

We are a company of opportunity makers

Our common Purpose is ‘Creating opportunities to rise’. Because when our customers, clients, colleagues and society rise, Barclays rises too. We measure and reward our people, not just on commercial results, but on how they live our Values and bring them to life every day.

Our Purpose and Values are central to Barclays. They drive everything we say and do. They are fundamental to the relationships we build with our colleagues, customers, clients and stakeholders and have been part of our DNA for over 328 years. They reflect our entrepreneurial spirit; our relentless quest for better; and our commitment to putting people first. Single-minded application of our Purpose and Values, across all of our activities, continues to build the bank, providing the fundamentals upon which to build further success.

In April 2018, we completed one of the most complex restructurings ever undertaken by a bank. We now look to the future and have a renewed focus on growth and returns. The ring fencing undertaken is a necessary regulatory requirement, but in all the ways that make us Barclays, we remain one. We’re united by a common set of Values and a single guiding Purpose, detailed here, along with the other elements that help us play our part in building a clear, creative and compelling Barclays.

Our Purpose

In today’s world, a bank needs to demonstrate, both internally and externally, the honest and authentic way it goes about its business, and the value it brings to its stakeholders. Purpose-driven organisations have higher levels of employee satisfaction, higher levels of business performance, and a higher level of societal impact.

We want to see Barclays playing a key role in restoring the professionalism of banking and want this bank to be respected and admired for the strength of its character; for our ability to foster trust between Barclays and its customers, clients and society.

Our Purpose also needs to reflect our entrepreneurial spirit; our drive to leave things better; our customer and client centricity; and our commitments to colleagues and to society at large.

In the process of researching the new Purpose, we interviewed colleagues and found that a new Purpose would be welcomed in order to reflect our strategy and a renewed sense of optimism. Colleagues said the statement should re-emphasise and build on the strength of existing values, and it should focus on what business we are in, and the impact we make. Our new Purpose therefore reflects this.

Our Purpose

Creating opportunities to rise

We are a company of opportunity makers, working together to help people rise – customers, clients, colleagues and society

Our Values

Our values underpin our business and govern everything we do



Our Group strategy

To build on our strength as a transatlantic consumer and wholesale bank, anchored in our two home markets of the UK and US, with global reach

Measuring success

Our performance measurement approach reflects the way in which management monitors the performance of the Group, allows for a holistic assessment and sets out our progress towards the strategic goals of the organisation

Our Values

Our five Values (as shown in the chart opposite), hold us to account and guide us to behave in the right way. They have always underpinned our Purpose and will continue to do so. Because 'Creating opportunities to rise' must never come at the cost of what is right. It will always be grounded in the deep-rooted Values of our organisation – Respect, Integrity, Service, Excellence and Stewardship.

The Barclays Code of Conduct – 'The Barclays Way' – outlines the Values and Behaviours which govern our way of working across our business globally. It constitutes a reference point covering all aspects of our working relationships, specifically with other Barclays employees, customers and clients, governments and regulators, business partners, suppliers, competitors and the broader community. The objective is to define the way we think, work and act at Barclays to ensure we deliver against our Purpose of 'Creating opportunities to rise'.

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The Barclays Way is aligned to the Code of Professional Conduct, published by the Chartered Banker Professional Standards Board, which sets out the ethical and professional attitudes and behaviours expected of bankers. Barclays subscribes to this code and is committed to ensuring the broad principles into our business continue to apply.

You can learn more online at:
[home.barclays/about-barclays/
barclays-values](https://home.barclays/about-barclays/barclays-values)

Our culture and people

The culture of Barclays is formed by its people and the choices they make. Fostering the right environment so that our people can flourish is critical to our success and to our values-based culture. The tone from the top has been clear throughout 2018, including through the launch of the Purpose, colleague forums specifically focused on colleague initiatives that are making Barclays a great place to work and the inaugural CEO Rise Awards which recognised the outstanding work our colleagues did in 2018.

