

Barclays PLC Q1 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 and thank you for joining us.

A year on from the start of the COVID crisis, with vaccination programmes advancing globally, we can start to see the beginning of the end of this terrible pandemic. My hope and expectation is that, during the course of this year, we all can start to return to a more normal way of life.

The last year has been one of the most difficult periods Barclays has faced. Our customers, clients, communities, colleagues and families, have all been through extraordinary challenges. And we faced challenges as a business too.

As I reflect on that, I want to once again thank our thousands of colleagues for the extraordinary commitment they have shown to Barclays.

I am incredibly proud of the way we stood tall during the crisis, delivering on the priorities we set for ourselves at the start of this pandemic.

We have tried to support our customers, clients and communities, particularly those that were most vulnerable to the impacts of COVID-19.

That support continues where our help is needed. This week, our Community Aid Package, the £100m foundation formed just last year, bought medical supplies for communities still facing real hardship in India.

We have also supported our employees, recognising the challenges they faced both on a personal and professional level.

Their commitment, and the resilience of our diversified business, meant we preserved our financial integrity as an institution and were able to stay profitable in every quarter of 2020.

Slide 3: Strong Q121 performance driven by continued robust CIB income and reduced impairment charges

We have carried that strong performance into the first quarter of this year.

Our Group Return on Tangible Equity was 14.7% in the first quarter, well above our target of 10%. Indeed, each of our major lines of business delivered a return on capital of greater than 10%.

Income for the Group was £5.9bn and Group profit before tax was £2.4bn.

We remain focused on costs and continue to apply discipline, while still investing in growth, achieving a cost to income ratio of 61% for the quarter.

And we remain strong in our capital position, with a CET1 ratio of 14.6%, well above our target of 13-14%.

The strength of our business allowed us to re-establish capital distributions, including a £700m share buyback that we completed earlier this month. We will be providing a further update on capital distributions in due course.

Slide 4: Diversified banking model provides resilience through economic cycles

Our performance continues to benefit from a business model, as a British universal bank, balanced between consumer and wholesale banking.

For example, 60% of Group income came from Banking, Markets and Corporate clients this quarter, partially offsetting the pandemic-related headwinds that affected our consumer businesses.

The Corporate and Investment Bank had another very strong quarter, achieving a Return on Tangible Equity of 17.9%. Income was basically in line with the historically strong performance of the CIB in the first quarter of last year. The Return on Tangible Equity for the Investment Bank was over 20%.

Geographically, roughly half of our income comes from outside the UK, while 69% of our income this quarter was non-interest income, continuing to position us well in the current low rate environment.

This income composition continues to show our British universal banking model working well. It has helped the Group deliver resilient overall performance.

Slide 5: Barclays is well positioned to monetise growth in capital markets activity

We remain focused on growing the business.

I have spoken before about our strategic advantage as one of the few banks competing at scale in the global capital markets. The global capital markets are growing as businesses and institutions increasingly turn to them for funding.

We are also accelerating our growth strategy in a number of key markets around the world, including in Australia with our investment in Barrenjoey Capital Partners, where I was delighted to see Matthew Grounds join the team as co-Executive Chairman.

Slide 6: Ambition to be a net zero bank by 2050

We remain focused on the sustainable impact of our business, and on meeting our ambition to be a net zero bank by 2050.

Only last week, we were pleased to join other banks in forming the Glasgow Financial Alliance for Net Zero, ahead of the COP 26 climate summit later this year.

As part of our commitment to aligning all of our financing to the goals of the Paris Agreement, we announced in November that we have started to apply our BlueTrack methodology to the Energy and Power sectors in our financing portfolio. This quarter we announced we are extending BlueTrack to include two further sub-sectors, Cement and Metals.

We are also actively helping clients with the transition to a low carbon economy. For example, we have recently advised National Grid on a series of large transactions which will significantly enhance their central role in the delivery of the UK's net zero targets.

Slide 7: Consumer spending recovered during Q121 while mortgage activity remained robust

As the global economy begins to emerge from the pandemic, I am optimistic about the trajectory for recovery.

