actions of £168m. FY23 RoTE excl. Q423 structural cost actions was 20.4%, Q423 RoTE excl. structural cost actions was 19.7% | [3] Loans and advances to customers at amortised cost |

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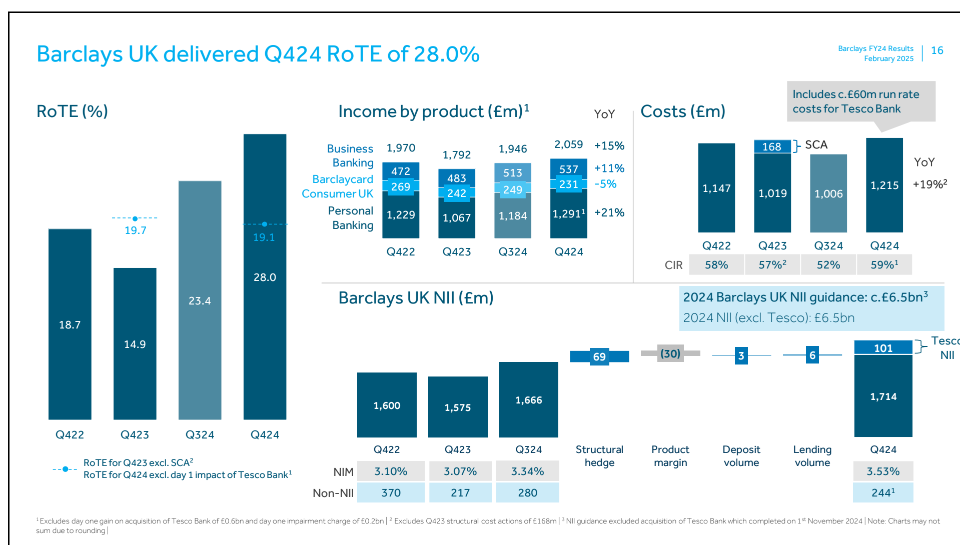

The acquisition of Tesco Bank in November complicates comparisons for Q4: so let me start by unpacking the moving parts.

First, there was a gain on acquisition of £0.6bn and a day 1 impairment charge of £0.2bn. Together, these created a one-off benefit to Barclays UK statutory RoTE, which was 28% in the quarter. Excluding these day 1 effects, Barclays UK RoTE was 19.1%.

Second, comparisons are affected by the inclusion of Tesco Bank's underlying earnings for two months since November. This included £101m of NII and around £60m of costs, in line with our guidance for £30m run rate costs per month. We continue to expect c.£400 million of NII from Tesco in 2025. Whilst the Q4 run rate exceeded this level, we expect this to normalise in future quarters.

The inclusion of higher NIM balances from Tesco also explains around 11 of the 19bps increase in BUK NIM versus Q3. Excluding Tesco Bank, Barclays UK NII increased £48m QoQ. This reflected continued structural hedge momentum and a tailwind from balance sheet growth, partially offset by product repricing lags.

Non-NII was £244m in Q4. The decline versus Q3 reflects the one-off effect of the Q4 securitisation that we previously highlighted. Going forward, we continue to expect a run-rate above £250m per quarter.

Q4 total costs increased by £209m versus Q3, to £1.2bn. This included around £60m for Tesco Bank and a £36m bank levy. The remaining increase reflected investment to support growth and structural cost actions.

Moving onto the Barclays UK balance sheet.

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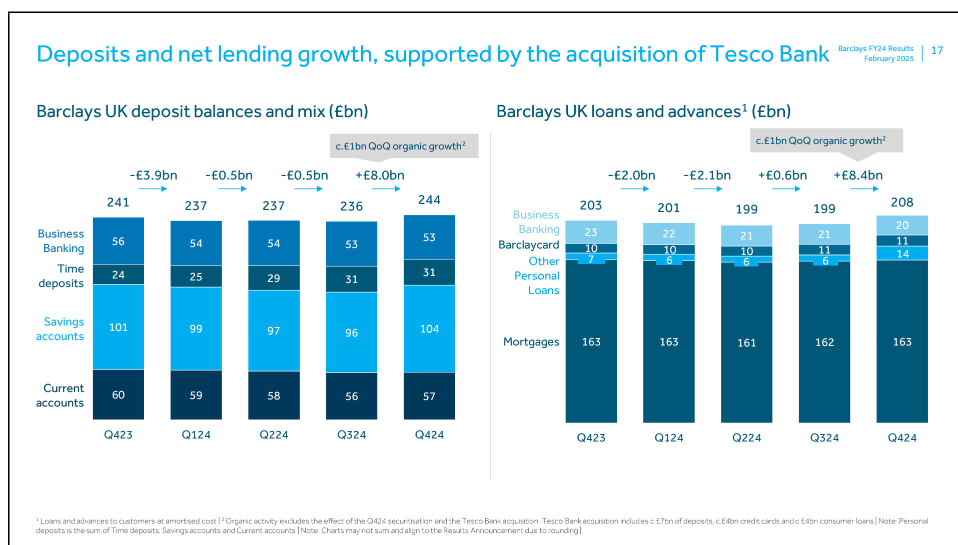

In Q4 both loans and deposits grew organically. The acquisition of Tesco Bank added a further £8bn of loans and £7bn of deposits. On an organic basis, deposit balances grew by circa £1bn.

Flows into savings accounts and current accounts were particularly strong ahead of the UK Budget in October, and customers have so far retained this liquidity. Looking ahead, tax payments during Q1 typically lead to a seasonal reduction in customer deposit balances.

And as I discussed earlier, stronger activity in mortgages and Barclaycard led to a £1bn net increase in Q4 lending, before the effect of our securitisation in the quarter.

Moving on to the UK Corporate Bank.

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UK Corporate Bank Q424 and FY24

Q424[1]

£12.3% Statutory RoTE Q423: 8.4%	£0.2bn Profit before tax Q423: £0.1bn
£0.5bn Income Q423: £0.4bn	£0.3bn Costs Q423: £0.3bn
58% Cost: income ratio Q423: 68%	£40m Impairment Q423: £18m
62bps Loan loss rate Q423: 27bps	£23.9bn RWAs Sep-24: £22.1bn
£25.4bn Loans[2] Sep-24: £24.8bn	£83.1bn Deposits Sep-24: £82.3bn

FY24[1]

16.0% Statutory RoTE FY23: 20.5%	£0.7bn Profit before tax FY23: £0.9bn
£1.8bn Income FY23: £1.8bn	£1.0bn Costs FY23: £0.9bn
55% Cost: income ratio FY23: 52%	£76m Impairment FY23: £27m release
29bps Loan loss rate FY23: (10)bps	£23.9bn RWAs Dec-23: £20.9bn
£25.4bn Loans[2] Dec-23: £26.4bn	£83.1bn Deposits Dec-23: £84.9bn

[1] Includes Q423 structural cost actions of £27m. FY23 RoTE excl. Q423 structural cost actions was 21.2%, Q423 RoTE excl. structural cost actions was 11.3% | [2] Loans and advances to customers at amortised cost |

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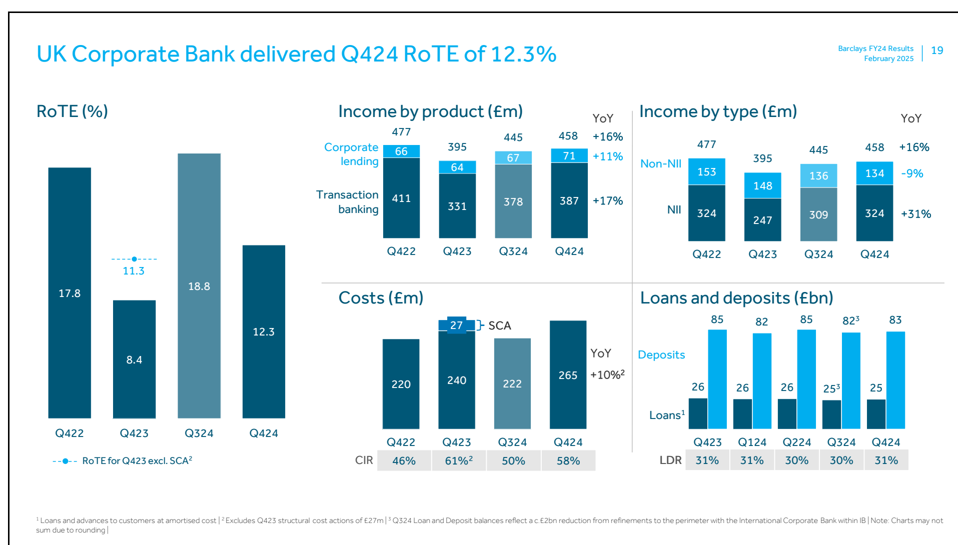

UK Corporate Bank delivered a Q4 RoTE of 12.3%. NII was up 31% year on year, reflecting deposit income growth and the non-repeat of adverse liquidity pool income in the prior year.

Non-NII was down 9% year on year, and broadly flat to Q3. Whilst this line can be volatile, we expect investments in our digital and lending propositions to drive non-NII growth over time.

Investments to support this growth and to drive greater efficiency led to a 10% YoY increase in costs, excluding the structural cost actions we took in Q423. And our full year loan loss rate of 29bps was within our through the cycle guidance of circa 35bps.

Turning now to Private Bank and Wealth Management.

