

## Barclays PLC Q1 2023 Results

### Analyst and Investor Conference Call Speech

C.S. Venkatakrisnan, Barclays Group Chief Executive

Anna Cross, Barclays Group Finance Director

#### **Slide 3: Franchise strength driving strong returns and balance sheet stability**

Good morning. Thank you for joining us on today's call.

Let me start by saying how pleased I am with our first quarter's performance for 2023.

This was a record quarter of profitability for the bank<sup>1</sup>.

We generated 11.3 pence of Earnings per Share, which is well above the 8.4 pence of EPS in the first quarter of 2022, and our profit before tax of £2.6 billion for this quarter, is up 16% year-on-year.

We grew income by 11% or £741 million year-on-year, to £7.2 billion.

This has demonstrated the broad-based and high quality sources of income which we have across the Group's businesses.

Supporting this income momentum, we maintained our focus on costs and our disciplined approach to investment, resulting in a cost to income ratio of 57%.

We have delivered a 15% Return on Tangible Equity, with all three of our operating businesses generating a double digit return.

And what this means is that we are very confident of being above 10% for the full year RoTE, in line with our Group target.



You know, I am especially proud that we delivered this strong performance while supporting our customers and clients through what has been a challenging environment for the banking sector globally.

As you think about these results, I would like to emphasise three factors which I think have driven it.

The first factor is our risk management approach, developed over a number of quarters and years, which has helped to underpin this performance.

The second is a series of disciplined investments over recent years, which have helped to drive topline growth.

And third, our approach to capital management which continues to support attractive shareholder returns.

Let me begin first with the risk management. We have highlighted before that we have intentionally positioned the Group's balance sheet to protect against downside risk in a volatile macro-economic and market environment.

This risk management has shown itself in different ways.

In our Markets business to begin with, we have maintained a defensive risk profile since the start of 2022 and managed our risk well and adroitly throughout.

In interest rate risk in our banking book, we have successfully positioned ourselves for rising rates and minimised the capital impacts from the large moves in interest rates which we have experienced.

In our credit portfolios, we have maintained robust coverage ratios and limited our risk appetite in specific products and sectors, and added first loss protection to our portfolios where appropriate.

Now the UK, coming to liquidity, has not experienced liquidity concerns that we have witnessed elsewhere in the world.

At Barclays, our customer-led deposit strategy over many years has laid the foundation for the highly liquid, diverse and stable funding base which we have today.

All of these deliberate actions over a long period of time have proven their value in a quarter like this one.

We were able to operate normally, in a volatile environment, and deliver strong returns to our shareholders.

The second big factor is investments. As we turn to investments, you will see that they are behind the income growth we see in today's results.

In our Markets business, our consistent investment in our platform has driven significant growth year-on-year in financing income, including Prime, and market share gains over several years.

This has contributed to the Corporate & Investment Bank delivering its second highest quarterly income on record<sup>2</sup>, just shy of £4 billion, and a 15.2% Return on Tangible Equity.

In our US cards business, our GAP partnership is performing well and we also grew cards balances organically across our other partner portfolios, while credit continued to normalise, in line with our expectations.

This growth in US cards, along with 15% year-on-year AUM growth in our Private Bank, have helped to drive 47% higher income in our Consumer Cards and Payments business with a 10.5% Return on Tangible Equity.

Now as we've have mentioned previously, we plan to consolidate our UK Wealth business with our Private Bank in this the second quarter of 2023.

This will enable us to operate a more efficient, competitive and customer-focused Private Banking and Wealth business from a unified platform. We will update you on this important step in due course.

And lastly, turning to our UK consumer business, Barclays UK. Investment in our transformation programme is generating efficiencies, and allowing rates tailwinds to drive strong profitability, while maintaining a cost to income ratio of 56% and generating an RoTE of 20%.

Our positive momentum in Barclays UK is reflected in the increase in active Barclays App customers, growing to 10.7 million users by the end of first quarter of 2023, which is up 8% year-on-year.