We are seeing some positive signs in our Spend data, drawn from our UK consumer cards, and from merchant acquiring, which together tracks nearly 40% of all consumer transactions in the UK.

In addition to the improving Q1 trend, we saw a 72% uplift in the number of payments processed by businesses in the first two weeks of April, compared to last year. Encouragingly, spending in some of the hardest hit sectors, including hospitality and travel, is starting to pick up.

As consumer spending increases, we expect there will be growth in unsecured lending balances, though it will take time to rebuild interest-earning balances.

Mortgage growth also remains robust, with applications continuing at elevated levels through Q1 and pricing at attractive margins. We have grown the mortgage book by £3.6bn in the first quarter, one of the strongest quarters we've ever had.

Our Q1 impairment charge was lower than the previous quarter. This reflects lower balances but, more importantly, reduced stage 3 credit losses, which is a reflection of how we are managing risk. We are maintaining coverage ratios while we gauge the impact of government support measures being lifted in the second half of this year.

Slide 8: Growth opportunities underscored by strong partnerships

I am pleased that we have negotiated new opportunities that will position Barclays well, as the US and UK consumer recovery gathers pace.

In the US, our Consumer Bank has just signed a long-term partnership agreement with Gap Inc. to be the exclusive issuer of their co-branded and private label credit card programme, beginning in May 2022.

After the launch of our point-of-sale finance partnership with Amazon in Germany, we have now extended our partnership to the UK as well. This will grow our presence in e-commerce in two of the largest markets in Europe.

Our partnership with Amazon reflects our growing focus on payments. This is an area I think it is worth spending a few minutes talking about.

Slide 9: Payments represents a c.£900m income growth opportunity for Barclays over three years

Looking at our business by activity rather than division, Barclays' income now comes from one of three sources: lending; transacting; and payments.

Lending encompasses all the lending we do across Barclays UK, our Corporate Bank and Consumer Cards & Payments.

Transacting includes Markets and Banking revenues and income from deposits across the bank.

The third leg is Payments, which is a broad complex of activities carried out by multiple businesses across Barclays. These activities now account for 8% of the Group's total income or £1.7bn last year.

Taken as a whole, we believe our Payments complex can generate an additional c.£900m of income over the next three years.

That means we are targeting strong, double-digit growth across our payments franchise.

First is Unified payments, by which we mean supporting businesses of all sizes, from Corporates to SMEs, to make and take payments. It includes core payment areas such as merchant acquiring, gateway services and business-to-business card issuing.

The second is Next-generation commerce, including point of sale instalment financing with large corporations, as well as fee-based data and digital services that connect merchants and consumers together.

Third is Wholesale Payments fees, where we expect to grow annuity income streams with corporates in the UK and Europe.

And finally Interchange and FX fees, which we expect to grow as the economy recovers from the pandemic.

There are a number of reasons we believe we can realise these growth ambitions over the next three years.

Slide 10: Barclays has built significant new payment capabilities in an evolving landscape

The first is because we are already one of the most connected banks in the UK. We have a significant portfolio of the largest corporate clients in the UK, we have 1.1m small businesses in the UK, and we have millions of British consumers.

The second is because we are the only major bank-owned acquirer in the UK. While our UK peers have largely sold and partnered to provide their payments services, we have strengthened our commitment to our proprietary business, investing more than £500m in our payments capabilities.

Thanks to this investment, we have seen improvements in a number of areas, including our data and analytics capabilities as well as our capacity to on-board and serve our merchant customers. In 2019, we had a paper based on-boarding process and the quickest time to on-board customers was 14 days. We have reduced that to just two days, while the number of days until the first transaction is now five, down from 23 days in April last year.

Slide 11: Barclays Unified Payments

That said, we still have a long way to go. We must get more advanced digitally with the SME market to fully tap the economics of payments in this sector. Perhaps the most important investment Barclays will make in the next five years is to connect our small business banking and our merchant acquiring business, particularly as it relates to e-commerce.

Another reason we think we are well positioned to realise this growth is that we have made the strategic decision to integrate payments within our Business Banking and Corporate Banking businesses. Just as we offer integrated services like FX management through our Net FX platform, we are now able to offer a unified payments stack that gives customers a consolidated payments provider all in one place.

