Barclays PLC Q1 2024 Results

25 April 2024

Results call Q&A transcript (amended in places to improve accuracy and readability)

Joseph Dickerson, Jefferies

I just had a couple of questions on the UK business and then the US business. Just in terms of the UK balance sheet versus the NII performance, and I note that the NIM, which I'm glad we're not talking about as much anymore, was up 2 bps. And it looks like separately, the current account mix shift is starting to settle now with GBP 59 billion of current account balances versus GBP 60 billion last quarter. So do you think that we have kind of arrested the mix away from current accounts? I mean, clearly, the Bank of England data shows some flow into noninterest-bearing accounts, at least for the first 2 months of the year. So just wondering what the outlook there is because it seems like you can easily deliver on your target for this year on the NII guide. So any comment around those moving parts would be helpful.

And then in the US, I guess how do we get the trajectory on the credit loss number? I mean, how should we think about that from the 610 basis points in Q1 to 400 basis points by 2026, given that, I suppose, unemployment could deteriorate in the US or what have you. But clearly, part of the mix is also going to be coming from the GAP portfolio. So I'm just wondering what's the confidence in the moving parts to go from 610 to around circa 400 basis points. And on the US, could you also just confirm that the late fee matter is embedded or already reflected within the guidance that you've given for that unit at the update in February.

Anna Cross, Group Finance Director

Thanks for the questions. On the BUK question, I think it's worth just reflecting on slide 16, where we've shown you the balance sheet progression as a deposit matter. And I think you're right, we are seeing some stabilisation in underlying deposits. And the way I read that is partly through the current account movement, but it's also whilst you continue to see some movement towards time deposits, that rate of change has definitely slowed down. And what we see in Q1 is a mixture of those deposit trends continuing, but at a slower pace and what I would describe as normal seasonality. So in Q1, people pay their tax bills, they also pay off credit card bills, et cetera. And you also see that a little bit in business banking. So I think it's as we expected to see. From here on in, I think now in Q2 and beyond, you get almost beyond the ISA season, which can cause a bit of noise in the UK. I think we'd expect those deposit trends to continue. So that's how I'd characterise those changes in the UK.

As far as the US is concerned, I think it's worth looking at page 13, which is a replication of the slide that we gave you at the year-end. And what that shows is we expected write-offs to increase in the US because delinquencies had been rising through last year, in line with the industry, and as the standard required us to, we reserve in advance. So what you see in Q1 is really a switch around in the balance between reserving and actual write-offs, so write-offs have gone up, and reserving is now starting to settle back down. So for 2024 we expect higher impairment charges in the first half, lower in the second half and for the year, as a whole, to be lower than 2023.

And in terms of the longer term trends in this business, I mean you're right in terms of one of our objectives is to have a higher proportion of retail. But actually, our GAP portfolio is very high quality. And the FICO balance that we've got in the book now is no different to what it was pre-GAP. And as we grow that retail proportion in time, what we also see is a roll-off of the legacy slightly lower FICO portfolio such that the mix remains broadly similar to what it is today. So that's why we're guiding to this longer-term position of 400, and that's what gives us confidence.

And just to confirm on your final piece, yes, we did include late fees in our RoTE projections. We'd expect those to come in, planning for May, they may be slightly later than that. We have offsets to come in the plan, but they slightly lag the imposition of the legislation. So you'll see a bit of a gap there, but that's what we expected.

Benjamin Toms, RBC

Thanks for taking the questions. The first is on the Investment Bank, please. You noted this morning there's more to do in European rates within the IB. Can you just give us some more colour on what's left to do there? Is that in people or infrastructure or both? And when do you think we'll start seeing some progress for that product line?

And then secondly, NIM was up in the quarter by 2 basis points, but NII was slightly down by about 2%. Could you give us some guidance whether you think that we've now seen a trough in your NII?

C.S. Venkatakrishnan, Group CEO

Yes, thanks. So let me begin and then Anna will take up the NII point. So in European rates, it's people and a little bit of dealing with intensifying of the client penetration. So I would expect to be hiring people. We've already got today a very strong presence in the primary markets in Europe, in DCM and especially with government bond trading. And what we are doing is supplementing the skills that we have on the trading desk. And I would expect, not in months, but in quarters, to start seeing some of the improvement. Of course, it's a function of market environment as well but it's mostly an investment in people.

