



# Barclays PLC Fixed Income Investor Call

H1 2021 Results Announcement

28 July 2021





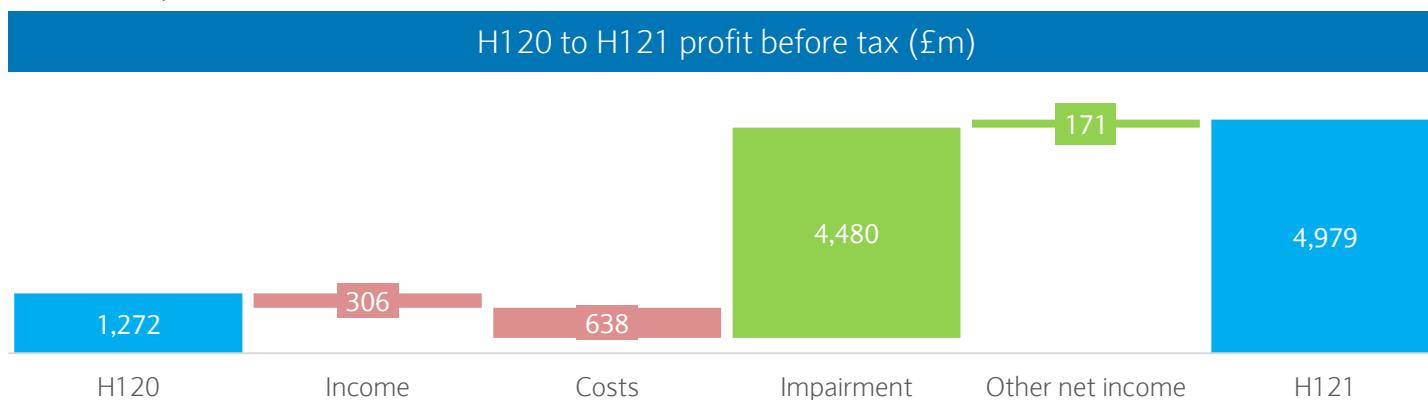
# **Tushar Morzaria**

Barclays Group Finance Director

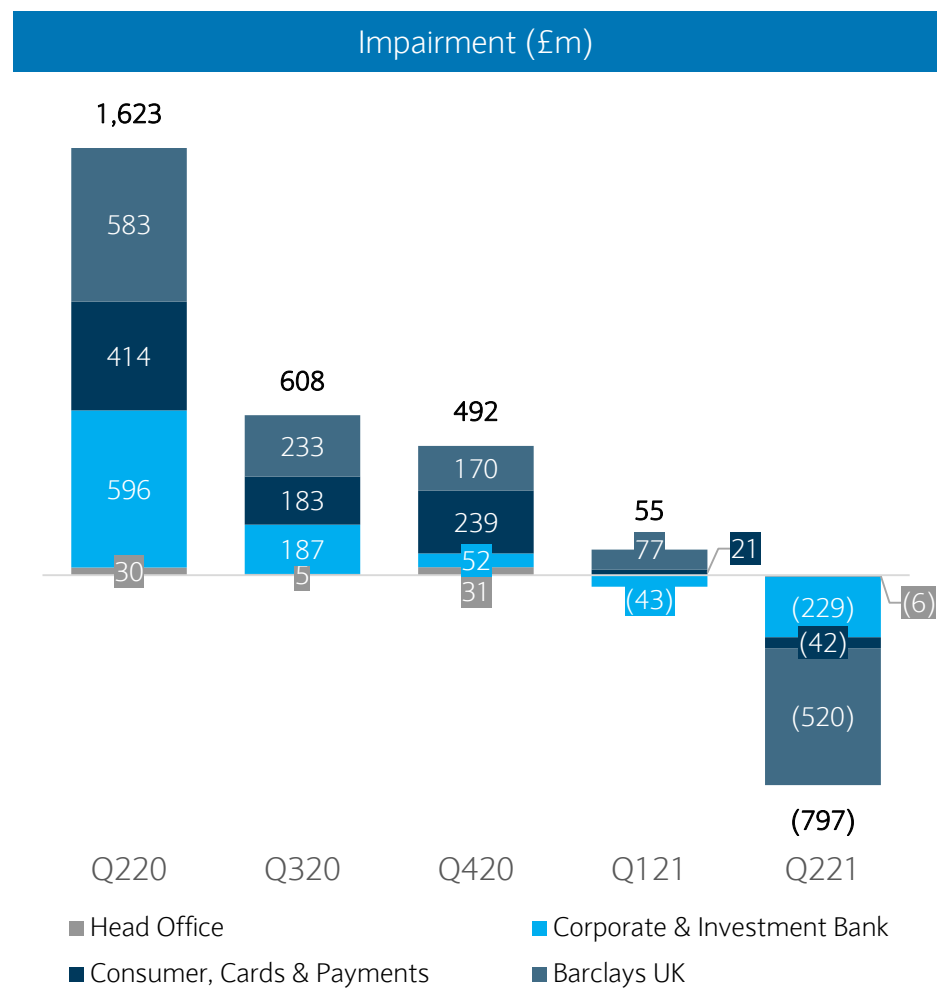
# H121 Group highlights

<b>Income</b> £11.3bn <i>H120: £11.6bn</i>	<b>Costs</b> £7.2bn <i>H120: £6.6bn</i>
<b>Cost: income ratio</b> 64% <i>H120: 57%</i>	<b>Impairment</b> £(0.7)bn <i>H120: £3.7bn</i>
<b>PBT</b> £5.0bn <i>H120: £1.3bn</i>	<b>EPS</b> 22.2p <i>H120: 4.0p</i>
<b>RoTE</b> 16.4% <i>H120: 2.9%</i>	<b>CET1 ratio</b> 15.1% <i>Dec-20: 15.1%</i>
<b>TNAV</b> 281p <i>Dec-20: 269p</i>	<b>Liquidity Coverage Ratio</b> 162% <i>Dec-20: 162%</i>

- **Income decreased 3% YoY**, reflecting currency headwinds. Excluding the impact of FX, income increased YoY, reflecting the benefits of the Group's diversified income streams
- **Costs increased to £7.2bn**, reflecting structural cost actions of £321m, higher performance costs due to improved returns, continued investment, and business growth, partially offset by favourable FX movements and efficiency savings
  - Cost: income ratio of 64%. Excluding structural cost actions, the cost: income ratio was 61%
- **Net impairment release of £0.7bn**, driven by an improved macroeconomic outlook and lower unsecured balances
  - Coverage ratios on respective portfolios remain above pre-pandemic levels and underlying asset quality metrics remain benign
- **Generated PBT of £5.0bn, EPS of 22.2p and RoTE of 16.4%**
- **CET1 ratio of 15.1%**, in line with Dec-20, and remains well above target range of 13 – 14%
- **Increased capital distributions**, with a 2p half year dividend and intention to initiate a further share buyback of up to £500m announced. Completed £700m buyback in April
  - Half year dividends are expected to represent, under normal circumstances, around one-third of total dividends for the year

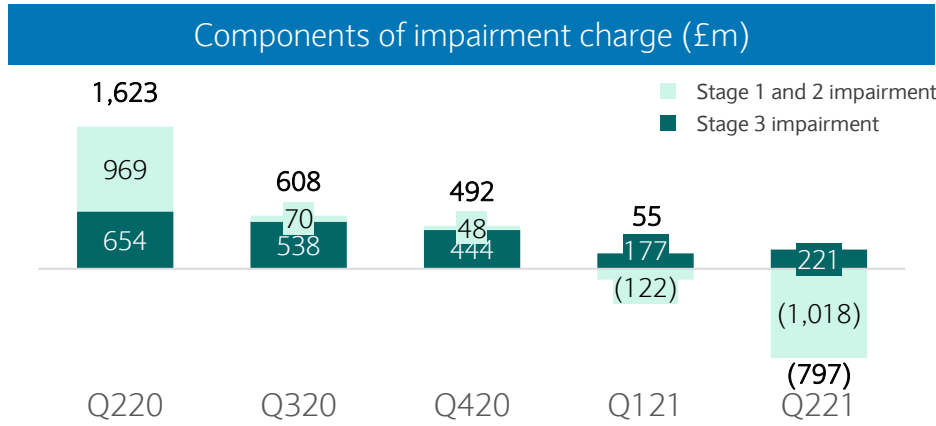


# Impairment: Q221 net release of £0.8bn, due to improved macro outlook, lower unsecured balances and benign credit environment



**Drivers of impairment release**

<b>BUK</b>	Net impairment release of £520m reflecting the improved macroeconomic outlook and reduced unsecured lending balances <ul style="list-style-type: none"> <li>UK cards 30 and 90 day arrears rates were 1.4% and 0.6% respectively (Q121: 1.6% and 0.8%)</li> </ul>
<b>BI: CC&amp;P</b>	Net impairment release of £42m reflecting the improved macroeconomic outlook, lower delinquencies and higher repayments <ul style="list-style-type: none"> <li>US cards 30 and 90 day arrears improved to 1.6% and 0.9% respectively (Q121: 2.1% and 1.2%)</li> </ul>
<b>BI: CIB</b>	Net impairment release of £229m reflecting the improved macroeconomic outlook and no material single name wholesale loan charges



# Improved macroeconomic variables drove the impairment release

## Macroeconomic variables (MEVs)

		MEVs used in Q121 results			Q221 MEVs			Change in MEVs		
		2021	2022	2023	2021	2022	2023	2021	2022	2023
UK GDP	Annual growth	3.3%	3.4%	2.9%	4.9%	5.6%	2.3%	1.6%	2.2%	-0.6%
UK unemployment	Quarterly average	6.0%	6.6%	6.0%	5.8%	5.7%	5.1%	-0.2%	-0.9%	-0.9%
US GDP	Annual growth	1.9%	3.2%	2.9%	5.7%	3.9%	1.6%	3.8%	0.7%	-1.3%
US unemployment	Quarterly average	7.3%	5.8%	5.6%	5.6%	4.5%	4.4%	-1.7%	-1.3%	-1.2%

