

BARCLAYS SECURITIES FINANCING LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Business review and principal activities

The principal activity of Barclays Securities Financing Limited is to act as an investment company. No significant change in this activity is envisaged in the foreseeable future.

Business performance

The results of the Company show a profit after tax of \$6,376,254 (2019: profit after tax of \$22,502,664) for the year. The Company has net assets of \$754,767,658 (31 December 2019: \$748,392,518) as at 31 December 2020.

Future outlook

The Directors consider the Company's balance sheet, cash flow position and future business outlook to be satisfactory. The Directors will continue to monitor the performance of the Company and take appropriate action as necessary.

Principal risks & uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Barclays PLC group and are not managed separately. Accordingly, the principal risks and uncertainties of Barclays PLC, which include those of the Company, are discussed in the Barclays PLC 2020 Annual Report which does not form part of this report.

Key performance indicators

The directors of Barclays PLC manage the group's operations on a business cluster basis. For this reason, the Company's Directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the business of the Company. The development, performance and position of the relevant business cluster, which includes the Company, is discussed in the Barclays PLC 2020 Annual Report, which does not form part of this report.

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 member 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:

- the likely consequences of any decision in the long term;
- 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's maintaining a reputation for high standards of business conduct; and
- the need to act fairly between members of the Company.

You can find out more about who the Barclays Group's key stakeholders are, how management and/or the Directors engaged with them, the key issues raised and actions taken on pages 18 to 19 of the Barclays PLC Annual Report 2020 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?

Depending on the decision in question, the relevance of each particular stakeholder group may differ, and equally the Board adopts a variety of methods of engagement with different stakeholder groups. The Board will sometimes engage directly with certain stakeholders on certain issues, but the size and distribution of our

BARCLAYS SECURITIES FINANCING LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

stakeholders and of Barclays means that stakeholder engagement often takes place at an operational level.

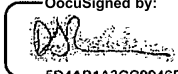
In addition, to ensure a more efficient and effective approach, certain stakeholder engagement is led at Barclays Group level, in particular where matters are of group-wide significance or have the potential to impact the reputation of the Barclays Group.

The Board considers and discusses information from across the organisation to help it understand the impact of Barclays' 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.

The purpose of Barclays Securities Financing Limited is to act as an investment company. Due to the nature of the Company, no decisions were made by the Directors during the reporting period which required them to have regard to the matters set out in section 172 of the Companies Act 2006.

This report was approved by the board on 29/11/2021 and signed on its behalf.

DocuSigned by:

5D4AB1A3CG9946F
David Rothnie

Date: 29/11/2021

Registered number: FC028745

Registered number in Cayman Islands: MC-220136

PO BOX 309 Gt, Ugland House, Grand Cayman, Cayman Islands, KY1-1104