

# Strategic Report

## Performance review

The Strategic Report was approved by the Board of Directors on 12 February 2020 and signed on their behalf by the Chair.

### Overview

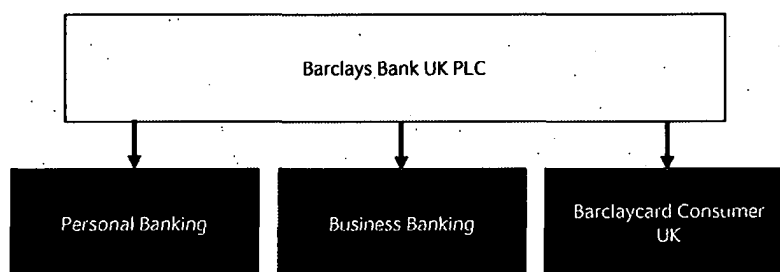
Barclays Bank UK PLC is the wholly-owned ring-fenced bank of Barclays PLC and consists of Personal Banking, Business Banking and Barclaycard Consumer UK businesses.

The consolidation of Barclays Bank UK PLC and its subsidiaries is referred to as the Barclays Bank UK Group. The consolidation of Barclays Bank UK PLC's parent entity, Barclays PLC and its subsidiaries, is referred to as the Barclays Group.

Barclays Bank UK PLC serves retail customers in the UK across the entire spectrum of their banking needs.

Barclays Bank UK PLC also support small and medium-sized businesses, providing the financing, saving and transactional products and services they need to grow.

### Our structure



### Personal and Business Banking

Offers retail solutions to help customers with their day-to-day banking needs and service business clients, from high growth start-ups to small and medium-sized enterprises, with specialist advice and their business banking needs.

### Barclaycard Consumer UK

A leading credit card provider, offering flexible borrowing and payment solutions, while delivering a leading customer experience.

Barclays Bank UK PLC is supported by the Barclays Group-wide service company, Barclays Execution Services Limited (BX) which provides technology, operations and functional services to businesses across the Barclays Group.

### Strategic priorities

Barclays Bank UK PLC is a purpose-driven organisation. We aspire to create opportunities to rise for all of our stakeholders. Our strategy has been developed to balance the needs of our customers and clients, our colleagues, our shareholder and wider society. For further detail on our purpose and strategy, see pages 8 to 11 of the Barclays PLC Annual Report 2019.

Barclays Bank UK PLC's business model provides a diversified earnings portfolio to its shareholder, Barclays PLC.

Barclays Bank UK PLC places customers at the centre of what we do. This means listening to our customers, and adapting our products and services to ensure we have the capabilities to support their ever-evolving needs – from receiving their first salary payment, through moving home to saving and investing for retirement. It also means transforming the way we organise ourselves by creating a core team centred around our customers' needs, enabling us to move faster.

As part of our transformation we are using technology to improve our service and make it more efficient and reliable for our customers. We continue to make progress in eliminating the causes of complaints and improving the quality of our service.

Nevertheless, accelerating progress on behalf of our customers remains a key priority, as the interruptions to our services and the level of complaints we receive from our customers is still more than we would like.

The way we serve our customers is increasingly digital, a reflection of how most of our customers now prefer to interact with us. Further investment in our digital capabilities remains fundamental to our strategy, ensuring that our customers have the flexibility to manage the majority of their day-to-day banking needs via mobile and online banking.

This allows us to understand our customers' needs to a degree never previously possible, meaning we can tailor our services accordingly and deliver insights to customers, which help them manage their finances more effectively.

Additionally, the investment we are making in our technology, especially moving to the Cloud, means that we can get products to customers more quickly and deliver a more personalised digital experience.

However, we recognise that more complex needs, like property transactions, still need to be dealt with in person. That's why we're also investing in our physical locations, using technology wherever possible, to make them quicker and easier to use for everyone.

#### Operating environment

The lower interest rate environment makes borrowing more affordable but, combined with intense competition in the mortgage market and our focus on secured lending, continues to compress our net interest margin.

The accelerated pace of change in this competitive environment has also moved the traditional boundaries of retail banking and reshaped customer expectations. We are making good progress in meeting these new expectations, for example, with balance tracking, spending categorisation and a controls hub allowing customers to manage the types of spend they want, but we recognise that we still have more to do.

