

BARCLAYS EXECUTION SERVICES LIMITED

STRATEGIC REPORT (CONTINUED) For the Year Ended 31 December 2021

Key performance indicators

The Company is part of Barclays Group, which uses a variety of quantitative and qualitative measures to track and assess holistic strategy delivery across the Barclays Group.

Indicators in respect of the Company's role as Barclays' operational continuity vehicle

The indicators which the Company monitors directly are primarily those which ensure it remains financially resilient in accordance with operational continuity principles.

Recovery rate: this is monitored to ensure that the Company is fully recovering its cost base through the service fee it charges.

Recovery rate for 2021 was 1.12% (2020: 0.32%)

The recovery rate is calculated as PBT excluding revenue one-offs (dividend received from subsidiaries and impairment on investments in subsidiaries and trusts) as a proportion of total operating expense plus net interest expense (net of interest expense and interest income).

Liquidity: these are monitored to ensure the Company meets operational continuity requirements in respect of access to liquid assets.

Liquid assets as at 31 December 2021 were £2.41bn (2020: £2.51bn).

Other indicators

The Company's performance contributes to the Barclays Group and delivery of strategy is primarily measured at a Barclays Group level. The development, performance and position of the Barclays Group, is discussed on pages 20-50 and 296-297 of the Barclays PLC 2021 annual report. The Company primarily meets its disclosure obligations in respect of performance indicators through the disclosures included in the Barclays Group report. By providing the overall Barclays Group context, these give the most appropriate picture of the development, performance and position of the business of the Company.

Section 172(1) statement

The Directors have acted in the way that they considered, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and this section forms our Section 172 disclosure, describing how, in doing so, the Directors considered the matters set out in section 172(1)(a) to (f) of the Companies Act 2006. The Directors also took into account the views and interests of a wider set of stakeholders, including employees and pensioners; our customers, which consists primarily of entities within the Barclays Group; our suppliers; and our shareholder, Barclays PLC; regulators; the UK Government and non-governmental organisations.

The Directors considered, amongst other matters, the following:

- 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.

You can find out more about who the Barclays Group's key stakeholders are, how management and/or directors of Barclays PLC engaged with them, the key issues raised and actions taken on pages 14 to 19 of the Barclays PLC Annual Report 2021.

Considering this broad range of interests is an important part of the way the Board makes decisions, although in balancing those different perspectives it will not always be possible to deliver everyone's desired outcome or necessarily achieve a positive outcome for all stakeholders.