We are proud of the progress we have made to promote respect, diversity and excellence in the workplace, and we see this progress reflected in our employee opinion survey results. The engagement of our colleagues has improved by four percentage points since 2016 (when we last asked all colleagues to take part in the survey at the same time) to 79% in 2018 and we were especially pleased to see that 92% of colleagues agreed that Barclays is focused on achieving good customer and client outcomes (up 9% points since 2016). In addition, 91% of colleagues said they felt they can be themselves at work, and when asked to describe the culture of Barclays, the top ten words selected by colleagues have all remained positive. Eighty-six per cent of our colleagues agree that it's safe to speak up, which is encouraging. To continue to encourage a culture which supports speaking up, the Group Executive Committee announced the creation of a centralised team and a new intranet site which sets out clearly how to raise a concern when things don't seem right.

We have continued to run key programmes and initiatives across the organisation that we know support our colleagues and help them to achieve excellent performance. These include Dynamic Working, sponsorship and development programmes, mental health and well-being awareness, and upgrading our technology and infrastructure. We are building the next generation workplace and we have had some great successes this year including the launch of our world-class Whippy campus and announcing our intention to build further campuses in Glasgow and India, which provide our colleagues the tools that they need to deliver outstanding service, and help us to attract and retain the very best talent in the global market. We are starting to build new skill sets across the firm, such as advanced analytics, digital and data and becoming more experimental, so we can be at the forefront of innovation.

From the trading floors to our branches, the way that we hire, train, develop and retain our colleagues, and the day-to-day decisions that they make, are intrinsic to embedding our culture and in turn, delivering the best for our customers, clients and local communities. For further details on the wide range of colleague and diversity initiatives that support our ambition to be the most accessible, inclusive and sought after employer, please refer to the People section on pages 93 to 98 of the Barclays PLC Annual Report 2018.



Playing to our strengths

As a leading, diversified, transatlantic bank with global reach, our goal is to support our stakeholders via a commercially successful business that generates long-term sustainable returns.

Building on our strong foundations

Our strategy is to build on our strength as a transatlantic consumer and wholesale bank, anchored in our two home markets of the UK and US, with global reach. Our two clearly defined divisions, Barclays UK and Barclays International, provide diversification to our business model. We believe that combining consumer and wholesale businesses, as well as accessing geographic diversification, provides real advantages to both the Group and our investors and helps contribute to the delivery of more consistent and sustainable returns through the business cycle. The diversification should help to reduce volatility of income and earnings, generate higher returns through the cycle and improve the resilience of the Group as a whole.

Consistent with the objective of delivering long-term sustainable value for our stakeholders, we continue to pursue an

approach to citizenship and sustainability that is integrated with our core business. By focusing on our core products and services, and our relationships, we can make the greatest positive impact.

You can read more about our approach within our performance metrics on pages 18 to 27.

Completion of the restructuring

In 2018, we successfully concluded our restructuring which saw us run-down the Non-Core, sell-down Barclays Africa, complete the Structural Reform Programme and create BX. These combined actions have significantly contributed to the simplification of the Group, helping to reduce drag on Group profitability and laying the foundations for Barclays to drive sustainable returns in its businesses.

Delivering the Barclays of the future

Our focus is now on building the Barclays of the future, operating principally through Barclays UK, Barclays International and supported by BX. We remain fully committed to our model as a diversified bank and will remain a well-diversified financial institution providing excellent products and services to our customers and clients, underpinned by world class operations. We believe we are well positioned to deliver future growth and appropriate returns for shareholders.

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We continue to invest in our technological and digital capabilities, particularly in Barclays UK where we already have a strong digital proposition, Barclays Mobile Banking. We are using technology to deliver more meaningful customer relationships by transforming the way we interact with customers, leverage data analytics and utilise the opportunities presented by Open Banking. Delivering a truly customer-centric model is at the heart of Barclays UK's strategy.

Barclays International will continue to focus on markets and services where we have a competitive advantage, allocating capital where we see the ability to generate the most attractive risk-adjusted returns and investing where we see an opportunity to expand our market share. We see technology as a significant enabler across the investment banking business, particularly in Markets business lines, and will continue to invest appropriately, alongside recruiting the best talent as we build the Barclays of the future.