- Q221 baseline UK and US MEVs improved materially from those used to derive the Q121 expected credit loss calculation
- Updating for the latest Q221 MEVs resulted in a gross release of £1.0bn
  - Excluding this, the Q221 credit impairment charge was £0.2bn, which is below historical levels, driven by reduced unsecured lending balances and the benign credit environment

## Balance sheet impairment allowance and management adjustment

Impairment allowance (£m)	Dec-19	Mar-21	Write offs	P&L release	Other incl. FX	Jun-21
Allowance pre management adjustment	6,290	7,606				5,359
Management adjustment	340	1,223				1,871
<i>Of which economic uncertainty adjustments</i>	-	1,976				2,090
<i>Of which other adjustments</i>	340	(753)				(219)
<b>Total</b>	<b>6,630</b>	<b>8,829</b>	<b>(544)</b>	<b>(797)</b>	<b>(258)</b>	<b>7,230</b>
<i>Of which on balance sheet</i>	6,308	7,827				6,517
<i>Of which off balance sheet</i>	322	1,002				713

- Total Group impairment allowance reduced by £1.6bn to £7.2bn, reflecting write-offs of £544m, a net impairment release of £797m, and other movements including FX
- £1.9bn management adjustment includes £2.1bn (Mar-21: £2.0bn) representing the judgement for economic uncertainty
  - Other adjustments of £(0.2)bn versus Mar-21 level of £(0.7)bn materially reduced due to the Q221 macroeconomic scenario refresh

The management adjustment will evolve as the impact of support measures being withdrawn becomes apparent and economic uncertainty reduces

Given reduced unsecured lending balances and the improved macroeconomic outlook, the quarterly impairment run rate is expected to remain below historical levels in coming quarters



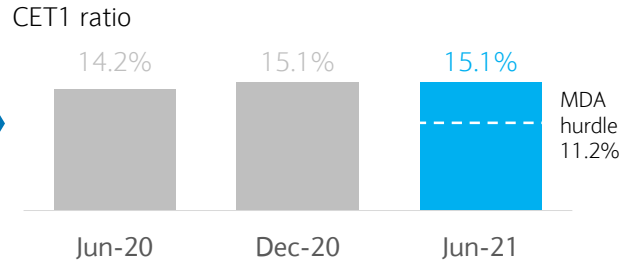
# **Kathryn McLeland**

Group Treasurer

# H121 highlights

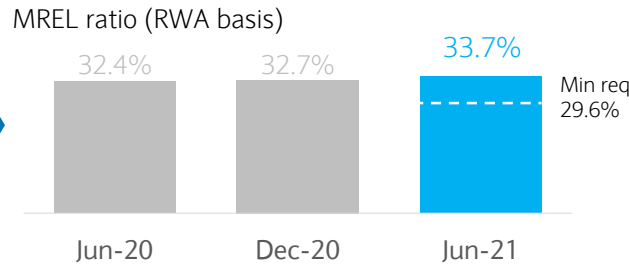
Strong balance sheet evidenced across key metrics

## Capital



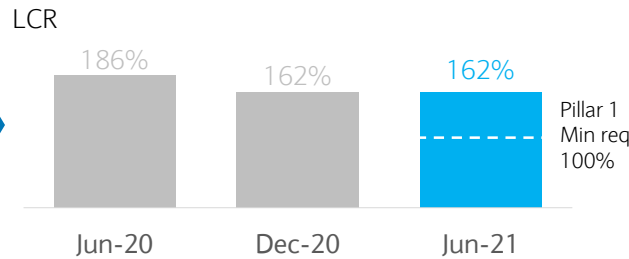
Prudently managing the Group's capital position; CET1 ratio of 15.1%, with 390bps headroom to MDA

## Funding



Fully loaded MREL position of £103bn, fulfilling all expected requirements; HoldCo MREL ratio of 33.7%

## Liquidity

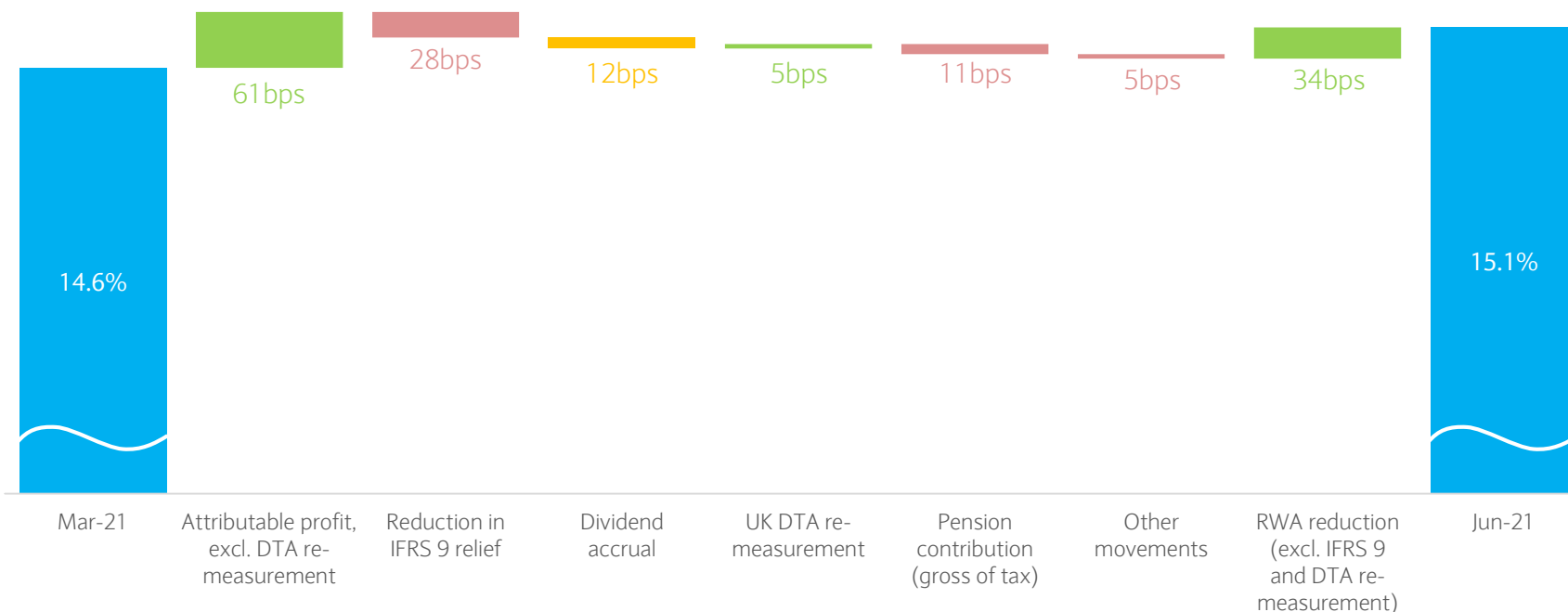


Liquidity pool of £291 bn, with LCR of 162%

# CET1 ratio increased to 15.1% driven by profits and lower RWAs

CET1 ratio was 390bps above the MDA hurdle of 11.2% as at Jun-21

QoQ CET1 ratio<sup>1</sup> movements



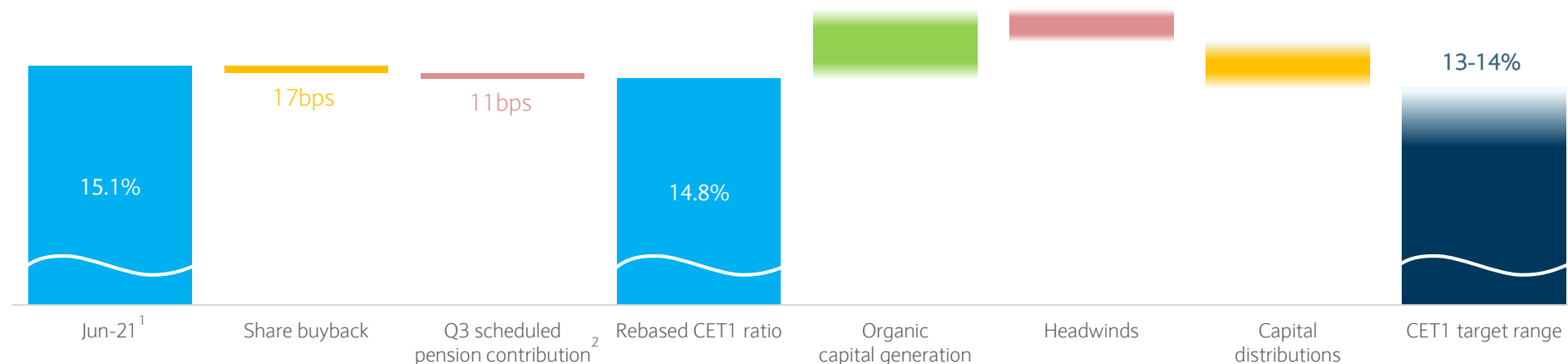
CET1 capital	£45.9bn	£1.9bn	(£1.0bn)	(£0.4bn)	£0.3bn	(£0.4bn)	(£0.2bn)		£46.2bn
RWAs	£313.4bn		(£0.5bn)		£0.6bn			(£7.1bn)	£306.4bn

<sup>1</sup> The fully loaded CET1 ratio was 14.7% as at 30 June 2021 (14.0% as at 31 March 2021) | Note: Charts may not sum due to rounding |



