



NEWS RELEASE

Nov 26, 2021

R&I Upgrades Ratings: Barclays PLC & Subsidiaries

Rating and Investment Information, Inc. (R&I) has announced the following:

- ISSUER: Barclays PLC**
Issuer Rating: A, Previously A-
Rating Outlook: Stable
- ISSUER: Barclays Bank PLC**
Issuer Rating: A+, Previously A
Rating Outlook: Stable
- ISSUER: Barclays Securities Japan Ltd.**
Issuer Rating: A+, Previously A
Rating Outlook: Stable

RATIONALE:

Barclays PLC

Barclays Bank PLC

The Barclays Group is one of the four leading banking groups in the U.K. The conclusion of the agreement between the U.K. and the European Union (EU) diminished a concern about the possibility of a disorderly Brexit causing an economic downturn. The U.K. economy is on a path to recovery from the COVID-19-induced contraction. R&I reviewed its evaluation of the Group's risk resilience due to the improved prospects for earnings and asset quality. There is no problem with liquidity. Given these factors, R&I has upgraded the Issuer Rating for Barclays PLC to A from A- and that for Barclays Bank PLC to A+ from A.

Barclays Bank PLC is a core bank of the Barclays Group and the Group's non-ring-fenced bank under the ring-fencing regulation. Based mainly on the bank's strategic importance for the Group, the rating for Barclays Bank PLC directly reflects the creditworthiness of the entire group. In light of what R&I considers as inherent structural subordination of holding companies and other factors, the rating for Barclays PLC is one notch below the rating for Barclays Bank PLC.

The Group's revenues for the nine months ended September 2021 declined from the same period a year earlier. Its profit before tax almost tripled, benefiting from a net credit impairment release. The cost to income ratio for 2020 improved from the 70% range to the 60% range, which is a sound level. With base costs for 2021 expected to stay flat from end-2020, the Group targets a cost to income ratio of below 60% over the medium term.

In U.K. retail banking, mortgages were strong, while revenues from credit cards and personal loans have not fully recovered from declines caused by the COVID-19 pandemic. Eyes are on whether credit card and personal loan balances will recover following the resumption of economic activity.

The Group's Corporate and Investment Bank (CIB) achieved historically high revenues in 2020 and continued to perform well in the nine months ended September 2021. Revenues were boosted by strong customer transactions in the capital markets on the back of accommodative monetary policies in the U.S. and the EU. R&I will pay attention to the impact of developments in monetary policies on CIB.

Thanks to improvements to the economic outlook, the Group's loan loss rate for the nine months ended September 2021 fell significantly from the same period a year earlier and a net release was recorded. With the U.K. government's support measures being withdrawn, asset quality could deteriorate. In consideration of economic uncertainty, management posts impairment allowances conservatively.

■Contact : Sales and Marketing Division, Customer Service Dept. TEL. +81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL. +81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

©Rating and Investment Information, Inc.

The Group has risk resilience commensurate with the rating. As of end-September 2021, the common equity tier 1 (CET1) ratio was 15.4% on an IFRS 9 transitional basis. Although the capital deduction for software assets, amortisation of IFRS 9 transitional relief, and regulatory changes to the standard approach for counterparty credit risk (SA-CCR) will likely reduce the CET1 ratio by approximately 75 basis points, the Group is expected to maintain its target range of 13-14%.

At end-September 2021, the Group's loan to deposit ratio was 69%, broadly flat compared with a year earlier. This represents a 13 percentage point decrease from end-2019 and is attributable mainly to the growth of deposits that exceeded that of lending. The liquidity coverage ratio is high at 161%. Liquidity concern is small.

Barclays Securities Japan Ltd.

Barclays Securities Japan Ltd. is the Barclays Group's securities company in Japan. It is an indirect wholly-owned subsidiary of Barclays Bank PLC and engages in investment banking operations, one of the Group's main businesses. Because of its importance for the Group's business strategy and other factors, the rating for Barclays Securities Japan is the same as that for Barclays Bank PLC, which reflects the creditworthiness of the entire group. Following the upgrade of the Issuer Rating for Barclays Bank PLC to A+ from A, R&I has upgraded the Issuer Rating for Barclays Securities Japan to A+ from A.

The primary rating methodologies applied to this rating are provided at "R&I's Basic Methodology for Corporate Credit Ratings", "Shared Rating Approach for Financial Institutions, etc.", "Depository Financial Institutions", "Securities Firms", "R&I's Analytical Approach to Financial Groups" and "R&I's Analytical Approach to Regulatory Capital Instruments and Financial Institutions". The methodologies are available at the web site listed below, together with other rating methodologies that are taken into consideration when assigning the rating.

https://www.r-i.co.jp/en/rating/about/rating_method.html

R&I RATINGS:

ISSUER:	Barclays PLC
	Issuer Rating
RATING:	A, Previously A-
RATING OUTLOOK:	Stable

Japanese Yen Callable Bonds	Issue Date	Maturity Date	Issue Amount (mn)
No.1	Sep 25, 2018	Sep 25, 2024	JPY 130,500
RATING:	A, Previously A-		

Japanese Yen Callable Bonds	Issue Date	Maturity Date	Issue Amount (mn)
No.2	Sep 25, 2018	Sep 25, 2028	JPY 17,100
RATING:	A, Previously A-		

JPY Senior Callable Notes due	Issue Date	Maturity Date	Issue Amount (mn)
9 June 2027	Jun 09, 2021	Jun 09, 2027	JPY 67,000
RATING:	A, Previously A-		

JPY Senior Callable Notes due	Issue Date	Maturity Date	Issue Amount (mn)
9 June 2031	Jun 09, 2021	Jun 09, 2031	JPY 10,000
RATING:	A, Previously A-		

■Contact : Sales and Marketing Division, Customer Service Dept. TEL. +81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
 ■Media Contact : Corporate Planning Division (Public Relations) TEL. +81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

©Rating and Investment Information, Inc.



NEWS RELEASE

ISSUER: Barclays Bank PLC
Issuer Rating
RATING: A+, Previously A
RATING OUTLOOK: Stable

ISSUER: Barclays Securities Japan Ltd.
Issuer Rating
RATING: A+, Previously A
RATING OUTLOOK: Stable

■Contact : Sales and Marketing Division, Customer Service Dept. TEL. +81-(0)3-6273-7471 E-mail. infodept@r-i.co.jp
■Media Contact : Corporate Planning Division (Public Relations) TEL. +81-(0)3-6273-7273

Rating and Investment Information, Inc. TERRACE SQUARE, 3-22 Kanda Nishikicho, Chiyoda-ku, Tokyo 101-0054, Japan <https://www.r-i.co.jp>

Credit ratings are R&I's opinions on an issuer's general capacity to fulfill its financial obligations and the certainty of the fulfillment of its individual obligations as promised (creditworthiness) and are not statements of fact. Further, R&I does not state its opinions about any risks other than credit risk, give advice regarding investment decisions or financial matters, or endorse the merits of any investment. R&I does not undertake any independent verification of the accuracy or other aspects of the related information when issuing a credit rating and makes no related representations or warranties. R&I is not liable in any way for any damage arising in relation to credit ratings (including amendment or withdrawal thereof). As a general rule, R&I issues a credit rating for a fee paid by the issuer. For details, please refer to <https://www.r-i.co.jp/en/docs/policy/site.html>.

©Rating and Investment Information, Inc.