We must also continue to adapt to evolving regulation, for example offering alternatives to traditional forms of credit in unsecured lending.

#### Our achievements in 2019

We continued to progress our digital strategy through 2019. As at the end of the year, 59% of our products were provided to our customers through digital channels and the number of digitally active customers increased by 6% to 11.4m year on year.

We upgraded our mobile banking offering so that our customers can now use one app to access their Barclaycard account alongside other Barclays products. This upgrade also meant that 1.2 million Barclaycard customers, who previously had no relationship with us other than their credit card, can now access more of our products and services through the Barclays App.

We have also improved the products and services that we offer our customers. 2019 saw us launch our market-leading unsecured business loans, enabling Business Banking clients to borrow up to £100,000 digitally – an increase from £25,000 previously. This is another industry first for Barclays, as we are currently the only bank able to offer an instant answer on clients' eligibility for lending at this scale, and making funds available the next working day.

We have progressed with efforts to improve our digital estate, data capabilities and ultimately create the opportunity to better engage partners. We have continued our support for some of the most promising emerging FinTechs through our network of Rise sites and deepened our strategic relationship with MarketFinance (a peer-to-peer invoice discounting platform).

Overall, our relentless focus on customers is reflected in an improved Net Promoter Score<sup>a</sup> for Barclays Bank UK Group of +18 (2018: +17) and +11 (2018: +9) for the Barclaycard brand, which shows the strength and depth of our relationships.

#### Our role in society

Our success over the long term is tied inextricably to the preservation of our environment and the progress of our communities. For detail on our integration of social and environmental issues into our business, please refer to pages 32 to 35 in the Barclays PLC Annual Report 2019.

#### Focus for 2020 and beyond

We aim to continue the progress made during 2019 in driving down complaints, by continuing to identify and address the root cause of customer problems, and by making selective investments to improve infrastructure.

We want to continue to improve our customers' digital experience in 2020, as well as developing enhancements to our online and mobile platforms. We will continue to invest in equipping our people with the tools and skills they need to achieve this, as well as strengthening our culture.

We are also creating an integrated banking, advice and investments platform, building on our award winning<sup>b</sup> mobile banking app. Customers will be able to access financial planning services and investment products, as an extension of their existing banking products and services.

Finally, we will continue to embed our new ways of working into our organisation, in order to ensure that we are able to meet our customers' ever-evolving needs.

#### Notes

- a Net promoter score is a view of how willing customers are to recommend our products and services to others.
- b Best use of mobile at FSTech Awards 2019.

# Strategic Report

## Managing risk

The Barclays Bank UK Group 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

Within the Barclays Bank UK Group, 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 governs the way in which the Barclays Bank UK Group identifies and manages its risks. The ERMF is approved by the Barclays PLC board on recommendation of the Barclays Group Chief Risk Officer; it is then adopted by the Barclays Bank UK Group with minor modifications where needed.

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

### Risk appetite

Risk appetite defines the level of risk we are prepared to accept across the different risk types, taking into consideration varying levels of financial and operational stress. Risk appetite is key for our decision making processes, including ongoing business planning and setting of strategy, new product approvals and business change initiatives.

The Barclays Bank UK Group may choose to adopt a lower risk appetite than allocated to it by the Barclays Group.

### Three Lines of Defence

The first line of defence is comprised of the revenue generating and customer facing areas, along with all associated support functions, including Finance, Treasury, Human Resources and Operations and Technology. The first line identifies the risks, sets the controls and escalates risk events to 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 operations, consistent with the risk appetite.

The third line of defence is comprised of Internal Audit, providing independent assurance over the effectiveness of governance, risk management and control over current, systemic and evolving risks.

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 (second line) with respect to the management of operational and conduct risks.

### Monitoring the risk profile

Together with a strong governance process, using Business and Barclays Group-level Risk Committees as well as Board level forums, the Barclays Bank UK PLC Board receives regular information in respect of the risk profile of the Barclays Bank UK Group. Information received includes measures of risk profile against risk appetite as well as identification of new and emerging risks.

