Barclays PLC Q2 2024 Results

1 August 2024

Results call Q&A transcript (amended in places to improve accuracy and readability)

Alvaro Serrano, Morgan Stanley

Thanks for taking my questions. Good morning. One on costs, please. Anna, in the roundtable, I think it was in May, you mentioned there would be structural costs in Q2.

I haven't seen any of them called out, and it's been the second quarter now that you've done better than consensus, so just wondering what the underlying run rate costs are and should we be reducing the costs for the full year?

That's the first one, and obviously UK and [the Investment Bank] are doing very well. I had a question on the revenue performance in US Cards. Obviously, the NII is down. You've reiterated that 12% margin [target for 2026] during your scripted comments. I just wanted to see if you can give us any colour around the path to that 12% NIM over the next few quarters and how much of it is rate dependent. Thank you.

Anna Cross, Group Finance Director

Okay. Thank you, Alvaro. Good morning. I'll take both of those questions, so just starting off with the one on costs. We did have a few structural cost actions within the IB, not really that significant and certainly, over the full year, we don't expect to spend more on SCAs than we have done historically, which we said was a £200m to £300m run rate. So, for the full year, the thing that's really important here is the delivery of our gross efficiency savings. We've done another £0.2bn in the quarter, taking us to £0.4bn for the half year, and we've got really good line of sight to that c.£1bn. So that's really what's underpinning the cost results that you're seeing. And I'll just reiterate, our cost guidance for the year is c.63%. The consensus for total costs is there or thereabouts, so that's how I'd guide you there.

In terms of the US Consumer Bank, you're right, NII has fallen off a little bit in the quarter. There's a few things going on in there. Firstly, remember we did the Blackstone deal in the first quarter, so you're going to see some switching out of NII and into non-NII. Secondly, I would say seasonally, [it's] sometimes a little bit lower in the second quarter than the first, just because of the amount of customer repayment that we have. And thirdly, within that, there is a little bit of lumpiness in terms of customer reward amortisation. That ultimately is a really good sign, because it means we're growing the book, but the way it can sort of transfer itself to contra revenue can be a bit lumpy, so that's all that's happening.

So we haven't changed our pathway to a 12% NIM. That's really around pricing optimisation, it's around increasing our proportion of retail within the book, and also really focusing on our funding costs. And you'll note that our retail deposits are now 67% [of total USCB deposits]. We're really pushing that towards greater than 75% to deliver that 12% NIM.

Joseph Dickerson, Jefferies

Hi. Good morning. Thank you for taking my questions. I guess my two would be, is there any follow through in 2025 and 2026 from this upgraded UK NII? As you mentioned, there's an implied £2bn of structural hedge income growth, assuming that you reinvest 75% of the maturity. But it seems like your NII upgrade today is based in part on more stable deposits. So would it be unreasonable to assume there's some upside to that £2bn based on greater than 75% of the maturities being reinvested? That's number one.

And then number two, one of the issues that investors have with your 2026 targets is that the high-single digit revenue growth in the CIB is on the flat risk-weighted asset base, and it looks like in the quarter you needed £3bn of incremental risk weighted assets to grow revenue. So I guess how do we square the circle in terms of maintaining the RWA balances relatively flat on 2023? I mean, it was nice to see the revenue productivity picked up year-on-year, but still, we've had a few questions on that today. Thanks.

Anna Cross

Okay, thank you, Joe. I'll take both of those. So on the first point, what we've seen and observed over the last quarter is a real stabilisation in our deposit position, and that's really led us to upgrade our NII today for the UK and for the group to c.£6.3bn and to c.£11bn. The way we think of that is really an underpin to what we are doing. This is a plan of many parts. We set out really detailed targets and plans in February of this year, really to sort of guide you towards what was important to us and allow you to track our progress. So as we continue through the plan, we're pleased to see this progress, but as I said, a plan of many parts, and we have more things to deliver around our efficiencies and obviously around our capital allocation. So that's the reason really why we're not upgrading 2026 at this point in time.

Of course, in isolation, the movement in rates, you would expect to have some impact on that £2bn number, but we're not going to mark to market our 2026 targets on a quarterly basis. We're just very-very focused internally on disciplined execution against the targets that we've given you already.

Joseph Dickerson

Thank you.

