5 May 2021

Barclays PLC

AGM Statements

Chairman's 2021 AGM statement

Good morning. This is my second Annual General Meeting and I can tell you that I am as disappointed as you are that we are not able to meet in person. Whereas last year we had less time to re-plan, this year we have been able to set things up so that we have a so-called hybrid annual general meeting, with all of the Board in attendance - some here in person - and shareholders able to join remotely, submit live questions as well as questions in advance and vote in real time using the online platform.

We hope that the successful medical fightback against Covid continues and that we are able to meet in person next year.

You will hear shortly from Jes, who is going to cover in some detail the Barclays response to the pandemic. He will talk about how we have sought to help customers and clients respond to the economic situation into which we were all thrown early last year. He will also describe the resilience of the bank, financially and operationally, and the way in which we have navigated the crisis so as to be able to post reasonable results for 2020. We are also starting to look beyond the crisis and Jes will talk about the four or five priority investment areas for the future.

We are very pleased to have ended the year with a core capital ratio of over 15% as well as being able to start paying dividends again. We have completed our £700m buyback and, as you will have seen from last Friday's announcement, 2021 has started well with every division reporting a return on tangible equity in double digits. There is still much uncertainty but it is heartening to see both good results and the benefits of the group's diversified strategy paying off.

I will not duplicate anymore with Jes' comments, but I would like to cover one topic which is certainly on Jes' mind, and that is to thank the 85,000 colleagues at Barclays who have stood together and performed so resiliently over the last year. This has been a tough time for many, often personally, and we take off our hats to all of them, whether they have been coming into a branch or office or working from home. A big thank you.

Before handing over to Jes, can I touch on some of the bigger societal matters which concern the bank and its people, perhaps more profoundly than is sometimes understood.

The bank has reset its purpose this year to "We deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term." Purpose statements are cheap. What is harder to deliver is to make sure that one really thinks about purpose before taking decisions, large or small. We are now on a very open journey internally to bring purpose to life. We will be helped by the fact that the fantastic group of people we work with naturally get our purpose. The job of the management and the Board is to make sure that the organisation facilitates and accelerates this journey and that shareholders understand what we are doing, including the relevant short term challenges and costs. Over time, we are totally convinced that there is no clash between purpose and taking into account the interests of stakeholders, on the one hand, and the generation of long-term value, on the other.

Let me take the environment. A year ago we recognised that the bank was not in a very good place here and we committed to aligning our financing portfolio to the goals of the Paris Agreement, with an ambition to becoming net zero by 2050, with which I'm sure most of you are familiar. You provided overwhelming support for this when voting in favour of the resolution we proposed at last year's AGM. We know that we have to do more and go further, in two respects. First we have to deliver – extend our approach to other sectors, collect more data and report the outcomes as we reduce the impact of our financing activity on the planet, whether in total carbon emissions or carbon efficiency. Secondly, we need to lift the bar higher with some regularity. With that in mind, I can tell you now that we plan to come back to shareholders next year with a so-called Say on Climate advisory vote on our approach and progress including additional targets and sectors, and updated policies for important parts of the fossil fuel landscape. We are aware that there are a range of views on the approach to Say on Climate advisory votes, so we will develop our approach on the back of proactive consultation with shareholders and other stakeholders later on this year. We know that not everybody believes we are committed to delivering on this, so we need to make sure that our commitments, policies, and our reporting data are sufficiently robust to refute that doubt.

We will also, as I said in my letter to shareholders in the Annual Report, be paying more attention to the S in ESG. Like many businesses we have to do, and will do, more to embrace diversity and eliminate discrimination. Our retail customer work is, I can assure you, conducted by people who feel passionately about the well-being of those customers, the more so if they are in distress, financial or otherwise. We don't always get things right, but we seek to do ever better. At the heart of our response is a project which we call Mindset. The organisation revealed a capacity for speed, efficiency, and I hope empathy, in response to the crisis, that was remarkable. We proved that this capacity is already a part of our DNA, and that we can make it a part of how we serve customers, every day.