Anna Cross

Thanks, Ben. On your second question, I think it's worth looking at the new disclosure that we've given you around the NII movement in the UK, which is on the bottom right of page 15. And what we're seeing here in the quarter is more stability in margin than we saw throughout 2023. And you can see there that there's still some product margin dilution, which is coming from mortgages and it's also coming from those deposit changes, but largely offset by the continued strength in the structural hedge.

And what's really going on here is balance sheet movement. So the reduction in deposits that I talked about before. Also just more of a broader market-wide movement in terms of reduction in mortgage balances, so we continue to guide to circa GBP 6.1 billion for the full year. Still confident in that guidance.

And I'd just reflect perhaps on the NII across the group more broadly, which was stable year-on-year. And that’s taking into account not just the UK, but the corporate bank, private banking and wealth as well, and indeed, our US Cards business. So we're pleased with that as a result. And that's a good position from which we can grow.

The only other thing I would call out is, of course, that circa GBP 6.1 billion is ex-Tesco, and we now expect Tesco to complete in the fourth quarter of this year.

Alvaro Serrano, Morgan Stanley

A couple of questions. One on the IB and a follow-up on provisions in the US. On the IB, there's a few moving parts that you've called out. But I also note your US competitors. There's been a bit of a mixed sort of messages on the pipeline. So I just wanted to pick your thoughts on the seasonality you see during this year considering the one-offs we've seen in the quarter, what seasonality could we expect in markets?

And also in DCM, the number is obviously up, but according to Dealogic, and other peers, it could have been up more. How do you see the pipeline there? Because, as I said, some of your peers were a bit more cautious.

On the US cards, noted your comments, Anna, around the reserve build. But in your modelling, you trend towards 400 basis points. Based on that, when would you expect the delinquencies to peak? Because conscious that typically, the seasonality in provisions tend to be higher in the second half. So just looking for data points that we could look out for to confirm that 400 basis points in particular, the peak in delinquencies?

C.S. Venkatakrishnan

It's Venkat. So let me begin on the first one on the IB. So on seasonality, I think in markets with one proviso, which I'll say in a second, you should expect the normal seasonality that you see, which is a little quieter in the summer and then picking up in the fourth quarter. And so far, the second quarter is behaving like second quarters generally do in a seasonality sense.

The thought on DCM and the proviso I will make on overall fixed income markets is there is an assumption there about when volatility comes. And obviously, that's very, very hard to predict. We've seen, since the 1st of November, a round trip of about 90 basis points in 10-year gilts and approximately the same, slightly less than that in 10-year treasuries. And so the question really is based on rate expectations, do they stabilise at this level or is there further volatility. I don't know the answer.

But in part, that answer affects the next question, which is on DCM. And I think there are two parts to this. One is, obviously, rates are much higher than people might have thought three to six months ago. But at the same time, spreads are much tighter. And so I think the tightness of spreads is going to be one important factor in the thinking of issuers on actually what they bring out to the market. So I'm expecting that you will continue to see people tempted by the lower spreads.

Anna Cross

Okay, Alvaro, I'll take the second question. So in terms of modelling, what we expect is for US unemployment to go up from its current position. And you can see that in our IFRS 9 assumptions. What that would tell us is that we should continue to see some increase in delinquency.

That said, a couple of things. Our expectations of that peak of unemployment have actually come down quarter-on-quarter. So we've seen an improvement in the macroeconomic outlook, we believe, for the US. And actually, that economy remains robust. So whilst we expect to see a continuation of delinquency, we are content that we have very robust coverage. You'll see that our coverage is now over 11% on an IFRS9 basis. It's 8.5% on a CECL basis, so we're well covered. Where we had concerns, probably, at the lower end of the FICO scores, we've taken action on credit lines. So we feel like we're preparing well both in terms of provisioning and indeed, our credit actions, if you like. But it is progressing as we expected to and given the IFRS9 forecast we have for unemployment.

Rohith Chandra-Rajan, Bank of America

I had a couple on revenues, please. The first one's just coming to the Investment Bank, where revenue performance is well below peers even after adjusting for the one-offs that you flagged, and that's particularly the case for FICC and fees and even equities is off quite a low Q1 2023 base. So thanks very much for the colour that you've given us in terms of the product narrative. I was just wondering, because you target a lot of market share gain and quite a lot of improvement in return on risk-weighted assets, I'm just wondering when we should think about that from a timing perspective? Is that a similar sort of time frame to what Venkat was talking about in terms of the euro rates benefits coming through. So thinking about seeing those market share and RoRWA benefits over the coming quarters. Is that realistic for the IB as a whole?