Anna Cross

Yes. Thank you. On the second one in terms of IB RWAs, I mean, there's nothing really to call out here and certainly not any change in intention. What we saw particularly towards the end of the quarter was some increases in RWAs that we would say are largely temporary and certainly not an indication of a change of direction or intent. Our objective here is twofold. Firstly, to hold the RWAs of the IB broadly flat [to 2023 year-end levels], and again, you can see that, we called out the RWA productivity. We're pleased to see that go up year-on-year, whilst also growing the other side of the balance sheet. So I would say largely temporary in nature and nothing really to call out specifically.

Benjamin Toms, RBC

Good morning. Thank you for taking my question. The first one is on the RoTE. It's tracking ahead of guidance for this year. [To the extent to which your RoTE is ahead of your plan, is there any possibility that you would reconsider your capital distribution plan of at least £10bn over the next few years, or should we think of that as being locked in whatever the P&L is]?

And then secondly, [where do you expect the structural hedge notional to be by the end of this year? You've been quite conservative on this metric since your February Investor Update plan was announced. Is a £3bn to £4bn reduction in the amount you've seen so far this year a good run rate for modelling?] Thank you.

Anna Cross

Thank you very much, Ben. In RoTE terms and in terms of delivery of our plan, we are on track versus where we would expect to be at this stage after two quarters. So we're firmly in line with our plan, and therefore it wouldn't cause us to change either our RoTE guidance for this year or the longer-term, or indeed our capital distribution plans, and that's why we've reiterated them today.

In terms of deposit trends, you're right, we've seen greater stability, or that stability come a little faster than we expected. Perhaps that's how to think about it. We do, however, expect the structural hedge notional to continue to fall broadly in line with broader deposit trends. Customers continue to seek yield, even though they're doing so at a much slower level of migration than before.

But we reassess that structural hedge very carefully with each passing month. We regard it as a key way in which we manage the interest rate risk in our income line, so we'll continue to monitor it and update as we go. But at this point, I wouldn't change the sort of overall pathway.

Guy Stebbings, BNP Paribas

Hi, morning all. Thanks for taking the question. Just some questions around Slide 10 on the [structural] hedge.

Firstly, could you confirm how much of the notional is attributed to the locked-in component that you refer to of £4.0bn in 2025 and £3.2bn in 2026? I'm presuming it's sort of in the order of magnitude of 70%-75% in 2025 and 55% in 2026, but any colour there would be very helpful.

And then in terms of the 1.5% maturing yield, which I think is consistent with prior disclosure, could you remind us of how that breaks down between each year?

And just a sort of final one on this slide, maybe I'm reading too much into dotted lines and sort of putting a ruler against it, but it looks to me like it's nearer sort of 2.5% in 2026, but the gross yield in that dark blue dotted line, I would have thought given prior disclosure and comments, we might be nearer 3%, so can I just check? I'm not reading too much into maybe how that line dots across. Thank you very much.

Anna Cross

Okay, thanks, Guy. On your first question, we'll probably need to come back to you in relation to that.

On the second question around the 1.5% maturing yield, so the way I think about this is that on average, the tenor that we've got here is between 2.5 and 3 [years], but there's actually a range of maturities within there, and that really reflects how we think about the composition of our deposit book and the varying behavioural trends that we see within there. So we haven't guided or given you any clarity about how that actually breaks down between those tenors, but just to say over the next three years, we expect the maturing yield to be about 1.5%, and it's pretty consistent over that period.

And then on the final question, which was around the gross yield, again, we don't guide to gross yield. We've given you some maths in February, which is really how we expect that structural hedge income to pan out over time. What I would just say is you can see that it continues to grind higher, and I think the slide shows that well. So at Q1, we were at £9.3bn of locked-in income [2024-2026]. Now we're at £11.7bn of locked-in income. And obviously, in the current year, that is £4.5bn locked-in already by the half-year versus the total we had for last year of £3.6bn. So that's really how we focus on it, less about the overall yield and more about how much are we locking in both as a combination of the notional but also, obviously, the yield and the hedge itself. So that's how we think about it. But we'll come back to you with a bit more colour on the first.

Amit Goel, Mediobanca

Hi. Thank you. My two questions, maybe they follow on a little bit from Joe's, but the first one is, I think, consensus outside of the IB now already largely reflects the 2026 target. So, again, I'm just wondering how much scope there is to beat those levels, I mean, especially in the UK, where rates are better. And I guess by extending the duration of the hedge, I suppose the deposits are a bit more sticky. You're talking about stabilisation, so the 25% reduction in hedge size. I'm not sure if that does seem a bit too conservative?