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Private Bank & Wealth Management Q424 and FY24

Q424[1]

23.9% Statutory RoTE Q423: 19.1%	£0.1bn Profit before tax Q423: £0.1bn
£0.4bn Income Q423: £0.3bn	£0.3bn Costs Q423: £0.3bn
75% Cost: income ratio Q423: 82%	£7.9bn RWAs Sep-24: £7.3bn
£208.9bn Client Assets & Liabilities[2] Sep-24: £201.5bn	£47.7bn Assets Under Management Sep-24: £45.8bn

FY24[1]

28.1% Statutory RoTE FY23: 32.7%	£0.4bn Profit before tax FY23: £0.4bn
£1.3bn Income FY23: £1.2bn	£0.9bn Costs FY23: £0.8bn
70% Cost: income ratio FY23: 66%	£7.9bn RWAs Dec-23: £7.2bn
£208.9bn Client Assets & Liabilities[2] Dec-23: £182.9bn	£47.7bn Assets Under Management Dec-23: £41.7bn

[1] Includes Q423 structural cost actions of £29m. FY23 RoTE excl. Q423 structural cost actions was 35.1%, Q423 RoTE excl. structural cost actions was 28.9% | [2] Client Assets and Liabilities refers to customer loans, deposits and investments |

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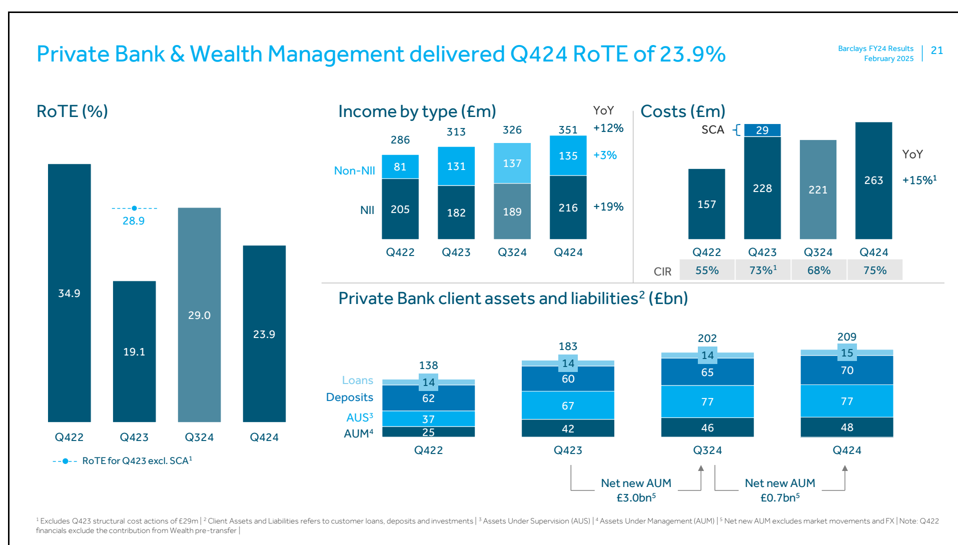

Q4 RoTE was 23.9%. Client assets and liabilities grew £7bn versus Q3 and £26bn versus the prior year.

We also attracted net new assets under management of £0.7bn in Q4 and £3.7bn for the year. This is a new metric that we will disclose going forward.

This growth in volumes, as well as higher transactional activity, led to a 12% year on year increase in income.

Excluding Q423 structural cost actions, costs were up 15% year-on-year as we took further actions this quarter to optimise headcount and drive business growth. As you heard at our deep dive in December, we will continue to prioritise investment in this business.

Turning now to the Investment Bank.

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Investment Bank Q424 and FY24

Q424[1]

3.4% **Statutory RoTE** Q423: (2.1)%	£0.5bn **Profit before tax** Q423: £(0.0)bn
£2.6bn **Income** Q423: £2.0bn	£2.1bn **Costs** Q423: £2.1bn
80% **Cost: income ratio** Q423: 101%	£46m **Impairment** Q423: £23m
£198.8bn **RWAs** Sep-24: £194.2bn	56% **RWAs as % of Group** Sep-24: 57%
5.2% **Income/Average RWAs** Q423: 4.1%	15bps **Loan loss rate** Q423: 8 bps

FY24[1]

8.5% **Statutory RoTE** FY23: 7.0%	£3.8bn **Profit before tax** FY23: £3.2bn
£11.8bn **Income** FY23: £11.0bn	£7.9bn **Costs** FY23: £7.7bn
67% **Cost: income ratio** FY23: 70%	£123m **Impairment** FY23: £102m
£198.8bn **RWAs** Dec-23: £197.3bn	56% **RWAs as % of Group** Dec-23: 58%
5.8% **Income/Average RWAs** FY23: 5.5%	10bps **Loan loss rate** FY23: 9bps

[1] Includes Q423 structural cost actions of £169m. FY23 RoTE excl. Q423 structural cost actions was 7.5%, Q423 RoTE excl. structural cost actions was (0.3)% |

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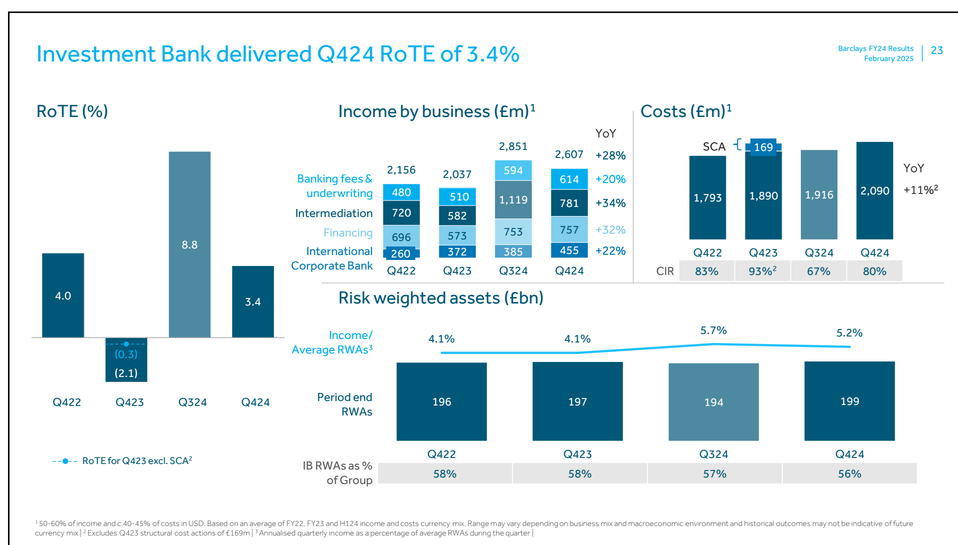

The Q4 RoTE was seasonally low at 3.4%, with a full year ROTE of 8.5%, both ahead of the prior year.

Q4 total income was up 28% YoY while total costs rose 11%, excluding the Q423 structural cost actions. This was the third consecutive quarter of positive jaws.

Adjusted for FX, total income was up 31% YoY and costs were up 12% YoY, excluding structural cost actions in the prior year[1]. Part of the increase in our Q4 costs reflected actions we took to improve future efficiency.

Period-end RWAs of £199bn were £5bn higher versus Q3, with FX accounting for £6bn of the increase.

Now looking at the Q4 income in more detail.

[1] *Based on an average USD/GBP FX rate of 1.24 for Q423 and 1.28 for Q424*

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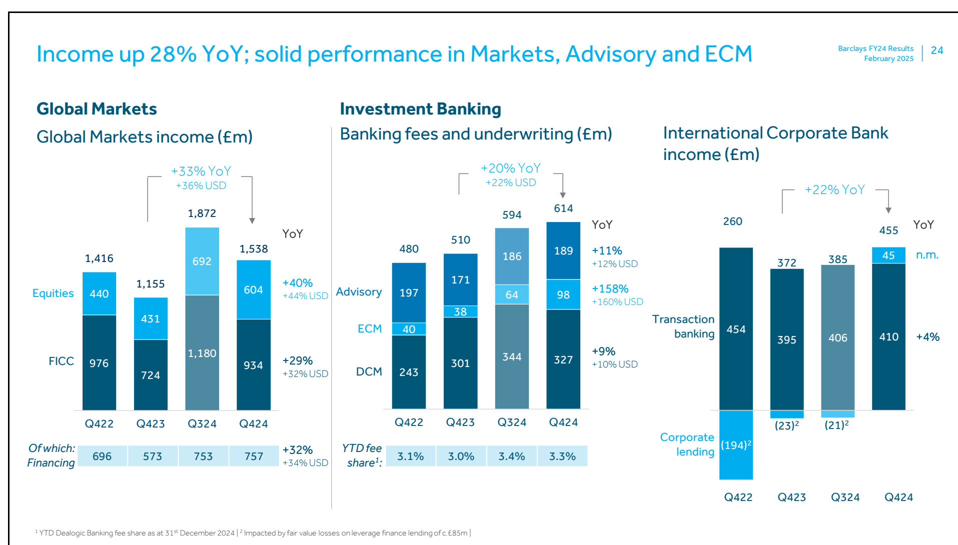
Income up 28% YoY; solid performance in Markets, Advisory and ECM
Barclays FY24 Results February 2025 | 24
Global Markets
Global Markets income (£m)
+33% YoY
+36% USD
Equities
FICC
Q422 Q423 Q324 Q424
Of which: Financing 696 573 753 757 +32% +34% USD
+40% +44% USD
+29% +32% USD
Investment Banking
Banking fees and underwriting (£m)
+20% YoY
+22% USD
Advisory
ECM
DCM
YTD fee share[1]: 3.1% 3.0% 3.4% 3.3%
+11% +12% USD
+158% +160% USD
+9% +10% USD
International Corporate Bank income (£m)
+22% YoY
Transaction banking
Corporate lending
n.m.
+4%

US Consumer Bank Q424 and FY24

Q424[1]

11.2%
Statutory RoTE
Q423: (0.3)%

£0.1bn
Profit before tax
Q423: £(0.0)bn

$34.2bn
End net receivables[2]
Sep-24: $32.7bn

£0.9bn
Income
Q423: £0.9bn

10.66%
Net Interest Margin
Q423: 10.88%

£0.4bn
Costs
Q423: £0.4bn

51%
Cost: income ratio
Q423: 48%

£0.3bn
Impairment
Q423: £0.4bn

395bps
Loan loss rate
Q423: 636bps

£26.8bn
RWAs
Sep-24: £23.2bn

FY24[1]

9.1%
Statutory RoTE
FY23: 4.1%

£0.4bn
Profit before tax
FY23: £0.2bn

$34.2bn
End net receivables[2]
Dec-23: $32.2bn

£3.3bn
Income
FY23: £3.3bn

10.65%
Net Interest Margin
FY23: 10.85%

£1.6bn
Costs
FY23: £1.7bn

49%
Cost: income ratio
FY23: 51%

£1.3bn
Impairment
FY23: £1.4bn

431bps
Loan loss rate
FY23: 514bps

£26.8bn
RWAs
Dec-23: £24.8bn

[1] Includes Q423 structural cost actions of £19m. FY23 RoTE excl. Q423 structural cost actions was 4.6%, Q423 RoTE excl. structural cost actions was 1.4% | [2] Managed ENR |