Slide 12: Digitisation of Commerce through Barclays Payments Ecosystem

Another exciting opportunity is in our work to reimagine the next generation of commerce services through an initiative we are calling Barclays Cubed.

We recognise that commerce in the digital economy has the power to be more than simply an online version of a traditional shopping transaction. We are beginning to use technology and data to better connect consumers with merchants, adding value to their transacting experience in a way a bank has never done before.

Let me give you just one example.

A merchant is able to connect with a consumer digitally by offering a discount via their Barclays mobile banking app. That consumer can then make a purchase on the merchant's website and, if they choose to, we can instantly approve them to pay for their shopping using instalments. Finally, the digital receipt and the loyalty points are automatically added to their Barclays wallet.

The merchant also benefits. Using our merchant acquiring and consumer data, we can share useful analytics and insight to guide marketing, bringing the merchant closer to their consumers.

We will have more to share on this in the coming months, but I am incredibly excited about the opportunities for Barclays in this area.

So in summary, let me say again how pleased I am with our performance this quarter.

Barclays remains well-positioned, with a strong balance sheet and competitive market positions across the Group, as well as encouraging prospects to grow our business and provide improved returns for shareholders.

As the economic recovery takes hold, we now have an opportunity to play our full part in supporting it.

With that, let me hand over to Tushar to take you through the quarterly numbers in more detail.

Slide 13: Tushar Morzaria, Barclays Group Finance Director

Thanks, Jes.

Slide 14: Q1 Group highlights

Our Q1 performance continued to demonstrate the benefit of our diversified business mix.

Income headwinds from the pandemic and low rate environment again affected our consumer businesses, but the CIB produced another strong performance.

The overall income decline of 6% was more than offset by the low impairment charge, which was down over £2bn year-on-year, resulting in a profit before tax of £2.4bn and a RoTE of 14.7%.

This has allowed us to continue to invest in our businesses, while also pursuing cost efficiencies, rather than cutting overall costs at a time when we should be investing.

The resulting cost:income ratio for the quarter was 61%.

I would stress that these are all statutory numbers, with litigation and conduct of just £33m.

TNAV decreased from 269p to 267p, reflecting 9.9p of EPS, offset by reserve movements, mainly the effects of the steepening yield curve and currency moves.

Our capital position remains strong, with a CET1 ratio of 14.6%. The reduction from full year reflects the expected Q1 effects we highlighted in February.

Last week we completed the £700m buyback announced with full year results, and this is already reflected in the Q1 capital ratio.

Given the average price paid in the buyback, this has been accretive to TNAV per share.

As you know, for regulatory capital purposes we are required to accrue a foreseeable dividend each quarter. For this quarter we have used a placeholder of 0.75p, equating to 3p for a full year dividend.

You shouldn't take this as a forecast, as the Board will consider the appropriate capital distributions and mix of dividend and buyback as we progress through the year, taking into account all relevant factors including share price evolution.

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

Slide 15: Ongoing strength in CIB income while consumer businesses continued to be impacted by the pandemic

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

Although income is down 6% overall, the consumer businesses, BUK and CCP, were down 8% and 22% respectively.

The CIB on the other hand was close to flat on last year's very strong Q1.

In terms of outlook, the CIB remains well positioned, despite the currency headwind.

However, conditions remain challenging for the consumer businesses.

There are signs of recovery in spending in recent weeks, as I referenced earlier, but unsecured balances have declined further, as we show on the next slide.

Slide 16: Unsecured lending remains subdued, while strong mortgage performance and the steeper yield curve are helpful

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

The BUK mortgage business had a record quarter for organic net balance growth, with a net increase of £3.6bn to reach a total of £151.9bn.

In unsecured, we've highlighted in the top chart the balance reductions in UK and US cards, which are the largest portfolios.

We would generally expect a seasonal reduction in Q1, but the extent of the reduction indicates the effect of further lockdown, and government support measures.

We are seeing signs of recovery in consumer spending in both the UK and the US, but given the increase in consumer savings through the pandemic, the build in interest-earning balances isn't expected to materialise until the latter part of the year.

