

**Barclays PLC FY 2018 Results****Analyst and Investor Conference Call Speech****Jes Staley, Barclays Group Chief Executive Officer****Tushar Morzaria, Barclays Group Finance Director****Slide 2: Jes Staley, Barclays Group Chief Executive Officer**

Good morning everyone, and thanks for joining this Full Year 2018 results call.

**Slide 3: Barclays Group is positioned to deliver strong and sustainable returns for shareholders**

First, this morning, Tushar is going to walk you through the numbers for the 4th Quarter and the Full Year.

And then I'm going to provide my view of 2018; where we are on our strategic journey; and how I see the shape of the Group evolving over the next few years as we look to grow our businesses, and enhance shareholder distribution and returns.

As we began 2018, we had all but reached the end of the huge restructuring of the business which we commissioned with our strategy in March of 2016.

We had closed our Non-Core Unit.

We had significantly sold down our interest in Barclays Africa, with regulatory deconsolidation granted in July of last year.



We had largely completed our work on structural reform, which culminated in the stand-up of our ring-fenced bank in April.

We have created our Service Company, which we call BX.

We have implemented our contingency plan for Brexit.

And we were able to resolve the most significant legacy conduct issues for the bank in 2018.

Barclays today is consequently in its strongest state since the financial crisis.

With our restructuring done, and now largely unencumbered by issues which have been such a heavy drag on our performance, we can look forward to enhancing shareholder returns and distributions.

And this morning I want to talk to you about our prospects for doing so.

Let me hand first of all to Tushar to start us off.

#### **Slide 4: Tushar Morzaria, Barclays Group Finance Director**

Thanks, Jes.

I'll begin with the full year results, and then give some brief comments on the fourth quarter.

#### **Slide 5: FY18 Group highlights**

With profit before tax up 20% and RoTE of 8.5%, we made good progress towards our targets. These figures exclude litigation and conduct charges, and Jes and I will exclude them in our commentaries as usual.

With a 2019 target of over 9%, of course we still have work to do, in part as the 8.5% reflects a lower impairment charge than we would expect going forward, down 37% year on year.

Despite this, we took a specific charge of £150m in Q4 to reflect economic uncertainty in the UK. However, delinquencies remain reassuring – and I'll come back to these shortly.

We delivered positive jaws, with stable income and a 2% cost reduction, excluding the Guaranteed Minimum Pension charge of £140m taken in Q4, and we generated EPS of 21.9p.

We're pleased with the capital out-turn. At 13.2%, our CET1 is in line with our target of around 13%. This was flat on Q3, despite our decision to redeem the retail preference shares and call an AT1 instrument in Q4, which together cost us over 30 bps.

Looking now at income in more detail.

#### **Slide 6: Resilient income performance in challenging market conditions**

Income overall was resilient, stable year on year in challenging market conditions, reflecting our diversified business mix.

Within this, BUK income was stable, as we continued to grow secured lending but remained cautious on unsecured, given current uncertainties.

However, in CIB, Markets income was up 9% yoy, as we consolidated share gains, despite challenging conditions.

Income was lower in corporate lending, as we redeployed capital away from low-return lending.

Together with the negative net treasury result (formerly reported in Head Office), this resulted in overall CIB income being down 1%.

CCP income was down 5%, or £243m, due to a number of one-offs, and this year's net treasury result. Excluding these items, income grew 2%.

### **Slide 7: Improving cost efficiency is creating capacity to invest, driving operating leverage**

Costs were down 2% at £13.9bn, in line with our guidance excluding the GMP charge. This included costs of preparing for Brexit.

The bank levy of £269m benefitted from the reduced rate and prior-period adjustments, so is likely to increase in 2019. But this has given us the opportunity to accelerate some of our cost efficiency investments, including optimisation of our real estate footprint in BUK and BI.

So we are on track for this year's guidance of £13.6-13.9bn, and this range gives us flexibility to adapt to the income environment.

I would like to spend a couple of minutes on how we are achieving efficiencies through BX, generating operating leverage. This is designed to allow us to distribute more to shareholders, and to invest in our businesses.

We're investing because we believe this is the right choice to make, for the prosperity and returns of the bank, and for our shareholders.

Although the initial catalyst for the creation of our group-wide service company, BX, was UK ring-fencing regulation, we saw this as a strategic opportunity to change the way we do business – and to address the siloed and product-centric way that Barclays had historically operated.