In other areas, we are laying the foundation for our future, such as our investments in support of our strategic priority to capture opportunities from the transition to a low carbon economy.

In fact this quarter, Barclays helped Nextracker, the leading provider of intelligent, integrated solar tracking and software solutions, raise \$730 million through an Initial Public Offering. This was the first major renewable energy IPO since 2021.

And the third point is capital. On capital, the £500 million share buyback, which we announced earlier this year, along with other capital items that we have highlighted, have brought our CET1 ratio to 13.6% as expected, around the mid-point of our target range.

Our profits delivered 53 basis points of CET1 ratio in the quarter, supporting further capital distributions for our shareholders over the coming year. This remains a key focus for the bank.

When we consider our capital allocation, we are carefully balancing capital returns with the disciplined investments about which I just spoke to you, and which are driving improved returns for shareholders.

So in summary, we have delivered a very strong first quarter's performance.

We generated a 15% Return on Tangible Equity, with double digit returns across all of our operating businesses.

Our risk management and robust liquidity, have helped insulate Barclays from recent events in the industry, and enabled us to continue to support our customers and clients.

Our investments are delivering growth and improved returns, and we remain committed to returning capital to our shareholders.

With that, thank you for listening, and I'll hand over to Anna to take you through the financials in more detail.

#### **Slide 5: Anna Cross, Group Finance Director**

Thank you, Venkat, and good morning everyone.

#### **Slide 6: Delivering against our targets and guidance**

Q1 was another quarter of consistent delivery, with a statutory Return on Tangible Equity of 15%.

Whilst Q1 is usually strong for returns, as Venkat mentioned, we are confident of achieving our RoTE target of above 10% for the year.

The cost:income Ratio was 57%, better than our guidance of low 60s for the year, reflecting Q1 income seasonality.

The loan loss ratio was 52bps, within our 50-60 guidance for 2023.

Our highly liquid and stable balance sheet positions us well to pursue our returns objectives, with a CET1 ratio of 13.6%, a conservative Loan to Deposit Ratio, and a Liquidity Coverage Ratio of 163%.

#### **Slide 7: Group RoTE of 15.0% with profit before tax up 16%**

Our 15% return reflects income growth of £741m year-on-year to £7.2bn, while total costs were flat at £4.1bn.

Within that, operating costs increased £523m, offsetting the decrease in Litigation & Conduct.

Profit before impairment was up 31%.

As we expected, impairment increased £383m, against a low comparator, resulting in a 16% increase in profit before tax overall to £2.6bn.

Earnings Per Share were 11.3p, partially offset by the 5p full year dividend, driving the increase of 6p in Tangible Net Asset Value in the quarter to 301p per share.

I'm now going to emphasise key drivers of our returns: income, costs and risk management.

First, Q1 again demonstrated our broad-based income momentum.

We are benefiting from the rate environment, and also seeing the results of our targeted investment initiatives.

Second, as we invest, we are maintaining cost discipline, driving cost efficiency to mitigate inflation, whilst directing investment into areas which we expect to generate attractive returns for shareholders; and

Third, we continue to manage risk tightly, which, along with our prudent balance sheet positioning and liquidity management, underpin our delivery against targets in this environment.

Starting with income on slide 8 .

#### **Slide 8: Income +11% YoY, with growth across all operating businesses**

Income increased 11% year-on-year with growth across the Group, partly from margin expansion, but also from client activity and selective growth in the balance sheet.

Barclays UK grew 19%, mainly from Net Interest Income.

Consumer, Cards & Payments increased 47%, including the effect of the stronger US dollar, driven mainly by US cards, and also growth in both Payments and the Private Bank.

CIB reported its second best quarter on record<sup>2</sup>, with income up £38m at just under £4bn, including some benefit from the US dollar strength.

We are particularly pleased with the quality and diverse sources of strong income growth, which we'll look at on slide 9.

#### **Slide 9: High quality and diverse sources of income growth across the Group**

The £741m increase mainly reflected growth in Net Interest Income from several businesses across the Group.

