

Barclays PLC H1 2021 Results**Analyst and Investor Conference Call Speech****Jes Staley, Barclays Group Chief Executive Officer****Tushar Morzaria, Barclays Group Finance Director****Slide 2: Jes Staley, Barclays Group Chief Executive Officer**

Good morning everyone. I am joining you from New York this morning while Tushar is in London.

I am pleased to report that Barclays has had a strong first half of the year.

Our financial performance has been good, with robust revenues and profitability, and we have had opportunities to grow our business further.

I am also particularly pleased that we have been able to increase distributions to shareholders.

Throughout the COVID crisis, we have demonstrated support for customers and clients at a time when they really needed it. I am mindful we will need to continue to do that over the coming months, and that this pandemic is not over yet.

But we are seeing encouraging signs that the global economy is recovering, and this is reflected across Barclays' businesses.

Slide 3: H121 performance reflects continued benefits of diversification during the pandemic and net impairment releases

We have had a good start to the year, with Group Profit Before Tax of £5bn – that's quadruple the same period last year.

Earnings per share were 22.2 pence for the first half.

For two quarters running, all three of our major lines of business have delivered double-digit returns on capital. Our Return on Tangible Equity for the Group was 16.4% and we expect to be able to deliver our target of above 10% RoTE this year.

We remain in a strong capital position. Our CET1 ratio is 15.1%, which is above our targeted 13-14% range.

That strength means we have been able to increase capital distributions. We have provided a half-year dividend of 2 pence per share and we will initiate an additional share buyback of up to £500m, following the £700m buyback we completed earlier this year.

Improved macroeconomic conditions resulted in a net impairment release of £797m in the second quarter. We will continue to maintain prudent impairment coverage ratios over the coming months and we will also be careful to gauge the real economy as government support measures are lifted.

But it is very important to note that even without impairment releases, the Group's return on capital would have been above 10% in both the first and second quarters.

We are also managing our costs appropriately, with a cost-to-income ratio of 64%. Our base costs remain stable but we have taken a number of structural cost actions in the second quarter, most notably reducing our real estate footprint in Canary Wharf, London.

Excluding the structural cost actions, our cost-to-income ratio for the half-year was 61%, close to our 60% target.

We are also focused on investing in the right parts of the business to deliver future income growth.

That means investing in talent and technology in the Investment Bank, as the capital markets continue to grow.

It means investing in the Corporate Bank, particularly in Europe.

It means investing in our US consumer franchise, organically and through scaling up our US card partnerships.

And it means continuing to transform our UK payments capabilities through technology, most notably in merchant acquiring and small business banking.

Slide 4: Diversified model provides resilience through economic cycles

Our performance continues to benefit from the breadth in our business, with our income diversified by type, by customer and client, and by geography.

Slide 5: Barclays continues to support client activity in capital markets

I am pleased to see the strong performance of the Investment Bank continue for another quarter, demonstrating the sustainability of the franchise.

One of the drivers for this is the continued growth of the global capital markets themselves. Since 2018, there has been a 53% increase in the market capitalisation of global equities and bonds outstanding, and we reflect in our business that increase.

As more and more businesses and institutions use the capital markets as a source of funding, Barclays is well positioned to continue to benefit.

Slide 6: Signs of consumer spending recovery during Q221 driven by lockdown easing while mortgage activity remained robust

I am encouraged by the improved performance we have seen in Barclays UK and in our Consumer Cards and Payments business. Both businesses have benefitted from the economic recovery, and we have taken actions to improve future revenue growth.

Many of our leading economic indicators improved in this quarter. UK debit and credit card spending was up 11% in June vs the same month of 2019. US card spend has almost recovered to 2019 levels and was up 21% in the second quarter compared to this year's first quarter.

Unsecured lending balances have lagged spend, with UK card balances down £300m in the second quarter. The recovery in consumer spending in both the US and UK is encouraging, but it will take time to re-build interest earning balances.

Mortgage growth, however, remains robust, with the portfolio up £3.3bn in the second quarter. Applications continued at elevated levels and pricing is at attractive margins.

Slide 7: Ambition in Payments of c.£900m income growth over three years

As I have spoken about before, we are excited about the development of our payments services, including our new Barclays Cubed platform.

Taken holistically, payments activity represents 8% of total Group income. As I said in the first quarter, we believe there is a £900m income growth opportunity for Barclays in payments over the next three years.