Under the leadership of Paul Compton, BX is driving productivity savings across the Group, through four primary levers: Technology Productivity, Operational & Controls Process Optimisation, Smart Procurement and Location & Real Estate.

We are not only reducing the overall cost base of BX, which employs around two-thirds of the Group's total headcount, but also improving the productivity of the Group's spend.

The businesses themselves have the capacity to spend more on productive areas such as marketing, and within BX the mix of the spend is steadily switching from "run the bank" to "grow the bank" spend.

Jes will describe in more detail some of the medium term growth initiatives we are working on, which are designed to improve our returns and the health of the Group in the medium term.

But I would emphasise that we remain very focused on overall cost trajectory and we regularly review the phasing and level of such investment, in light of the income environment and continue to prioritise our objectives of improving return on equity and cash returns to shareholders.

Moving on to impairment.

#### **Slide 8: Prudently managing credit risk in both the UK and US**

I mentioned that the charge for the year of £1.5bn, down 37%, is likely to rise in 2019.

In fact, we have already taken that specific charge of £150m in Q4. This was because of the economic uncertainty around the UK, and I would note that the Bank of England recently downgraded their forecasts.

However, it isn't because of a concern about the observable credit metrics. In fact, underlying delinquencies remain reassuring, as we show on this slide, reflecting our prudent risk management.

The gross write-offs for the year were £1.9bn, for those who like to track this metric.

We've continued to grow UK secured lending without compromising on risk profile, but we've remained cautious on expansion of unsecured credit – and you can see the result in the delinquencies for UK and US cards, with the 30 and 90-day figures stable for both portfolios.

There's additional IFRS 9 disclosure on sensitivities in the Results Announcement and in the Annual Report, which I hope you'll find reassuring.

Moving on to the balance sheet and strength of our capital and funding position.

### **Slide 9: TNAV – three consecutive quarters of accretion post IFRS 9 and US DoJ impacts in Q1**

First a quick word on TNAV. Q4 showed a 2p increase, the third successive quarter of TNAV accretion, after the Q1 headwinds.

Accounting changes took 13p off TNAV, principally IFRS 9 on 1 January, and litigation and conduct 13p, mainly RMBS and PPI, also in Q1. Excluding these, there was an underlying 12p increase, as the 22p from profits was partly utilised for dividends and for the preference share redemption and AT1 call. Whilst overall TNAV was down by a net 14p.

### Slide 10: CET1 ratio progression

Q4 was also a positive quarter for capital. The 33bps cost of redemptions was offset by other movements, which kept the CET1 ratio at the Q3 level of 13.2%.

We showed good RWA discipline, with Group RWAs down £4bn, and CIB down £5bn in the quarter.

Across the full year, we generated 140bps from profits, broadly offsetting the 71bps from litigation and conduct, our decision to redeem legacy instruments, and dividends and other movements.

Having resolved important litigation and conduct issues through the year, we feel increasingly confident in our ability to generate capital, and continue to be comfortable with a capital ratio of around 13%.

### Slide 11: Strongly capital generative and at our target CET1 ratio

Our current CET1 ratio of 13.2% gives us headroom of 150 basis points above the MDR hurdle, which is 11.7%, and we're also comfortable with the fully-loaded ratio of 12.8%.

Of course passing stress tests is also important. In the latest Bank of England stress test, our drawdown was 440 basis points, to a level of 8.9%, which gave us a comfortable pass above the 7.9% hurdle rate.

We take comfort from the Bank of England's comments in the stress test results, and their approval for our decision to redeem those capital instruments in Q4.

We have a strong leverage position. At year end, the UK leverage ratio was 5.1%, flat year-on-year, and comfortably above the 4% minimum UK requirement. We continue to view leverage as a backstop capital measure, with the risk-based measure being the binding constraint for the Group.

As you know we're paying a dividend of 6.5p for 2018, and we remain confident that going forward our capital generation will fund both our investment plans and increased distributions to shareholders.

### **Slide 12: High quality funding position with a conservatively positioned liquidity pool and stable LDR**

We have a strong funding and liquidity position.

Our Loan to Deposit ratio of 83% is conservative, and we have diversified funding sources, including 63% coming from deposits of various types, in both BUK and BI.

So we aren't over-reliant on wholesale funding markets, either at a Group level, or in the businesses.

We are well on track to meet our future MREL requirements, currently at 28.1% compared to an expected 30% requirement. The current plan is to issue around £8bn in 2019, compared to the £12bn we issued in 2018.

As most of you will be aware, we issue MREL out of our HoldCo, in line with the Bank of England's preferred structure, and MREL represents just 8% of our overall funding.