The translation of recovery in card balances into income and profits will be affected by the so-called J-curve, as we invest in customer acquisition and card utilisation. This comes through both as contra-income, and in the cost line and there would also be some initial IFRS9 impairment provisioning as balances build.

On rates, I would remind you that the effect of a steepening yield curve on the structural hedge roll is gradual.

You can see in the chart on the top right the recent increase in the 5-year swap rate, but you can also see that the maturing hedges were put on at higher rates than current, so this remains a headwind, particularly for BUK.

So despite the steeper curve, we still expect a £300m to £400m headwind across the group on the gross hedge income in 2021 vs 2020.

Looking now at costs.

Slide 17: Costs increased 10%, with a 61% cost: income ratio

Costs were up 10% overall at £3.6bn, resulting in a 61% cost:income ratio.

The increase reflects higher variable compensation accruals in light of improvement in returns, and continued investment for growth, partially offset by efficiency savings and currency moves.

We expect costs in 2021 to be higher than 2020, including higher variable compensation and ongoing COVID-19 related expenses in 2021, plus further structural cost actions, with a review expected to be concluded in the coming months of real estate, particularly office space given evolving ways of working.

Moving to impairment.

Slide 18: Q121 impairment charge significantly reduced to £55m

As usual, we've shown the split of the charge for recent quarters, into Stage 1 plus Stage 2 impairment, mostly relating to balances which aren't past due, which I refer to as "book ups", and the Stage 3 impairment on loans in default.

As you can see, most of the elevated impairment in Q1 and Q2 last year was from book ups.

As you will recall we had an impairment charge of £4.8bn in total for the full year 2020, but increases in levels of default in wholesale or retail that might have been expected haven't materialised.

In fact, in the quarter we actually saw a decrease in defaults, as government support schemes, particularly in consumer, were extended, and we had no material single name wholesale loan charges.

As a result, we charged just £55m in Q1, with significant year-on-year reductions in each of the businesses.

This comprised Stage 3 impairment of £177m, well below previous quarters, largely offset by a credit on Stage 1 and Stage 2, driven by reductions in balances.

We've shown on the next slide the macroeconomic variables, or MEVs, we've used in the expected loss calculation.

Slide 19: Improved MEVs not reflected in Q121 ECL charge, with continued management adjustment for macro uncertainty

The MEVs used for the Q1 modelled impairment are shown on the left-hand side.

These are simply a roll forward of those we used at full year, but using the 2020 actuals as the updated baseline comparators.

Consensus forecasts have now started to improve and we've shown for comparison the current MEVs on the right.

If we were to re-run the models using these MEVs, this might generate roughly £0.5bn reduction in provisions, other things being equal.

On top of this, there remains significant uncertainty as to the level of default we'll experience as support schemes are wound down, for any particular set of MEVs that we input. Therefore, we also continue to hold significant post-model adjustments. These total £1.2bn net at the end of the quarter.

The charge of £55m, offset by write-offs in the quarter of just below £500m and other balance sheet movements, reduced our total impairment allowance from £9.4bn to £8.8bn.

However, given the reduction in balances, we have at least maintained our levels of coverage, as you see on the next slide.

Slide 20: Mar-21 coverage ratios on respective portfolios materially in line with Dec-20

Unsecured balances have come down significantly from £60bn to £43bn since the beginning of last year, including a £3.3bn reduction in Q1.

Despite the low Q1 impairment charge, coverage was roughly flat over the quarter at 12.2% and well above the 8.1% pre-pandemic level.

The wholesale coverage ended the quarter at 1.4%, close to the level at end-2020, again well up on the pre-pandemic level.

Coverage on home loans was maintained as the book grew by over £8bn since the start of last year.

Slide 21: Mar-21 unsecured lending coverage ratios materially in line with Dec-20

We've included this quarter the detailed slide on unsecured coverage across the major portfolios, as I wanted to highlight the prudent ratios.

For example, in UK cards coverage actually increased to 17.5%, well above pre-pandemic levels, and in US cards we maintained coverage at 14.3%.

Turning to Barclays UK.