In Barclays UK, NII grew £279m, reflecting broadly stable balances and a stronger margin.

In Consumer Cards & Payments, income growth of £420m reflected the significant US Cards balance growth, up 30%, and improvement in margin.

CIB income was broadly flat despite a reduction of around £370m in Intermediation income in Markets.

The Financing income in Markets increased by around £160m to just over £800m. This reflects the investment we have made in that area over the last few years, as we mentioned at full year, and also benefit from inflation.

Whilst this revenue stream is relatively more stable, it will be subject to fluctuations and seasonality from quarter to quarter, as client demand is impacted by the market environment, where spreads and inflation are expected to moderate.

Transaction Banking contributed over £300m of growth, mainly net interest income from higher margins, including the structural hedge, plus some year-on-year growth in deposit balances.

Transactional activity drove some fee income growth across both the consumer and corporate businesses.

#### **Slide 10: Structural hedge continues to drive higher NII across the Group**

We've illustrated on slide 10 why we remain confident about the momentum in Net Interest Income from the roll of the structural hedge.

You can see the quarterly build in gross income from the hedge, to £773m in Q1.

Although swap rates have moderated from Q4, reinvestment rates are still well above the yield of about 1% on hedges which mature this year.

So the build in gross hedge income is expected to continue, and two-thirds of this accrues to Barclays UK.

We reduced the size of the hedge marginally again in Q1, reflecting the deposit migration to interest-bearing accounts, particularly in corporate, as expected.

In total we have over £50bn maturing in 2023 and expect to reinvest the majority of that.

Turning now to costs on slide 11.

#### **Slide 11: Cost: income ratio of 57%**

Total costs were broadly flat year-on-year at £4.1bn, and our Group cost:income ratio was 57%.

Operating costs, excluding Litigation & Conduct, which was immaterial this quarter, increased by £0.5bn.

£0.1bn of this came from FX moves, with around 30% of Group costs in US dollars.

Efficiencies generated by previous cost actions broadly offset the effect of inflation to date.

The increase also reflected disciplined investment to drive returns, and generate further efficiency savings.

The 30% US cards balance growth, including the Gap acquisition, along with further marketing and partner spend and FX moves, drove the £170m increase in Consumer Cards & Payments.

The CIB increase of around £280m included a £40m increase in European levies, which are a Q1 event, and FX impacts of c.£60m.

We have also invested selectively in a number of CIB initiatives to support both the income momentum you see in our current performance and to improve resilience and controls.

These include technology platform enhancements, to generate income and to deliver better client experience.

For example, we have improved our financing platforms, supporting the growth in that area, and e-trading systems, and developed a unified interface for corporate clients.

We have also invested selectively in front office talent.

In Barclays UK, our focus is on transformation, as we automate and digitise our customer service models. The efficiency savings we've referenced previously are more than offsetting inflation and helping to fund the continued investment in digitisation and product simplification, to improve our service for customers.

Turning to the cost outlook.

Our cost guidance for the year is unchanged and we continue to target a Group cost:income ratio in the low 60s.

Litigation & Conduct is expected to be lower year-on-year, resulting in some reduction in total costs.

To give some colour on the expected phasing of costs through the year, we currently expect Q1 to be the high point for Group operating costs in 2023, based on current FX rates, but with different dynamics by business.

We expect CIB quarterly operating costs also to be lower than the Q1 level.



Moving on to impairment on slide 12.

### **Slide 12: Balance sheet remains well provisioned**

We haven't changed the baseline macroeconomic variables for modelled impairment from the full year, but they are more severe than for Q1 last year.

Our total impairment allowance at the quarter-end was £6.3bn, a slight increase from £6.2bn at full year, driven by a normalisation in customer behaviour.

At the end of the quarter we retained Post-Model Adjustments for economic uncertainty of £0.3bn.

### **Slide 13: Robust consumer coverage ratios and normalisation in credit**

On slide 13, we've shown key coverage and delinquency metrics for our two largest unsecured books, UK and US cards.