# CET1 ratio target range continues to be 13-14%, but expect to remain above that in 2021

## Near-term CET1 ratio flightpath



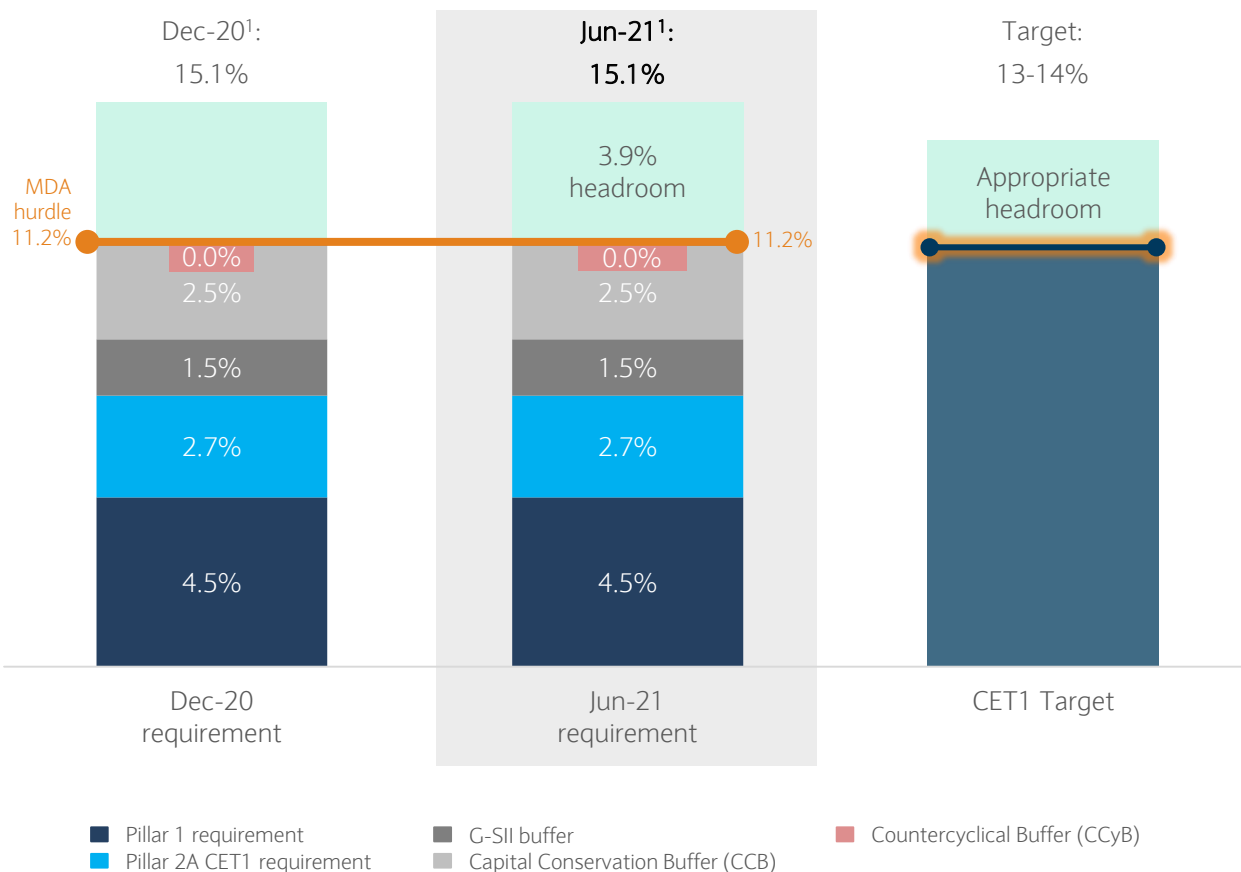
- Further stage 3 impairment will affect the future capital flightpath, while stage 1 and 2 impairment is subject to transitional relief
- Expect some increase in RWAs in H221 from the Jun-21 level
- RWA procyclicality and regulatory changes to mortgage risk-weights (definition of default, hybrid model, and floors) no longer expected to be material

Headwinds in 2022	Timing <sup>2</sup>	Impact <sup>2,3</sup>
Reversal of software intangibles benefit	1 Jan 22	c.40bps
Amortisation of IFRS 9 transitional relief	1 Jan 22	c.15bps
Regulatory changes to standardised approach to counterparty credit risk (SA-CCR)	1 Jan 22	Low single-digit billion RWAs
Impact of scheduled pension deficit reduction contributions	2022	c.10bps

<sup>1</sup> CET1 ratio was 390bps above the MDA hurdle of 11.2% as at Jun-21. The fully loaded CET1 ratio was 14.7% as at 30 June 2021 | <sup>2</sup> Refer to the important notice in the disclaimer for the basis of preparation. Scheduled pension contributions represent pre-tax capital impact. Impact of IFRS 9 transitional relief amortisation is dependent on economic conditions – number shown is based on 30 June 2021 position | <sup>3</sup> Basis point impacts calculated as a proportion of Jun-21 RWAs |

# Continue to target appropriate headroom above the MDA hurdle

## Illustrative evolution of minimum CET1 requirements and buffers

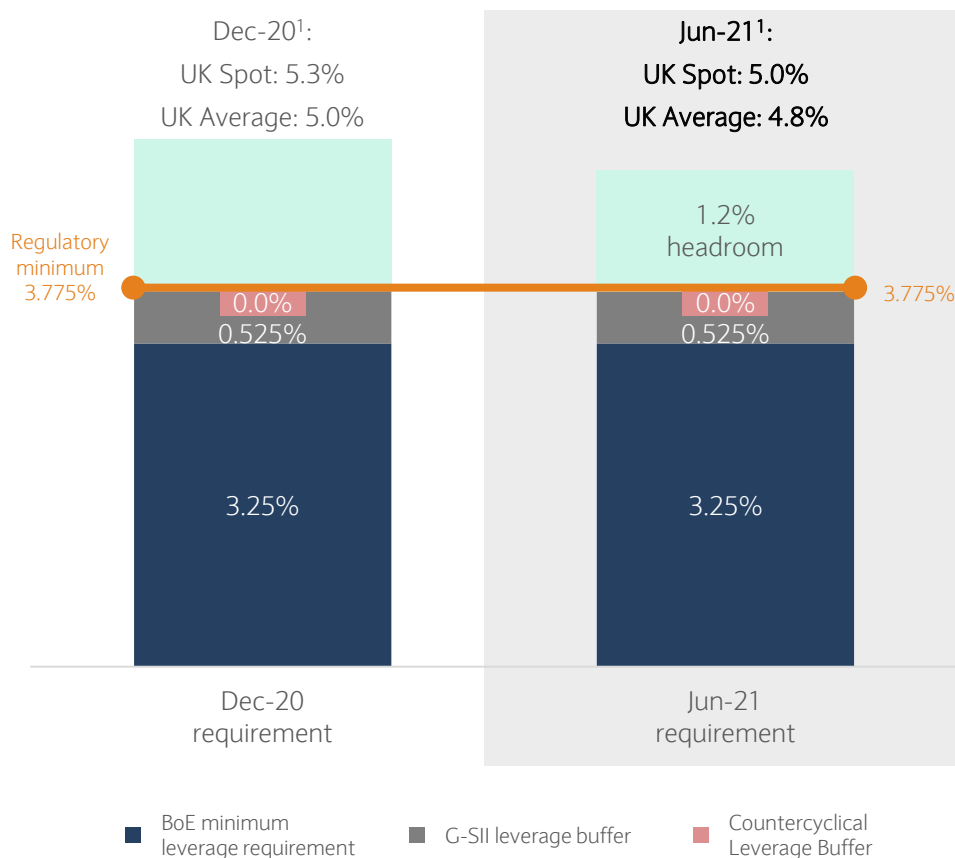


- Barclays intends to manage its CET1 ratio in the range of 13-14% over the planning cycle, and continues to target an appropriate headroom over the MDA hurdle, which is currently 11.2%<sup>2</sup>
- Barclays remains in a strong capital position with a Jun-21 CET1 ratio of 15.1%, although certain headwinds are likely in 2021/22, including the reversal of the software intangibles benefit

<sup>1</sup> CET1 ratio calculated applying the transitional arrangements of the CRR as amended by CRR II. This includes IFRS 9 transitional arrangements | <sup>2</sup> Barclays' MDA hurdle at 11.2% reflecting the Pillar 2A requirement as per the PRA's Individual Capital Requirement |

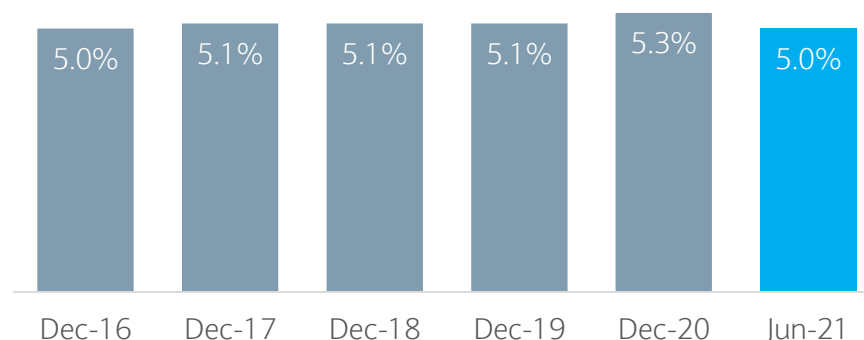
# Group leverage position appropriately managed

## Minimum leverage requirements and buffers under the UK regime



- Headroom to minimum leverage requirement of 120bps in Q221, while the RWA-based CET1 ratio remains our primary regulatory constraint
- Following the BoE's Financial Policy Committee (FPC) and the PRA's review of the UK leverage framework, the Group is expected to have a single leverage requirement from 1 January 2022<sup>2</sup>. The requirement must be met on a daily basis, and is reflected in the daily average leverage exposure