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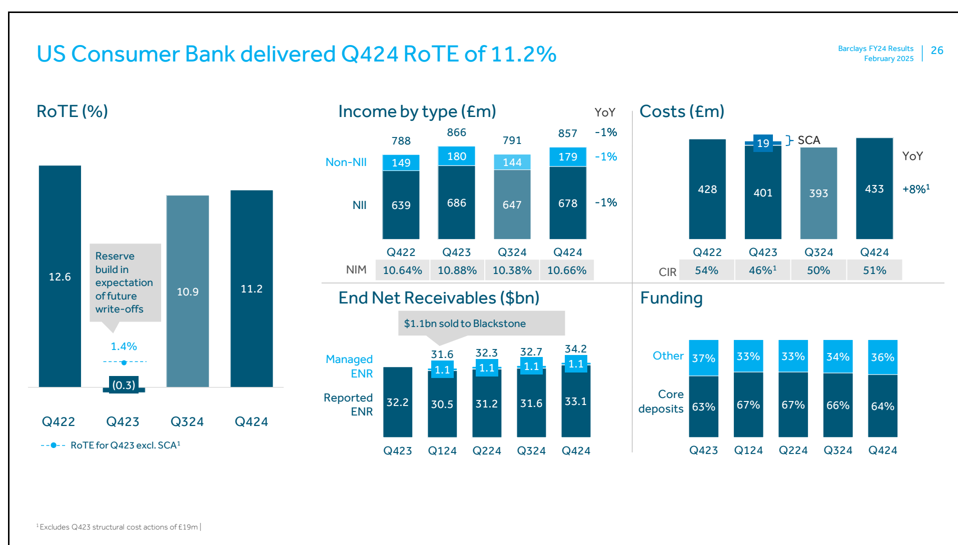

US Consumer Bank RoTE was 11.2% in the quarter. The improvement versus the prior year reflected lower impairment charges following the reserve build in H2 23.

Income was down 1% year-on-year or up 1% excluding FX[1]. This reflected a 0.9bn dollar increase in card balances to $33.1bn on a reported basis.

From Q3 to Q4, NII increased 5%, supported by seasonally stronger balances, which also grew 5%. NIM rose 28 basis points, partly reflecting the lagged benefit of our repricing actions earlier in the year.

The successful launch of our new tiered retail savings product in Q3 led to 17% year on year growth in retail deposit funding, with a $2.0bn increase in Q4. The proportion of core deposits rose 1% year on year to 64%, reflecting wholesale funding raised during Q4 to meet seasonal asset growth. As seasonal spending eases, we should see a further increase in our share of funding from core deposits, towards our target of 75% in 2026.

Excluding Q423 structural cost actions, total costs were up 8%, as we continue to invest in the growth of the business, driving a cost: income ratio of 51%.

Moving to capital.

[1] *Based on an average USD/GBP FX rate of 1.24 for Q423 and 1.28 for Q424*

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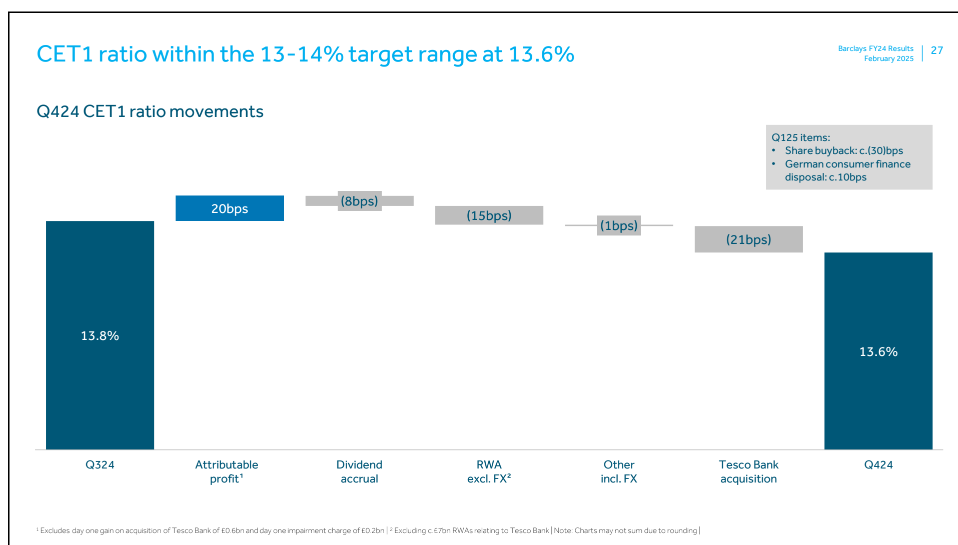

We ended the year with a CET1 ratio of 13.6%. This included around 140bps of capital generation from profits, excluding the day 1 P&L benefit of the Tesco Bank acquisition.

We previously highlighted two inorganic transactions that would impact capital in the near term, both of which have now completed:

The first was the c.20bps of capital consumption from the acquisition of Tesco Bank in Q4.

The second is the c.10bps accretion from the sale of the German consumer finance business which was completed last month and will benefit the CET1 ratio in Q125.

The £1bn share buyback we announced today will also lower the ratio by around 30bps in Q1.

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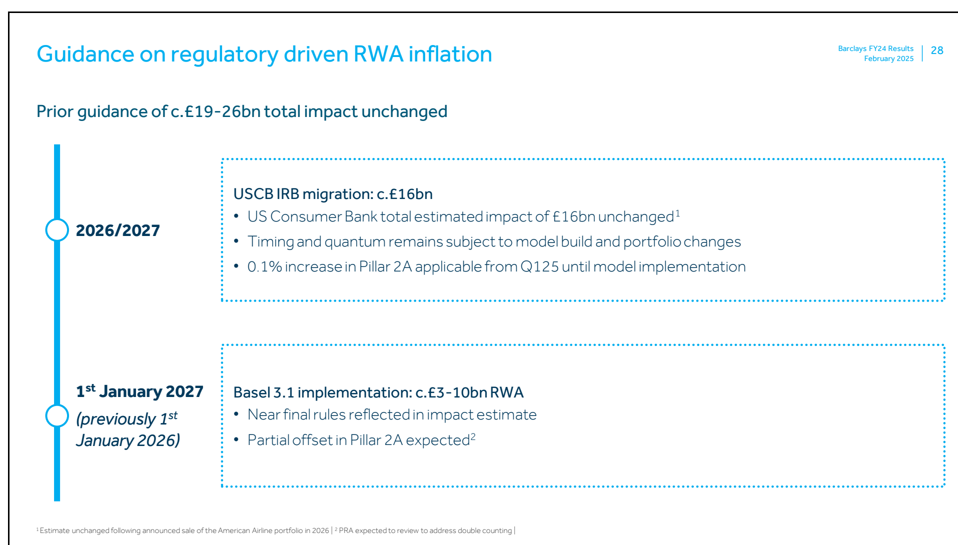

Looking ahead, we maintain our guidance for between £19 and £26bn of regulatory driven RWA inflation. The UK regulator's decision to postpone the implementation of Basel 3.1 to January 2027 may, however, alter the mix and phasing of this change.

Adopting IRB in the US consumer bank is still expected to increase RWAs by c.£16bn. While uncertainty around the size and mix of the portfolio at the time of implementation has increased, this remains our best estimate for now.

In the meantime, there are a few changes in the regulatory landscape. Prior to implementing IRB for US cards, our Pillar 2A requirement will increase by 0.1% from Q125. We expect this Pillar 2A capital to be removed when the IRB model is implemented in 2026 or 2027 when the £16bn RWA increase is reflected in Pillar 1. Consequently, our maximum distributable amount ratio, or "MDA" is expected to rise to 12.2% from Q125. We previously expected that this would reduce following the implementation of Basel 3.1 in January 2026, but this will now be delayed to January 2027. Reflecting this, you should continue to expect us to operate towards the upper half of our 13 to 14% target CET1 range as we have been doing. Naturally, our distribution expectations remain unchanged.

Turning now to recent RWA developments.

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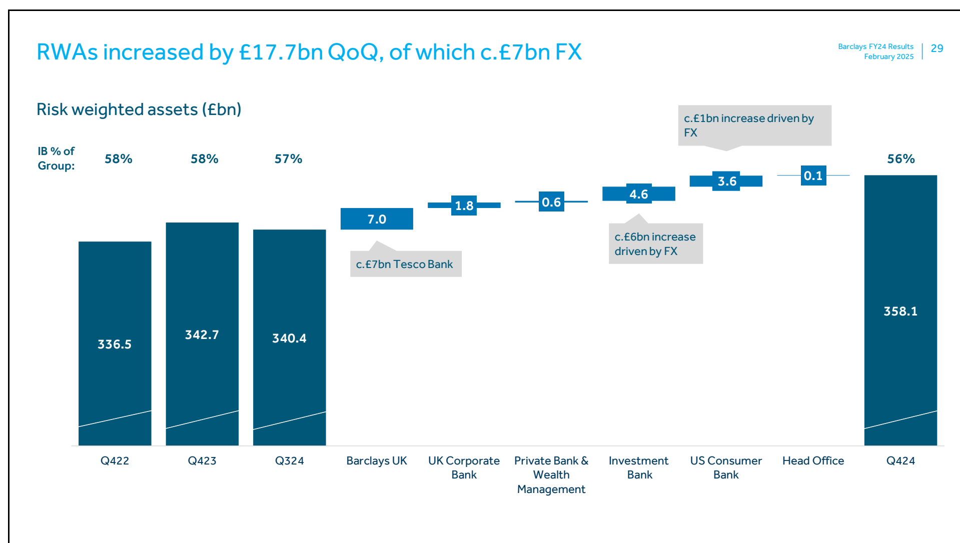

RWAs increased £18bn from Q3, to £358bn.

Tesco Bank added £7bn and a further £7bn was driven by FX in the Investment Bank and the US Consumer Bank.