The Liquidity Coverage Ratio was 169% at year-end, with a liquidity pool of £227bn, which represents over 20% of our balance sheet, positioning us conservatively in the light of Brexit uncertainties.

### **Slide 13: Q418 Group highlights**

Turning briefly to Q4, I would remind you of the Guaranteed Minimum Pension charge of £140m that I mentioned earlier, and the £150m specific impairment charge. As usual we are including an appendix slide summarising these and other items of interest affecting Q4 and the full year.



Litigation and conduct is excluded from these numbers, as usual, but was £60m in the quarter.

We generated positive jaws, with income up 1% overall, while costs were down 2%, excluding the GMP charge, despite the continuing cost investments.

Of course we had the bank levy in Q4, which was down year-on-year.

As previously guided, impairment was up on the low levels we reported for Q2 and Q3, but up just £70m year-on-year.

Looking at the individual businesses now, and starting with Barclays UK.

#### **Slide 14: Q418 Barclays UK**

BUK reported a RoTE of 10.1% for Q4, still in double digits, despite taking £100m of the specific impairment charge, as well as the bank levy.

Income was stable, and costs also broadly flat, despite our continued investment, which included a charge for branch optimisation, as well as other aspects of the digital transformation of our business.

We expect the 2019 investment spend to be weighted towards the first half of the year, so we would expect negative jaws in the first half, and positive jaws in the second half.

We continued to grow our mortgage book, focussing on prudent LTVs and added another £600m of net balances this quarter.

Despite intense competition, these were at margins which still earn an adequate RoTE, but we didn't chase volume in Q4 and we maintained pricing discipline.

Although the focus on secured lending naturally has a mix effect on NIM, the Q4 NIM was down just 2bps on Q3 at 320, and full year NIM was 323, within our guidance range.

This mix effect, as we continue to focus on growth in secured, results in some downward pressure on NIM in 2019, but I expect this to be modest.

On the liability side, customer deposits continued to grow, up £1.5bn in the quarter, again demonstrating the strength of the franchise.

Impairment was £296m, and without the £100m specific charge would have been at the run-rate of around £200m we've referenced previously.

Overall BUK continues to leverage its strong market positions while maintaining a suitably prudent risk appetite, and continues to invest in the future, to deliver sustainable and attractive returns, not just for 2019 but over the longer term.

Turning now to Barclays International.

#### **Slide 15: Q418 Barclays International**

The BI result reflects CIB seasonality, as well as £50m of the specific impairment charge.

The year-on-year income was affected by the negative Q4 treasury result.

Costs were down marginally, reflecting in part a reduction in bank levy, and despite continuing investment in the businesses.

Looking now in more detail at CIB and CCP.

#### **Slide 16: Q418 Barclays International: Corporate & Investment Bank**

Total income for CIB was down 4% yoy to £2.2bn.

But Markets income was down just 2% in a challenging quarter, reflecting share gains over the last 12 months.

FICC was down 6%, while Equities was up 4%.

As in recent quarters, the Equities performance reflected strong execution, particularly in derivatives.

Banking overall was flat, within which Banking fees were up 3%, and we closed the year with a record advisory income print. As usual, we've also shown the dollar reporter comparison.

Corporate lending was down 10%, as a result of the redeployment of capital we previously flagged from low-returning lending to higher-returning areas within CIB, but was up on Q3 as the negative effects of hedges was lower.

We've seen growth in corporate deposits over the year, an important source of funding for the CIB.

Costs were down 5%, despite continuing reinvestment of cost efficiencies in order to drive returns.

Among the Q4 cost drivers, I would call out real estate restructuring costs in New York and costs of preparing for Brexit: I would note that we've already moved three of our seven European branches into our Irish bank subsidiary.

The RoTE for Q4 reflected seasonality, including the bank levy. But RoTE for the year was 7.1% and I'm happy with the progress we are making in cost efficiency and our investment to improve returns. We are also improving capital efficiency, with RWAs down over £5bn year-on-year.

Moving on to CCP.

### **Slide 17: Q418 Barclays International: Consumer, Cards & Payments**

Although headline income in CCP was flat, this year's Q4 reflected a negative Treasury result of around £60m, which in previous years would have been in Head Office. Excluding this, CCP income was up 6%.

US Cards net receivables grew 4% underlying in dollars, as we continued to expand, but with an emphasis on our prime portfolios given the stage of the economic cycle. Among US card portfolios, American Airlines and JetBlue continued to achieve double digit balance growth.