And then the second question is, again, just on the capital allocation. So I appreciate you commented that some of the RWA increase in the IB has been a bit temporary in the quarter, but that is where we've seen most of the increase year-to-date and quarter-to-date. So I'm just curious when we'll start to see the allocation trend towards that 50% target, which could be important for seeing other re-ratings. Thank you.

Anna Cross

Okay. Thanks, Amit. In terms of the pathway on NII, not only for BUK, but for the other parts of that complex, so Corporate Banking, International Corporate Banking, and indeed our Private Banking and

Wealth Management business. I mean, obviously, the trends that we're seeing around deposits and indeed rates are helpful, but we do see them as an underpin and hopefully an indication of our confidence in reaching those 2026 numbers. And as relates to the hedge, as I said, I'm not going to mark to market that hedge income on a quarterly basis. We gave you some moving parts. And just to remind everybody, we've got £170bn maturing over the three years. We've got a maturing yield of about 1.5%. We expect at high level to roll about 75% of that. And at the time of the Investor Update, when swap rates were around 3.5%, we said that would probably yield around £2bn. Again, there are some movements in the yield curve that might, in isolation, push that number up a bit. But this is a plan of many, many parts. So, we're very focused on delivering the greater than 12% RoTE in the round.

On your second question around capital allocation, I would reiterate, we think those RWAs are largely temporary and there's obviously also a natural seasonality to the RWA path within the IB I think more fundamentally though, what we're talking about here is a two-part strategy. Firstly, holding [IB RWAs] broadly flat [to 2023 year-end levels] and secondly, growing elsewhere. So you're going to see this meaningfully change as a percentage really from the fourth quarter onwards and that in the first part comes from the completion of [the] Tesco [Bank acquisition], which we now expect to happen on the 1st of November, but also really the organic progress that we're making in terms of the balance sheet. Now, you can't see that yet coming through in strong balance sheet growth. That is what we expected.

You might remember that in February we said that we expected that the UK balance sheet would get smaller before it got bigger and that indeed is what's happening, but we're seeing good growth momentum. The mortgage market is up. We're taking a greater share of that and we're also taking a good share of high loan-to-value mortgages. Our cards balances are up quarter-on-quarter and in Corporate lending whilst we haven't seen the balance sheet move yet, you can see the RWAs going up because we've extended balances to clients. So I think it's really sort of from quarter four onwards that you're going to start to see this move meaningfully. But just to reiterate on the RWAs and the IB, our intention is still for this to be broadly flat and really for the work to be done elsewhere in moving that percentage. But thank you for the question. Perhaps we could go to the next one, please.

Ed Firth, KBW

Yes, morning, everybody. I had two questions, please. The first one was US cards credit quality. I think it's good to see the provision charge has turned, but if I look at your non-performing loans in the quarter, they were up, I think, 7% or 8%. So just trying to get a sense as to where we are in that cycle and how we should expect that to progress from here, if that's okay.

That was the first question. And then the second question, I'm just trying to sort of square the BUK performance with some of your targets and with some of the revenue coming through from the hedge because you're making around a 20% return on equity in the first half. And even if I normalise impairments, when you take your share of the hedge benefit that's going to go in there, that's probably closer to 25% or even high-20s returns as of today. And yet in your targets, I think you said greater than 15% return on tangible [equity] by [2026] and I know, obviously, greater than 15% encompasses an awful lot, but I guess mid-to-high 20s feels a long way ahead of that. So I'm just trying to think, what should we be thinking about in terms of the difference between the greater than 15% and the mid-to-high 20s? And how do you think about a mid-to-high 20s return?

We had to listen to the FCA talking about consumer duty yesterday. I mean, should we be expecting some of this £2bn hedge to actually go to depositors, or are you reasonably confident that we can hold the bulk of that? Thanks very much.

Anna Cross

Okay. Thank you, Ed. I'll start on cards. I think Venkat might want to add something on US quality also, and then we'll go into the UK performance. I mean, really, the USCB impairment pathway is panning out as we expect it to. So last year, when we saw the macroeconomic variables, particularly around unemployment start to increase, what we expected was, first, delinquencies would increase, and secondly, real non-performance and write-offs would follow, and that's exactly what's happening here. And you can see it quite clearly in the chart, which I think is on slide 13. So this time last year, we got ahead of this in a couple of ways. The first was by building our reserve proactively, so you can see that reserve build through the second half of last year, and that was in anticipation of the write-offs and that movement of non-performing loans that you're now seeing. So from here, what I expect is consistent with what we thought at the beginning of the year, which is actually we'd expect impairments in the second half to be lower. Now, the composition of that is going to still look a bit like what it does in Q2. You're going to have relatively high levels of write-offs, and you're going to have lower levels of provisioning. And then overall for 2024, it's going to be lower than 2023, but we did take actions last year in credit lines also in anticipation of this, and that certainly helped. And just to remind you, this is a high-quality book. Venkat, anything to add?