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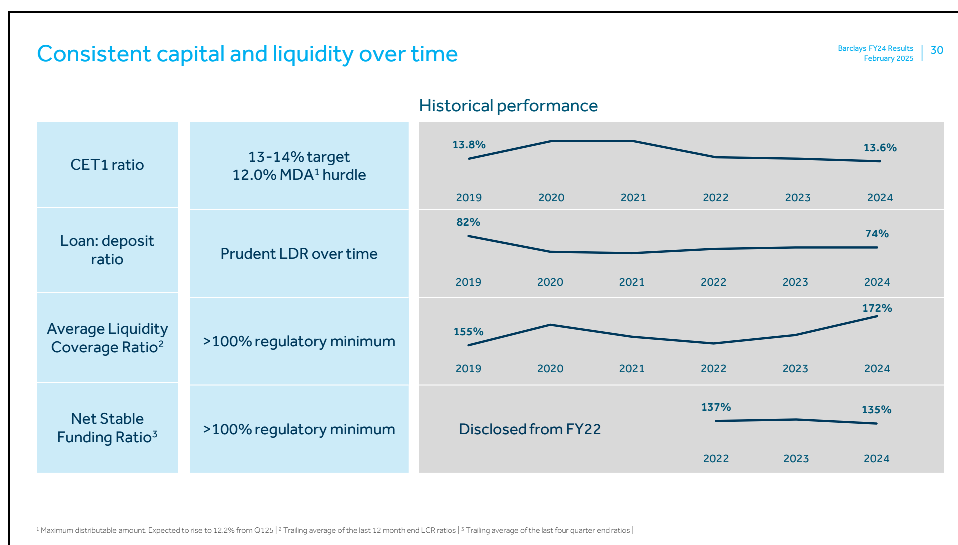

As usual, a brief word on our overall capital and liquidity on slide 30. We maintain a well-capitalised and liquid balance sheet, with diverse sources of funding and a significant excess of deposits over loans.

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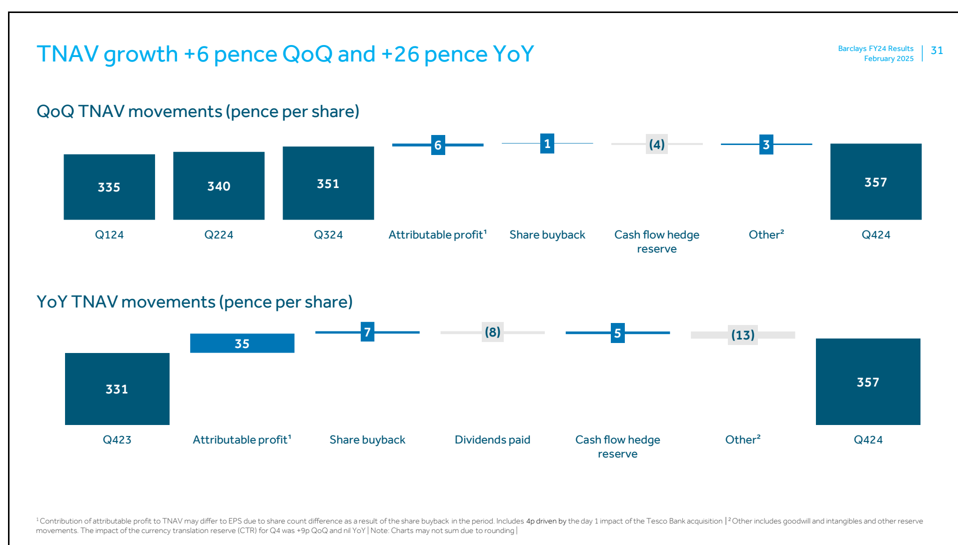

TNAV per share increased by 6 pence in the quarter and by 26 pence during 2024, to 357 pence.

Attributable profit added 6 pence per share during Q4, whilst our share buyback and other movements added 1 pence and 3 pence, respectively. These were partially offset by a more negative cash flow hedge reserve which reduced TNAV by 4 pence per share.

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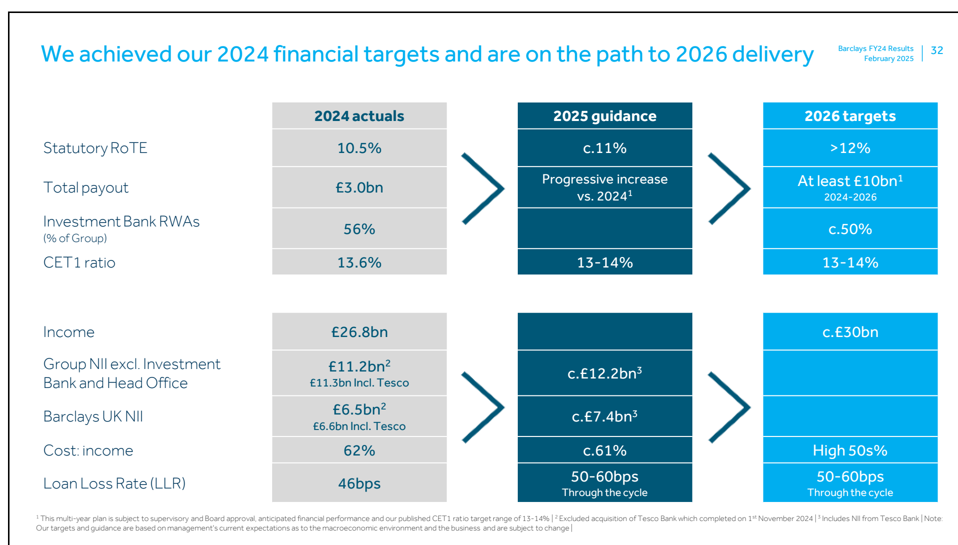

This is the fourth quarter in the 12 quarter plan we laid out in February.

Today we are reiterating our Group targets for 2026 and providing additional guidance for 2025, including a further improvement in Group RoTE to around 11%. I'll come back to discuss the building blocks of this guidance in more detail with you.

But first, I would like to hand back to Venkat to take you through some reflections on progress during the first year of our plan.

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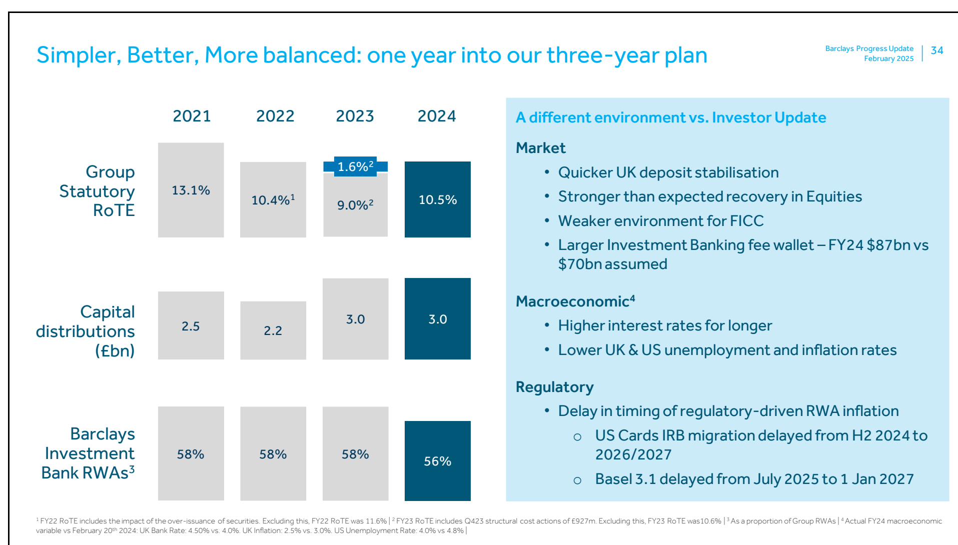

C. S. Venkatakrishnan

Thank you Anna.

Almost a year ago today, we set three key priorities for Barclays by 2026: to improve returns, to distribute more to shareholders and to re-balance our RWAs. We also set interim milestones for 2024, which we have delivered.

Our plan was set on realistic assumptions which, together with our diversified business model, allowed us effectively to navigate market, macro and regulatory conditions throughout the year. So, what were these?

UK deposits have stabilised faster, and the investment banking wallet has been stronger than we expected. FICC, which is traditionally an area of strength for us, performed slightly weaker than we had anticipated in 2024. But our strong performance in Equities, where we have taken market share, partially compensated for this, rebalancing our overall Markets business. And the economic environment has been more supportive, with interest rates remaining higher alongside more benign unemployment and inflation in our main UK and US markets.

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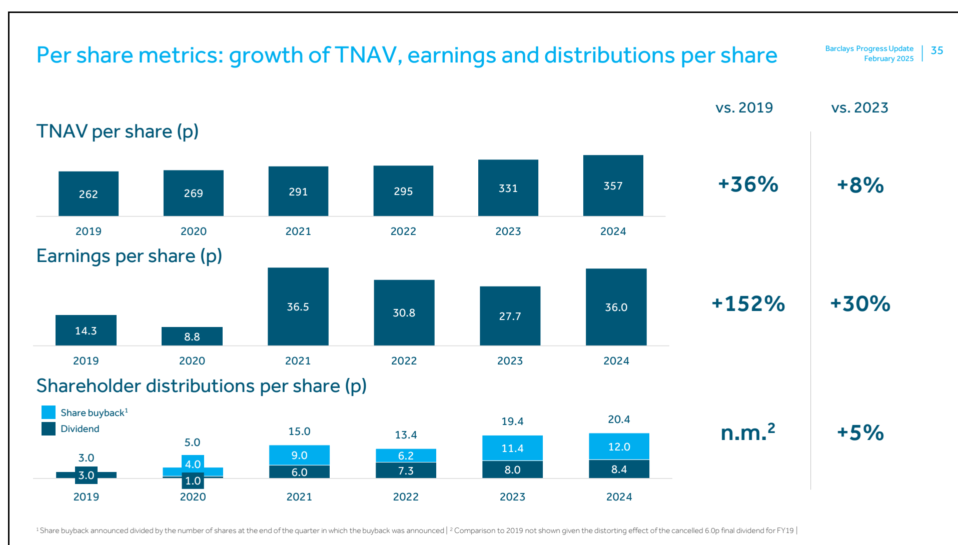

Last year, I described the important reset of our financial performance and shareholder returns since 2021. I also told you that this improvement was not sufficient; and that our shareholder experience needed to be better. We are making progress on our plan, and we are generating growth.

Notably, we have achieved our fifth consecutive year of TNAV per share growth of 8% during 2024 and 7% annually since 2019. This positive outcome reflects improvements in our returns and growth of our earnings per share, including by 30% year on year during 2024, to the second-highest level in a decade. This enabled a 5% increase in total distributions, including progressive growth in our dividend per share.