UK cards balances have reduced by around 40% since 2019.

We continue to see high repayment rates in UK cards across the credit spectrum, and arrears rates remain stable and low.

The coverage ratio is 7.7% in UK cards, slightly up on the year end, with 21.6% coverage of Stage 2 balances.

By contrast we've continued to grow US cards.

Delinquency rates have picked up a little, as we continue to see normalisation of credit behaviours. However, they remain below pre-pandemic level.

As we grow, we are maintaining strong coverage levels, with an increase from 8.1% at year end to 8.9% overall, and higher coverage ratios at stage 2 and stage 3.

### **Slide 14: Impairment charge normalising, in line with guidance**

The resulting impairment charge for the quarter was £524m, compared to the very low charge of £141m last year.

This charge translated into a Loan Loss Ratio of 52bps, and we are reiterating our guidance of 50-60bps for 2023, reflecting the expected normalisation in credit.

The Barclays UK charge of £113m reflects both the lower level of unsecured lending compared to pre-pandemic and benign credit performance.

The bulk of the charge is in Consumer Cards & Payments, and US Cards in particular. This reflects the continuing normalisation of delinquencies, plus some seasonality following holiday expenditure.

Continuing balance growth with a seasoning effect as balances grow post-pandemic, is also contributing to the increase.

This was particularly the case for GAP, where balances were Stage 1 at the point of acquisition; as some balances have migrated to Stage 2, we have seen impairment increase, as expected.

Turning now to the performance of each business, beginning with Barclays UK on slide 15.

#### **Slide 15: Barclays UK higher income driven by margin growth**

Profit Before Tax increased 27% and Return on Tangible Equity was 20.0%.

Income grew 19% to £2.0bn, with costs up 9%, reducing the cost:income ratio by a further five percentage points to 56%.

Net Interest Margin was 318bps, up 8bps on Q4, as we benefitted further from the roll of the structural hedge and the lagged effect from recent base rate rises.

These impacts continued to be moderated, as we expected, by product margin impacts, notably in mortgages, and also from migration of deposits into higher-rate products during the quarter.

As we indicated at full year results, overall we still expect the NIM to build over the year, though more gradually than we saw from Q4 to Q1 and we continue to guide to a Barclays UK NIM above 320bps for the year as a whole.

There were no incremental headwinds from the treasury effects we highlighted in Q4, and we expect a modest reversal of these over the rest of the year, supporting the margin progression.

Looking next at Consumer Cards & Payments on slide 16.

### **Slide 16: Consumer, Cards & Payments strong income growth of 47% YoY**

The Return on Tangible Equity was 10.5%.

Income increased 47%, reflecting growth across International Cards, Payments and the Private Bank.

US cards balances grew 30% to \$28.5bn, including \$3.3bn from the acquisition of the Gap book plus organic growth.

Total costs were down 3%, reflecting the non-recurrence of the significant Litigation & Conduct charge last year.

Excluding this, operating costs were up 29%, reflecting continuing growth across the businesses, and still delivering positive jaws.

Overall the cost income ratio improved to 58%.

As I discussed earlier, the increase in impairment was in line with our expectations and overall Loan Loss Rate guidance.

Looking next at the CIB on slide 17.

### **Slide 17: Corporate & Investment Bank delivered second best quarter on record<sup>2</sup>**

Return on Tangible Equity was 15.2%, while CIB income was broadly flat, against a very strong comparator.

Markets had a stand out first quarter in 2022, so income down 8% is a creditable performance, with FICC continuing to perform strongly, up 9%.

This was offset by Equities, reflecting lower volatility compared to prior years, which impacted intermediation income, and derivatives in particular.

As I mentioned we continued to see good growth in Financing.

Investment Banking fees were down 7%, reflecting the lower industry fee pool, although within this advisory fees were up 15%.

Our deal pipeline remains strong, and we would expect that to drive improved fee income as rates and market conditions stabilise.