In comparing receivables, we have taken into account the Q2 exit from a US partnership, which reduced the book by \$1.5bn. I would remind you that around 70% of the partnership book is now covered by agreements that last through 2022.

Costs increased 11%, reflecting continued investment across CCP in growth initiatives:

In US cards we're investing in marketing and product development.

In our payments businesses, the new merchant acquiring platform is an important development for the future, as we expand our payments offering.

And we've also moved our European cards operations into our Irish subsidiary, in preparation for Brexit.

Impairment increased to £319m after two quarters of unusually low charges.

I would remind you that Q4 tends to reflect seasonal increases in balances through Thanksgiving and Christmas, and a seasonal reduction in balances is likely to result in lower quarterly charges in H1, absent macroeconomic changes.

Turning now to Head Office.

### **Slide 18: Reduced Head Office drag**

Head Office again reflects some idiosyncratic items in Q4, as well as the more predictable ones that we've previously guided on.

The £140m pensions charge is included in Head Office. Excluding this, the loss before tax was down by over £200m year on year, as income improved significantly to £11m negative.

Ongoing hedge amortisation, which I've highlighted before, has continued to track to around £200m for the full year. However, the quarterly effect of this was more than offset by hedge ineffectiveness gains in Q4.

This periodic hedge ineffectiveness is hard to predict, and can be a positive or a negative in any particular quarter, but on balance I would expect a negative contribution from hedge effects through 2019.

Other predictable elements are the legacy funding costs which continue to run at £90m a quarter, but which would reduce by over two-thirds were we to call the £3bn 14% RCIs in June with some offset from Absa dividends.

Below the PBT line, the preference share redemption will reduce the non-controlling interest charge from Q1.

### **Slide 19: Focused on profitability and returning capital to shareholders**

So, to re-cap.

We remain on track in execution of our strategy.

We reported a RoTE of 8.5% excluding litigation and conduct, and continue to target 2019 and 2020 RoTE of greater than 9% and 10% respectively, based on a CET1 ratio of around 13%.

We have reported three consecutive quarters of TNAV accretion, and with CET1 of 13.2%, we are at our end-state target of around 13%.

Approval of our redemption of the legacy instruments and the results of the Bank of England stress tests have reinforced our confidence in our capacity to deliver attractive cash returns to shareholders over time.

Thank you. Now I'll hand back to Jes.

#### **Slide 20: Jes Staley, Barclays Group Chief Executive Officer**

Thanks Tushar.

#### **Slide 21: Delivering sustainable and improved returns**

2018 represented a very significant period for Barclays.

In the course of the year, having resolved major legacy issues, we started to see the earnings potential of the bank, as the strategy we have implemented began to deliver. This was evident in the improved performance across the Group compared to 2017.

Profits before tax were up 20%, driven by ongoing strategic initiatives in our businesses, cost control, and prudent risk management, contributing to lower impairment.

Our CET1 Ratio of 13.2% is at our target of around 13%, and we've grown tangible book value for three quarters now in a row.

Our Group Return on Tangible Equity, of 8.5% for the full year – is close to our 2019 target of 9%.

And our Earnings Per Share were 21.9 pence, and that compares to 16 pence in 2017, and 13 pence for 2016.

What these key performance measures demonstrate is that our strategy is working, and we have a strong foundation on which to achieve our returns targets for this year and next.

## **Slide 22: Diversified and prudently positioned**

The fundamental strength of this Group rests on a diversified, though connected, portfolio of businesses, underpinned by a world class service company. And Barclays today is diversified by product, by geography, by funding, by currency, and by customer and client segments.

We have a great position in UK retail and business banking, serving 23 million customers, and a million small businesses, in a market where we have roots that go back 328 years.

We have an enviable position in cards and payments in the UK, and in fast growing international cards in the US, and Europe.

And we are a strong and profitable global player in corporate and investment banking, anchored in the world's deepest and most sophisticated capital markets of London and New York.

Our diversified model is designed to be well balanced, and to produce consistent and attractive returns through the economic cycle.

But in my view, it is also the most robust model for a modern bank – not least because of the often counter-cyclicality of consumer and wholesale businesses.

So a decade after the financial crisis I am consequently very confident that Barclays today is well prepared to weather any major shock, as the recent stress test indeed showed.

### Slide 23: Investments in CIB starting to deliver

While we're in much better shape as a Group, there is of course more to do to further improve performance, including continuing to drive stronger Returns in our Corporate & Investment Bank - which I am confident we can do.