## UK Spot Leverage Ratio

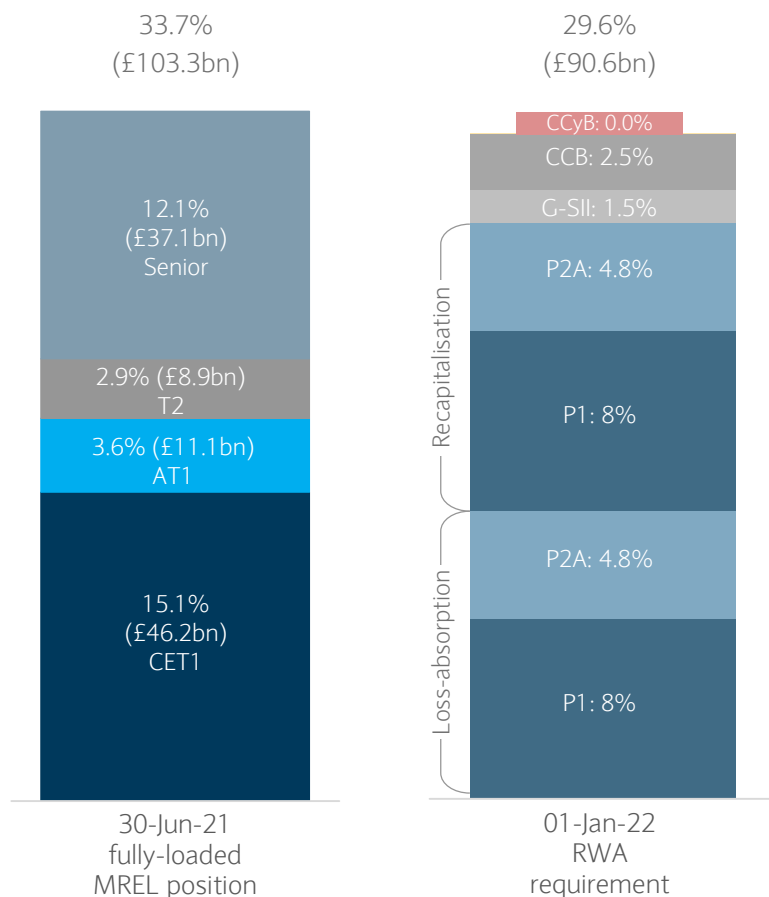


<sup>1</sup> Leverage ratio calculated applying the transitional arrangements of the CRR as amended by CRR II. This includes IFRS 9 transitional arrangements | <sup>2</sup> Subject to the outcome of Consultation Paper 14/21 by the FPC and PRA |

# MREL position well placed to meet 2022 requirements

Expect c.£8bn of MREL issuance in 2021; £5.3bn equivalent issued in H121

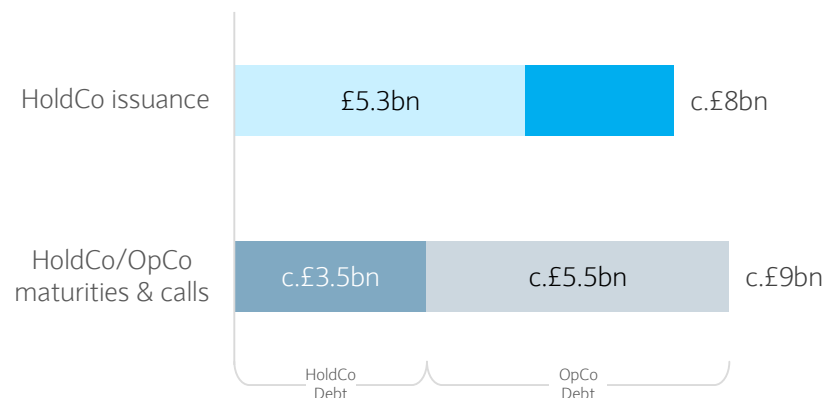
Fully loaded MREL position of £103.3bn as at Jun-21<sup>1</sup>



Well advanced on 2021 HoldCo issuance plan

- Issued £5.3bn of MREL in H121 across Senior and Tier 2 form
- Continue to expect c.£8bn of MREL issuance for 2021
- Expect to be a net negative issuer in 2021
- Issuance plan out to 2022 calibrated to meet MREL requirements and allow for a prudent headroom

2021 MREL issuance, maturities and calls<sup>2</sup>

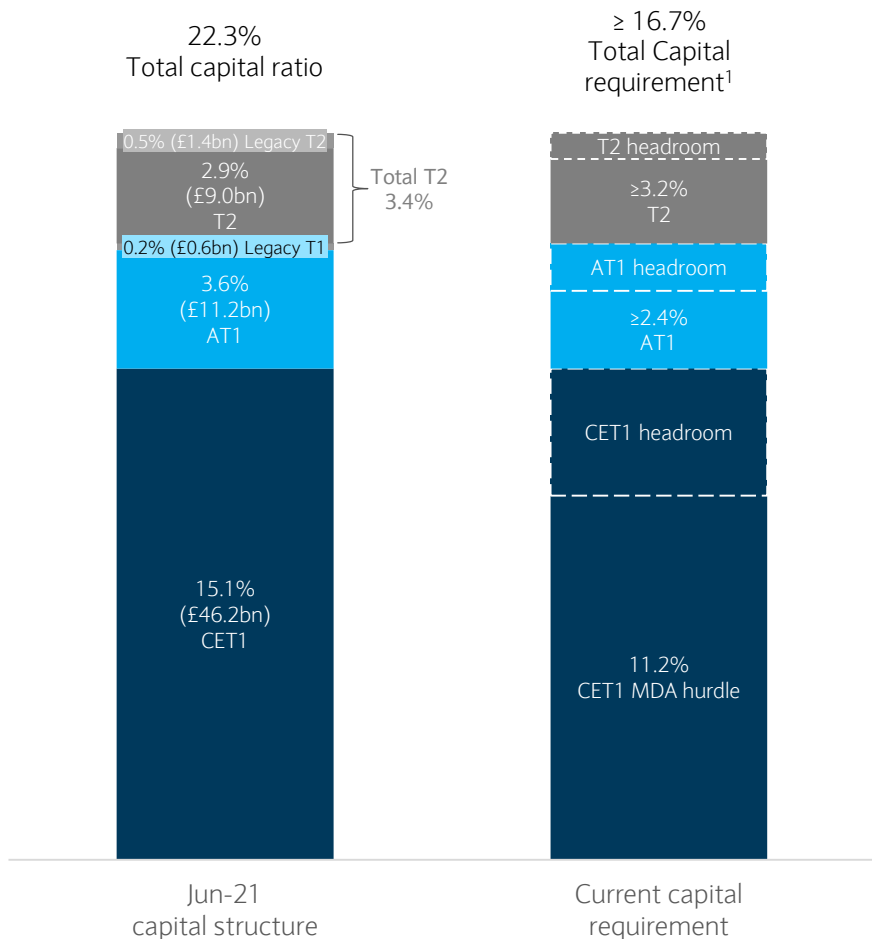


<sup>1</sup> MREL position has been calculated as a percentage of RWAs. The MREL requirement must meet the higher of the RWA and leverage bases. The chart represents an illustrative scenario only, where we assume the RWA basis is binding in 2022 | <sup>2</sup> Q121 issuance excludes USD 500m Senior Unsecured Formosa, which priced on 22 December 2020 and settled on 7 January 2021 |

# Capital structure well established

Expect to hold prudent headroom above AT1 and Tier 2 minimums

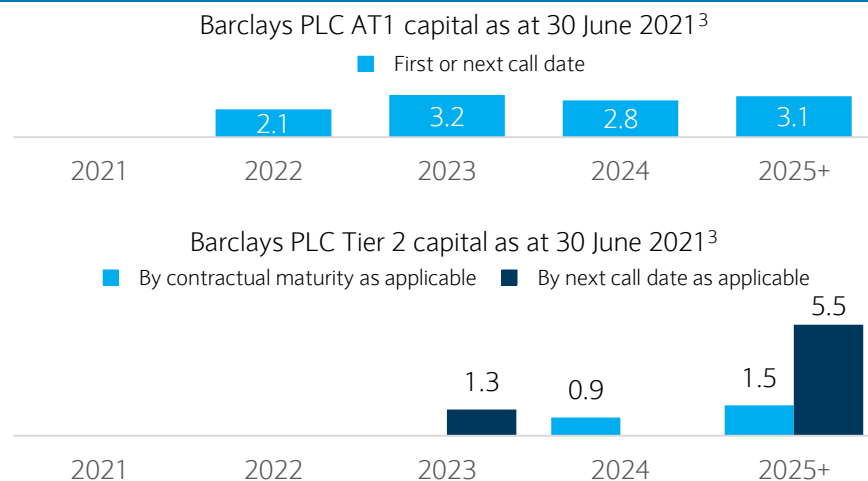
## Illustrative evolution of regulatory capital structure



## Well managed and balanced total capital structure

- BBPLC issued capital instruments are to be included as MREL until 1 January 2022<sup>2</sup>, with the majority expected to qualify as Tier 2 regulatory capital thereafter
- Aim is to manage our capital structure in an efficient manner:
  - Continue to target prudent AT1 headroom and may temporarily be at an elevated level. AT1 as a proportion of RWAs may vary due to seasonal and FX driven fluctuations, in addition to potential issuance and redemptions
  - Expect to maintain headroom to 3.2% of total Tier 2 over time