Slide 22: Q121 Barclays UK

The headwinds we've referred to in previous quarters continued to affect BUK, with income down 8% year-on-year.

As I showed on the earlier slide unsecured balances reduced further in Q1, with card balances down to £9.9bn, a decline of 34% year-on-year.

This contrasts with Mortgage balances, which reached a record level of £151.9bn, with a net increase of £3.6bn in Q1. Pricing continues to be attractive, and Mortgages are a positive factor for Net Interest Income, albeit at lower NIM than for unsecured lending.

There was a significant year-on-year increase in business banking lending, principally reflecting Bounce Back Loans and CBILS.

In total BUK loan balances grew by £10bn year-on-year, to £206bn.

Deposit balances also continued to grow, resulting in a loan:deposit ratio of 88%.

The expected continued growth of mortgages, and slow recovery of unsecured balances in the UK will dilute the BUK NIM from the Q1 level of 254bps because of the mix effect; so our current full year outlook is now for a NIM in the 240-250bps range, a little better than indicated at full year results.

Costs were broadly flat year-on-year, as higher servicing and financial assistance costs, and the transfer of the partner finance business last year, were offset by efficiency savings.

Impairment for the quarter was £77m, reflecting reduced unsecured exposures.

Turning now to Barclays International.

Slide 23: Q121 Barclays International

BI income was down 5% year-on-year at £4.4bn, reflecting the strong performance in CIB, offset by lower income in CCP.

Impairment was a net release of £22m, compared to a charge of £1.6bn last year, resulting in a RoTE of 17.7%.

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

Slide 24: Q121 Barclays International: Corporate & Investment Bank

CIB Income was broadly flat on last year, at £3.6bn, despite the currency headwind, while impairment was a small release, compared to a charge of over £700m.

RoTE for the quarter was 17.9%, with costs up £200m, the increase being attributable to the variable compensation accrual, which reflects improved returns.

Although Markets income decreased 12% overall in sterling, or just 4% in dollars, Equities reported its best ever quarter, up 65% at over £900m, with strong performances across all business lines, and continuing growth in prime balances.

FICC decreased 35%, as an increase in Credit was more than offset by a reduction in Macro. This percentage decrease is by reference to a quarter which was up almost 100% on Q1 2019.

That delta in FICC also reflected our product mix, with lower activity and tighter spreads for flow products in Rates and Credit, areas of strength for us in Q1 last year, and our relatively low share in securitized products, which faced a challenging market in Q1 last year, but good conditions this quarter.

Banking fees were up 35% year-on-year and at a record level, with Equity Capital Markets increasing nearly fourfold, and growth also in Debt Capital Markets and Advisory, and the pipeline is looking strong.

Corporate lending income of £206m wasn't distorted by the volatile mark-to-market moves we had in Q1 last year, around the £200m run rate I've referenced in the past. But we continue to see limited demand for corporate lending, following the drawdown and then repayment of revolving credit facilities in the course of last year.

Transaction banking income was down year-on-year but up on Q4, at £393m.

The increase in CIB costs was largely attributable to the variable compensation accrual, with the cost to income ratio increasing from 47% to 53%.

Turning now to Consumer Cards & Payments.

Slide 25: Q121 Barclays International: Consumer, Cards & Payments

Income in CCP was down 22%, reflecting reduced payments activity, and lower US card balances. These were down 22% year-on-year in dollar terms, including a further 8% reduction in Q1, slightly more than the usual Q1 seasonality, as we continued to see elevated repayment levels, especially in late March.

Costs were up 8%, including an increase in litigation & conduct, resulting in a 71% cost:income ratio.

Impairment was just £21m, well down on last year, reflecting reduced balances.

The low impairment resulted in a RoTE for the quarter of 16.5%.

Looking forward, as Jes mentioned, we are seeing some signs of spending recovery, but the timing of recovery in interest-earning balances remains uncertain.

With the addition of the Gap portfolio in the first half of next year and development of other new partnerships, the prospects for the US cards business are good, but it will take time 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 26: Q121 Head Office

The Head Office loss before tax was £32m, after a one-off of £123m positive in the other net income line.