As I mentioned earlier, Transaction Banking was another strong performance, up 68% year-on-year to £786m.

Total costs decreased 2%, reflecting non-recurrence of the significant Litigation & Conduct charge last Q1.

Excluding this, operating costs increased 15%.

Overall we're pleased with the continuing development of the franchise.

There's a slide in the appendix on the Head Office result, which was a loss before tax of £84m.

Turning now to capital, and liquidity on slide 18.

#### **Slide 18: Franchise strength driving strong capital and liquidity metrics over time**

We have consistently maintained strong capital and liquidity levels, as illustrated on this slide.

We ended this quarter with a CET1 ratio at 13.6%, which is in the middle of our target range of 13-14%.

Our liquidity pool ended the quarter at £333bn, with a Liquidity Coverage Ratio of 163%, and a Net Stable Funding Ratio of 139%, both substantially ahead of the regulatory requirements of 100%.

#### **Slide 19: Strong CET1 ratio with significant headroom to MDA**

Looking in more detail at capital, as we flagged at the year end, three items reduced the year-end CET1 ratio by around 40bps.

The reduction in IFRS9 transitional relief, the completion of the Kensington acquisition, and the recently completed £500m buyback announced in February.

Our capital generation from profits was strong, contributing 53bps in the quarter, of which 10bps was applied to the dividend accrual.

The expected increase in RWAs amounted to 21bps, as we invested in opportunities in the Markets businesses, supporting our strong income performance.

We ended the quarter at 13.6% and our MDA is now 11.4%; so our target range of 13-14% gives comfortable headroom.

Looking forward, we expect strong organic capital generation to support increased returns to shareholders and further business growth in line with our three strategic priorities.

#### **Slide 20: Diverse and stable franchise deposit base; total deposits +£10bn QoQ**

Recent events in the sector have increased the market's focus on deposit funding.

At Barclays, we have grown deposit balances substantially ahead of loan volumes for many years.

As shown on slide 20, we have seen an overall increase in deposits of £10bn, or 2%, this quarter, to £556bn.

This increase has been driven by international term-deposits in Treasury. These are mainly from corporates, and reflect the flight to quality in the market.

Excluding these, underlying customer deposits across the businesses are down just 1% in the quarter.

This is consistent with previous Q1 experience, and is largely as a result of expected seasonal effects, including payment of tax bills in January, and some FX moves.

Of total group deposits 41% are insured, with over 70% of UK retail, and over 90% of US consumer deposits covered.

#### **Slide 21: Highly liquid balance sheet**

Our franchise deposit strategy means we have remained highly liquid through the quarter, and have a Liquidity Coverage Ratio of 163%, well ahead of the regulatory requirements, and equivalent to a surplus of £122bn.

The liquidity pool of £333bn is held 82% in cash, with the risk in the residual debt securities tightly managed.

We have invested in liquidity management over many years and our approach focuses not just on the LCR, but also on a set of internal stress metrics that apply conservative stresses to our balance sheet in multiple scenarios, across various time horizons.

So, to recap and summarise the outlook on slide 22.

**Slide 22: Outlook – unchanged from FY22 results**

We delivered earnings of 11.3p per share in Q1, and generated a 15% Return on Tangible Equity.

Whilst Q1 tends to be a seasonally strong quarter for returns, we are confident of achieving our target of above 10% for the year.

We have broad-based and high-quality income momentum from the investments we have made in CIB and in growing CCP, while the rate environment and structural hedge also continue to drive income.

We will balance this investment with cost efficiency, given inflationary pressures, and we expect the Litigation & Conduct charges to be lower than in 2022.

Whilst we expect operating costs, which exclude Litigation & Conduct, to be higher year-on-year, we currently expect Q1 to be the high point for quarterly operating costs in 2023, based on current FX rates.

The cost:income Ratio for the quarter was 57%, and we expect to deliver a statutory cost:income Ratio in the low 60's this year, as we progress towards our target of below 60%.