## Barclays PLC capital call and maturity profile (£bn)



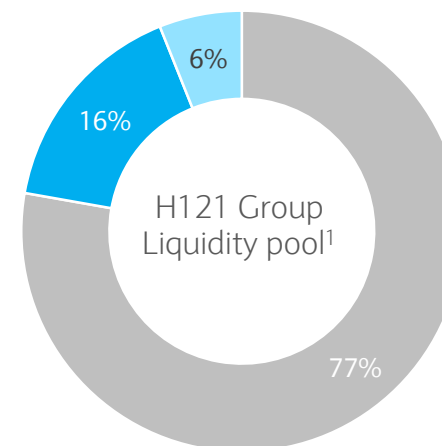
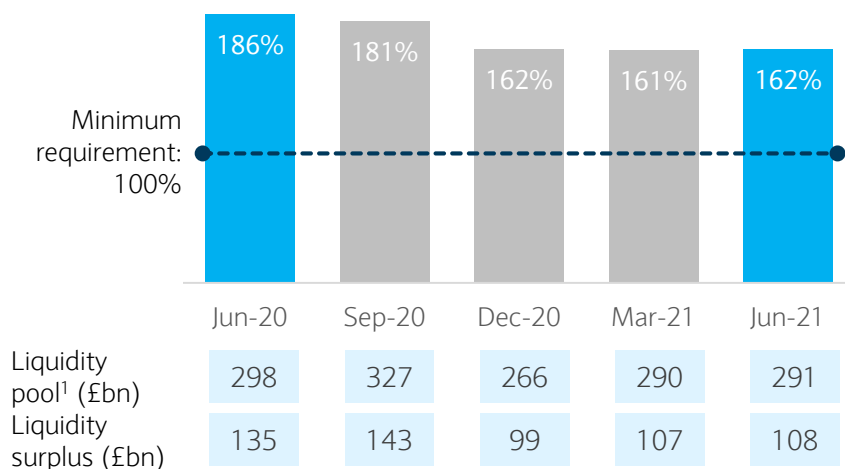
<sup>1</sup> Excludes headrooms | <sup>2</sup> In line with their regulatory capital values until 1 January 2022; based on Barclays' understanding of the current BoE position | <sup>3</sup> Prepared on nominal basis which will not reconcile with regulatory or accounting bases due to adjustments |

# High quality liquidity position

YTD liquidity position stable, with Group LCR well above regulatory requirements

Comfortably exceeding minimum requirements

Majority of pool held in cash and deposits with central banks



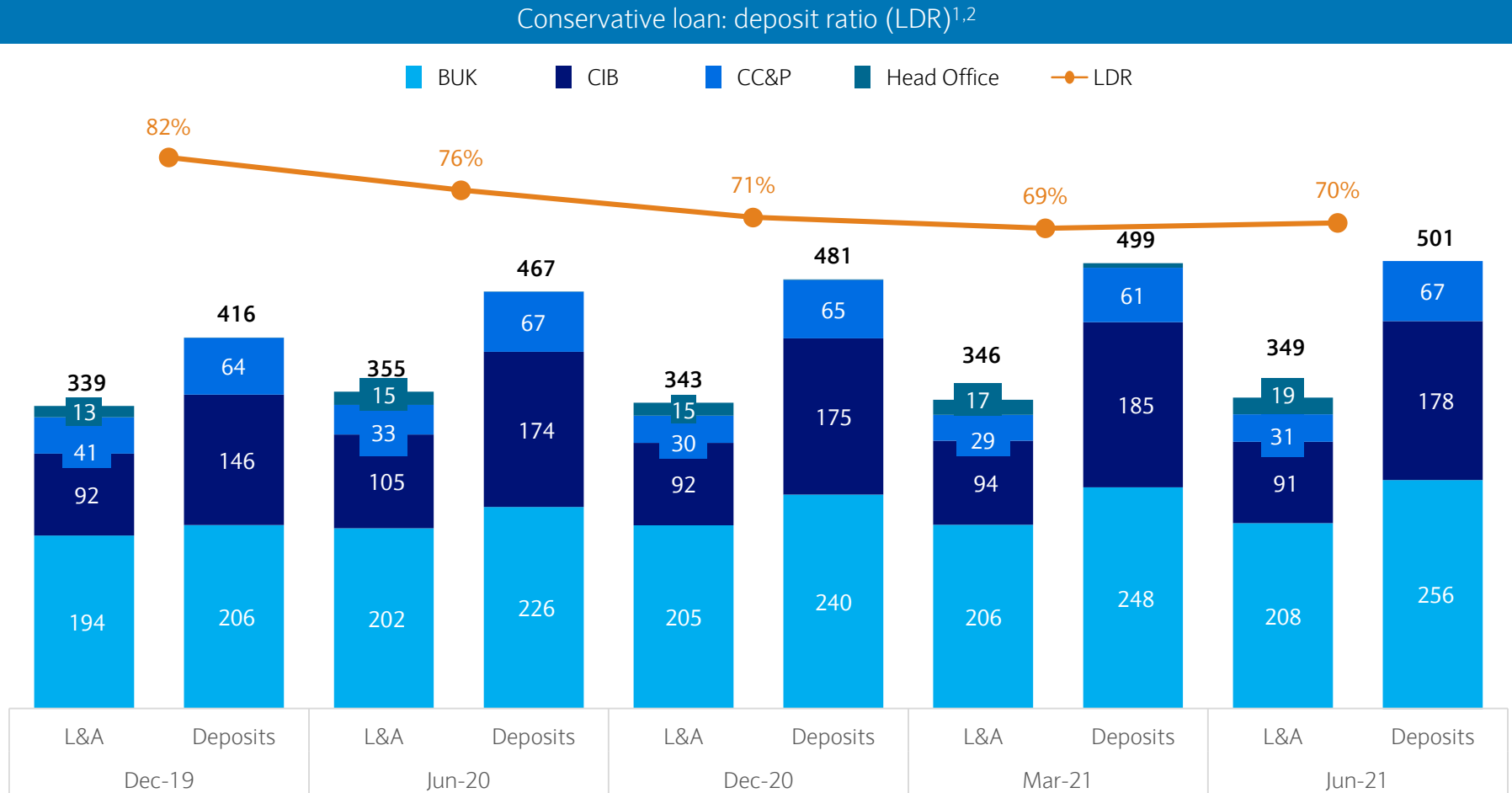
- Quality of the liquidity pool remains high, with the majority held in cash and deposits with central banks, and highly rated government bonds
- The YTD increase in the pool was driven by continued deposit growth, further borrowing from the Bank of England’s Term Funding Scheme with additional incentives for SMEs and a seasonal increase in short-term wholesale funding, which were partly offset by an increase in business funding consumption
- Liquidity pool of £291bn represents 21% of Group balance sheet

- Cash and deposits at central banks
- Government bonds
- Other<sup>2</sup>

<sup>1</sup> Liquidity pool as per the Group’s Liquidity Risk Appetite | <sup>2</sup> Other includes government guaranteed issuers, PSEs, GSEs, international organisations and MDBs, and covered bonds |

# Conservative loan: deposit ratio

LDR decreased 6% YoY, reflecting strong deposit growth in BUK and CIB



<sup>1</sup> Loan: deposit ratio is calculated as loans and advances (L&A) at amortised cost divided by deposits at amortised cost | <sup>2</sup> L&A and deposits at amortised cost, with the exception of BUK, which shows L&A to customers at amortised cost. The remaining BUK L&A is included under Head Office L&A | Note: Charts may not sum due to rounding |

# Strong legal entity capital and liquidity positions

Continue to manage legal entity capital ratios with appropriate headroom to requirements

## Barclays PLC

— Accounting and regulated sub-group

- - - Accounting sub-group

### Barclays Bank UK PLC (BBUGPLC) sub-group

Barclays Bank UK PLC (solus)  
Capital regulated on a consolidated and solus basis<sup>1</sup>

#### Subsidiaries

*No material regulated subsidiaries exist in the BBUGPLC sub-group*

### Barclays Bank PLC (BBPLC) sub-group

Barclays Bank PLC (solo)  
Capital continues to be regulated on a solo basis<sup>2</sup>

#### US IHC

*Capital continues to be regulated on a standalone basis by the Fed*

#### Barclays Bank Ireland

*Regulated by the Single Supervisory Mechanism of the ECB*

#### Other subsidiaries

*A mix of regulated and unregulated subsidiaries*








BBUGPLC metrics <sup>3</sup>	H121	FY20	H120
CET1 ratio	16.0%	15.6%	14.2%
UK leverage ratio	5.6%	5.6%	5.5%
LCR <sup>5</sup>	203%	160%	171%
Liquidity pool	£80bn	£60bn	£64bn

BBPLC (solo) metrics <sup>3</sup>	H121	FY20	H120
CET1 ratio	13.9%	14.2%	14.3%
UK leverage ratio <sup>4</sup>	3.9%	4.3%	4.6%
LCR <sup>5</sup>	131%	145%	166%
Liquidity pool <sup>6</sup>	£211bn	£206bn	£234bn

<sup>1</sup> Regulation on a consolidated basis became effective on 1 January 2019 | <sup>2</sup> BBPLC (solo) contains additional relatively small entities that are brought into scope for regulatory solo requirements | <sup>3</sup> Capital metrics calculated based on CRR transitional arrangements, as amended by CRR II. This includes IFRS 9 transitional arrangements and the grandfathering of CRR and CRR II non-compliant capital instruments | <sup>4</sup> BBPLC solo-consolidated is not currently subject to the UK leverage framework, and this figure is shown had the UK leverage rules been applied. BBPLC's solo CRR leverage ratio is 3.6% | <sup>5</sup> BBUG Group and BBPLC DoLSub liquidity coverage ratios | <sup>6</sup> Barclays Bank Group liquidity pool |