Strategic opportunities

Leveraging our geographic and business diversification, we see a significant opportunity to develop our payments capabilities across the Group. We aim to leverage our extensive experience and expertise developed through our leadership position in the UK to grow our market share in the US. In the Business to Business (B2B) space, we will continue to invest in our commercial payments capabilities, in order to meet the evolving needs of our customers, by leveraging innovative solutions and our data assets. On the consumer side, we are growing our mobile payment solutions in the UK. In the US, we see continued opportunity to build on our position as a Top 10 credit card issuer by receivables, as our targeted partnership model drives continued growth. Furthermore, we are investing in our US consumer banking proposition, where we have a growing, own-brand digital banking offering.

Our strategy is enhanced by the launch of BX. BX changes the way Barclays operates, enabling the delivery of world class services through a more standardised global operating model. We believe this will enable us to extract cross-Group cost synergies through scale, simpler processes, enhanced controls, a better co-ordinated service provision and more effective management of investment in our technology and processes. Cost transparency is expected to improve as well by applying a price-quantity approach, that transfers increasing cost ownership to the business. BX is a key component of Barclays' operating model.

We remain focused on conduct, regulations and delivering enhanced controls

We aspire to be one of the world's most respected and well-regarded banks. We have worked hard to resolve outstanding legacy issues, while continuing to strengthen our control environment. We put our customers and clients at the heart of everything we do and seek to strengthen the trust of our customers, clients and wider society.



Barclays mobile app

Our customers increasingly engage with Barclays using a smartphone and we see that our app, BMB, has become a vital part of their financial life.

6.2 million customers use the Barclays app to manage their finances, c.700k more than last year, of which 5 million log into the app every week. On average each customer typically logs in every day and spends 21 minutes on the app per month. In addition to the 1.5 million customers who use the Barclaycard app, last year our customers logged in a total of 2 billion times. 3.6 million payments and 3 million transfers are made through the app every week, and we complete 155k personal loan fulfilments a year providing convenience and simplicity for our customers. In 2018 we embedded the ability to open up savings accounts which led to 200k customers opening an account via the Barclays app.

The app supports our customers through their life moments, for example, buying a home starts with helping customers save for a deposit, not just when they need a mortgage. We also help customers with relevant offers and services to help them move in and settle down in their new home.

We will continue to evolve the Barclays app around the theme of being a one-stop-shop for all the money management needs our customers have. We intend to do so through our investments in cutting edge technology and data capabilities. Just a few of the recent examples include; current account aggregation; transaction categorisation; the ability to turn off spending in merchant categories including gambling and premium rate phone

numbers; and the functionality in the app to freeze cards if customers believe it to be lost or stolen.

Current account aggregation was one of the first of many innovations made possible by Open Banking. We were the first UK bank to launch this feature in our app in September 2018. Our customers can see current accounts from other UK high street banks safely and securely. We are planning to expand this functionality by adding more banks, aggregating other types of accounts like savings accounts and credit cards, and introducing the ability to initiate payments from accounts held with other providers from within the Barclays app.

A key need for our customers is the ability to understand and manage their spending. Customers will soon be able to undertake further analysis of spending by category, view the top merchants they spend the most money with, and get meaningful insights on their spending. This will further enable our customers to make informed decisions on how they manage their finances.

We also intend to bring innovation from the Fintech community around the world. Working with start-ups coming through the Barclays RISE accelerator as well as with other Fintech partners, we continue to gather customer feedback on innovative features through our Launchpad app. One such recent example is our partnership with Bink, bringing to life payment card linked loyalty.

We will continue to listen to our customers to make the Barclays app the best money management experience in the UK.

Structure and governance overseeing risk

Barclays is exposed to internal and external risks as part of our ongoing activities. These risks are managed as part of our business model.