And then the second one is just back on Barclays UK actually. Anna talked about mortgage flows being in line with 2022. I just wanted to clarify what you were talking about there. Is that gross lending? Or is it approvals because I think approvals particularly are up year-on-year significantly.

Anna Cross

Okay. Thanks, Rohit. I'll take both of those questions, and I'll start with the first. Venkat might wish to add. So you're right. There are two particular quirks, if you like, in both Equities and our FICC numbers. In Equities, there's a one-off in the current quarter, which we've called out, actually, excluding that, the business is up 11% in dollar terms, which we actually believe compares very favourably to our US peers and demonstrates that we're making progress - we called out cash, we all called out prime, and we called out equity derivatives, which, of course, is one of our focus areas.

FICC, on the other hand, you might recall this time last year, we were talking about some inflation-specific income in there, that does colour the comparisons a little bit. But even after we split that out, it's down 14% in dollar terms, which we don't believe lines up too unfavourably against our US peers.

There's a few things going on in there. We are pleased with the progress in securitised products. And in previous quarters, we would have said we're small in that business, we still are. But we've been able to monetise it much more effectively because of the investments that we've put in. And then across banking, I mean Venkat's covered that, but it feels like quarter-on-quarter progress.

When we stand back from it all, this is 1 quarter in a 12-quarter plan. And we do believe that we have the right plans to grow this business, but we're not going to see the results after 1 quarter. So I won't give you a time frame, but hopefully, we'll be able to show you regularly how we are making progress. That's one of the reasons why we set up the reporting that we have so that we're not seeing a huge change in that revenue over RWA number yet, but it's important to us, and therefore, we're just showing you that.

And on BUK, you're right to call me out on this. So let me be very specific. I was talking about gross flows. Approvals are up 22% for the market in the first quarter. And interestingly, what we're seeing is the purchase market coming back in the UK, which is really good after '23 being very much remortgage dominated. So that's really good. We think that helps for us, although it will take time for that to flow into the balance sheet.

One thing I would call out is we feel like we've taken share in higher loan-to-value mortgages, which, again, was one of the areas we were seeking to do. But just to be really clear, this is going to take time to flow into the balance sheet. But thank you for the question.

Ed Firth, KBW

Can I just ask you about capital? And firstly, could you just update us if there is any update on the US cards business. I think it's Q3. I think we had GBP 16 billion. I'm not sure if that was my number or your number, additional risk-weighted assets which I guess if you put on a pro forma now, that takes you really down to 13 or a little bit below. So I guess the first question is, is that still the right sort of number?

And then the second question is, I thought that the German consumer disposal would pay for some of that, if that makes sense. And therefore, you still have plenty of capital in the second half. But it sounds like that's not going to be so likely now. So am I right about that? Should we really be thinking that Q3 is going to be a low point for capital? And how should we think about that in terms of capital distribution in the second half?

Anna Cross

Thanks, Ed. There's a lot in that, but let me try and keep up. So no change to our guidance around the US cards regulatory model changes. So still expecting 16. Still expecting that in the third quarter.

So in terms of the numbers that you read out, I understand the math behind it and the pro forma. The thing I would say is there are obviously a lot of moving parts here. There's the organic generation of capital, which you can see in the first quarter has been strong. There's some seasonality in RWAs, which will obviously move as the year goes on. And typically, we would expect Q1 to be in the middle of the range, or maybe even slightly below the middle of our range because of that.

You've then got inorganic actions. And I'm not going to comment on the specific timing of the German card disposal, but I would say it continues to progress. And then you've got business mitigants. So I'd call out the Blackstone transaction, and you can imagine that we continue to work hard on RWA efficiency across the group more broadly.

So in terms of capital generation and distributions, our plans remain as they were on the 20th of February in terms of both the priority, first reg; second shareholder distribution; third investment in the business, and we are still planning to distribute greater than GBP 10 billion across '24 to '26, and we're still expecting to deliver broadly what we did last year, so around GBP 3 billion in the current year. So capital-wise, we're on track to where we expect it to be.