# Strategic priority to maintain strong ratings

Current Senior Long and Short Term ratings	Moody's	Standard & Poor's	Fitch
Barclays PLC	 <p><b>Baa2</b> Stable <b>P-2</b></p>	 <p><b>BBB</b> Positive <b>A-2</b></p>	 <p><b>A</b> Stable <b>F1</b></p>
Barclays Bank PLC (BBPLC)	 <p><b>A1</b> Stable <b>P-1</b></p> <p>Counterparty risk assessment A1/P-1 (cr)</p>	 <p><b>A</b> Positive <b>A-1</b></p> <p>Resolution counterparty rating A+/A-1</p>	 <p><b>A+</b> Stable <b>F1</b></p> <p>Derivative counterparty rating A+/Negative (dcr)</p>
Barclays Bank UK PLC (BBUKPLC)	 <p><b>A1<sup>1</sup></b> Stable <b>P-1</b></p> <p>Counterparty risk assessment Aa3/P-1 (cr)</p>	 <p><b>A</b> Positive <b>A-1</b></p>	 <p><b>A+</b> Stable <b>F1</b></p> <p>Derivative counterparty rating A+/Negative (dcr)</p>

<sup>1</sup> Deposit rating |



# **Kathryn McLeland**

Group Treasurer



**Q&A**



# Appendix

# Strong H121 profitability, increased capital distributions to shareholders

## H121 metrics

### Returns

Group RoTE 16.4%

### Cost efficiency

Cost: income ratio 64%

### Capital adequacy

CET1 ratio 15.1%

### Capital distributions

Total payout equivalent of 4.9p per share<sup>1</sup>

2p half year dividend  
Up to £500m buyback announced

## Group targets over the medium term

### Returns

Group RoTE >10%  
Expect to deliver a RoTE above 10% in 2021

### Cost efficiency

Cost: income ratio <60%

### Capital adequacy

CET1 ratio 13-14%  
Expect to remain above the target range in 2021

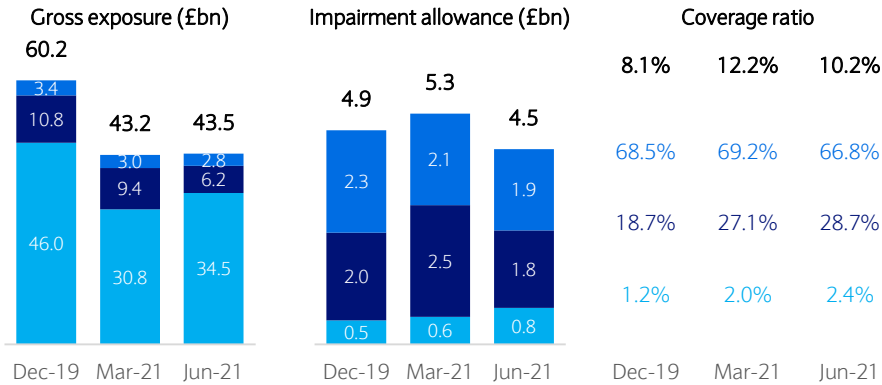
### Capital distributions

Progressive ordinary dividend, supplemented by additional cash returns, including share buybacks, as and when appropriate

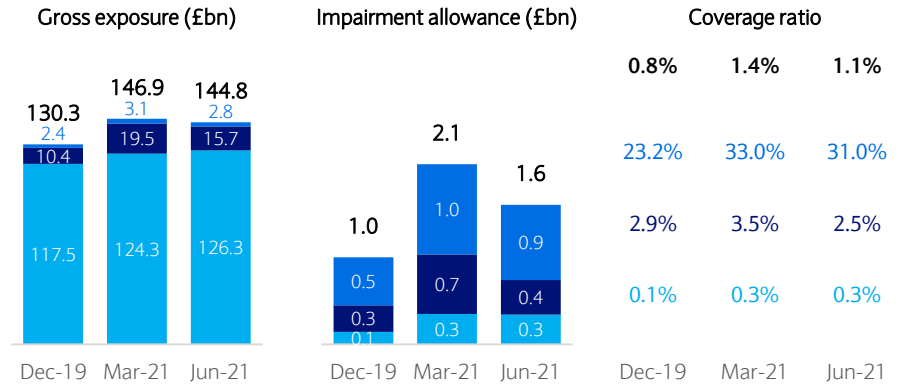
<sup>1</sup> Announced with H121 results |

# Jun-21 coverage ratios in unsecured and wholesale loans remain above pre-pandemic levels given ongoing uncertainty

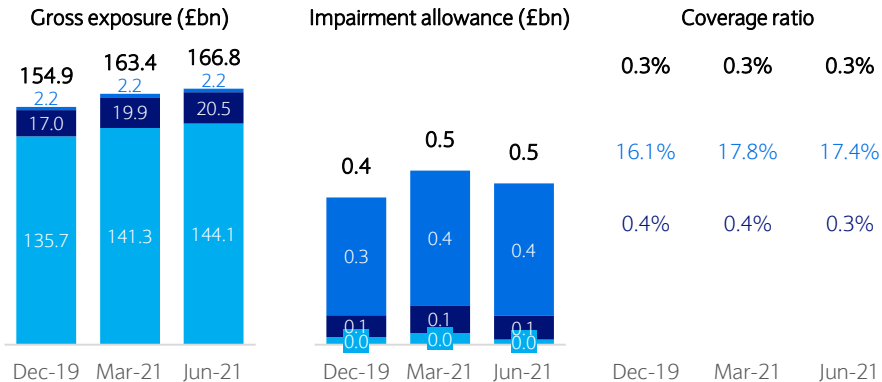
## Credit cards, unsecured loans and other retail lending