C.S. Venkatakrishnan, Group CEO

Yeah. I second everything Anna said, and I think the other thing to look at is, in credit cards, as one of the most important factors driving performance is employment, or unemployment. The Fed statement yesterday, even though they didn't change rates, pointed towards a balance in their concern shifting a little away from inflation into softness and employment. That is speaking to the thing that we put in and anticipated, and we've, as Anna said, tried to risk-manage the portfolio in advance of that. And so we hope we're prepared for what could be a softness, but the non-performing piece is exactly, as Anna said, it's following upon a provision build, which was earlier.

Anna Cross

Okay. Then on your second point, Ed, just around BUK performance, we take confidence from the quality and the stability of the balance sheet, but that balance sheet is going to change from here. We are anticipating asset growth. So obviously we expect NII to grow over time, but I'm also expecting that the RWAs here are going to grow over time. And clearly we haven't seen growth in assets in BUK for a couple of years now. So that will moderate it. And it's just a reflection of, really, if you like, the emphasis moving from profit being in liabilities to really trying to grow the asset books for when the curve turns. So that's really what we're thinking about here. Think of it as an increase in equity rather than a reduction in returns. And that's really what's led to our RoTE thought process. Venkat, anything to add on that?

C.S. Venkatakrishnan

Yes, I completely agree. You have to look at this business, as Anna said, over a cycle, and the composition of the revenues shifts from liabilities to assets over that period. And as asset revenues increase, so does your equity. And that will have the effect of moderating the RoTE. And the impairment has remained fairly low. And we'll see what the Bank of England does later today. But the UK employment picture has remained strong. I mean, there is there is really only one way this thing can go. And so you've got to be careful about where impairments go in the long run. And that would be the other moderating influence.

Anna Cross

Yes. And I think you sort of called that out in your remarks. So we're still expecting the sort of longer-term trends here. To your specific point on the FCA and the consumer duty, there is nothing specific in our RoTE guidance that relates to that at all. We feel we have the right ranges both across savings and indeed elsewhere. And they're in compliance with it. So there's nothing there that would mitigate or moderate that RoTE.

C.S. Venkatakrishnan

Yes. And look, this is an important protection measure for consumers. We fully support it. And I think it's important for the large financial institutions, all financial institutions, to be fully in conformance with the requirements of those practices. And they're good practices.

Chris Cant, Autonomous

Good morning, thank you for taking my questions. I have one on BUK and one on consumer please, US Consumer. So on BUK, in your remarks you referenced the stabilisation in deposit books coming off the back of pricing actions that you'd taken earlier in the year. I mean, you don't give us much disclosure around your deposit costs. But if I look at the interest expense you're disclosing in the BUK financials, I think that's down half on half, i.e. lower overall interest expenses in the first half versus the second half of last year. So I just wanted to understand a little bit more what pricing actions you've taken. And if there is any colour you could give us around the level of your average deposit rates, which some of your domestic peers do provide, that would be very welcome.

And on US consumer, obviously income is down [quarter-on-quarter], you've spoken to that in terms of the amortisation and various other things, bits of lumpiness, I guess. How should we think about the progression of income for that segment from here? Should we be expecting growth to be coming through in the second half? Or is more of the progression you're expecting to that 12% NIM backend loaded within the plan? Thank you.

Anna Cross

Okay, thanks, Chris. So we don't disclose our deposit costs. And obviously within the interest costs and the P&L, there are more things going on than savings within there. However, what I would say is, we've made good progress around not only our range of savings, it's much broader than it was. But you can also see, and I think it's probably on slide 16, the continued progression that the customer had towards yield. So fixed term deposits continue to grow, albeit at a slower pace. We have a lower proportion of fixed term deposits than the industry more broadly, which is what you would expect. But still a significant change there. I would just say, really, it's about range. It's about pricing consistently. It feels like we've performed well in the first and second quarter. The savings market overall has grown. We initially lost share last year, but I would say that's very much stabilised this year as we've seen those benefits come through. And current account share has actually been flat throughout. So it feels like we've managed that well.