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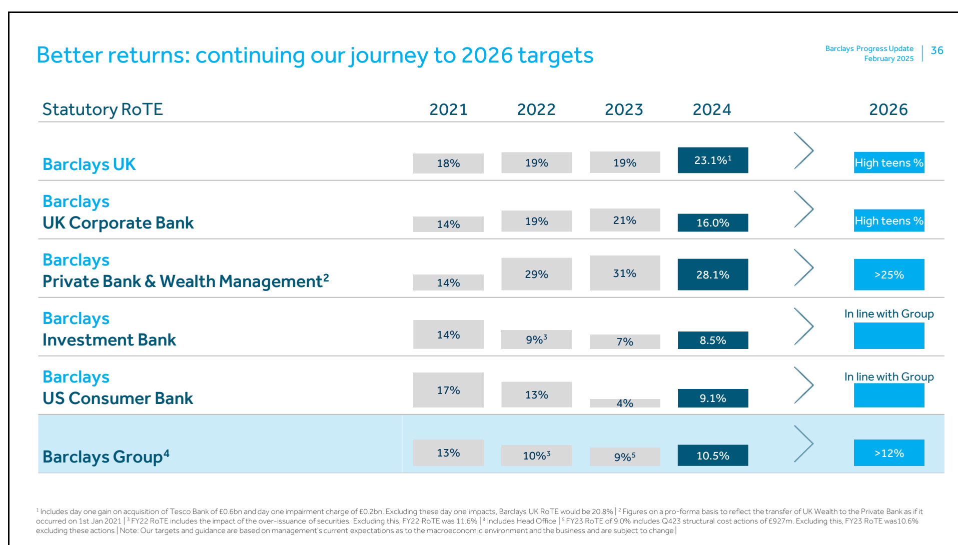

For the Group as a whole, we look to generate higher returns in two ways.

First, by allocating more capital to our higher returning UK businesses, which I'll come on to discuss.

And second, by improving returns in the lower returning businesses, namely the Investment Bank and the US Consumer Bank.

That was true last year, when we set out our strategy, and it remains true today. We are making progress, including in target growth areas of the Investment Bank, but further improvements are needed to achieve our RoTE target of greater than 12%.

And in the US Consumer Bank too, we remain focussed on rebuilding returns towards a mid-teens RoTE beyond 2026. A reduction of impairments in line with our expectations as well as other operational improvements, enabled a 9% RoTE in 2024 vs 4% in 2023.

Let me now discuss the allocation of capital to higher returning divisions in more detail.

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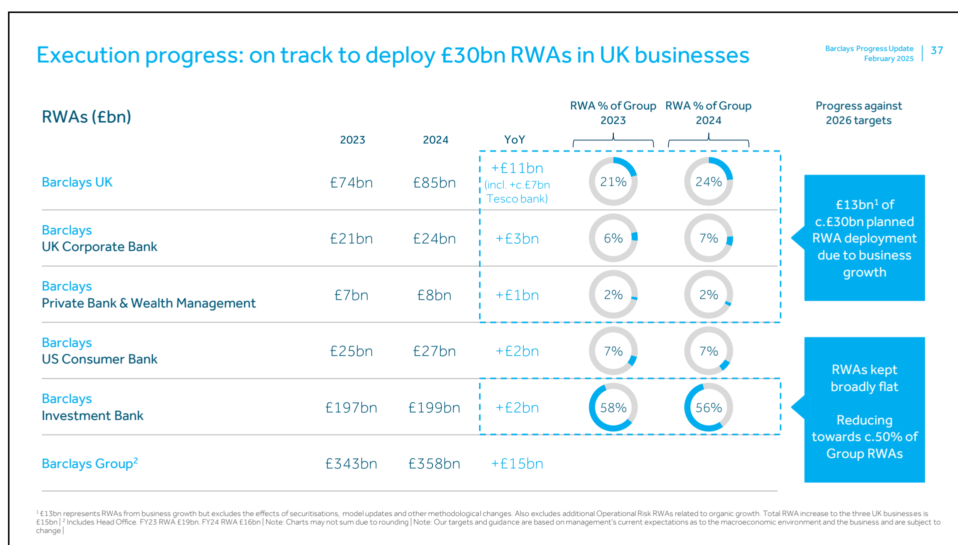
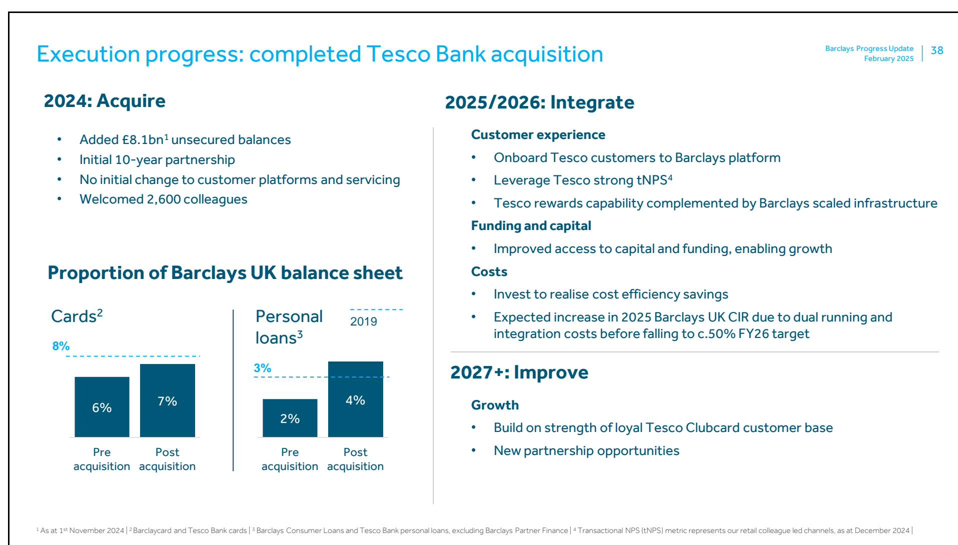


At our Investor Update, we outlined a plan to create a more balanced Group. To do this, we planned to allocate £30bn of additional RWAs to our three highest returning businesses: Barclays UK, the UK Corporate Bank and Private Bank and Wealth Management.

As we expected, actions that we took during the year began to generate organic balance sheet growth towards the end of the year. And including the acquisition of Tesco Bank, RWAs in our highest returning UK businesses increased by £13bn due to business growth and by £15bn overall in 2024.

As Anna has discussed earlier, lead indicators of growth across our UK businesses are encouraging. Given this, we expect a step up in our organic RWA deployment during the year , with further momentum in 2026.

We are committed to keeping Investment Bank RWAs relatively stable at 2023 levels, and this is the third consecutive year in which this division operated with this level of capital. We continue to expect Investment Bank RWAs to fall proportionately to c.50% of the Group by 2026, from 56% today, as we grow the three UK businesses.



Taking a closer look at the Tesco Bank acquisition, which we are thinking about in three stages – Acquire, Integrate, and Improve.

The first stage was completed on 1st November 2024. The acquisition has added £8bn to our unsecured balances, moving our weighting in credit cards and personal loans towards our 2019 position. And the profile of Tesco Bank's customers is attractive. As we show in our Operational Datapack, on slide 57, Tesco Bank's customers have a higher spend per card than the market average. Tesco's position as the UK's largest retailer, with strong customer satisfaction and more than 20 million Tesco Clubcard holders, provides a significant customer growth opportunity. We have also gained an additional brand to operate with, and an open market lending capability.

The second stage is to integrate Tesco Bank, which we intend to do during 2025 and 26. This involves onboarding Tesco customers to Barclays' platform in 2026 to reduce duplication of systems and processes, while maintaining a strong customer experience. The integration will require some upfront investment, but the realisation of synergies will reduce the run rate costs. These actions are factored into our plan, and we continue to target a circa 50% cost: income ratio for Barclays UK in 2026, following an increase in 2025 given the costs associated with Tesco Bank.

The third stage is to improve the business, which we expect to gain momentum after 2027. This will involve further growing customer balances, supported by better access to funding and to capital. This increased scale will enable greater efficiency, as fixed costs are spread over a larger customer base.

Turning now to the US Consumer Bank.

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Execution opportunity: USCB sale of American Airlines cards receivables

	2026 targets
RoTE	In line with Group
End Net Receivables[1]	c.$40bn
Net interest margin	>12%
Cost: income ratio	Mid-40s
Loan loss rate	c.400bps
RWA	c.£45bn incl. c.£16bn regulatory impact[3]

Overview of the American Airlines sale[2]

- Strategic decision to not bid for single-issuer airlines business
- Sale of receivables in 2026

Effect of American Airlines sale[2]

- Gain on sale in 2026
- Results in higher net interest margin and loan loss rate, driving higher risk-adjusted margin
- Rebalancing of FICO mix towards pre-2019 levels
- Renewed focus on efficiency to mitigate loss of scale

[1] On a managed basis which includes the $1.1bn of card receivables sold to Blackstone in Q124 | [2] Day 1 impact to be disclosed closer to the time of sale | [3] Estimate unchanged following announced sale of the American Airline portfolio in 2026. Subject to model build and portfolio changes, implementation could be beyond 2026 | Note: Our targets and guidance are based on management's current expectations as to the macroeconomic environment and the business and are subject to change |

We have made meaningful progress in 2024, improving RoTE to 9% from 4%, and achieving a cost: income ratio of 49%.

We also announced that our American Airlines partnership will not be renewed beyond 2026. American Airlines has been a card partner in our business for seven years as part of a dual issuer model, and we have valued our long relationship with them. We knew that the partnership could transition to a single issuer model and we chose not to participate on that basis. The ending of our partnership provides a short-term gain on sale in 2026, and releases capital that we intend to use to diversify the business. We expect the overall credit mix of the portfolio to change: still prime, but with less weighting to super-prime balances. And all things being equal, this will lead to a higher net interest margin and loan loss rate, and a higher risk adjusted margin for the portfolio.

Our 2026 targets are unchanged, including a RoTE of >12% in line with the group, as the gain on sale offsets lower profitability due to the loss of receivables.

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We are confident in our ability to grow card balances to achieve necessary scale in the US Consumer Bank. In line with our broader Group strategy, our plan is organic.

Organic growth has driven around 85% of the increase in our net card receivables since 2011 and, looking ahead, will drive two thirds of our planned growth. We have a strong foundation for such growth, given that over 80% of our card receivables are under contract at least until 2029. Our success in accelerating balance growth for partners also translates into significant loyalty, with a historical partnership renewal rate of around 90%.

In 2024, notable renewals included Hawaiian and RCI, and at the start of 2025 we have also renewed our partnership with Wyndham. In addition to being a longstanding top five partner for us, Wyndham is also a long-term Investment Banking client. This provides a good demonstration of how collaboration across the Barclays group can drive successful outcomes.