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

The ERMF defines eight principal risks <sup>a</sup>		How risks are managed	
Financial Principal Risks	<b>Credit Risk</b>	The risk of loss to the Barclays Bank UK Group from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to the Barclays Bank UK Group, 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.
	<b>Treasury and Capital Risk</b>	Liquidity Risk: The risk that the Barclays Bank UK Group 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.	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; internal and external stress testing.
		Capital Risk: The risk that the Barclays Bank UK Group 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 Barclays Bank UK Group's pension plans.	
		Interest Rate Risk in the Banking Book: The risk that the Barclays Bank UK Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.	
<b>Market Risk</b>	The risk of loss arising from potential adverse changes in the value of the Barclays Bank UK Group'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.	
Non-Financial Principal Risks	<b>Operational Risk</b>	The risk of loss to the Barclays Bank UK Group from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.	Operational risk comprises the following risks; data management and information, execution risk, financial reporting, fraud, payments-processing, people, physical security, premises, prudential regulation, supplier, tax, technology and transaction operations.  It is not always cost effective or possible to attempt to eliminate all operational risks.  Operational risk is managed across the businesses and functions through an internal control environment with a view to limiting the risk to acceptable residual levels.
	<b>Model Risk</b>	The risk of the potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and reports.	Models are independently validated and approved prior to implementation and their performance is monitored on a continual basis.
	<b>Conduct Risk</b>	The risk of detriment to customers, clients, market integrity, effective competition or Barclays Bank UK Group from the inappropriate supply of financial services, including instances of wilful or negligent misconduct.	The Compliance function sets the minimum standards required, and provides oversight to monitor that these risks are effectively managed and escalated where appropriate.
	<b>Reputation Risk</b>	The risk that an action, transaction, investment or event, decision or business relationship will reduce trust in the Barclays Bank UK Group's integrity and/or competence.	Reputation risk is managed by embedding our purpose and values and maintaining a controlled culture within the Barclays Bank UK Group, with the objective of acting with integrity, enabling strong and trusted relationships with customers and clients, colleagues and broader society.
	<b>Legal Risk</b>	The risk of loss or imposition of penalties, damages or fines from the failure of the Barclays Bank UK Group to meet its legal obligations including regulatory or contractual requirements.	The Legal function supports colleagues in identifying and limiting legal risks.

Note

a The ERMF defines eight principal risks. For further information on the how these principal risks apply specifically to Barclays Bank UK Group, please see pages 39 to 42.

# Strategic Report

## Performance measures

### Financial performance measures

The performance of Barclays Bank UK PLC contributes to the Barclays Group, upon which the delivery of strategy is measured.

#### Income Statement

Barclays Bank UK Group results	2019	2018
For the year ended 31 December	£m	£m
Total income	7,322	5,606
Credit impairment charges	(709)	(624)
Net operating income	6,613	4,982
Operating costs	(4,358)	(3,356)
Litigation and conduct	(1,586)	(78)
Total operating expenses	(5,944)	(3,434)
Profit before tax	669	1,548
Tax charge	(513)	(405)
Profit after tax	156	1,143
<b>Attributable to:</b>		
Equity holders of the parent	3	1,038
Other equity instrument holders	153	105
Profit after tax	156	1,143

#### Income Statement commentary

The UK banking business was acquired from Barclays Bank PLC on 1 April 2018, resulting in the prior period containing nine months of full business operations, compared to 12 months in the current period. As such, detailed period on period analysis of the income statement has not been provided and the commentary below therefore encapsulates themes and factors impacting the current period performance only.

Profit before tax was £669m, including the impact of a £1,400m provision for Payment Protection Insurance (PPI). The income environment in 2019 was challenging, with continuing margin pressure reflecting increased refinancing activity by mortgage customers, lower interest earning lending (IEL) balances in UK cards and the mix effect from growth in secured lending. Nevertheless, the business continued to deliver strong growth in balances, increasing mortgage lending by £6.4bn and growing customer deposits by £8.2bn. Barclays Bank UK PLC also delivered cost efficiencies that outweighed continued investment.

Total income was £7,322m, consisting of:

- Personal Banking income of £4,112m reflecting ongoing mortgage margin pressure, offset by mortgage and deposit balance growth, with improved deposit margins
- Barclaycard Consumer UK income of £1,997m reflecting a continued reduced risk appetite and reduced borrowing by customers, which resulted in a lower level of IEL balances, partially offset by increased debt sales
- Business Banking income of £1,361m reflecting deposit growth, with improved deposit margins
- This was partially offset by an expense of £148m in Head Office primarily due to hedge arrangements.