Our Corporate & Investment Bank, produced a return of just over 7% in 2018. That is an improvement over 2017, but still not where we need it to be.

Competing in the top tier of global investment banking, enabled by our size, and commitment across asset classes, is important for Barclays' future returns. And we demonstrably do compete in that top tier.

It is important to recognise that our Markets business in 2018 gained share throughout the year.

In dollar terms, we saw 2018 Markets revenues grow by 12%, compared to 5% on average for the top five US Investment Banks, and negative 5% for our European peers.

In our Banking business, we were pleased to finish 2018 ranked in the top 5 across our combined US and UK home markets, and it was also our fourth consecutive year of earning record global advisory fees.

It is also a cause for encouragement that the capital markets as a source of funding and investment continue to grow, carrying on the shift in recent years away from reliance on bank balance sheets.

In the past decade bank lending to corporates has declined by 14% relative to GDP.

At the same time there has been a surge in capital markets issuance, with global Debt Capital Markets up 75% in the past decade - and we are of course a top 4 player in Debt Capital Markets.



Since the financial crisis, growth in the bond market in Europe has replaced 90% of the decline in bank lending.

These trends will continue and, as the only non-US investment bank operating at scale in both London and New York, we are well placed to participate in this critical source of institutional funding.

We are focused on key areas within the CIB where Returns do not meet our expectations. For example, we are working on driving better profitability from our loan book within the Corporate Bank – especially those loans priced in a period when this business pursued revenues over returns. This is one of the biggest drags on overall CIB performance.

We will add incremental transaction banking services to client relationships, which are less capital intensive, and create resilient annuity-like income streams.

We will reduce exposure to clients where we are not clearly able to improve the returns profile.

And we will also invest in areas of strength within our corporate banking franchise to drive revenue growth and enhanced profitability. I'll say more on that shortly.

The turnaround we've been working on will take time to accomplish, but it is a priority that we get our CIB returns to cover the cost of capital.

We should also see more of the benefits of the 2018 investments we made in people, balance sheet, and technology come through in 2019, and the effect of our investment in electronic products in Markets is already apparent.

We've increased our share in electronic trading of Foreign Exchange and Rates, including in Gilts and Sterling swaps. And in the fourth Quarter of 2018 we had our best ever quarter in electronically traded Equities.

## Slide 24: Evolving Group capital allocation

Now, it's worth reiterating a point I have made since 2016, which is that I believe we are broadly right-sized in our Corporate & Investment Bank.

As you can see on the slide, we utilise just 20% of our Group Risk Weighted Assets in the Markets business.

That is sufficient to compete, and we have enough capital today to win market share from our global peers, as 2018 demonstrated.

Our first priority, of course, is to attain our 2019 and 2020 Returns targets.

But beyond those targets, we are also focussing increasingly on the bank's medium term revenue growth, and that's revenue growth which relies on technology rather than capital.

We are today in a position to invest in targeted growth across the Group, and primarily in technologies that will drive our Consumer and Payments businesses.

Such an investment programme was simply not a viable option during the many years of restructuring this company.

The capacity to do so now, while still sticking to our cost guidance of £13.6-£13.9 billion for 2019, has been made possible because of efficiencies driven by BX.

The investment spend we are planning may be flexed to a degree if needed to support profitability and to deliver on our RoTE targets.

We are applying a strategic lens in considering where to place these investments.

## Slide 25: Pivoting to sustainable growth over the next 3-5 years

Let me give you some examples.

**FIRST** - in Barclays UK, where today we have 11 million digitally active customers across online and mobile banking.

The quality of engagement with customers on digital platforms such as these is truly impressive.

On average a Barclays customer visits a branch once every six weeks. Contrast that with the data for our award winning Barclays Mobile Banking app. On BMB, customers typically go into the app every single day.

We are investing in expanding the product and service offering available to customers through this channel.

In 2018, over 60% of our Everyday Saver Accounts were opened digitally. Soon, customers will be able to open a current account entirely within our mobile banking app, and we will continue to expand the range of products and tools within the app.

We are continuing to build out our Mobile experience to be a 'one-stop shop' for customers' money management needs.

On the back of successful and evolving partnerships, such as MarketInvoice, we recently also announced an investment in Bink, a payment-linked loyalty platform.

Bink's technology ensures that customers' don't miss out on merchant loyalty schemes, through connecting those schemes directly to our payment cards. Working with Bink, we intend to deliver a ground breaking service and experience to the 7.4m million customers on the Barclays mobile apps.