Guy Stebbings, BNP Paribas Exane

One on Barclays UK and then one on US cards. Yes, thanks for the new disclosure on slide 15 on the NII bridge as it were. Just looking forward, some of the dynamics look quite encouraging, but still the guidance implies a slight headwind versus the Q1 run rate on NII. So I guess I would have thought the hedge and the product margin dynamics are pretty neutral from Q2, perhaps even a slight benefit beyond that as we think about the hedge benefit and support from higher LTV lending, perhaps outweighing some of the headwinds. So I'm just trying to understand what is the headwind from it? Is the deposit volume component still being a drag even post the seasonal effects that you called out in Q1?

And then on US Cards, you highlighted the increase in core deposits as a percentage balance. I just wondered how much of that is a dollar increase or how much has that been impacted by the fall in lending balances and perhaps a reduction in other funding? And how are you going to drive that growth in core deposits as we look forward? Is it really about the changes in providing a deposit proposition in the same way you do on the lending? Or is it pricing?

If I can just squeeze in a follow-up on US cards. You talked about mitigating the late payment fees. I just wondered how much of what's embedded in the plan is the market reacting to that versus what's more in your control?

Anna Cross

Okay. Thank you, Guy. So just reflecting back on slide 15. I mean I'd just reiterate what I said before, that really '24, we see a bit more stabilisation in the margin because of the factors you call out and the strength of the hedge. And then also, you've got continued deposit migration. So even though it's slowing down, we still expect it to be there. And in terms of the mortgage market, while we're seeing encouraging signs in terms of the market, it is going to take a while for that to start flowing into the balance sheet. So you see a balance sheet that contracts before it starts to expand, and that's really what underpins our circa GBP 6.1 billion. So it's playing out in the first quarter sort of as we expected it might.

In terms of your question 2a on dollar deposits, it is exactly what you say. So we're expecting this is product led and actually, the way we go to market with those dollar deposits reaching more directly to consumers.

And again, this is the first quarter in a 12-quarter plan. It's going to move around a little bit. And actually, I've been looking for longer-term trends there really, but it's product propositionally driven.

And then finally, just in terms of the market on late fees, I think we do see some price changes coming through, which is sort of what we anticipated and we would expect to participate in that which is why I said late fee legislation happens first, the pricing changes will drip through over time.

The only other thing I would say is, of course, given the nature of our business, we are able to share the impact of those late fees with some of our partners. So you might expect the impact for us to be slightly less than it would be more market-wide. But overall, we considered all of that and included it in the RoTE pathways and guidance that we gave you on the 20th of February. So no change.

Christopher Cant, Autonomous

One very quick one to follow up on the last question, please. Could you just give us some quantification of the expected annualised impact around the late fee changes for your US consumer business? I think it would be helpful to understand what the sort of initial impact you're expecting there is even if you expect some industry-wide and idiosyncratic mitigations over time. That would be the first question, please.

Secondly, on NII, just conscious that you do have this GBP 120 million Bank of England levy. You're indicating that there's a GBP 75 million offset in revenues this year, I think, you said GBP 50 million net impact year 1. And I understand that's going to go through the NII line. And when I think about what swap markets have done since your guidance would have been struck at the full year, I guess it's a bit more supportive, slightly higher average base rate for this year, slightly higher average swap rates, You then have GBP 75-or-so million of benefit to come through relative to plan from this Bank of England funding adjustment. Why hasn't the NII guidance being nudged higher? Is that just prudence? Or is there something else going on in there, which is maybe a little bit worse than expected?

And I guess related to that, what is your guidance around NII sensitivity to base rate at this point, please? You haven't given us anything in the slides for quite some time. And given the relative size of your hedge versus peers and some of the commentary you gave at 2Q results last year, I do wonder actually whether in the very short term base rate perhaps not coming down as much, perhaps slightly negative to very near-term NII trends?

Anna Cross

Okay. Thanks, Chris. I will take those. So on the first one, we haven't quantified it publicly. However, on the 20th of February, we did include it in the flight path. You can see that it's actually a net negative over the period. So you can see it being a drag on the RoTE, but it is part of that. But I'd just reiterate, I would expect it to be slightly less than other market participants some are calling out just because of the impact from the partners.

So in terms of NII more generally, we continue to guide to circa GBP 10.7 billion for the full business excluding the IB and head office and to circa GBP 6.1 billion for BUK. And you're right, there have been some movements in swap markets. But of course, they do move around a great deal. And what we did on the 20th of February was try and underpin our targets with prudent macroeconomic assumptions. Of course, we monitor those very regularly. We consider the impacts on the business, but we're not going to mark-to-market those targets on a quarterly basis.