Credit impairment charges of £709m comprised Personal Banking charges of £196m, Barclaycard Consumer UK charges of £472m Business Banking charges of £45m, and Head Office releases of £4m. 2018 included a £100m specific charge in Q418 relating to the impact of anticipated economic uncertainty in the UK. The 30 and 90 day arrears rates in UK cards decreased to 1.7% (Q418: 1.8%) and 0.8% (Q418: 0.9%) respectively.

Total Operating expenses of £5,944m, included litigation and conduct charges of £1,586m. Operating costs were £4,358m comprising £3,036m in Personal Banking, £585m in Barclaycard Consumer UK, £717m in Business Banking and £20m in Head Office.

#### Balance Sheet Information

The following assets and liabilities represent key balance sheet items for Barclays Bank UK Group:

As at 31 December	2019	2018
	£m	£m
<b>Assets</b>		
Loans and advances at amortised cost	197,569	188,565
Financial assets at fair value through other comprehensive income	19,322	6,710
Cash and balances at central banks	24,305	40,669
<b>Liabilities</b>		
Deposits at amortised cost	205,696	197,485

#### Balance Sheet commentary

Loans and advances at amortised cost increased 5% to £197.6bn reflecting growth in mortgage lending and increased investment in debt securities, held as part of the liquidity buffer. The increased investment in debt securities was driven by a shift in the composition of the liquidity pool from cash and balances at central banks to debt securities, which is also reflected in the increase in financial assets at fair value through other comprehensive income.

Deposits at amortised cost increased 4% to £205.7bn demonstrating franchise strength across both Personal and Business Banking.

#### Other Metrics and Capital<sup>a</sup>

Throughout 2018, Barclays Bank UK PLC was regulated by the Prudential Regulation Authority (PRA) on an individual basis only. From 1 January 2019, as part of structural reform, Barclays Bank UK Group became regulated by the PRA as a ring-fenced bank. Due to the change in scope, there are no comparatives.

As at 31 December	2019 £bn
Common equity tier 1 (CET1) ratio	13.5%
Total risk weighted assets (RWAs)	75.0
Average UK leverage ratio	5.2%

#### Note

a Capital, RWAs and leverage are calculated applying the IFRS 9 transitional arrangement of the Capital Requirement Regulation (CRR) as amended by the Capital Requirements Regulation II (CRR II) applicable as at the reporting date. For further information on the implementation of CRR II see page 85.

#### Capital commentary

The Barclays Bank UK Group CET1 ratio as at 31 December 2019 was 13.5%, which is above regulatory capital minimum requirements.

#### Non-financial performance measures

Barclays Bank UK PLC is part of the Barclays Group which uses a variety of quantitative and qualitative measures to track and assess holistic strategic delivery.

Barclays Bank UK PLC has addressed the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006 through the disclosure contained in Barclays PLC Annual report 2019 on pages 39 to 40.

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## Our people and culture

We believe that the culture of Barclays Group is built and shaped by the thousands of professionals around the world who serve our customers and clients with a shared purpose and values. Our people make a critical difference to our success, and our investment in them protects and strengthens our culture. Barclays Bank UK PLC colleague themes and initiatives are aligned to Barclays Group values and strategic goals. The following subsections are therefore consistent with those detailed in the People Section of the Barclays PLC Annual Report 2019 and figures mentioned are for Barclays Group other than as specifically mentioned.

### Colleague engagement

We have an established approach to engaging colleagues which includes the majority of mechanisms recommended the UK's Financial Reporting Council and with new governance requirements in 2019. This ensures that we understand their perspective, take it into account in our decision making at the most senior level, and share with them our strategy and progress.

That extends to those who work for us indirectly as well, such as contractors, although in a more limited way. In 2020, our supplier code of conduct will require organisations with more than 250 employees to demonstrate that they have an effective workforce engagement approach of their own.

It's important to us that our Board members are engaged with our people – directly, and indirectly through our management team. The Board regularly receives reports on colleague engagement activity.