While organic growth is at the heart of the plan, opportunities for inorganic growth in the market are also significant. For instance, 15 relevant deals and $40bn of balances were tendered annually on average in the market during the past five years. We remain confident in our ability to win new partners, given the strength of our offering and our ability to increase customer engagement and balances. And this is evidenced by recent wins, including Breeze in 2023 and General Motors in 2024. The General Motors card portfolio, which we will onboard in Q325, will offset around a quarter of the balances we expect to lose from American Airlines.

Overall, we remain focussed on achieving scale beyond 2026 and driving improved efficiency to deliver mid-teens RoTE for this business. Turning now to the Investment Bank.

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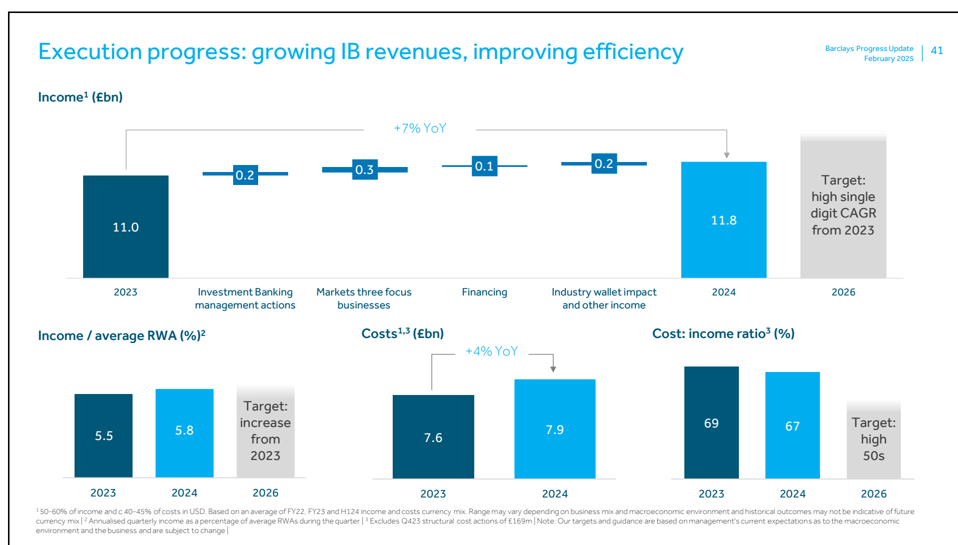

Last year we shared our plan to increase returns in the Investment Bank to >12% by 2026, in line with our Group target. While competitive and industry dynamics are creating opportunities and challenges for individual businesses, our overall progress is as expected, and we continue to run our own race. Our objective is to generate higher and more stable income and returns, by improving RWA productivity and rebalancing resources in the business, while only modestly increasing costs.

We delivered 7% year-on-year income growth in 2024, broadly on track with our high single digit annualised growth target from 23 to 26. And as a reminder, more than half of our planned income growth in the Investment Bank comes from initiatives which we control, with the remainder coming from growth in the industry wallet. We expect these initiatives to add £1.8bn to our income by 2026, and in the first year of our plan we achieved around a third of this planned improvement.

In Investment Banking, we have increased share across most products. This included strong performance in ECM, where we increased fee share by about 100bps, and in Leveraged Finance where we increased share by c.70bps.

Across the three focus businesses in Markets, we have made good progress within Equity Derivatives and Securitised Products. And while progress in European Rates has been slower, we saw recovery in Q4. Across our Markets business, we now rank Top 5 with 56 of our Top 100 clients, up 7 from a year ago, and versus our target of 70 by the end of 2026.

Our capital productivity has also improved, with income to RWAs increasing by 30bps year-on-year to 5.8%. And we achieved positive jaws, with income up 7% from FY23 versus a 4% increase in costs. And this enabled a year on year improvement in our cost: income ratio, to 67%. And we are focused on making further progress for CIR in 2025 towards delivery of our high-50s target for 2026 FY.

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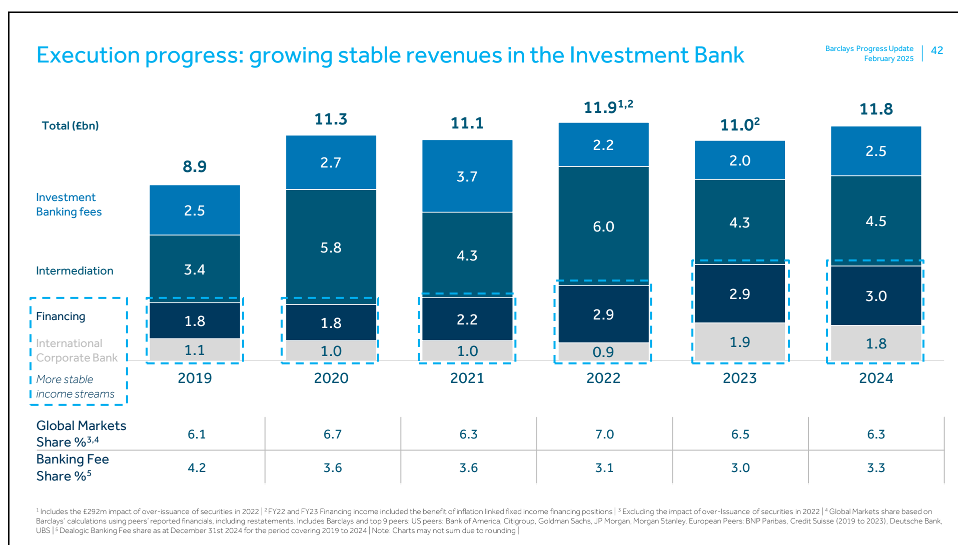

I'd like to highlight two areas of progress during the past year that help to position the Investment Bank to perform in a range of scenarios.

First, as Anna said, we continued to prioritise growth in stable income during 2024, particularly within Financing. Growing Financing income enhances the durability of our returns, and we now have financing relationships with 98 of our top 100 clients.

Second, our banking fee share has increased by 30bps year-on-year to 3.3%, with the wallet also higher. Andwe remain particularly well positioned to benefit from stronger activity in the US, where we generate 68% of our total Banking fees.

At the same time, our market share in Global Markets declined 20bps in the year, reflecting lower share in FICC, the larger of our Markets businesses. And so, while we are pleased with our direction of travel, we recognise that there's further work to do to deliver the full extent of our ambition.

Let me now hand over to Anna for the final instalment of today's update.

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Anna Cross

Thank you, Venkat. At our Investor Update last February, we outlined a plan to deliver ambitious financial targets and meaningfully higher shareholder distributions.

We are confident we can deliver consistent returns in a range of scenarios, underpinning our ambition. I'll now go through what supports these targets.

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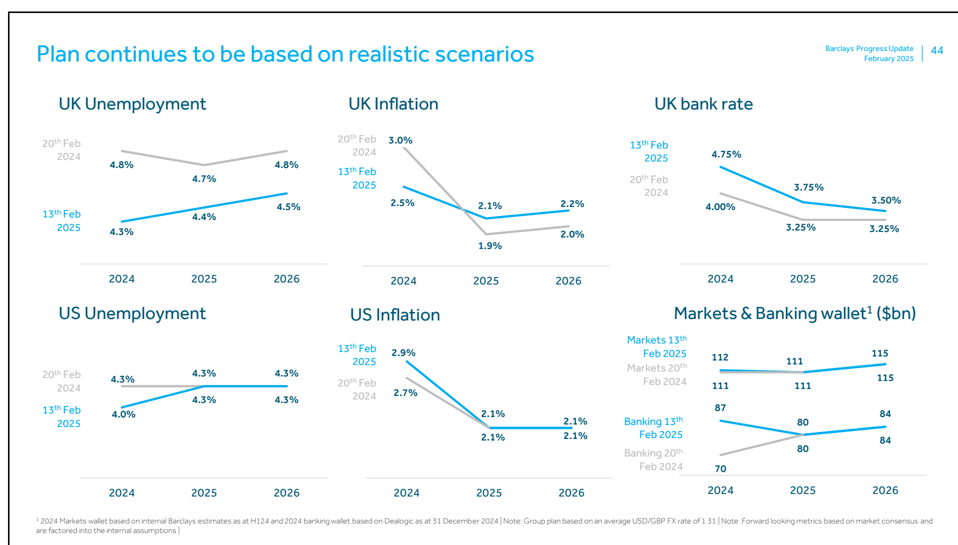

The diversification of our business model, by income and geography, helps support returns in a range of economic environments. This has contributed to more stable returns in the last four years.

As Venkat mentioned, the external environment in 2024 was generally more supportive than we expected. But in executing our plan, we remain focussed on what we can control.

Our plan continues to be based on realistic assumptions. These include four UK base rate cuts during 2025, and a Bank Rate of 3.5% by the end of 2026. We also assume a 5-year swap rate of around 3.5% for the purpose of our structural hedge reinvestment, although I acknowledge that current market rates are higher.

And we are not relying on a recovery in the Investment Bank wallet to deliver our plan, with our assumptions unchanged from those we outlined last year. The next few slides describe how our drive towards higher and more predictable returns come together for our shareholders.

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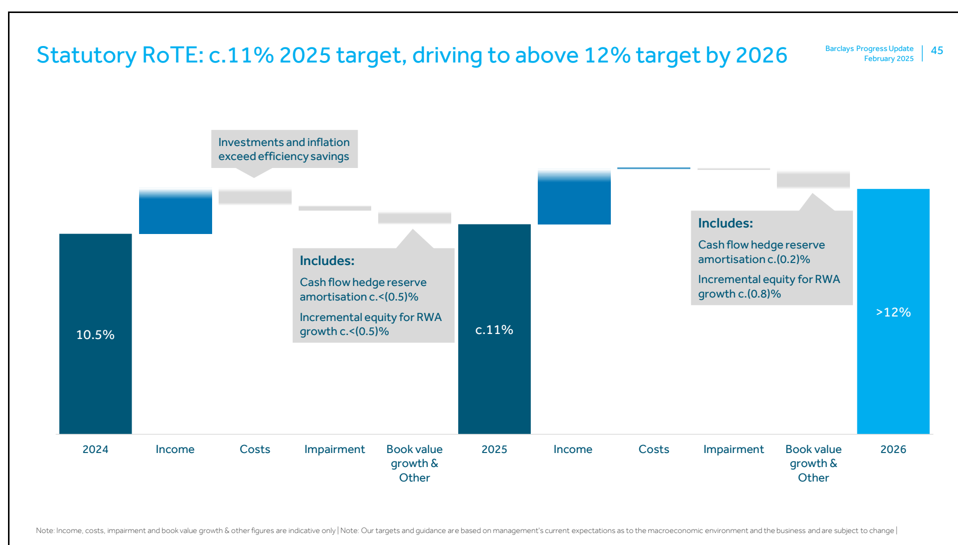

Our 2026 targets are unchanged, including our north star of a RoTE above 12%. Our foundation is strong, having delivered 10.5% last year, and we expect further improvement in 2025, to around 11%.