We remain focused on risk management in readiness for potential deterioration in the macroeconomic environment.

We expect an increase in the impairment charge this year, as we grow US Cards in particular, and have seen an increase in charge there in Q1, as expected. We continue to guide to a loan loss ratio in the range of 50-60bps for the full year.

Our capital ratio remains strong at 13.6%, and we expect to deliver attractive capital returns to shareholders balanced with disciplined investments to drive returns.

Thank you, and we will now take your questions, and as usual I would ask that you limit yourself to two per person, so we get a chance to get around to everyone.

## Footnotes

<sup>1</sup> On a comparable statutory basis, period covering Q111 to Q123. Pre-2011 financials were not restated following accounting standards changes for IFRS 10 and IAS 19.

<sup>2</sup> On a comparable basis, period covering 2014-Q123. Pre 2014 data was not restated following re-segmentation in 2016.

### Important Notice

The terms Barclays or Group refer to Barclays PLC together with its subsidiaries. The information, statements and opinions contained in this document do not constitute a public offer under any applicable legislation, an offer to sell or solicitation of any offer to buy any securities or financial instruments, or any advice or recommendation with respect to such securities or other financial instruments.

Information relating to:

- regulatory capital, leverage, liquidity and resolution is based on Barclays' interpretation of applicable rules and regulations as currently in force and implemented in the UK, including, but not limited to, CRD IV (as amended by CRD V applicable as at the reporting date) and CRR (as amended by CRR II applicable as at the reporting date) texts and any applicable delegated acts, implementing acts or technical standards and as such rules and regulations form part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended. All such regulatory requirements are subject to change and disclosures made by the Group will be subject to any resulting changes as at the applicable reporting date;
- MREL is based on Barclays' understanding of the Bank of England's policy statement on "The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL)" published in December 2021, updating the Bank of England's June 2018 policy statement, and its MREL requirements communicated to Barclays by the Bank of England. Binding future MREL requirements remain subject to change including at the conclusion of the transitional period, as determined by the Bank of England, taking into account a number of factors as described in the policy, along with international developments. The Pillar 2A requirement is also subject to at least annual review;
- future regulatory capital, liquidity, funding and/or MREL, including forward-looking illustrations, are provided for illustrative purposes only and are not forecasts of Barclays' results of operations or capital position or otherwise. Illustrations regarding the capital flight path, end-state capital evolution and expectations and MREL build are based on certain assumptions applicable at the date of publication only which cannot be assured and are subject to change.

### Important information

In preparing the ESG information in this Results document we have:

(i) made a number of key judgements, estimations and assumptions, and the processes and issues involved are complex. This is for example the case in relation to financed emissions, portfolio alignment, classification of environmental and social financing, operational emissions and measurement of climate risk

(ii) used ESG and climate data, models and methodologies that we consider to be appropriate and suitable for these purposes as at the date on which they were deployed. However, these data, models and methodologies are subject to future risks and uncertainties and may change over time. They are not of the same standard as those available in the context of other financial information, nor subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. There is an inability to rely on historical data as a strong indicator of future trajectories, in the case of climate change and its evolution. Outputs of models, processed data and methodologies will also be affected by underlying data quality which can be hard to assess or challenges in accessing data on a timely basis

(iii) continued (and will continue) to review and develop our approach to data, models and methodologies in line with market principles and standards as this subject area matures. The data, models and methodologies used and the judgements estimates or assumptions made are rapidly evolving and this may directly or indirectly affect the metrics, data points and targets contained in the climate and sustainability content within this document and the Barclays PLC Annual Report. Further development of accounting and/or reporting standards could impact (potentially materially) the performance metrics, data points and targets contained in this document and the Barclays PLC Annual Report. In future reports we may present some or all of the information for this reporting period using updated or more granular data or improved models, methodologies, market practices or standards or recalibrated performance against targets on the basis of updated data. Such re-presented, updated or recalibrated information may result in different outcomes than those included in this document and the Barclays PLC Annual Report. It is important for readers and users of this report to be aware that direct like-for-like comparisons of each piece of information disclosed may not always be possible from one reporting period to another. Where information is re-presented, recalibrated or updated from time to time, our principles based approach to reporting financed emissions data (see page 87) sets out when information in respect of a prior year will be identified and explained