The negative income of £75m was in line with the quarterly run rate I guided to at full year.

Q1 costs of £80m were a little above the run rate I've referenced before of £50-60m, but now include litigation and conduct.

The Other Net Income of £123m is mainly a fair value gain in our investment (along with peers) in the Business Growth Fund.

Moving onto capital.

Slide 27: CET1 ratio decreased 50bps QoQ

The CET1 ratio reduced from the year end level of 15.1%, as we trailed at the time of the full year results, and ended the quarter at 14.6%, still well above our target range of 13-14%.

Of this reduction, 46bps was from the regulatory changes on 1 January and the share buyback.

The normal Q1 seasonal RWA growth and other headwinds broadly offset the capital generation from profits.

The seasonal increase in the CIB took RWAs to £313bn at the end of the quarter.

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

Slide 28: CET1 ratio flightpath to target range of 13-14%

As I mentioned, the £700m buyback is already reflected in the Q1 ratio.

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

We're expecting the software benefit which increased the ratio in Q4 to be reversed at some point this year by the PRA, potentially at Q2, and that is expected to be a reversal of c.40bps.

This year's pension deficit reduction contributions are scheduled for Q2 and Q3, each with an effect of a little over 10bps, before tax. You'll recall that the updated funding deficit as at September 2020 was £0.9bn.

These factors will reduce the 14.6% ratio in Q2 by around 50bps, and we have sufficient headroom above our target range of 13-14% to tactically deploy capital to the businesses, if we feel market conditions are right.

Our MDA hurdle is currently 11.1%, and we've included the usual slide in the appendix showing how that is calculated.

We've also shown here some regulatory changes that come in next year on counterparty credit risk and mortgages.

The two additional elements that are most difficult to forecast remain the migration of impairment into Stage 3 defaulted balances, which will not qualify for transitional relief, and potential procyclicality which could inflate RWAs.

These didn't materialise during 2020 in the way we had expected, and recent developments suggest less impact than we had expected, but we may see some effect from credit migration during 2021, or in 2022.

We are confident that the balance of these elements will leave us with net capital generation to support attractive distributions over time to shareholders, and be comfortable in our CET1 target range.

Both spot and average leverage ratios were around 5%, reflecting the usual seasonal reduction in Q1.

Finally, a slide about our liquidity and funding.

Slide 29: High quality and conservatively positioned liquidity and funding position

We remain highly liquid and well-funded, with a Liquidity Coverage Ratio of 161% and Loan:Deposit Ratio of 69%, reflecting the continued growth in deposits.

Slide 30: Outlook: Barclays continues to benefit from diversification

So, to re-cap.

We have generated a 14.7% statutory RoTE for the quarter, despite the continuing effects of the COVID pandemic on income in the consumer businesses.

The CIB income was very close to last year's record level, and impairment was down by over £2bn.

This allowed us to continue our cost investments in our franchises, as we feel this is the right time in the cycle to invest.

I've summarised on this slide the various comments on the outlook we've made.

While the income outlook for the consumer businesses remains challenging despite early signs of economic recovery, the CIB is well placed through 2021 and beyond.

We've seen lower defaults in Q1, while maintaining coverage levels, and expect a materially lower impairment charge in 2021 than in 2020.

Although costs in 2021 are expected to be higher than in 2020, including the results of our real estate review, overall we are confident of delivering a meaningful improvement year-on-year in RoTE.

In April we completed the £700m buyback announced in February, and capital remains strong at 14.6%.

We expect some further dilution in this ratio in Q2, but expect to be in a good position to pay attractive capital distributions to shareholders over time.

Thank you, and we will now take your questions, 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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- 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, and the non-binding indicative 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 as a result of the finalisation of international and European MREL/TLAC requirements. The Bank of England is currently conducting an MREL review, which may drive a different 1 January 2022 MREL requirement than currently proposed. 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 government and other stakeholders to 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 cyber-attacks, information or security breaches or technology failures on the Group's 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 our filings with the SEC (including, without limitation, our Annual Report on Form 20-F for the fiscal year ended 31 December 2020), which are available on the SEC's website at www.sec.gov. Subject to our 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.