Crucially we expect income growth to provide a RoTE tailwind in 2025, with NII accounting for more than half of this.

We will maintain cost discipline as we grow. We expect our cost: income ratio to fall in 2025, and we expect further cost efficiency savings and income momentum into 2026. This combination will support a RoTE of more than 12%.

I'll now explain the drivers of our income and costs, in turn.

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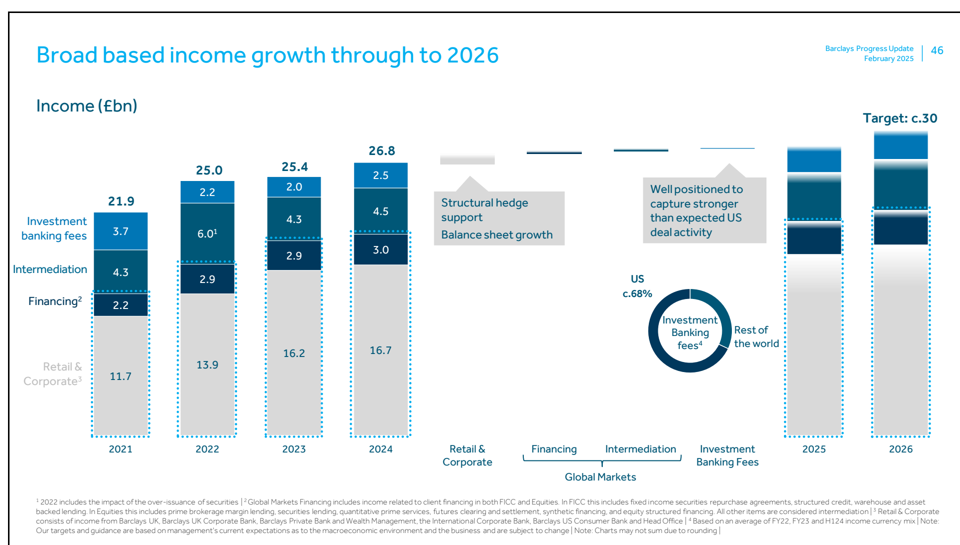

We continue to target around £30bn of income in 2026. This means a further £3bn of income growth over the next two years, having delivered £1.4bn in 2024. The drivers of our growth are within our control.

First, the strong NII tailwind. For FY25, we expect a £0.9bn increase in Group NII, of which £0.8bn is from Barclays UK. Our confidence in delivering this reflects the predictable tailwind from the structural hedge, underpinned by realistic assumptions about rates and reinvestment yields. And this tailwind lasts beyond 2025, with the structural hedge driving around half of our expected increase in total Group income over the next two years.

In addition, we expect balance sheet and earnings momentum from the deployment of RWAs in our three high returning UK businesses. This momentum was apparent in Q4 and we expect it to continue, and to be visible in our 2025 performance.

Second, non-NII, mainly coming from the Investment Bank. We expect to deliver high single digit CAGR income growth over the life of our three year plan, and are broadly on track, having delivered 7% in '24. Overall year on year growth of £0.8bn in the IB included £0.2bn from wallet growth. Importantly, the biggest share of this increase, of £0.6bn, came from execution of our management initiatives – or a third of the £1.8bn total we expect by 2026. This leaves a further £1.2bn of growth from management actions over the next two years.

As was the case last year, we are not relying on wallet growth to meet our target. In fact, our assumptions are unchanged from a year ago, with a lower banking wallet in both 25 and 26 versus 24. And should the recovery continue, our business is strongly positioned to participate in a rebound in deal activity, particularly in the US where we generate around 2/3rds of our Banking fees. Moving onto costs.

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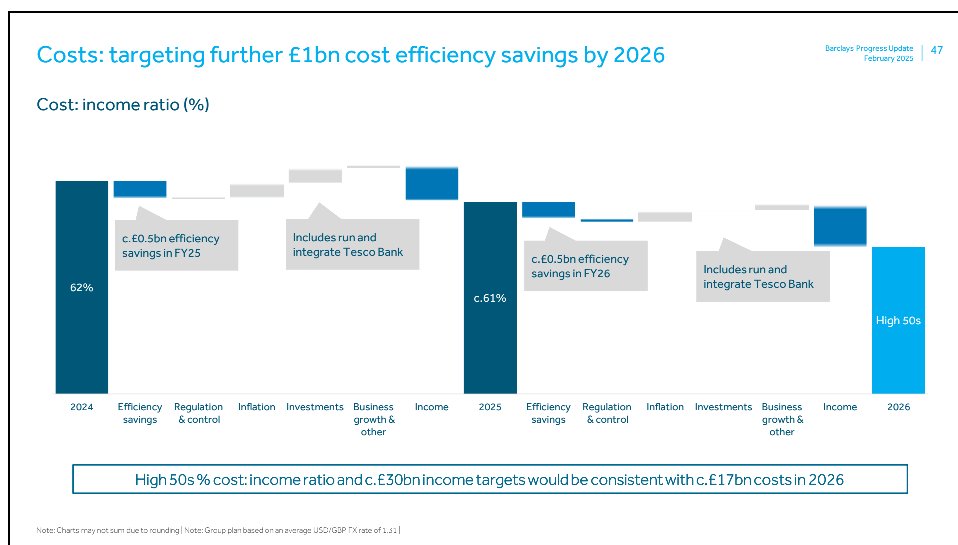

Managing costs is at the heart of what we can control. We showed this in 2024, achieving a 62% cost: income ratio. This improvement versus 2023 was supported by the delivery of £1bn of gross efficiency savings in the year. These savings reflected targeted actions in respect of people, property and infrastructure.

For example, in the past year we decommissioned around 200 legacy applications as part of our plan to exit 450 to 500 by 2026. We increased our digitally active customers in Barclays UK by 700 thousand, and rationalised our branch network by more than 25%. And in Markets, our actions during the last two years have driven a 20% reduction in the number of trade capture and risk pricing systems, supporting our efficiency and operational resilience.

Looking forward, there are three drivers of cost change in 2025 and 2026:

First, efficiency savings. We expect a further £1bn in gross efficiency savings, split broadly evenly across the next two years. Around one third of these savings come from plans to simplify customer journeys, with the rest driven by actions to streamline businesses, including the optimisation of people and technology.

Second inflation, which we expect to be more meaningful in 25 versus 2026. This is because inflation impacts us on a lagged basis, so 25 reflects some of the headline inflation pressure we've observed recently. It also includes a £50m increase in National Insurance contributions following the UK Budget.

And third, greater investment in our highest returning businesses in 2025. Specifically, I would call out the annualisation of investment costs which have increased during 2024, and additional Tesco Bank costs, including integration. In 2025, incremental investment and inflation are expected to exceed efficiency savings, resulting in an increase in our costs. In 2026, we expect costs to be broadly stable, if not down a little year on year, as incremental investment and inflation moderate, and are offset by efficiency savings.

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Given this cost profile, and planned income growth, we expect our cost: income ratio to fall by 1 percent in 2025, to circa 61%, and to fall more significantly to a high 50s percent in 2026. Given our 2026 income target of £30bn, our high-50s cost to income target would be consistent with around £17bn of costs.

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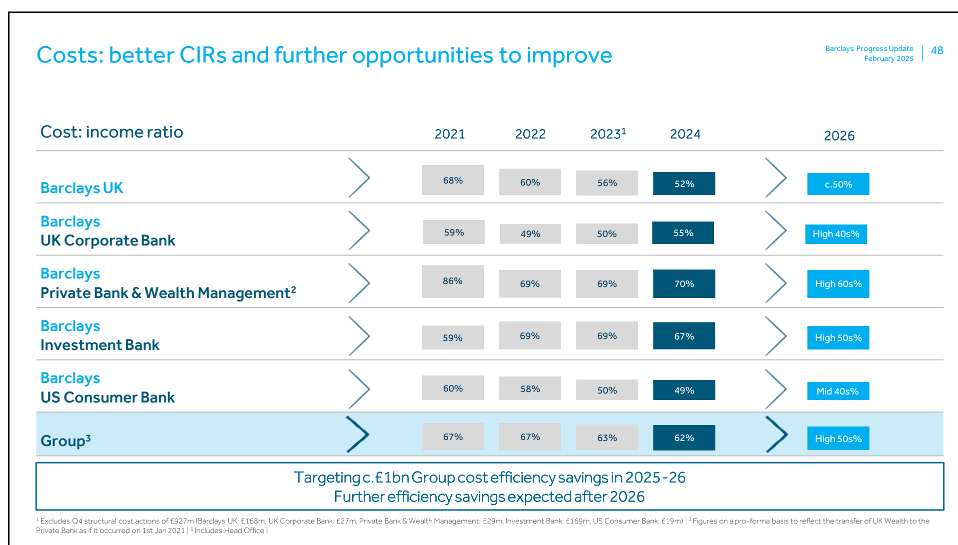

We will drive further efficiency beyond that, in each of our businesses and for the Group as a whole. Barclays UK and the Investment Bank represent some 70% of our planned cost efficiency savings.

Work to reduce duplicate systems and processes for Tesco Bank should reduce the cost run rate from c.£30m per month currently, as synergies are realised. And across Barclays UK, we remain focussed on streamlining and digitising the business to improve our efficiency.

And in the Investment Bank, we invested significantly between 2021 and 2023, to sustain and grow future income. In Markets the investment centred around technology, whilst the focus in Investment Banking was more on people.

We expect these actions to result in greater productivity, and a high 50s cost: income ratio in the investment bank by 2026, with further efficiencies expected beyond. Put differently, 2026 does not represent the full extent of our ambition.