### Information provided in climate and sustainability disclosures

What is important to our investors and stakeholders evolves over time and we aim to anticipate and respond to these changes. Disclosure expectations in relation to climate change and sustainability matters are particularly fast moving and differ in some ways from more traditional areas of reporting in the level of detail and forward-looking nature of the information involved and the consideration of impacts on the environment and other persons. We have adapted our approach in relation to disclosure of such matters. Our disclosures take into account the wider context relevant to these topics, including evolving stakeholder views, and longer time-frames for assessing potential risks and impacts having regard to international long-term climate and nature-based policy goals. Our climate and sustainability-related disclosures are subject to more uncertainty than disclosures relating to other subjects given market challenges in relation to data reliability, consistency and timeliness, and in relation to the use of estimates and assumptions and the application and development of methodologies. These factors mean disclosures may be amended, updated, and recalculated in future as market practice and data quality and availability develops.

### Forward-looking Statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate



only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by directors, officers and employees of the Group (including during management presentations) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income levels, costs, assets and liabilities, impairment charges, provisions, capital, leverage and other regulatory ratios, capital distributions (including dividend policy and share buybacks), return on tangible equity, projected levels of growth in banking and financial markets, industry trends, any commitments and targets (including environmental, social and governance (ESG) commitments and targets), business strategy, plans and objectives for future operations and other statements that are not historical or current facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements speak only as at the date on which they are made. Forward-looking statements may be affected by a number of factors, including, without limitation: changes in legislation, regulation and the interpretation thereof, changes in IFRS and other accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards; the outcome of current and future legal proceedings and regulatory investigations; the policies and actions of governmental and regulatory authorities; the Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively; environmental, social and geopolitical risks and incidents and similar events beyond the Group's control; the impact of competition; capital, leverage and other regulatory rules applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions, including inflation; volatility in credit and capital markets; market related risks such as changes in interest rates and foreign exchange rates; higher or lower asset valuations; changes in credit ratings of any entity within the Group or any securities issued by it; changes in counterparty risk; changes in consumer behaviour; the direct and indirect consequences of the Russia-Ukraine war on European and global macroeconomic conditions, political stability and financial markets; direct and indirect impacts of the coronavirus (COVID-19) pandemic; instability as a result of the UK's exit from the European Union (EU), the effects of the EU - UK Trade and Cooperation Agreement and any disruption that may subsequently result in the UK and globally; the risk of cyber-attacks, information or security breaches or technology failures on the Group's reputation, business or operations; the Group's ability to access funding; and the success of acquisitions, disposals and other strategic transactions. A number of these factors are beyond the Group's control. As a result, the Group's actual financial position, results, financial and non-financial metrics or performance measures or its ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in Barclays PLC's filings with the SEC (including, without limitation, Barclays PLC's Annual Report on Form 20-F for the financial year ended 31 December 2022), which are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

Subject to Barclays PLC's obligations under the applicable laws and regulations of any relevant jurisdiction (including, without limitation, the UK and the US) in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

#### **Non-IFRS Performance Measures**

Barclays' management believes that the non-IFRS performance measures included in this document provide valuable information to the readers of the financial statements as they enable the reader to identify a more consistent basis for comparing the businesses' performance between financial periods and provide more detail concerning the elements of performance which the managers of these businesses are most directly able to influence or are relevant for an assessment of the Group. They also reflect an important aspect of the way in which operating targets are defined and performance is monitored by Barclays' management. However, any non-IFRS performance measures in this document are not a substitute for IFRS measures and readers should consider the IFRS measures as well. Non-IFRS performance measures are defined and reconciliations are available on our results announcement for the period ended 31 March 2023.