

Working together to help people rise

Our business model enables us to leverage resource and relationships to produce long-term sustainable outputs for our stakeholders. These outputs provide combined value for our stakeholders, helping people to rise.

We believe our diversified business model through business line, geography and customer, helps enhance our resilience to changes in the external environment, and captures the benefits of diversification through the efficient delivery of cross-group synergies and funding.

Barclays operates via two clearly defined divisions – Barclays UK and Barclays International, supported by BX.

Barclays UK is a personal and business banking franchise with true scale, built around our customers’ needs with innovation at its core. It comprises our UK retail banking operations, our UK consumer credit cards business, our UK-based wealth offering, and banking for smaller businesses.

Barclays International is a diversified transatlantic business comprising our corporate banking franchise, which is market leading in the UK with strong international growth opportunities, our top-tier investment bank, a strong and growing US and international cards business, our international wealth offering, and leading payments capability through both corporate banking and the Barclaycard merchant acquiring expertise. Barclays International has scale in wholesale banking and consumer lending, strength in our key markets, excellent growth potential, and good balance in its revenue streams, delivering further resilience and diversification.

BX provides state of the art, simple, efficient, innovative and secure operation and technology services which deliver customer and shareholder value. BX achieves this by building world-wide connectivity, standardising services, creating synergies and cost efficiencies, fostering innovation, leveraging technology Group-wide and ensuring resilience and security. It also builds trust through ensuring resilience and security, whilst creating capacity for investment.

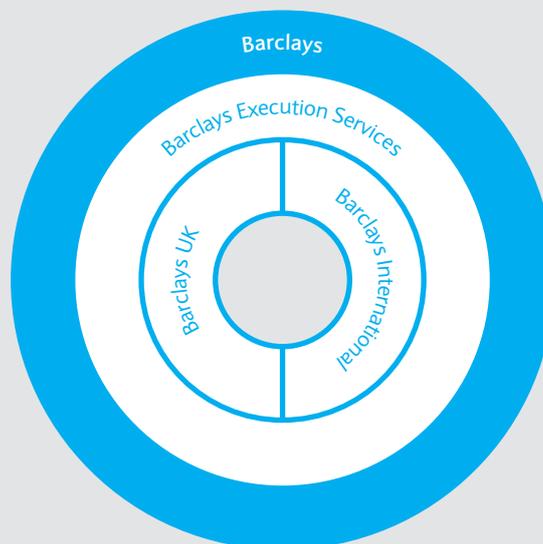
For further information on our divisions, see:

[+ Barclays UK see pages 30 to 33](#)

[+ Barclays International see pages 34 to 37](#)

[+ Barclays Execution Services see pages 38 to 39](#)

Resource and relationships



We draw on the following to support our activities and deliver value to our stakeholders:

- the strength and reputation of our brand – serving customers and clients for over 328 years
- a strong, well-funded and diversified balance sheet
- customer and client trust and depth of relationships
- our geographic focus: firmly anchored in the two financial centres of London and New York, with global reach
- a track record of successfully innovating for customers and clients
- the skills and expertise of our people and our shared values which inform the way we work and how we act.

We aim to provide superior services to help customers and clients create, grow and protect wealth in a sustainable way:

Barclays’ customers and clients include: individuals, small and medium-sized businesses, large corporates and multi-national companies; financial institutions and banks; institutional investors, funds, sovereign institutions and governments.

We offer:

- a safe place to save, invest and manage cash and payments
- funding for purchases and growth
- management of business and financial risks
- financial and business support
- innovative digital and technology capabilities.

Outputs



Financial

- Group Return on Tangible Equity (RoTE) of greater than 9% in 2019 and greater than 10% in 2020, excluding litigation and conduct, and based on a CET1 ratio of c.13%.
- CET1 ratio of c.13%.
- Group costs, excluding litigation and conduct, of £13.6–13.9bn in 2019, and a target cost: income ratio below 60% over time.

Non-financial

- Building trust with our customers and clients.
- Successfully innovating and developing products.
- Providing accessible products and services.
- Fostering a diverse and inclusive workforce.
- Motivating engaged and enabled colleagues.
- Enabling a positive conduct and a values-based environment.
- Making decisions and doing business that provides our stakeholders with access to a prosperous future.
- Proactively manage the environmental and societal impacts of our business.