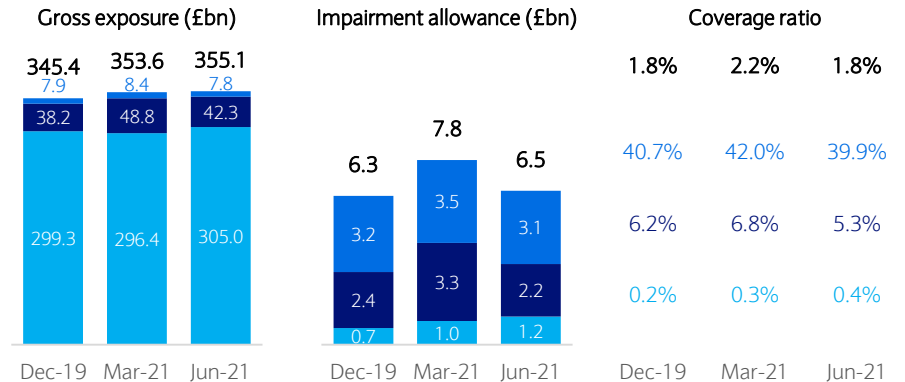
## Wholesale loans



## Home loans



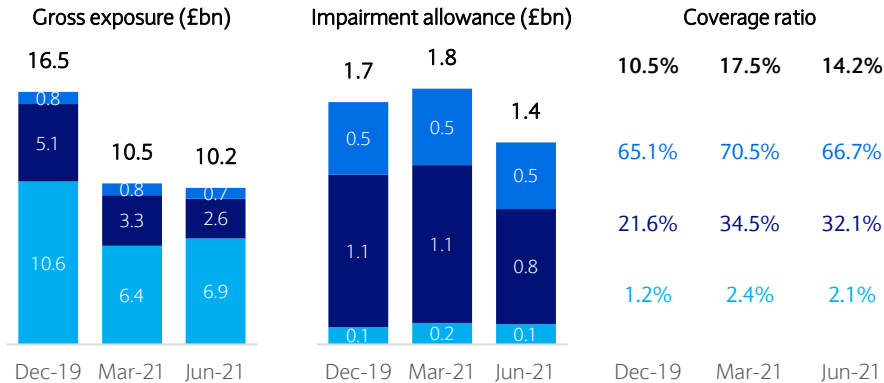
## Total loans



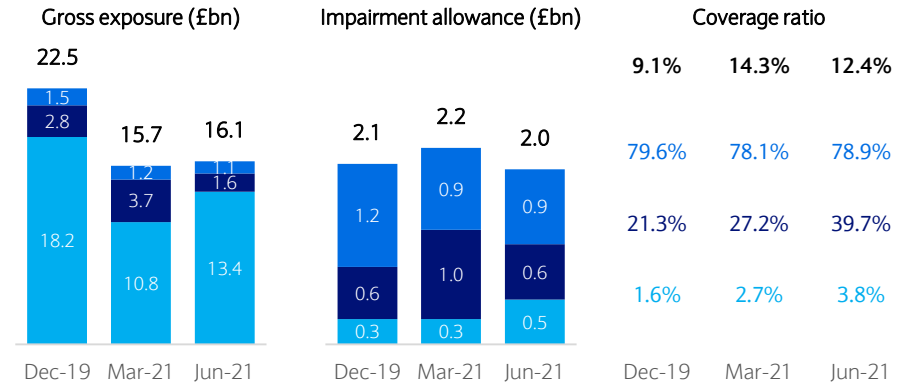
■ Stage 1 ■ Stage 2 ■ Stage 3

# Jun-21 unsecured lending coverage ratios still materially above pre-pandemic levels

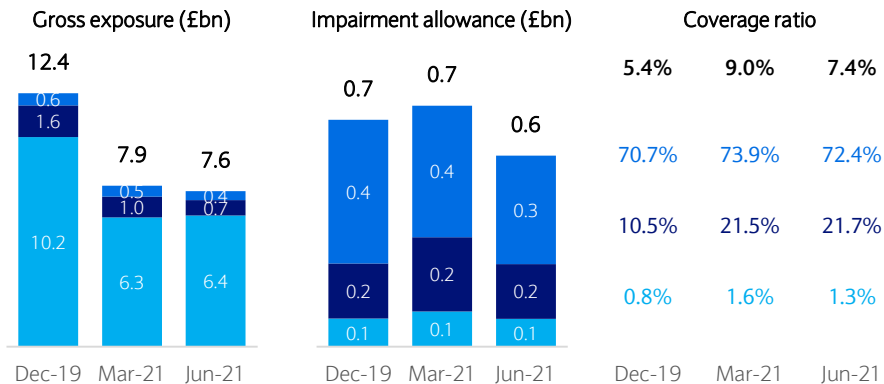
## UK cards



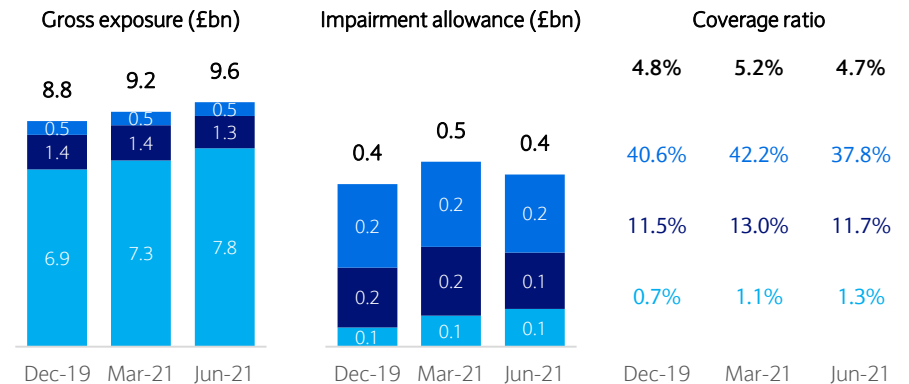
## US cards



## UK Personal loans and partner finance



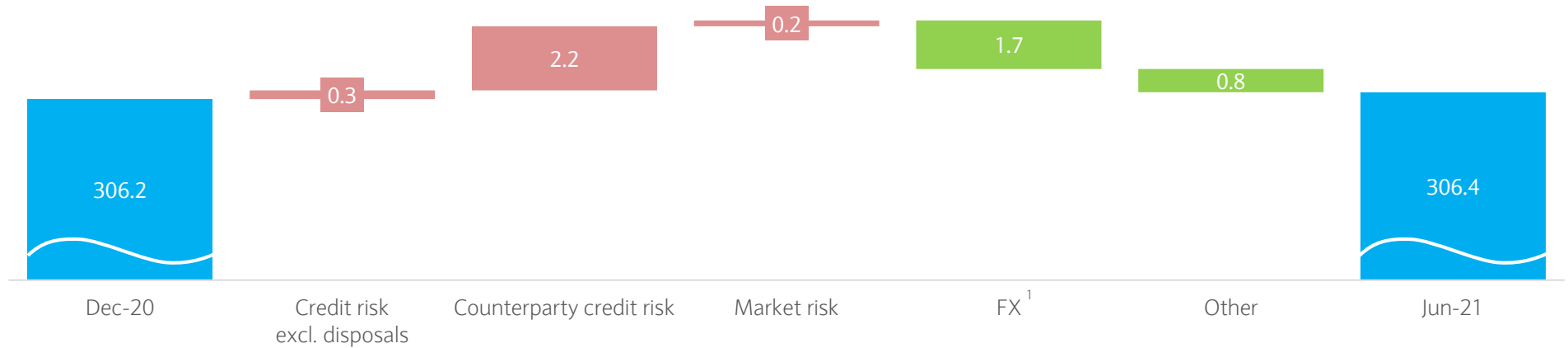
## Germany and other unsecured lending



■ Stage 1   ■ Stage 2   ■ Stage 3

# RWAs remained broadly stable YTD and decreased by £6.9bn QoQ

YTD RWA movements (£bn)



QoQ RWA movements (£bn)



<sup>1</sup> FX on credit risk RWAs | Note: Charts may not sum due to rounding |

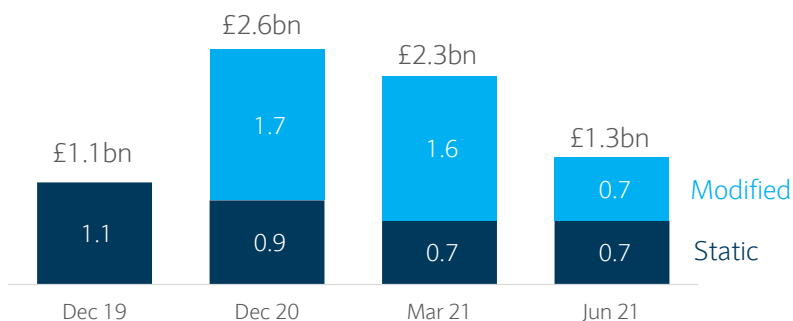


# IFRS 9 transitional relief of c.40bps as at Jun-21

Constructive regulatory action in Q220 gave greater relief for stage 1 and 2 impairments

- 100% transitional relief for modified impairment post Dec-19 applied until end-2021
- Transitional relief schedule for static component per original schedule
- Total post-tax IFRS 9 transitional relief as at Jun-21 stands at £1.3bn or c.40bps capital, down c.40bps compared to Dec-20

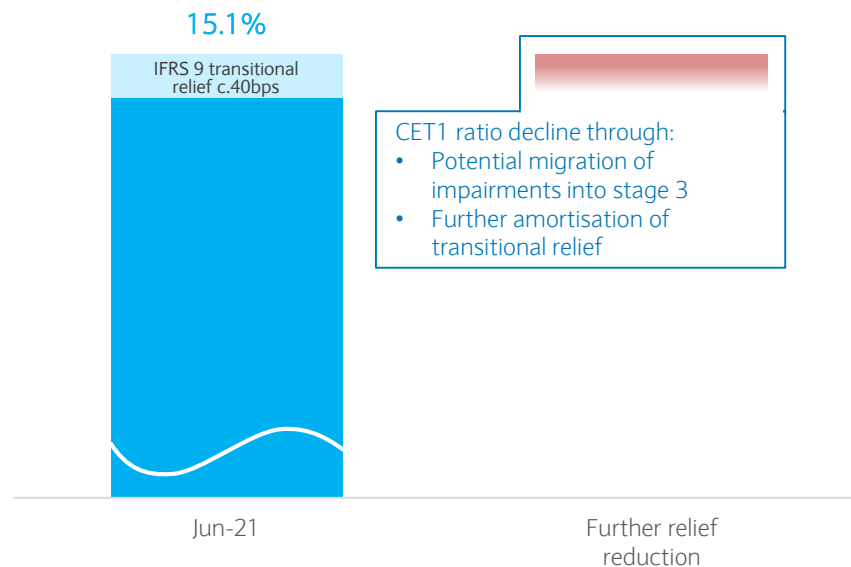
IFRS 9 Transitional relief CET1 add-back (£bn)



Relief Schedule	Pre-2020	2020 onwards
2020	70%	100%
2021	50%	100%
2022	25%	75%
2023		50%
2024		25%

Note: Charts may not sum due to rounding |

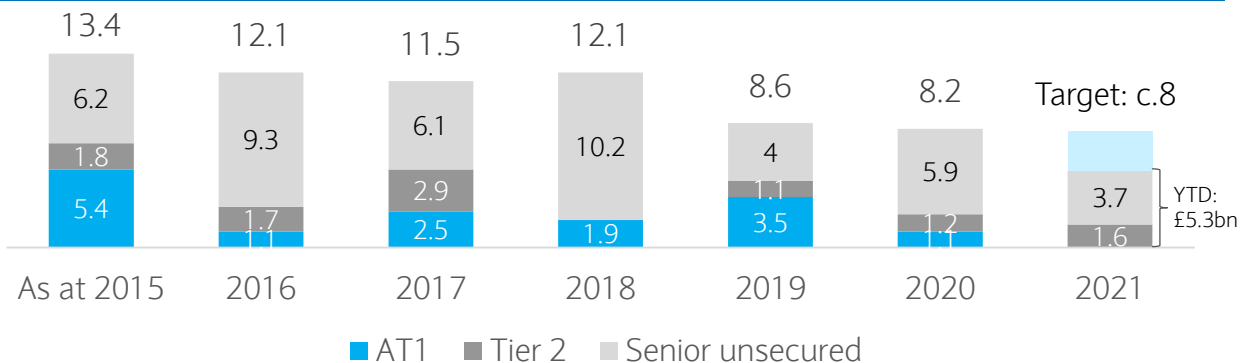
Appropriately positioned CET1 ratio in the event of stage migration



- IFRS 9 transitional relief applies to stage 1 and 2 impairments
- Transitional basis of capital remains the relevant measure for our capital adequacy assessment by regulators