In the first half, we have already seen evidence of this growth, with payments income up approximately 15% year-on-year, or around £120m.

We continue to expand our digital capabilities with merchants, and have worked in collaboration with the CIB to deliver better services. This quarter we have successfully integrated a number of solutions into our Corporate Bank iPortal platform. To take just one example, clients can now manage their merchant servicing account and their bank accounts without needing separate log-in credentials or processes.

We have also launched a new platform to deliver our franchise FX capabilities to e-commerce merchants.

We have established new client relationships, as well as strengthened existing ones. I am delighted that a leading UK supermarket has recently decided to consolidate all its payments processing with Barclays. Like so many of our partners, they are also leveraging some of the next generation services

we offer through Barclays Cubed, including things like Point of Sale finance, and using data and analytics.

Slide 8: Environmental and Social stewardship central to our strategy

We remain focused on the sustainable impact of our business and on our role in society.

I am extremely proud of what we have been able to do to help people during the pandemic. To date, our £100m COVID-19 Community Aid Package has supported over 290 charity partners around the world, while our colleagues have raised more than £13m using our matching gift programme. All of that money has gone to charities delivering COVID-19 relief.

As we approach the COP26 meeting in the second half of the year, we also continue to think deeply about our environmental impact. Specifically, how we can best support the global economy's transition to low carbon.

The Paris Agreement sets us on a clear path to make that transition, and the world has come together behind it. Barclays shares that commitment. That is why we were one of the first banks to set an ambition to be net-zero by 2050, not only for our own operations, but across our entire portfolio.

That means we are accelerating the transition through the way we deploy finance, helping companies of all sizes – from start-ups to global corporations.

At the smallest scale, via Barclays Principal Investments, we have a Sustainable Impact Capital Initiative to invest £175m in new companies. This helps these new companies get the early-stage capital they need to finance their growth and innovate new technologies. Companies like AirEx, a clean-tech company helping to reduce energy consumption in homes. So far, we have made 7 similar equity investments all over the world, and have a very strong pipeline.

At the other end of the scale, we are using our financial and capital markets expertise to support much larger companies. We are helping them raise money through the equity and bond markets, and advising on M&A transactions.

Take electric vehicles as one example. This year, we helped a company called Blink, who make charging equipment, raise over \$200m through the equity markets. We also led a \$400m placement for an electric bus manufacturer called Proterra. Both of these companies are making a significant contribution to scale-up low-carbon transport networks in the United States.

Slide 9: Strong H121 profitability, increased capital distributions to shareholders

So let me close by repeating how pleased I am with our first-half performance. It provided a strong platform on which to build in the second half of the year and beyond.

Our balance sheet has never been stronger and we will remain focused on returning excess capital to shareholders.

As the global economy continues to emerge from the pandemic, Barclays remains fully committed to playing our part.

Now over to Tushar to take you through the quarterly numbers in more detail.

Slide 10: Tushar Morzaria, Barclays Group Finance Director

Thanks, Jes.

Slide 11: H121 Group highlights

As usual I'll start with a summary of our H1 performance.

We again saw the benefit of our diversification, as the strength of the CIB continued to offset the effects of the pandemic on our consumer businesses.

Overall income decreased 3%, but this reflected the weaker US dollar and on a constant currency basis, income was up around 2%.

Costs increased by £0.6bn to £7.2bn, including the structural cost actions we flagged at Q1, of £0.3bn. This also reflected higher performance cost accruals due to improved returns.

I'll go into more detail on the other cost drivers shortly.

After a small impairment charge in Q1, we had a large release in Q2, giving a net release for the half of £742m, compared to a charge of £3.7bn for last year.

This resulted in PBT of £5.0bn, a significant increase on H1 last year.

The EPS was 22.2p, generating a RoTE of 16.4%.

The CET1 ratio ended the half at 15.1%, well above our target of 13-14%.

This has put us in a position to declare a half-year dividend of 2p and announce a further share buyback of up to £500m, following on from the £700m buyback completed in April.

Turning now to Q2.

Slide 12: Q221 Group highlights

Overall income was up 1% on Q2 last year, but was up around 7% on a constant currency basis.

We saw some increase in the consumer businesses and the CIB performed well against a strong comparator.