[+](#) See pages 44 to 46 for our non-financial information statement

Value created



Company

- We support our stakeholders via a commercially successful business that generates long-term sustainable returns.
- We work together with regulators to help reduce risk in the industry and provide a more sustainable banking landscape over the long term.



Customers and clients

- We offer superior service through a broad range of products to enable customers and clients to achieve their goals, and engaging with customers and clients in the way they want to engage with us.
- We develop strong relationships with customers and clients built on trust.



Colleagues

- We help our people have challenging and fulfilling careers in a values-driven organisation.
- We help our colleagues develop themselves and empower them to work in a way that suits their lives and supports our business.



Citizenship

- We deliver financing solutions in social and environmental sectors, and enable access to financial and digital empowerment for individuals and companies.
- We help provide employment and growth in the economies in which we operate.
- We engage with governments and society to address societal issues and needs.

[+](#) See pages 18 to 27 for further insights

Engaging stakeholders for feedback and direction

Barclays aims to create value for all of our stakeholders, balanced across both the short and the long term. We engage with our stakeholders to better inform them of our activities to create mutually supportive opportunities and outcomes for them.

At Barclays, stakeholder engagement is key to ensure responsible balanced decisions are made. We provide opportunity for engagement through the year via different forums and channels to help shape the direction of our business, aligned to stakeholders needs and expectations.

Through engagement, we aim to build trust and confidence, promote participation and influence, identify and promote robust risk management, and ultimately make decisions with shared benefits for our stakeholders.

By having an open and frequent dialogue across stakeholders, we have developed a clearer understanding of stakeholder requirements and ambitions and how we can best address these needs.

Our performance measures build on our stakeholder engagement

Our performance measurement framework builds on our stakeholder engagement to align Barclays performance to their ambitions.

We reflect a balance of key financial performance metrics and broader strategic non-financial measures which focus on the impact we have on our customers and clients, colleagues, and the benefit we bring to society via our citizenship activity. These measures are underpinned by how we behave towards all our stakeholders, through our conduct and our culture.

To assess our performance we use a number of sources including dashboards of our performance metrics and measures, regular management reporting and external measures to provide a balanced review of performance during the year, while additionally monitoring for emerging trends.

Performance against our financial metrics and strategic non-financial performance measures is directly linked to executive remuneration, and influences incentive outcomes for Barclays' employees more broadly. This approach supports us in our work to deliver positive outcomes for all our stakeholders.

Please refer to the Remuneration report on pages 99 to 127 of the Barclays PLC Annual Report 2018 for further information.

The following pages detail the performance of the Group for 2018.

What is our ambition for our stakeholders?



Company

Achieving our targets is consistent with our aim of generating long-term sustainable returns for the shareholders:

- Group return on tangible equity* >9% in 2019 >10% in 2020
- CET1 ratio at c.13%
- Group costs guidance of £13.6–£13.9bn in 2019†. Targeting cost: income ratio below 60% over time

* Excluding litigation and conduct, and based on a CET1 ratio of c.13%

† Excluding litigation and conduct



Customers and clients

- Building trust with our customers and clients, such that they are happy to recommend us to others.
- Successfully innovating and developing products and services that meet their needs.
- Offering suitable products and services in an accessible way, ensuring excellent customer and client experience.



Colleagues

Promoting and maintaining:

- a diverse and inclusive workforce in which colleagues of all backgrounds are treated equally and have the opportunity to be successful and achieve their potential
- engaged and enabled colleagues
- a positive conduct and values-based environment.



Citizenship

- Making decisions and doing business that provides our clients, customers, shareholders, colleagues and the communities which we serve with access to a prosperous and sustainable future.
- Proactively managing the environmental and societal impacts of our business.

➕ See pages 18 to 27 of this report for further insights

How did we engage them?

We engaged with our shareholders and stakeholders at our AGM in May 2018, with the Board providing a review of the performance of the Group, and providing opportunity for interaction and shareholder voting on resolutions.

We held conference calls or webcasts for our quarterly results briefings and an in-person presentation for our 2017 full year results in February 2018, all hosted by the Group Chief Executive and Group Finance Director.

We have an open and regular engagement with our regulators, ensuring clarity and transparency, and sharing views and expectations of Barclays.

What were the key topics raised?