Please take these few words as a description of where we want to get to. Perhaps you never completely get there – whether on climate or diversity and inclusion – there is always more that can be done. However, I'm convinced that with this leadership team and the great colleagues around the world that Barclays will continue to do better for the communities which it serves and that that will underpin its success and value in the future.

I'll now hand over to Jes.

Chief Executive's 2021 AGM statement

Good morning everyone, and welcome to our Annual General Meeting.

I am sorry we are once again prevented from meeting in person. I know you will appreciate that the current circumstances mean a physical AGM is impossible.

We have nevertheless worked hard to offer up our hybrid format and, regardless of whether you are joining us in person or digitally, you should feel confident you can put forward your views and have them recorded and responded to appropriately.

When we met last year, the COVID-19 pandemic was only just beginning.

The crisis has caused huge economic harm and uncertainty, and brought a lot of hardship and stress for millions of people. It has also brought tragedy to many families, including among friends and colleagues at Barclays. In common with other companies, it has tested our resilience as a business and our values as a corporate citizen.

Hopefully, with vaccination programmes advancing globally, we can now start to see the beginning of the end of this terrible pandemic. During the course of this year, I am hopeful we can start to return to a more normal way of life.

As I reflect on the last year, I remain incredibly proud of the way Barclays stood tall during the crisis, delivering on the priorities we set for ourselves at the start of the pandemic.

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

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

And we have preserved our financial integrity as an institution, staying profitable in every quarter of 2020 and carrying that performance into a record first quarter of this year.

I want to take a moment to recognise the work of our colleagues in particular.

From our branches, to our trading floors, to our call centres, thousands of Barclays' staff continued to go into the office, while many thousands more had to adapt quickly to remote working in order to keep Barclays delivering for its stakeholders.

For those who were unable to work during the pandemic, I am pleased we were able to pay people in full, as well as offer financial support for things like childcare and self-quarantine.

Our colleagues were the driving force that enabled us to play our part in containing the damage that this terrible disease has caused. Thanks to them, Barclays made a real difference in a lot of lives at a time when it was sorely needed.

Over the course of the year, we provided over 680,000 payment holidays to our customers, waived around £100 million in interest and overdraft fees and committed a further £100 million to charities supporting the most vulnerable through our Community Aid Package.

That support continues where our help is needed, most recently with a £1m donation to charity partners in India to buy medical supplies for communities still facing real hardship there.

We also helped our clients raise £1.5 trillion in the global capital markets in the last three quarters of last year, and we have extended close to £30 billion to British companies through the UK Government lending schemes. In many cases, that meant businesses were able to keep working and employing people throughout the crisis.

Through a difficult year, I am pleased at how resilient our performance proved.

Our decisions to help vulnerable customers and clients, to protect jobs for our employees and to build in exceptionally strong impairment reserves, all meant that our overall profitability in 2020 was lower than we would like. Group profit before tax for the Full Year was £3.1bn, with a Group Return on Tangible Equity of 3.2%, including 9.5% for our Corporate and Investment Bank.

We are now starting to see profitability improve significantly.

We delivered well beyond our RoTE target of greater than 10% in Q1, with a Group Return on Tangible Equity of close to 15%. Indeed, all three of our major lines of business delivered a Return on Tangible Equity that was greater than 10%, which is a level of profitability the bank has not had in over a decade.

We also remain focused on costs, applying good discipline over the course of the year, while still investing in growth. Our 2020 cost to income ratio was 64%, and was 61% in the first quarter of this year. We continue to target a Group cost to income ratio of below 60% over time.

We also remain in a strong capital position, with a CET1 ratio of 14.6%. We anticipate some capital headwinds in 2021, but we nevertheless remain significantly above our CET1 ratio target of between 13 and 14% and well above our minimum regulatory requirement, with £8.8bn of provisions set aside for impairments.

I am pleased that the strength of our business has allowed us to re-establish capital distributions, with the Board approving a total payout equivalent to 5p per share in February 2021, comprising a 1p per share 2020 full year dividend and a £700m share buyback, which completed in April. We will be providing a further update on capital distributions in due course.

Over the year, our performance has benefitted significantly from our business model as a British universal bank. This gives us balance between consumer banking and wholesale banking.