In terms of consumer in the US, there is a bit of seasonality to US cards. Typically, you see slightly higher income and slightly higher impairment in the fourth quarter, so we'd expect those trends to be the same this year. It's a bit the converse of what you see in the current quarter. There's a seasonal down in Q2, and you tend to see that go up again for holiday spend in Q4, so that's the seasonal element of it. More broadly than that, obviously, we do expect to grow. Cards growth takes a while, so you're going to see this happen over time. There are also some headwinds to NIM and income that we called out, so specifically around late fees, although that appears to be delayed at this point in time. We'd expect to take some actions in response to that in terms of our optimisation. We're continuing to build our deposits in the US, so I'd expect these to sort of manifest themselves gradually over time, the implementation of that. But you're going to see some lumpiness from, for example, the implementation of that late fees whenever it comes.

Chris Cant

On the UK deposit piece, I know you don't disclose, you don't give us a specific number. I guess the reason for the question is when I look at data we do get for 2023, which we can at least see on an annual basis, Barclays in the UK was paying meaningfully lower rates than large incumbent peer banks in the UK, I guess off the back of that we saw deposit volumes compress for Barclays to a far greater degree than for those peers, so customers moved elsewhere because you weren't kind of keeping up, I guess, with even the large incumbent banks. We've seen that stabilise in the first half. Is it just that the customers who were going to move have now moved and actually you've retained a meaningful pricing differential to large peers, or do you feel like you've substantially caught up with large peers in terms of your rates?

Anna Cross

So, as I said we've seen that market share trend really stabilise in the second quarter, and what that tells me is that two things are going on. Firstly our range and pricing performance is better, and secondly, there is some moderation there more broadly across the market. So I think it's both, Chris, actually.

Robin Down, HSBC

Good morning. Thanks for taking the questions. Just a couple on the businesses being disposed of. With the German business, obviously, you've called out the kind of revenue contribution that's making, but I don't think we've seen the cost and the impairment contribution. Is that business kind of a breakeven business? I see most of the impairments in the Head Office relate to the German consumer finance business. So is the gap there just kind of costs for around £30m, £40m a quarter? Is that how we should be thinking about that?

And the second question, I guess, is probably more for Venkat. I think you quoted on Bloomberg this morning saying that the sale of the merchant acquiring unit is underway. I was just wondering if you could give us any kind of updates on that disposal. Thank you

Anna Cross

Thank you, Robin. So on German cards, you're broadly in the right ballpark. It's not a significant PBT contributor to the bank. And therefore, on sale, the meaningful difference that you're going to see in the P&L or balance sheet is actually the release of the RWAs. And that's really what drives that 10 basis points of CET1 accretion that will happen either in Q424 or Q125 is our expectation. So you're in the right ballpark. Venkat?

C.S. Venkatakrishnan

Yes Robin, what I said earlier on a media call is that we had [two disposals and one acquisition stated for this year, in addition to the review of strategic partnership opportunities for the merchant acquiring business]. The acquisition was Tesco, of course. The disposals were German cards and Italian mortgages, which one has been announced, German cards, and Italian mortgages has been announced and completed. And then the last one was merchant acquiring.

And on merchant acquiring, what I had said is, of all the things, this is the most complex one because of the technology involved, because of the financial arrangement we would want and the kind of service we would want. So that process is still ongoing. And what I said also on the call is that we have nothing to say about it now. When we do, we'll tell you. But it is the most complex of that list of four.

Andrew Coombs, Citi

Good morning. Thank you for taking my questions. A couple of strategic ones, please.

Firstly, on US Consumer Bank, I've noted the delay in the IRB inflation until Q1, but we're now in an environment whereby it looks like for the US banks the delay in Basel 3.1 could potentially be much longer. I know when you gave your investor day you talked about the risk rate density go from 100 to 160 and then through mitigation back to 145 and you thought that would be comparable to the US Banks post Basel 3. In an environment where Basel 3 doesn't get introduced in the US, or Basel 3.1 sorry, how do you feel about the competitive positioning of that business and if a co-brand deal comes up for renewal do you think you can still price competitively versus the US peers given a higher risk weight density?

And then second question, similar theme on strategy but [related to the] Investment Bank. You said the IB RWA increase is temporary this quarter but if somebody comes to you and says I'd like an extra £100m of RWAs, I think I can generate more than 12% RoTE on that from your Investment Bank, you've always said your north star is the RoTE, should you say, yeah, fine please go ahead or is it a case of reducing the RWA from 63% down to 50% [of Group RWAs…] more of a priority. Thank you.