Just mathematically, you're right, we would expect some offsetting income from that Bank of England levy. I think we've called that out, around GBP 75 million. But 1 quarter in, we're not going to adjust the targets that we've given you.

In terms of your specifics around the sensitivity, I would say, given the scale of our hedge, we are and always have been less sensitive to immediate changes in base rates. That remains true. Any sort of near-term change in rates is less important to us than just a mechanistic rolling of that hedged quarter in, quarter out. And there's nothing that I would call out as a negative in terms of rates being higher for longer. Of course, you might expect some benefit in liabilities, but there might be some offsetting matters in terms of asset formation, for example. So that's why at this stage, we're really happy with the GBP 6.1 billion and the GBP 10.7 billion.

Robin Down, HSBC

Just two. So just to confirm, the GBP 300 million reduction in NII within BUK, that was set before the BoE levy kind of changes? I'm going to get probably about a GBP 50 million NII benefit within BUK. Just if you could clear that up.

Second question, a much broader question. Obviously, you've got a RoTE target for this year of greater than 10%. I think consensus is currently around 8.8%. And when I look at the numbers, it looks like you need about GBP 1 billion revenue growth based on your 2024 RoTE bridge. And that's just not something that consensus or my own forecast currently have factored in. I think consensus has about GBP 250 million of income growth. I guess a great disparity there must particularly be in the IB given you've given us fairly precise guidance on things like NII elsewhere. I'm just wondering if there's anything hard and fast you can point to and say, look, I think consensus is just wrong on this number when you look at our models? Any colour there, that would be greatly appreciated.

Anna Cross

Okay. Thanks, Robin. So on the first one, our circa GBP 6.1 billion for BUK was struck for the 20th of February, which was before these changes. Just mathematically, that is true. But we are in the first quarter, which is why I'd reiterate, we're happy with our progress thus far.

In terms of your RoTE of greater than 10%, the 12.3% that we've delivered in the first quarter is exactly where we thought we would be. And within that, the constituent parts are what I was looking for. So number one, real stability and income, particularly in NII and particularly in our financing businesses. They provide real ballast to our income overall, the 68% of income in the quarter, and that's what we're focused on growing because it's a really good base for us to deploy the RWAs into the UK and to focus on those areas within the IB.

The second thing I was looking for was delivery of costs and efficiency. We said GBP 1 billion for the full year. We've delivered GBP 200 million of that in the first quarter. So we're on track there.

Third thing was continued good credit conditions. And again, we've seen that. So good credit performance at 51 basis points, really at the bottom end of our through-the-cycle range, which again gives us a good base to grow from.

And then finally, the capital position. So there's nothing different in our performance versus what we expected when we spoke to you on 20th of February. However, there probably are some changes in shape relative to last year. So last year, had an impairment profile that was very back-end loaded. This year, it's pulled forward, driven very much by the US positioning.

The second thing is we did see quite a sharp change in NIM last year, driven by the deposit mechanics that really started to kick in, in the second and the third quarter.

The third thing is we did see a drop-off last year driven by the cash flow hedge reserve and the way that was impacting the tangible equity of the group.

And then finally, I'd also call out, in the current quarter, that Bank of England levy has a 70 basis points impact. Now we expect that to be not quite neutral, but nearly neutral over the year as a whole. So that is depressing the first quarter RoTE.

Now of course, last year also, after a strong first quarter, we saw a dramatic force in IB fees in particular, to a decade low year for the whole market. And we're seeing more positive signs this year. So I think it's quite a nuanced question. But overall, we still believe that we can hit greater than 10% for the year, and we're exactly where we thought we'd be at this point.

Jonathan Pierce, Numis

A couple of questions. On the hedge, I think you probably put on about 1/4 of this hedge now since medium-term rates moved above 3%, yet the yield on it is still only 1.8%. And it sort of implies that the rest of the hedge, the slightly older hedges are earning closer to 1%. So I'm just trying to square that with a 1.5% maturity yield guidance that you've given in the next few years. Is that just a prudent number you've thrown out there and actually the maturity yield on the hedges over the next few years is closer to 1% rather than 1.5%? Or is there actually a fairly decent tailwind expected into 2027 and '28 as well?

The second question is not entirely unconnected. When I look at 2026 consensus RoTE, and I rebase for GBP 30 billion revenue number rather than where consensus is in the mid-28s you're getting to your target. So I assume on that basis, you recognise the consensus TNAV numbers to the end of '25 and into 2026.