Costs increased by 10%, or £0.3bn, reflecting the structural cost actions, principally a charge following the real estate review we mentioned in Q1.

The improved macroeconomic outlook and lower unsecured balances resulted in a net impairment release of £0.8bn, compared to a charge of £1.6bn last year.

The profit before tax was £2.6bn, up from £0.4bn last year.

In light of the corporation tax increase scheduled for 2023, we have recorded a benefit of c.£400m through the income statement for remeasurement of UK Deferred Tax Assets, although this will largely reverse in the course of next year, if the proposal to reduce the bank surcharge is enacted.

As a result, the Effective Tax Rate in the quarter is lower than we would expect on a normalised basis.

Of the income statement benefit, close to half is offset through reserves.

The attributable profit for the quarter was £2.1bn, generating an EPS of 12.3p and RoTE of 18.1%.

I would remind you that these are all statutory numbers, absorbing a litigation and conduct charge of £66m.

TNAV increased from 267 to 281p, principally reflecting the 12.3p of EPS, and also 1p from completion of the April share buyback.

Our capital position strengthened in the quarter, with the CET1 ratio increasing to 15.1%, driven by robust profitability and reduced RWAs.

A few words on income, costs and impairment, before moving onto the performance of the businesses.

Slide 13: Income: Ongoing benefits from business diversification, with lower YoY CIB offset by partial recovery in consumer businesses

I've already mentioned the benefit of diversification, which is visible in the Q2 income performance.

CIB income was down against a tough Q2 comparator, but the investment bank performed strongly versus peers.

Meanwhile, we saw some increase in BUK income, which was up 11%.

In terms of outlook, the CIB remains well positioned, despite the currency headwind, and some moderation in FICC activity so far this year.

Slide 14: Unsecured lending remains subdued, despite the recent recovery in spend, while mortgage performance remains strong

The income outlook for the consumer businesses, BUK and CCP, reflects a continuing tailwind in secured lending in the UK, but the prospect of a slower recovery in unsecured lending, in both the UK and the US.

The BUK mortgage business had another strong quarter with £3.3bn of organic net balance growth.

In unsecured, we saw further balance reduction in UK cards, by £0.3bn to £9.6bn, and although the US card balances ended the quarter up at \$20.1bn, this increase is weighted towards full-payer balances.

We are now seeing clear signs of recovery in consumer spending in both the UK and the US, but, as we flagged at Q1, the build in interest-earning balances is expected to take some time to materialise,

And to remind you that the translation of recovery in card balances into income and profits will be affected by the so-called J-curve, as we invest in partner and customer acquisition, and in card utilisation.

This is expected to dampen returns initially as we reinvest, but over time will leave the consumer businesses well-placed to generate attractive risk-adjusted returns.

We still expect a headwind to NII from the roll of the structural hedges, given the low rate environment.

However, the recovery from the trough in yields since year end, plus a slight extension to our hedge maturities, mean we currently expect the headwind from the roll of the hedges to be around £300m this year, the low end of the range I referenced at Q1.

Based on the current yield curve, any further headwind next year would be materially lower.

Note that this is based on the current sizing of the hedges.

We are still considering whether to increase the hedges, and have identified £20-25bn of additional potential capacity.

Were we to do this, the headwind next year would reduce further.

I would note that most of this potential increase would be in Barclays International rather than in BUK.

Looking now at costs.

Slide 15: Costs: Q221 YoY increase driven by structural cost actions of £0.3bn, predominantly relating to the real estate review

We plan to keep our base costs close to flat this year, that's costs excluding structural cost actions and performance costs.

In Q2 we implemented the structural cost actions we mentioned at Q1 results. The charge was £0.3bn, resulting in Q2 costs being up 10% year-on-year at £3.7bn, and a 67% cost: income ratio.

Across the first half, the cost increase was also 10%, and you can see on the right hand chart that this increase reflected those structural cost actions in Q2 and the increase in the performance accrual, the bulk of which was reflected in Q1.

Slide 16: H121 structural cost actions primarily related to the real-estate charge taken in Q221

The structural cost actions in Q2 primarily related to real estate. Following the review we flagged at Q1, we took the decision to vacate the 5 North Colonnade building in Canary Wharf by the end of 2022.

This is expected to result in annual cost savings of c.£50m from 2023.