Together with direct engagement, this reporting approach and dedicated time at board meetings helps our Board take the issues of interest to our colleagues into account in their decision making. This has enabled them to confirm that our workforce engagement approach is effective.

### Listening to our people

Our regular colleague survey formally captures the views of our people and is a key part of how we track colleague engagement, alongside more granular colleague sentiment tracking across our businesses. Barclays Bank UK PLC's overall engagement score<sup>a</sup> reduced slightly to 76% in 2019, but 78% of our colleagues would still recommend Barclays Group as a good place to work.

The results from the survey are an important part of the conversations our leaders have about how we run the business, and it's a specific focus for our Executive Committee and our Board.

We monitor our culture across the organisation, and in individual business areas, through Culture Dashboards. These combine colleague survey data with other metrics about our business, so that we can see the effect our people's engagement has on our performance, and on the continued strength of our culture. 82% of our people have heard or read the speeches of senior leaders across the Barclays Group talking about the character and culture of Barclays Group.

### Keeping our people informed

In addition to these data sources, our leaders, including our Board, engage face to face with colleagues to hear what they think. That might be through site visits, large-scale town halls, training and development activity, mentoring, informal breakfast sessions, committee membership, diversity and wellbeing programmes, or focus and consultative groups.

We make sure we're regularly keeping everyone up to date on the strategy, performance and progress of the organisation through a strategically-coordinated, multichannel approach across a combination of leader-led engagement, and digital and print communication, including blogs, vlogs and podcasts.

We also engage with our people collectively through a strong and effective partnership with Unite, as well as the Barclays Group European Forum, which represents all Barclays Group colleagues within the European Union.

These conversations help us to deliver things like a collective pay deal for our Unite covered colleagues, who represent 84% of the Group's UK-based colleagues, as well as more complex business change and our long-term focus on colleague wellbeing. We regularly brief our union partners on the strategy and progress of the business and seek their input on ways in which we can improve the colleague experience of working in Barclays. The collective bargaining coverage of Unite in the UK represents c.52% of our global workforce.

### Building a supportive culture

Diversity of thought and experience works best when everyone feels included. People who feel they can be themselves at work are happier and more productive, so we believe that creating an inclusive and diverse culture isn't just the right thing to do, but is also best for our business.

Our policies require managers to give full and fair consideration to those with a disability on the basis of their aptitudes and abilities; both when hiring and through ongoing people management, as well as ensuring opportunities for training, career development and promotion are available to all. As part of our commitment to the UK government Disability Confident scheme, we encourage applications from people with a disability, or a physical or mental health condition.

We encourage our people to benefit from Barclays Group performance by enrolling in our share plans, further strengthening their commitment to the organisation.

#### Note

a Engagement score is a measure of employee satisfaction, which indicates levels of fulfilment in Barclays.

# Strategic Report

## Having regard to our stakeholders in our decision making

### Section 172(1) statement

The Directors have acted in a way that they considered, in good faith, to be most likely to promote the success of Barclays Bank UK PLC for the benefit of its member as a whole, and in doing so had regard, amongst other matters, to:

- the likely consequences of any decision in the long term;
- the interests of the Company's employees;
- the need to foster the Company's business relationships with suppliers, customers and others;
- the impact of the Company's operations on the community and the environment;
- the desirability of the Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Company.

The Directors also took into account the views and interests of a wider set of stakeholders, including our pensioners, our regulators, the Government, and non-government organisations. You can find out more about who are key stakeholders are, how management and/or the Directors engaged with them, the key issues raised and actions taken on pages 14 to 15 of the Barclays PLC Annual Report 2019 which is incorporated by reference into this statement.

Considering this broad range of interests is an important part of the way the Board makes decisions, although in balancing those different perspectives it won't always be possible to deliver everyone's desired outcome.

#### How does the Board engage with stakeholders?

The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our stakeholders and of the Barclays Bank UK Group means that stakeholder engagement often takes place at an operational level.

In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays Group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays Group.

The Board considers and discusses information from across the organisation to help it understand the impact of Barclays Bank UK Group's operations, and the interests and views of our key stakeholders. It also reviews strategy, financial and operational performance as well as information covering areas such as key risks, and legal and regulatory compliance. This information is provided to the Board through reports sent in advance of each Board meeting, and through in-person presentations.