And then there's a final question on this, maybe to Venkat. The LTIP targets, incredibly commendable, but you don't get paid out in full unless you hit the 14% RoTE in 2026. But I'm just wondering what's your thinking there? It looks extremely aggressive, given consensus doesn't even believe you'll make the 12%. So why did you put a 14% RoTE target into that latest LTIP?

Anna Cross

Okay. Jonathan, thanks for the question. I think there are three. So let me deal with the first two, and then I'll pass the third one to Venkat. So on the hedge, no, it wasn't prudent. It's the actual number. So we do expect the average maturing yield to be 1.5%. We do expect GBP 170 billion to roll '24 to '26, inclusive. We haven't talked about the tailwinds, for '27 and '28. We talked about the tailwind for '26 which we said, given the assumption that we gave you or the indicative number rather that we gave you of 3.5% swap rate, that would add GBP 2 billion or around GBP 2 billion of income by 2026 relative to '23.

And you can see the progress that we've made in the quarter. So for 2024 alone, when we were at the year-end, we locked in GBP 3.8 billion. Now we've locked in GBP 4 billion. And that compares to a total gross hedge income of GBP 3.6 billion last year. So there is a very powerful tailwind that comes from this hedge.

To your second question, I won't specifically comment on the consensus numbers that far out, but we do expect an increase in TNAV. We're seeing it grow as we expected, in part because of the mechanics of the cash flow hedge there. And you might recall, we called that out specifically on the 20th of February. It was one of the moving parts as a headwind to RoTE, both in 2024 and beyond into 2026. So it's being driven by the mechanics of the cash flow hedge reserve. It's being driven by AP accretion. And of course, it's being driven by the reduced share count over time. And that's really why we're seeing it move forward.

And clearly, as a management team, we're most focused on the last two of those, just noting that the cash flow hedge reserve can move around quite a bit. So it's AP accretion and really that buyback value creation that we're focused on. And Venkat?

C.S. Venkatakrishnan

Yes. I mean I would just say, to pick up on that point on TNAV, this is a very important fundamental improvement in the bank when you just see the TNAV go up. And as Anna said, we emphasise the second two points, which is AP accretion and share count.

Coming back to the LTIP. Well, first of all, it should be clear, the LTIP targets and the composition and levels of compensation for both Anna and me are set by the Board. And normally, there is in the LTIP, it's aligned to, obviously, these financial targets, but there's always a little bit of stretch in them for incentivisation of management. And that's all there is to it.

So I think with that questions are over. If I may, I'd just like to say thank you very much for your time. As Anna and I have emphasised throughout, we are on track with the 3-year plan we laid out in February 2024.

We both, Anna and I, look forward to seeing many of you on the road and on the 18th of June for our business deep dive with the UK Corporate Bank. So thank you very much.

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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. Refer to the appendix of the Barclays PLC Results Announcement for financial year ended 31March 2024, which is available at Barclays.com, for further information and calculations of non-IFRS performance measures included throughout this document, and the most directly comparable IFRS measures.

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, business strategy, income levels, costs, assets and liabilities, impairment charges, provisions, capital, leverage and other regulatory ratios, capital distributions (including policy on dividends 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), 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, regulations, governmental and regulatory policies, expectations and actions, voluntary codes of practices 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 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, pandemics and similar events beyond the Group's control; the impact of competition in the banking and financial services industry; capital, liquidity, leverage and other regulatory rules and requirements 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; reforms to benchmark interest rates and indices; 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 conflicts in Ukraine and the Middle East on European and global macroeconomic conditions, political stability and financial markets; political elections; developments in the UK's relationship with the European Union (EU); the risk of cyberattacks, information or security breaches or technology failures or other operational disruptions and any subsequent impacts 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. In setting its targets and outlook for the period 2024-2026, Barclays has made certain assumptions about the macro-economic environment, including, without limitation, inflation, interest and unemployment rates, the different markets and competitive conditions in which Barclays operates, and its ability to grow certain businesses and achieve costs savings and other structural actions. Additional risks and factors which may impact Barclays Bank Group's future financial condition and performance are identified in Barclays PLC's filings with the US Securities and Exchange Commission ("SEC") (including, without limitation, Barclays PLC's Annual Report on Form 20-F for the financial year ended 31 December 2023), which are available on the SEC's website at www.sec.gov.

Subject to Barclays Bank 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.