# Strong progress in HoldCo issuance

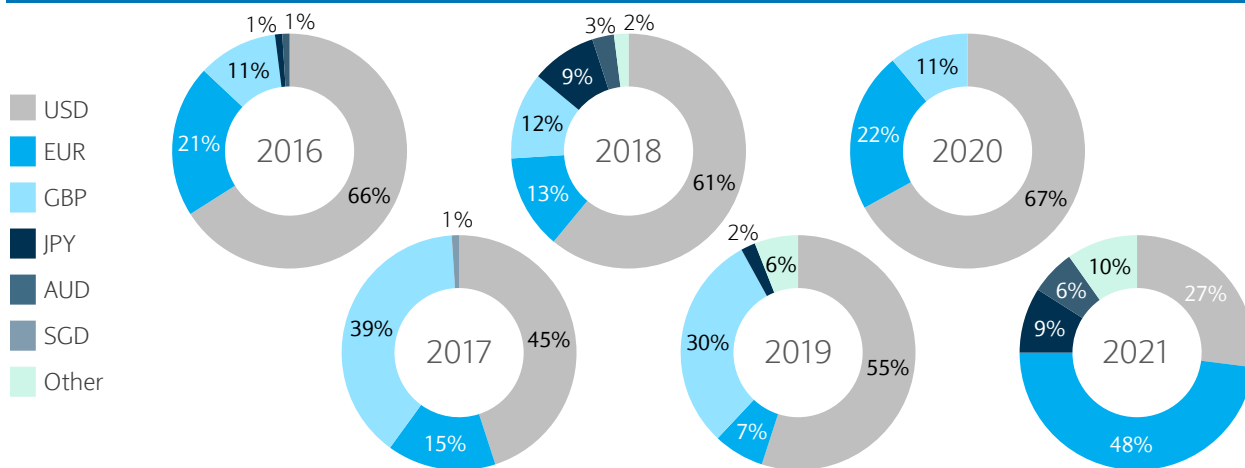
Annual HoldCo issuance volume materially lower compared to 2016-18 (£bn)<sup>1,2</sup>



2021 YTD HoldCo issuance by currency<sup>2</sup>



Diversified currency of HoldCo issued instruments (%)<sup>3</sup>



<sup>1</sup> Annual issuance balances based on FX rate at end of respective periods for debt accounted instruments and historical transaction rates for equity accounted instruments | <sup>2</sup> 2020 issuance includes USD 500m Senior Unsecured Formosa which priced on 22 December 2020 and settled on 7 January 2021 | <sup>3</sup> FX rates as at respective period ends | Note: Charts may not sum due to rounding |

# Structural hedge and interest rate sensitivity

## Structural hedge program update

- The Group's combined gross equity and product structural hedge contribution was £689m in H121 (H120: £866m)
- The combined structural hedge notional as at Jun-21 was £198bn (Jun-20: £174bn), with an average duration of close to 3 years, having increased marginally
- FY21 gross structural hedge income across the Group expected to be c.£1.4bn, £300m lower than FY20. Given the current yield curve, we would expect any further YoY reduction in income contribution in FY22 to be materially lower, assuming an unchanged hedge notional
- Latest assessment of the structural stability of the Group's deposits has identified a further £20-25bn of hedgeable balances. Any decisions to resize our structural hedge program will be dependent on prevailing market conditions and the ongoing review of the deposit book
- The majority of the incremental hedge capacity is in BI, driven by the significant growth in unhedged corporate deposits

## Illustrative sensitivity of Group NII to a parallel shift in interest rate curves<sup>1</sup>

Impact of parallel shifts in interest rate curves (£m)	Year 1	Year 2	Year 3
25bps upward	c.150	c.300	c.400
10bps upward	c.50	c.100	c.150
10bps downward	c.(200)	c.(250)	c.(300)
25bps downward	c.(500)	c.(600)	c.(700)

- This analysis assumes an instantaneous parallel shift in interest rate curves
- The upwards scenarios assume an illustrative 50% pass-through of rate rises to deposit pricing
- Pass-through is limited on the downward scenarios, as customer rates are floored at 0% for GBP and USD deposits<sup>2</sup>, including when the downward scenarios reflect negative base rates
- It does not apply floors to shocked market rates, thus reflecting, for illustrative purposes, the impact of negative base rates on Group NII in the downward scenarios
- The scenarios do not reflect pricing decisions that would be made in the event of rate rises or falls
- The NII sensitivity is also calculated using a constant balance sheet - i.e. maturing business is reinvested at a consistent tenor and margin
- This sensitivity is not a forecast of interest rate expectations, and Barclays' pricing decisions in the event of an interest rate change may differ from the assumptions underlying this sensitivity. Accordingly, in the event of an interest rate change the actual impact on Group NII may differ from that presented in this analysis

<sup>1</sup> This sensitivity is based on the modelled performance of the consumer and corporate banking book, and includes the impact of both the product adequity structural hedges. It provides the annual impact on Group NII over the next three years, for illustrative purposes only, and is based on a number of assumptions regarding variables which are subject to change. Such assumptions might also differ from those underlying the AEaR calculation in the Annual Report | <sup>2</sup> With regards to the relatively modest balance of EUR deposits that are currently subject to charging, no incremental pass-through of further rates reductions are assumed in the illustrative scenario |

# Pension deficit reduction contributions

CET1 ratio headwinds from pension reduction contributions fully incorporated into prudent capital plan and CET1 target

- As at 30 June 2021, the Group's IAS 19 pension surplus across all schemes was £2.4bn (December 2020: £1.5bn). The UK Retirement Fund (UKRF), which is the Group's main scheme, had an IAS 19 pension surplus of £2.6bn (December 2020: £1.8bn). The YoY movement for the UKRF was driven payment of deficit reduction contributions and an increase in the discount rate, partially offset by long term price inflation
- The latest annual update to the actuarial funding valuation as at 30 September 2020 showed the funding deficit had improved to £0.9bn from the £2.3bn shown at the 30 September 2019 triennial valuation. The improvement was mainly due to £1.0bn of deficit contributions paid over the year

Capital impact of deficit reduction contributions (£bn)	2020	2021	2022	2023	2024	2025	2026	Sum 2020-26
Based on 2019 Triennial valuation	(0.5)	(0.7)	(0.3)	(0.3)	(0.5) (paid in Q419) <sup>1</sup>	-	-	(2.3)
Jun-2020 Investment in Senior Notes <sup>2</sup>	0.75	-	-	(0.25)	(0.25)	(0.25)	-	-
Capital impact (pre-tax)	0.25	(0.7)	(0.3)	(0.55)	(0.75)	(0.25)	-	(2.3)
Capital impact (bps) – based on Mar-21 RWAs	8bps	(22)bps	(9)bps	(17)bps	(24)bps	(8)bps		

<sup>1</sup> £500m paid in Q419 relates to the unwind of Senior notes | <sup>2</sup> Barclays Bank PLC asked the UKRF Trustee to consider an investment in a Senior note (similar to the issued note in December 2019) in order to manage the capital impact of 2020 contributions to the UKRF |

# Environmental and Social stewardship central to our strategy



Barclays is making good progress on its net zero ambition

- Ambition to be a **net zero bank by 2050** and committed to **align all our financing to the goals and timelines of the Paris Agreement**
- **Plan to extend BlueTrack™**, our emissions measurement and tracking tool, beyond Energy and Power, to cover the highest emitting sectors within the next three years. **Targets to be set for Cement and Metals (aluminium and steel) sectors by Feb 2022**
- Founding member of the **Net Zero Banking Alliance** under the Glasgow Financial Alliance for Net Zero – at the centre of cross-industry solutions for climate change
- Announced intention for a **Say on Climate advisory vote at the 2022 AGM**

**BlueTrack™**  
Created by Barclays



Helping our clients transition to a low-carbon economy

- Target to invest **£175m by 2025 in green innovation through our Sustainable Impact Capital Initiative**
  - 5 investments in H121, bringing total capital invested to £44m to date
- **Facilitated c.£46bn Green Financing** by H121 (since 2018), against current target of £100bn by 2030
- **Expanding our sustainable finance offering** through our specialist teams and integrating sustainability across our service offering. In H121:
  - #2 for European Corporate ESG bonds<sup>1</sup>
  - Advised or served as underwriter on over 40 M&A and equity transactions worth in excess of \$20bn for emerging growth companies whose businesses solve an environmental or social challenge



Supporting our clients, colleagues and society through the pandemic

- Continued to **support our customers and clients** through the unprecedented economic crises caused by COVID-19
- Strengthened our support for **colleague diversity and inclusion (D&I)** with the appointment of our first Group Chief Diversity Officer to lead our global D&I efforts
- To date, supported more than 290 charity partners around the world through our **£100m COVID-19 Community Aid Package**, helping people and communities impacted by the pandemic

<sup>1</sup> Source: Bond Radar |

# Disclaimer

## 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 and as such rules and regulations form part of UK law pursuant to the EU (Withdrawal) Act 2018, subject to the temporary transitional powers (TTP) available to UK regulators to delay or phase-in on-shoring changes to UK regulatory requirements between 31 December 2020 and 31 March 2022. Throughout the TTP period, the Bank of England and the PRA are expected to review the UK legislation framework and any disclosures made by the Group will be subject to any resulting guidance. All such regulatory requirements are subject to change. References herein to 'CRR as amended by CRR II' mean, unless otherwise specified, CRR as amended by CRR II, as it forms part of UK law pursuant to the European Union (Withdrawal) Act 2018 and as amended by the Financial Services Act 2021 and subject to the TTP, 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 June 2018, updating the Bank of England's November 2016 policy statement, the July 2021 Bank of England consultation paper proposing updates to such policy statement in relation to its MREL review 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 account a number of factors as described in the policy statement and its MREL review, along with international developments. The Pillar 2A requirement is also subject to at least annual review;
- 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.

## 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, capital distributions (including dividend pay-out 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. Forward-looking 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, the Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively, 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; direct and indirect impacts of the coronavirus (COVID-19) pandemic; instability as a result of the UK's exit from the European Union ("EU"), the effects of the EU-UK Trade and Cooperation Agreement and the disruption that may subsequently result in the UK and globally; the risk of cyberattacks, information or security breaches or technology failures on the Group's reputation, business or operations; 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, capital distributions, 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 Barclays PLC's filings with the SEC (including, without limitation, Barclays PLC's Annual Report on Form 20-F for the fiscal year ended 31 December 2020 and Interim Results Announcement for the six months ended 30 June 2021 filed on Form 6-K), which are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

Subject to Barclays' 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. Non-IFRS performance measures are defined and reconciliations are available on our results announcement for the period ended 30 June 2021