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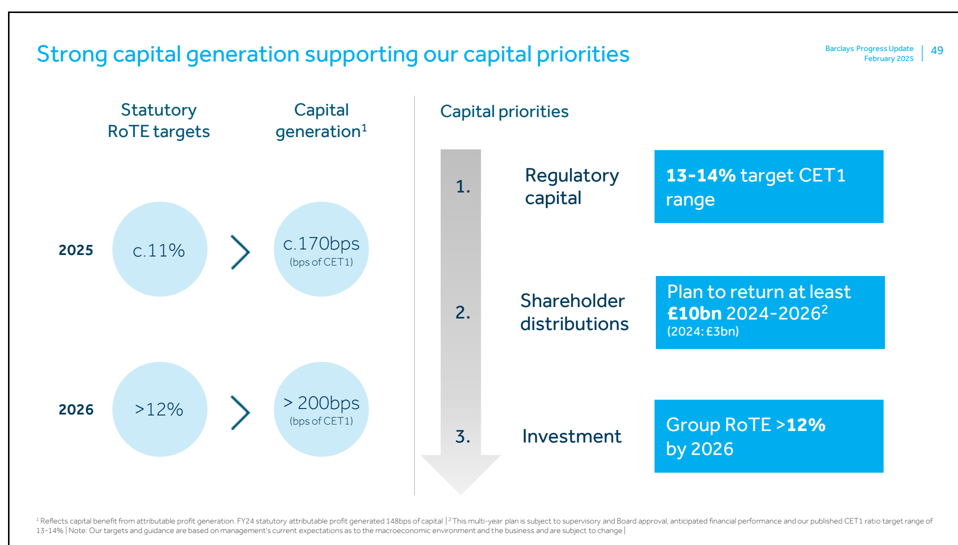

Turning now to capital and capital generation. As we grow returns in line with our plan, we expect to generate around 170bps of capital during 2025, rising to more than 200bps in 2026. We have a clear hierarchy for capital allocation, in order of priority:

First, to hold a prudent level of capital, with an expectation that we will continue to operate towards the upper half of our 13-14% CET1 target range, taking into account regulatory requirements. By doing this, we deliver for our investors, customers, clients and colleagues regardless of the environment.

Second, to distribute capital to shareholders.

And third, to invest selectively in our higher returning divisions, resulting in a more profitable RWA mix, and a better bank for all our stakeholders. We set a high bar for investment returns given the importance we place on shareholder distributions overall.

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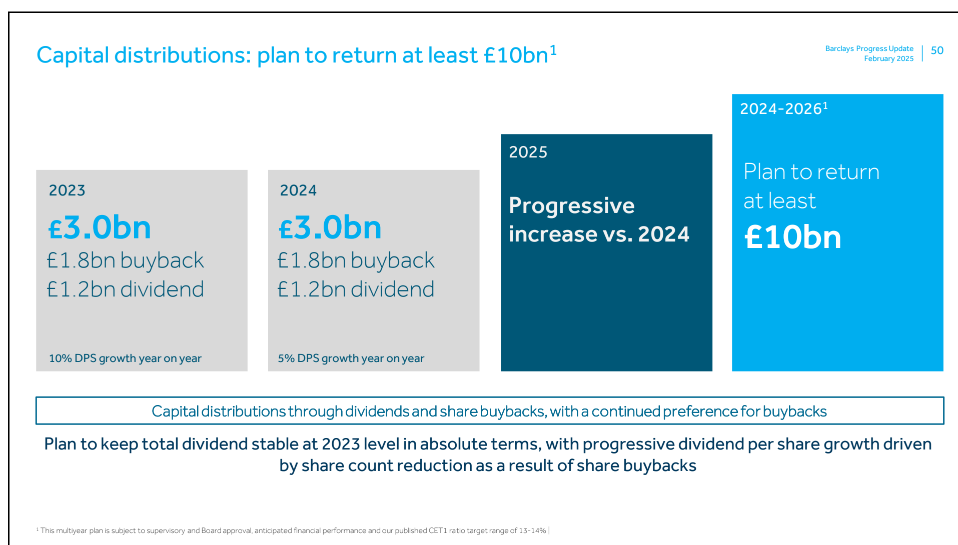

We announced £3.0bn of capital distributions in respect of FY24. These distributions represent an important step in our target to return at least £10bn to shareholders during the life of our plan.

We expect a progressive increase in our total payout during 2025. And as a reminder, we plan to keep the total dividend broadly stable at £1.2bn per year, growing our dividend per share progressively through lower share count.

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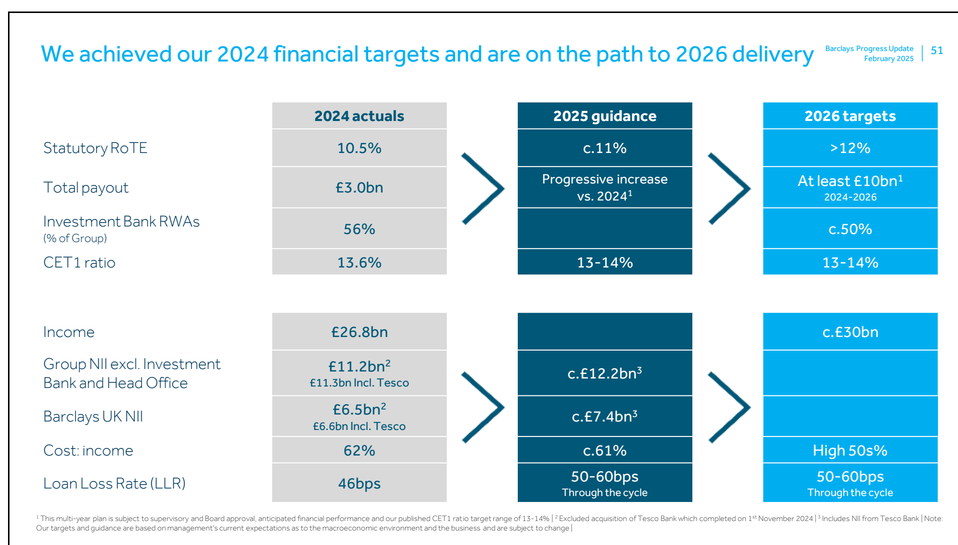

	2024 actuals	2025 guidance	2026 targets
Statutory RoTE	10.5%	c.11%	>12%
Total payout	£3.0bn	Progressive increase vs. 2024[1]	At least £10bn[1] 2024-2026
Investment Bank RWAs (% of Group)	56%		c.50%
CET1 ratio	13.6%	13-14%	13-14%
Income	£26.8bn		c.£30bn
Group NII excl. Investment Bank and Head Office	£11.2bn[2] £11.3bn Incl. Tesco	c.£12.2bn[3]	
Barclays UK NII	£6.5bn[2] £6.6bn Incl. Tesco	c.£7.4bn[3]	
Cost: income	62%	c.61%	High 50s%
Loan Loss Rate (LLR)	46bps	50-60bps Through the cycle	50-60bps Through the cycle

[1] This multi-year plan is subject to supervisory and Board approval, anticipated financial performance and our published CET1 ratio target range of 13-14% | [2] Excluded acquisition of Tesco Bank which completed on 1st November 2024 | [3] Includes NII from Tesco Bank | Note: Our targets and guidance are based on management's current expectations as to the macroeconomic environment and the business and are subject to change |

Bringing this together, we are reiterating our Group targets for 2026 and are providing additional guidance for 2025. This includes 2025 RoTE guidance of c.11% and a progressive increase in our total payout versus £3bn per year in the past 2 years. The expected increase in RoTE will be supported by Group NII growth, to around £12.2bn, including an increase in Barclays UK to around £7.4bn. We expect to improve the Group cost: income ratio to c.61%.

Our progress during 2024 provides a solid foundation for these milestones. We continue to deliver against our plan to achieve a RoTE greater than 12% by focusing on structural actions that are within our control to improve income and efficiency. Over to Venkat for final remarks.

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C. S. Venkatakrishnan

One year into the three year plan, we are pleased with our progress, but we recognise there is still work to be done to deliver our 2026 targets. And we are working hard to deliver sustainable operational and financial improvement across our businesses and this in turn we expect will drive higher Group returns and shareholder distributions.

I will now open the Q&A. Please limit yourself to two questions per person, so we can get around as many of you as possible. As always, please also introduce yourself as you ask your questions.

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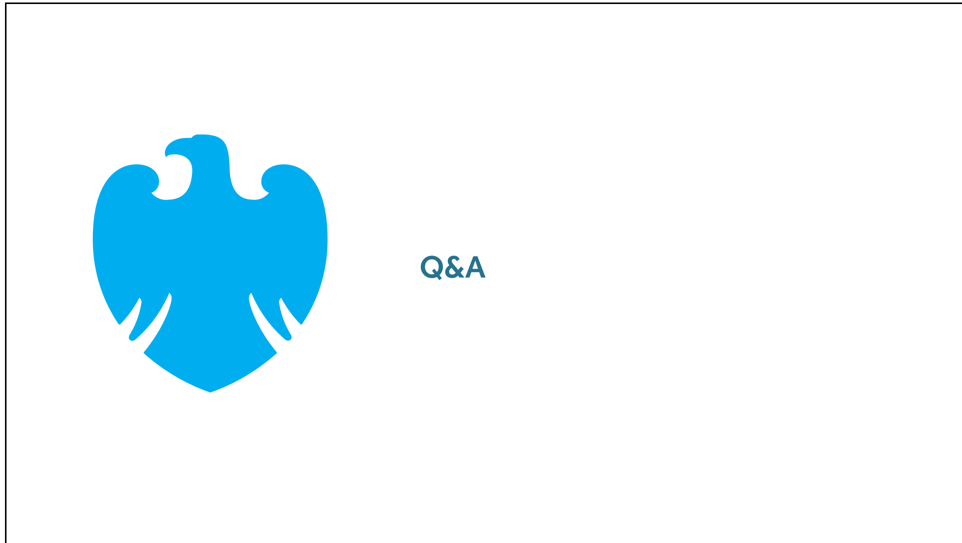

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- MREL is based on Barclays' understanding of the Bank of England's statement of policy on "The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL)" published in December 2021, and its MREL requirements communicated to Barclays by the Bank of England. Binding future MREL requirements remain subject to change, as determined by the Bank of England, taking into account a number of factors as described in the policy, along with international developments;
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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 Announcements for the financial year ended 31 December 2023 and the financial year ended 31 December 2024, and the Group Reporting Changes 2023 Results Resegmentation Document, respectively, which are 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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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. 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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. 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