And Barclays can in turn derive commercial value, in part, from driving increased engagement with the merchant loyalty schemes



**SECOND** - we are also building a full service digital proposition for our corporate clients, anchored initially in transaction banking services.

We call this iPortal, and we have so far deployed it with 15,000 of our existing corporate client base.

We want to apply the best of our thinking in consumer mobile banking to deliver an outstanding and easy to use digital corporate bank offering.

This will positively impact client on-boarding; digital accounting and statements; payments and cash management facilities; and client engagement overall.

**THIRD** - we are investing in our corporate and retail payments technology to extend our capabilities beyond our home base of the UK, and into mainland Europe.

We are implementing a state of the art single corporate payments platform across 10 EU countries.

In a fragmented European corporate payments landscape, we have a strong opportunity to capture regional business for our UK and international client base.

And in 2018 alone we on-boarded 176 new multi-national clients in Europe as we rolled out this new platform, including Ferrovial, National Oilwell Varco, Marsh & McLennan, and Hammerson.

In merchant acquiring, we are also investing to expand our reach in Europe, to process in-store payments in France, Germany, Italy, Spain and Portugal.

We handled £268 billion of payments for UK clients last year – up 8% on 2017. And on the 21st of December we actually hit an all-time record when we processed an average of just under 1200 payments per second, as shoppers stocked up on food and presents for Christmas.

For our existing UK customer base, the extension of our geographic footprint in merchant payments means that they will have a seamless experience across more markets, with common reporting for multiple countries, and cash settlement in their preferred currency and to their preferred account.

These are just three examples of the strategic programmes we're investing behind to drive medium-term revenue growth – programmes which rely on technology to realise the opportunity, not on additional capital.

In my view, making such investments has to be a priority to ensure that this bank remains a leader in the fast evolving financial services sector.

For the first time in years we are in a position to pursue significant opportunities to grow our business, and all within the cost guidance we've given.

#### **Slide 26: Capacity to invest and increase cash returns to shareholders**

Of course, despite all the progress we have made as a Group, one area where our performance has unfortunately not been reflected thus far is in our share price, which remains disappointingly low.

In common with all European banks, we have been hit hard in this regard by macro-economic issues which have weighed heavily on investor sentiment.

Notwithstanding that, I have repeatedly said that a management team cannot rest while the share price trades below book value. And it is a priority for us to deliver a recovery.

Improved returns to shareholders will certainly help in that endeavour.

In 2018, we restored the dividend to 6.5 pence, and we redeemed expensive preferred shares dating from the financial crisis.

Collectively, that meant that we deployed around £1.8 billion of excess capital – more than double what we did in 2017.

That is progress, but it's not yet sufficient.

Going forward the principal call on future earnings should now be returns to shareholders.

We will certainly want to reinvest some of the excess capital that we generate in strengthening and growing our business - as I've said.

But it is equally important to us that we use the strong capital generation of the bank to reward our shareholders who have been patient as we went through our restructuring phase.

And so it is also our intention to use excess capital to progressively increase the ordinary dividend, and to supplement those dividends with additional returns including share buybacks, as soon as it is practical to do so, and when the macro environment is a little more settled.

### **Slide 27: Conclusion**

So, in summary then, and before we move to questions.

Barclays is in increasingly good shape today, with a strong diversified model, and we are making progress.

The bank is through restructuring.

We are well capitalised.

The most difficult of our legacy issues are behind us.

Performance is improving across our lines of business.

We are investing for growth in areas of proven strength for Barclays.



The prospects of generating excess capital are good.

And it is our intention to return a greater proportion of that excess capital to shareholders.

Thank you.

## Important Notice

The information, statements and opinions contained in this presentation 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.

## 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 Barclays 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. These 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. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Barclays Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend payout ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets, estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, IFRS 9 impacts and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards including the continuing impact of IFRS 9 implementation, evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions; the effects of any volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entities within the Barclays Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; instability as a result of the exit by the United Kingdom from the European Union and the disruption that may subsequently result in the UK and globally; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Barclays Group's control. As a result, the Barclays Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set forth in the Barclays Group's forward-looking statements. Additional risks and factors which may impact the Barclays Group's future financial condition and performance are identified in our filings with the SEC (including, without limitation, our Annual Report on Form 20-F for the fiscal year ended 31 December 2018), which are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

Subject to our obligations under the applicable laws and regulations of the United Kingdom and the United States 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.