Discussions included, but were not limited to:

- improved operating performance of the Group in the first year post-restructuring
- continued digitisation of the bank
- ongoing investment in technology
- value being created by Barclays Execution Services in improving the mix and efficiency of our cost base.

Investors also discussed topics including the strategy, prudent risk management and steps taken to mitigate the potential impact from the uncertainty surrounding Brexit, as well as climate change and ESG factors.

How did we respond?

- We placed greater emphasis on regular new and existing shareholder engagement with a broader range of divisional management presenting to investors, deepening understanding of Barclays' investment case, and promoting greater awareness and understanding of our operating businesses.
- We published our Environment and Climate Change Statement to clarify our position and commitment to supporting the transition to less carbon intensive sources of energy.
- These actions help promote dialogue on longer-term strategic developments in addition to recent financial performance of the Group.

Our front-line colleagues are integral in engaging with our customers and clients, and we gain invaluable insight to how our customers feel about our service and what we could do better. By continually monitoring customer feedback, we aim to understand what features customers really want and need, as well as any frustration they may be feeling, which we can work to either develop or rectify.

In developing our propositions, we look to take a customer-centric approach and put customers and clients at the heart of the process to understand what they really need and would value and build our products and services accordingly.

- Innovation to meet our customer's rapidly evolving needs and expectations. As competition intensifies, with new FinTech and challengers entering the market, the pace of change is faster than ever and we continue to invest to meet this challenge.
- The complaints we receive help us identify areas in our business which need to be improved. Including processes and services we deliver, through to the underlying policies.
- For our business banking clients, managing cash flow and raising capital for growth are two key challenges they face, especially for those without premises to offer for a secured loan.

- We will look to improve customer experience by: accelerating automation; building value and image perceptions; and delivering strong customer outcomes to grow relationships.
- Accessibility – new services were launched including: the ability for deaf customers to contact us by telephone with the assistance of a third-party interpreter, online support page for people experiencing mental health concerns, and a wide-range of considerations for older customers including fraud and scams awareness and accessible banking services.

During the year, we engaged with our people through a number of forums and channels, to gather thoughts, opinions and feedback on how we are doing, with the opportunity to ask questions directly to our senior leadership teams. These include the annual Employee Opinion Survey supported by quarterly 'pulse checks', local colleague forums, town halls, and 'skip-level' meetings where senior leaders meet with small groups of employees not in their direct management. More recently we have seen an uptake in reverse mentoring sessions with senior leaders being mentored by more junior colleagues.

- The ability to work flexibly continues to be key to unlocking colleague engagement (colleague engagement of those who work dynamically is up four percentage points on overall engagement score in 2018).
- Scores on enablement, e.g. tools to do the job have been historically low and continue to be a key area of focus. However, there has been an improvement year on year, highlighting that our continued investment is having an impact.

- Continued focus on dynamic working: We published a white paper on Dynamic Working to help other organisations understand the benefits.
- Reducing under-investment and duplication: We have invested in hardware and software collaboration tools designed to make it easier and more efficient for colleagues to work.
- We have focused on mental health through our Be Well campaign to launch new training for all colleagues and a launch of a film of senior leaders discussing their experiences of mental health to support with tackling the stigma and support our colleagues with managing stress in the workplace.

We engage in a continual dialogue with non-governmental organisations (NGOs) and other interest groups, to improve our understanding of emerging and existing environmental and societal topics. We regularly engaged with our stakeholders through participation in forums and round tables and joined industry, sector and specific topic debates. We explored citizenship and sustainability agendas, where collaboration and joint action are needed.

We continue to engage with these stakeholder groups on an ongoing basis through Barclays' Sustainability and Citizenship teams.

- Green finance and supporting clients through the transition to a low carbon economy.
- Responsible financing for companies in sensitive energy sectors.
- Societal impacts and work in the communities in which we operate.
- Accessibility of our products and services to all demographics, and treating customers fairly.

We responded on key topics in 2018 through a number of communications and business developments including:

- continuing to grow our suite of green products
- releasing statements on coal, World Heritage Sites and Ramsar Wetlands, and a comprehensive Energy and Climate Change Statement (which replaced and strengthened the Coal Statement published previously)
- maintaining ongoing dialogue with NGOs and civil society regarding financing extractive industries
- enhancing transparency around our transition journey to a low carbon economy, and the support we provide to clients.