Other structural cost actions will continue through the second half of the year, including the continuing rationalisation of the BUK cost base, so overall the total for this year will be clearly higher than the £368m for last year.

Cost actions will continue next year, but I wouldn't expect another real estate charge the size of the Q2 charge.

The next slide shows the key drivers of the base costs.

Slide 17: FY21 costs, excluding structural cost actions and performance costs, expected to be broadly in line with FY20 at c.£12bn

Last year's total costs were £13.9bn. Excluding structural cost actions and performance costs, the base costs were around £12bn.

We've shown here the key drivers, which we expect to be broadly offsetting each other this year, assuming the 30 June sterling dollar rate of \$1.38 applies through the second half of the year:

First, increases in costs associated with volume-related or demand-led growth, for example, UK and US card origination; and taking advantage of the high levels of activity in the primary and secondary markets in the investment bank.

Although these drive higher costs, we would expect to see associated income generation, and we believe the start of a new economic cycle is exactly the right time to be leaning into growth.

Secondly, investment spend, including the strategic investments that we've talked about previously, like in growing Payments, our US partner cards expansion and parts of our Global Markets and Investment Banking businesses.

This also includes ongoing investment in technology, as we continue the transition to cloud-based technology, and migration to digital channels across the bank.

Capacity for these investments is created by continuing to improve the way the bank is run, driving cost efficiency savings.

These cost actions include decommissioning applications, the optimisation and automation of processes, and more selective use of suppliers.

Finally we also have some specific tailwinds this year, from the weaker dollar, lower bank levy, and non-repeat of the Community Aid Package, which give us greater capacity for gross cost investment at an early point in the cycle.

I'm not going to give forecasts for each of these elements, but I would expect them to result in the aggregate base costs for the year being in the region of £12bn.

Looking beyond that, as the recovery continues, we'll continue to manage the balance between growth and investment spend, and cost efficiencies, with the aim of delivering positive jaws to achieve our target sub-60% cost: income ratio in the medium term.

Moving to impairment.

Slide 18: Impairment: Q221 net release of £0.8bn, due to improved macro outlook, lower unsecured balances and benign credit environment

There was a net impairment release in each of the businesses, with the largest release being in BUK, as you can see from the chart on the left.

On the right we've shown the split of the charge for recent quarters, into Stage 1 and 2 impairment, and the Stage 3 impairment on loans in default.

As you can see, there were significant Stage 1 and 2 book-ups in Q2 last year, whereas the charges in Q3 and Q4 were principally on Stage 3 balances.

In Q1 this year, we had some release of the Stage 1 and 2 book-ups, resulting in a small net charge.

In Q2, we've seen a large net release of Stage 1 and 2 impairment, amounting to just over £1bn, while the Stage 3 impairment was just £221m, resulting in the net release of £0.8bn.

The Stage 1 and 2 release was driven by the improved macro-economic variables we've used, and the level of unsecured balances, but our coverage ratios remain above pre-pandemic levels.

Slide 19: Improved macroeconomic variables drove the impairment release

The MEVs used for the Q2 modelled impairment are shown in the upper table, and you can see the improvements in the 2021 and 2022 forecasts.

However, there still remains uncertainty as to the levels of default we'll experience as support schemes are wound down, despite the improved economic forecasts.

We want to make sure that, as we apply improved MEVs, we don't lose sight of this risk. Therefore, we've made refinements to our post-model adjustments to focus them more on the cohorts of borrowers we believe are most at risk from the tapering of support.

The result is that we are maintaining a significant economic uncertainty PMA, which has increased slightly to £2.1bn in the quarter, as shown in the table.

As I mentioned, this still gives us materially higher coverage ratios than pre-pandemic, across wholesale and unsecured consumer lending, as you see on the next slide.

Slide 20: Jun-21 coverage ratios in unsecured and wholesale loans remain above pre-pandemic levels given ongoing uncertainty

Unsecured balances haven't increased materially in Q2, and are still down by 28% year-on-year.

Despite the impairment release, coverage was still 10.2%, well above the 8.1% pre-pandemic level.

The wholesale coverage ended the quarter at 1.1%, also well up on the pre-pandemic level.

Coverage on home loans was maintained, as the book grew by £12bn since the start of last year.

With these levels of coverage, the lower unsecured balances, and improved macroeconomic outlook, we expect the quarterly impairment charge to remain below historical levels in the coming quarters.