Anna Cross

I'll start and then I'll hand over to Venkat. So on consumer you're right. These regulatory models are complex to implement, so we've just seen a movement over the quarter end that takes us from Q4 to Q1. And that has always been an acceleration of the Basel requirements for us, and we talked about that in February. So we always expected there to be a gap obviously. We'll have to see what happens to the US rules and it's very difficult for us to comment on that until we see both that and indeed the final UK rules. In the meantime we're focused on the things that we can control. So, we're focused on the commercial actions that we said we would take which are really around improving the capital efficiency of the business through doing trades like the one that we've already done with Blackstone. We continue to work on the NIM as I alluded to before, through pricing, through deposits etc, we've got a big program here of efficiency and digitisation. All of those things will improve the returns of the business so we're really sort of focusing on execution of the piece here that we can control in which we have line of sight to.

C.S. Venkatakrishnan

I'll just add to what Anna is saying which is that, we will control what we can control and we try to do that in a very efficient way and we're doing things in capital management which try to alleviate what could be the impact of these changes more broadly speaking of course, we have the view which we've shared publicly that we think the changes in the UK and the US ideally should be similar and should happen at roughly the same time. That would be our wish.

And then if I come to your point on the RWA and the increases, what I would say to you is the strategic ambition or goal of this bank is to keep IB RWAs roughly flat [to 2023 year-end levels], absorbing some of the capital impacts we've spoken about, and then growing RWAs outside of the IB and therefore shrinking the relative proportion of the IB. Now, if somebody comes with an interesting high RoTE trade, we would, of course, consider it. It would have to be shorter-term, right. It's not something that can affect the broader strategy. So the broader strategy is that relative reduction. And if there are shorter-term opportunities that we can take of course, we would consider them, but as the secondary part of the broader strategy.

Anna Cross

And just to remind you, Andy the areas that we want to grow our RWAs in, so that £30bn, they are in the areas of the bank where the returns are meaningfully higher than the group average. So across the UK, across the Corporate Bank, and indeed across Private Banking and Wealth Management, they are at least high teens [in terms of RoTE], if not into the 20s. So that's the trade-off that we are really thinking about here as we consider the capital allocation for the firm.

Okay. So I think that was our final question. Thank you very much for joining us today. Thank you for your continued interest in Barclays. We're pleased to give you the results today. We look forward very much to seeing some of you on the road over the next few weeks, or indeed, if you've got a holiday, we'll see you in September. But thank you very much and see you soon.

C.S. Venkatakrishnan

Thank you.

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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. 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 directors, officers and employees of the Group (including during management presentations) 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, business strategy, income levels, costs, assets and liabilities, impairment charges, provisions, capital, leverage and other regulatory ratios, capital distributions (including policy on dividends and share buybacks), return on tangible equity, projected levels of growth in banking and financial markets, industry trends, any commitments and targets (including environmental, social and governance (ESG) commitments and targets), plans and objectives for future operations and other statements that are not historical or current facts. 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. Forward-looking statements may be affected by a number of factors, including, without limitation: changes in legislation, regulations, governmental and regulatory policies, expectations and actions, voluntary codes of practices and the interpretation thereof, changes in IFRS and other accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards; the outcome of current and future legal proceedings and regulatory investigations; the Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively; environmental, social and geopolitical risks and incidents, pandemics and similar events beyond the Group's control; the impact of competition in the banking and financial services industry; capital, liquidity, leverage and other regulatory rules and requirements applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions, including inflation; volatility in credit and capital markets; market related risks such as changes in interest rates and foreign exchange rates; reforms to benchmark interest rates and indices; higher or lower asset valuations; changes in credit ratings of any entity within the Group or any securities issued by it; changes in counterparty risk; changes in consumer behaviour; the direct and indirect consequences of the conflicts in Ukraine and the Middle East on European and global macroeconomic conditions, political stability and financial markets; political elections including the impact of the UK, European and US elections in 2024; developments in the UK's relationship with the European Union (EU); the risk of cyberattacks, information or security breaches, technology failures or other operational disruptions and any subsequent impacts on the Group's reputation, business or operations; the Group's ability to access funding; and the success of acquisitions, disposals and other strategic transactions. 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 macro-economic 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. Additional risks and factors which may impact the Group's future financial condition and performance are identified in Barclays PLC's filings with the US Securities and Exchange Commission ("SEC") (including, without limitation, Barclays PLC's Annual Report on Form 20-F for the financial year ended 31 December 2023), which are available on the SEC's website at www.sec.gov.

Subject to Barclays PLC's 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.