Enterprise Risk Management Framework

At Barclays, risks are identified and overseen through the Enterprise Risk Management Framework (ERMF), which supports the business in its aim to embed effective risk management and a strong risk management culture.

The ERMF specifies the Principal Risks of Barclays and the approach to managing them.

The management of risk is embedded into each level of the business, with all colleagues being responsible for identifying and controlling risk.

Risk Appetite

Risk Appetite defines the level of risk we are willing to take across the different risk types, taking into consideration varying levels of financial and operational stress. Risk Appetite is key for our decision making process, including ongoing business planning, new product approvals and business change initiatives. In recent years we have taken significant steps to de-risk our business, setting us up for sustainable growth in the future.

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Three Lines of Defence

The First Line of Defence is comprised of the revenue generating and client facing areas, along with all associated support functions, including Finance, Treasury, Human Resources and Operations and Technology. The First Line identifies the risks, and sets the policies, standards and controls, within the criteria set by the Second Line of Defence.

The Second Line of Defence is made up of Risk and Compliance and oversees the First Line by setting the limits, rules and constraints on their operation, consistent with the Risk Appetite.

The Third Line of Defence is comprised of Internal Audit, providing independent assurance to the Board and Executive Committee.

Although the Legal function does not sit in any of the three lines, it works to support them all and plays a key role in overseeing Legal Risk throughout the bank. The Legal function is also subject to oversight from the Risk and Compliance functions with respect to the management of operational and conduct risks.

Monitoring the risk profile

Together with a strong governance process, using Business and Group level Risk Committees as well as Board level forums, the Board receives regular information in respect of the risk profile of the Group, and has ultimate responsibility for Risk Appetite and capital plans.

We believe that our structure and governance will assist us in managing risk in the changing economic, political and market environments.

Principal risk management

Risks are classified into Principal risks, as below

How risks are managed

Financial principal risks

Credit risk	The risk of loss to the firm from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to the firm, including the whole and timely payment of principal, interest, collateral and other receivables.	Credit risk teams identify, evaluate, sanction, limit and monitor various forms of credit exposure, individually and in aggregate.
Market risk	The risk of loss arising from potential adverse changes in the value of the firm's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.	A range of complementary approaches to identify and evaluate market risk are used to capture exposure to market risk. These are measured, controlled and monitored by market risk specialists.
Treasury and Capital risk	<p>Liquidity risk: The risk that the firm is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.</p> <p>Capital risk: The risk that the firm has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments or stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This includes the risk from the firm's pension plans.</p> <p>Interest rate risk in the Banking Book: The risk that the firm is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.</p>	Treasury and capital risk is identified and managed by specialists in Capital Planning, Liquidity, Asset and Liability Management and Market Risk. A range of approaches are used appropriate to the risk, such as: limits; plan monitoring; and stress testing.

Non-financial principal risks

Operational risk	The risk of loss to the firm from inadequate or failed processes or systems, human factors or due to external events (e.g. fraud or cybercrime) where the root cause is not due to credit or market risks.	The Group assesses its operational risk and control environment across its businesses and functions with a view to maintaining an acceptable level of residual risk.
Model risk	The risk of the potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and reports.	Models are evaluated for approval prior to implementation, and on an ongoing basis.
Reputation risk	The risk that an action, transaction, investment or event will reduce trust in the firm's integrity and competence by clients, counterparties, investors, regulators, employees or the public.	Reputation risk is managed by maintaining a controlled culture within the Group, with the objective of acting with integrity, enabling strong and trusted relationships to be built with customers and clients, colleagues and broader society.
Conduct risk	The risk of detriment to customers, clients, market integrity, competition or Barclays from the inappropriate supply of financial services, including instances of wilful or negligent misconduct.	The Compliance function sets the minimum standards required, and provide oversight to monitor that these risks are effectively managed and escalated where appropriate.
Legal risk	The risk of loss or imposition of penalties, damages or fines from the failure of the firm to meet its legal obligations including regulatory or contractual requirements.	The Legal function supports colleagues in identifying and limiting legal risks.