Turning to Barclays UK.

Slide 21: Q221 Barclays UK

The year on year comparison for Q2 was dominated by the impairment release, compared to the large charge taken last year.

Income also improved YoY, but the outlook remains challenging.

The income growth overall was 11%, primarily non-repeat of prior year COVID-19 customer support actions, plus increased mortgage balances and improved margins. These were partially offset by lower unsecured lending balances.

As we showed on the earlier slide, card balances reduced a further £0.3bn in Q2, to end the quarter at £9.6bn, a decline of 26% year-on-year.

We expect some increase in aggregate card balances in the second half of the year, but the spend recovery will take time to feed through into the interest-earning balances that drive Net Interest Income growth.

This contrasts with Mortgage balances, which again grew strongly, with a net increase of £3.3bn in Q2.

Mortgage pricing continues to be attractive.

Although we expect some erosion of margins over the coming quarters, Mortgages should remain a positive factor for Net Interest Income, but will dilute the NIM.

NIM for the quarter was 255bps, broadly flat on Q1.

Our current outlook for full year NIM is now for the top end of the 240-250bps range we mentioned at Q1, but with NIM reducing in Q3 and Q4, due to the mix effect from continued growth in mortgages, and the level of interest-earning card balances.

Costs increased 7%, reflecting investment spend and higher operational and customer service costs, in part due to ongoing financial assistance, partially offset by efficiency savings.

Impairment for the quarter was a release of £0.5bn, reflecting improved MEVs, low levels of delinquency, and reduced unsecured exposures.

Turning now to Barclays International.

Slide 22: Q221 Barclays International

BI income was down 5% year-on-year at £3.8bn, and the impairment was a net release of £271m, compared to a charge of £1.0bn, resulting in a RoTE of 15.6%.

I'll go into more detail on the businesses on the next two slides.

Slide 23: Q221 Barclays International: Corporate & Investment Bank

CIB Income decreased 10% on Q2 last year, to £3.0bn, reflecting the headwind from the 13% depreciation in the US Dollar, and costs decreased by 4%.

There was a £229m impairment release, compared to a charge of close to £600m last year.

RoTE for the quarter was 14.8%.

Although Global Markets income decreased 22% overall in sterling, or 13% in dollars, Equities reported its best ever Q2, up 15% at £777m, with strong performances across all business lines, including further growth in prime balances, which reached a record level.

FICC decreased 39%, against a very strong comparator last year. However, our franchise is proving robust, despite the lower levels of market volatility.

Investment banking fees on the other hand reached a record level at £873m, up 19% year-on-year.

Advisory, Equity Capital Markets, and Debt Capital Markets all contributed well to the record performance.

Despite the strong deal flow, the pipeline increased still further during Q2.

Corporate lending income of £38m was affected by a single name mark-to-market write-off, which goes through the income line rather than impairment, for technical reasons.

Without this, the income would have been near the run rate of close to £200m which I've referenced in the past.

Transaction banking income was slightly up year-on-year, at £396m.

As I flagged at Q1, the increase in the variable compensation accrual, reflecting improved returns, is expected to be skewed towards Q1 this year.

Overall costs were down 4% at £1.6bn, resulting in a cost to income ratio of 55%.

Turning now to Consumer Cards & Payments.

Slide 24: Q221 Barclays International: Consumer, Cards & Payments

The RoTE for CCP was 21.8%, compared to a loss last year, with the big driver being an impairment release of £42m, against a charge of over £400m last year.

Income in CCP increased £146m to £0.8bn, reflecting two one-offs: the non-recurrence of the c.£100m Visa loss, and a property disposal in the Private Bank this year.

US cards income was down slightly year-on-year, reflecting the weaker US Dollar.

The reduction in US card balances year-on-year was 9%.

Encouragingly quarter-end balances were up on Q1 at around \$20bn, but average balances over the quarter were lower.

The increase in Payments income reflected the non-recurrence of the Visa loss, but was also up year-on-year adjusting for that, and up 17% on Q1 as we saw the initial effects of the spending recovery.

Costs increased 18%, some of which was accounted for by litigation & conduct relating to a legacy portfolio in the quarter. The rest of the increase reflected investment and higher marketing spend.