As a result of these activities, the Board has an overview of engagement with stakeholders, and other relevant factors, which enables the Directors to comply with their legal duty under section 172 of the Companies Act 2006.

For more details on how our Board operates, and the way in which it reaches decisions, including the matters it discussed and debated during the year, please see pages 16 to 17 of the Governance Report.

The following are some examples of how the Directors have had regard to the matters set out in sections 172 (a)-(f) when discharging their section 172 duties and the effect of that on certain of the decisions taken by them.

#### Engagement in action

##### (a) Being accountable for our decisions

Our governance is designed to ensure that we take into account the views of all our stakeholders, so that our decision-making is collaborative and well-informed – both before and after we make our decisions public.

In October 2019 we announced that we would be withdrawing over-the-counter access to cash for our customers at Post Offices in the UK. This was a decision made after carefully balancing the economic impact of a significant increase in transaction fees, and our ability to put in place comprehensive plans to safeguard our customers' access to cash. Following our announcement, we continued to engage with customers, Members of Parliament, and government. It became clear from this further engagement that our full participation in the Post Office Banking Framework was crucial to the viability of the Post Office network at this point in time.

As a result of that further engagement and debate, we reversed our decision. The Board has reviewed the planning and decision-making process around this issue. This has highlighted and re-confirmed, amongst other things, the importance of listening to all of our stakeholders, on an ongoing basis.

##### (b) Our role in society/investing in communities

The Board in setting and overseeing the Company's citizenship agenda has considered the interests of colleagues, customers and the Company's impact on the community. Barclays Group is considered part of the fabric of the UK due to its number of customers and colleagues. Through the products and services, we offer, we help people to buy a home, build a nest egg, start a business and support their family. Whilst this is our prime responsibility, we strongly believe there is bigger role Barclays Group can play in society.



One example of this is the 'Thriving Local Economies' initiative. At a time of economic and political uncertainty and squeezed living standards, our success as a country will be driven by thriving local economies and by ensuring the businesses and people in those communities have the right support, and skills, to make the most of the opportunities that exist.

Through investment in our 'Thriving Local Economies' initiative, we will make a difference in communities across the UK by partnering with a range of others initially in pilot schemes in four different local economies running for a five-year period – a metropolitan area, a smaller town, a rural community and a coastal area. The aim of the pilots, which focus on boosting skills and the growth of local business by targeting bespoke initiatives utilising the best of our citizenship flagship programmes, is to gain a deep understanding of the needs of our stakeholders, in particular our customers and the communities, and how best we can serve them.

In 2019 we extended the LifeSkills programme to help millions of adults across the country, providing them with the skills, knowledge and confidence to succeed in the workplace. For further detail on LifeSkills and our other community programmes (Connect with Work, Eagle Labs and Unreasonable Impact) please see page 34 of the Barclays PLC Annual Report 2019.

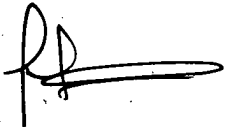
YourBank is another example of how we are thinking differently about the branches that are last in town or remote. We are working with the communities in each of these towns to make them more sustainable as a banking service for the longer term. The Board has reviewed and endorsed the Company's commitment in these cases not to close these branches until at least October 2021.

**(c) Serving and protecting our customers**

Our customers' behaviours continue to evolve, placing even greater reliance on our digital capabilities in how we serve their needs in the most convenient way for them. Given the increased reliance they place on them, our customers expect those digital capabilities to be available whenever they need them, and for them to protect their interests at all times.

Despite the challenging market environment, the Board concurs with management that it is critical that our investment keeps pace with those expectations. The Board has, as a result, continued to direct heavy investment in our technology, specifically, in areas of most concern to our customers, such as operational resilience, cyber security and in supporting our customers against the ever present threat of scams; ensuring that Barclays Group is as safe to bank with virtually as it has been physically for over 325 years.

The further build out of our digital capability in 2020 and beyond remains fundamental to our strategy to put customers at the centre of everything we do. More detail on our technology initiatives can be found on page 10 of the Barclays PLC Annual Report 2019 'Becoming more digital' section.



Sir Ian Cheshire  
Chair – Barclays Bank UK PLC  
12 February 2020