Our consumer businesses felt the impact of the pandemic most acutely, with Barclays UK income down 14% last year and Consumer Cards and Payments down 22% primarily caused by lower credit card balances.

At the same time, in our wholesale business, Corporate and Investment Banking income was up 22%, driven by Markets and Banking delivering standout income performances, up 45% and 8% respectively in 2020.

That left Barclays International up 8% overall, stabilising Group income at a time of stress and helping us deliver resilient performance through a difficult macroeconomic cycle.

We have carried the benefits of this diversification into the first quarter of this year. The Corporate and Investment Bank had another strong quarter, achieving a Return on Tangible Equity of roughly 18%.

Geographically, almost half of our income now comes from outside the UK, while well over half is 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.

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

Last month, 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 2020 that we have started to apply our BlueTrack methodology to the Energy and Power sectors in our financing portfolio. In March, we announced we are extending BlueTrack to include two further sub-sectors, Cement and Metals, and we will continue to add sectors in this way until our entire portfolio is covered.

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 that will significantly enhance their central role in the delivery of the UK's net zero targets.

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 the same time 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 to stay at elevated levels throughout Q1 and pricing at attractive margins. We have grown the mortgage book by £3.6bn in the first quarter, one of the strongest quarters ever.

Looking ahead, I am also optimistic about our prospects to grow our company, strengthen our existing diversification and deliver more to shareholders.

We have clear strategic growth priorities.

First, we will continue to invest in our role as a major participant in the global capital markets that drive the world's economic growth. These markets are themselves growing as businesses and institutions increasingly turn to them for funding. Barclays is now the only British global investment bank with a leading presence in both the US and UK, competing at scale as many of our European competitors pull away. We want to build from this position, increasing our market share in debt and equity underwriting.

Second, we want to accelerate the geographic roll out of Barclays' commercial banking expertise, adding to our historic strength in the UK by targeting expansion in mainland Europe and the US. In doing so, we will help companies around the world manage their core financial needs, from liquidity management, to payments processing, to trade finance.

Third, we will invest in the expansion of our wealth management business in the UK. Central to this is the extension of access to our investment platform and advice services to eligible banking customers. We should be a major provider to hundreds of thousands more UK consumers as they plan for the future and invest in more attractive returning assets.

And finally, we are investing in our consumer banking and payments businesses. Looking at our business by activity rather than division, Barclays' income now comes from one of three sources: Lending; Transacting; and Payments. That third leg, Payments, now accounts for some 8% of the Group's total income or £1.7bn last year. Taken as a whole, we believe payments can generate an additional £900m of income over the next three years.

We also know there are parts of our business that face long-term strategic challenges.

Beyond the immediate impacts of the pandemic, UK retail banking continues to operate in a near-zero interest rate environment, with lower charges for services and many core banking provisions available for free. Barclays UK has a strong position in the market and returning it to sustainable profitability is a priority.

Specifically, we need to deliver a better, more digital bank for consumers and small businesses; we need to continue to focus on running the business efficiently; and we need to increase our commercial engagement with customers.

But we shouldn't forget that Barclays UK is a business that, in the relatively benign circumstances of the decade prior to 2020, regularly produced RoTEs averaging in the high teens. It remains a very good business, with strong fundamentals, and I expect to see performance improve markedly as the economy returns to normal.

So in summary, let me say again how pleased I am with our performance over the past year.

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, I believe we are well-placed for the future.

At the same time, I am proud to be able to say that Barclays did the right thing throughout the pandemic. This crisis is not over, but it is my view that we did much to live up to our 330-year heritage in the way we supported our communities throughout the pandemic. Now, as the economic recovery takes hold, we have an opportunity to play our full part in supporting the recovery.

Thank you.

– ENDS –

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About Barclays

Barclays is a British universal bank. We are diversified by business, by different types of customer and client, and geography. Our businesses include consumer banking and payments operations around the world, as well as a top-tier, full service, global corporate and investment bank, all of which are supported by our service company which provides technology, operations and functional services across the Group. For further information about Barclays, please visit our website home.barclays

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.