We are seeing clear signs of spending recovery, but the timing of recovery in interest-earning balances in unsecured lending remains uncertain.

With the recent developments in our partnership portfolios, the prospects for the US cards business are encouraging.

But as I mentioned at Q1, it will take time for the new business to generate consistent attractive returns, given the J-curve on new business and the gradual recovery of interest-earning balances with existing customers.

Turning now to Head Office.

Slide 25: Q221 Head Office

The main point to highlight in the Q2 Head Office result was the structural cost actions, which included the property charge for the building in Canary Wharf.

The negative income of £27m was a bit below the £75m run rate I mentioned at Q1, reflecting small positive one-offs.

Excluding the £266m property charge, the Q2 costs were £59m, in line with the usual run rate.

The loss before tax for the quarter was £338m, including that charge.

Moving onto capital.

Slide 26: CET1 ratio increased to 15.1% driven by profits and lower RWAs

The CET1 ratio increased in the quarter from 14.6% to 15.1%, flat on the end of last year.

We had flagged at Q1 that the reversal of the software benefit might come in Q2, but this is now expected to be implemented at the start of 2022.

We had strong profitability in the quarter, but in this bridge we've separated out the effect of the reduction in IFRS9 relief.

RWAs were down more than usual at the quarter end, a reduction of c.£7bn compared to March, adding 34bps to the ratio.

We've shown some elements of the future capital progression on the next slide.

Slide 27: CET1 ratio target range continues to be 13-14%, but expect to remain above that in 2021

We've shown here a number of future headwinds to the ratio.

The further buyback of up to £500m will reduce the ratio by approximately 17bps.

There's a pension deficit reduction contribution scheduled for Q3, with an effect of 11bps, before tax.

These factors will reduce the 15.1% ratio by close to 30bps.

Over the balance of the year we expect some further decline in the ratio, as impairment on Stage 3 balances feeds through to the ratio, and as we see some increase in RWAs from the 30 June level.

However, we would expect to end the year comfortably above our target range of 13-14%, with the software reversal, which is expected to be c.40bps, plus other regulatory capital headwinds, reducing the ratio at the start of 2022.

We are confident that the balance between profitability and these elements will leave us with net capital generation to support attractive distributions to shareholders over time, and be comfortable within our CET1 target range. However, we will take into account the residual uncertainty as to the extent and pace of recovery from the global pandemic, in determining the size and timing of such distributions.

Both spot and average leverage ratios were around 5%, and as you know we'll be focussing on the UK leverage rules, rather than CRR, following the recent publication of the leverage framework by the regulator.

Finally, a slide about our liquidity and funding.

Slide 28: High quality and robust liquidity and funding positions

We remain highly liquid and well-funded, with a Liquidity Coverage Ratio of 162% and Loan:Deposit Ratio of 70%, reflecting the continued growth in deposits.

Slide 29: Outlook: Barclays continues to benefit from diversification

So, to re-cap,

We have generated a 18.1% statutory RoTE for the quarter.

That reflects a net impairment release of close to £800m, while maintaining good coverage levels.

We won't see this sort of release every quarter, but we do expect the quarterly impairment charge to be below historical levels in the coming quarters.

We are seeing the start of a slow recovery in consumer income, and the CIB performance remains strong.

Although costs in 2021 are expected to be higher than in 2020, cost control remains a critical focus, and we expect costs, excluding structural costs and performance costs, to be around £12bn this year.

We expect RoTE this year to be above our target of 10%, and we are focused on delivering this on a sustainable basis in the medium term.

In April we completed the £700m buyback announced in February, and capital at the end of the quarter remained at 15.1%, comfortably above our target range of 13-14%.

This has allowed us to declare a half-year dividend of 2p per share and announce a further share buyback of up to £500m.

Thank you, and we will now take your questions. As Jes is in New York and I'm in London, we'll do our best to coordinate our responses, and as usual I would ask that you limit yourself to two per person so we get a chance to get round to everyone.

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Information relating to:

- regulatory capital, leverage, liquidity and resolution is based on Barclays' interpretation of applicable rules and regulations as currently in force and implemented in the UK, including, but not limited to, CRD IV (as amended by CRD V applicable as at the reporting date) and CRR (as amended by CRR II applicable as at the reporting date) texts and any applicable delegated acts, implementing acts or technical standards and as such rules and regulations form part of 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.

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.