Barclays PLC FY 2019 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.

Slide 3: Continuing to deliver

2019 was another year of progress for Barclays.

We continued the positive momentum across our businesses, and this allowed us to increase returns to shareholders.

Slide 4: Increased RoTE and cash returns to shareholders

We have delivered a 9% Return on Tangible Equity, and we will pay a dividend of 9p per share – three times the dividend level of 2017.

Our Common Equity Tier 1 ratio stands at 13.8%, above our target of around 13.5%.

Income was up 2% on the year, and we have maintained our cost discipline, reducing Operating Expenses to below £13.6bn.

This combination meant we improved our cost: income ratio for the third consecutive year, to 63%, with positive jaws across all operating businesses.

Profit Before Tax, excluding litigation and conduct, was £6.2bn for the year, with a profit of £1.3bn in the fourth quarter.

Earnings Per Share was 24.4p.

Slide 5: Diversification is a key strength of Barclays

This sustainable performance is grounded in our diversified model.

Our income is generated across a mix of customers and clients, products, geographies, and currencies.

As a result of the countercyclical benefits of our consumer and wholesale mix, our business is resilient through an economic cycle.

45% of our income comes from outside the UK, and 47% of our income comes from our consumer banking and payments businesses.

Slide 6: Three consecutive years of Group returns progression

We have delivered on our target RoTE for 2019, and are focused on continuing to improve returns for the group.

Barclays UK and our Consumer, Cards and Payments businesses are consistently high-returning, at 17.5% and 15.9% respectively for the year.

We continue to make good progress with our digital strategy in Barclays UK.

More people than ever are now using our top-ranked banking app, with over a million more customers active on mobile than we had last year.

We also fully integrated Barclaycard accounts into our banking app during the year, so that our customers can now access even more of our products in one place.

Investment in our capabilities is enabling us to improve the client experience and increase efficiency across our Cards and Payments business, strengthening existing relationships and helping us to build new ones.

We've just partnered with Emirates, the world's largest international airline, to provide a new co-branded credit card to US consumers this spring.

This is a great growth opportunity for Barclays and adds to the strong and profitable partnerships we have with top brands in the US like American Airlines and Uber.

We've also recently signed a new European agreement with Visa, which will help us expand into new markets, and invest in developing faster and smoother payments for merchants and consumers, while maintaining the protection and security that our customers and clients expect.

In the UK, we've joined up with British Airways in an exclusive deal to reward our Premier Banking customers with Avios points earned as they do more business with Barclays.

We believe there are good opportunities to unlock further growth across the consumer banking and payments landscape; building and deepening relationships in the UK, growing our partnerships and new propositions in the US, and strategically expanding in Europe.

Slide 7: Steady improvement in CIB returns with increased income, despite a lower industry wallet

Looking at our Corporate and Investment Bank, we are pleased with our progress.

Despite a 6% decline in the industry wallet across Markets and Banking since 2017, we have grown revenues in those businesses by 9% over the same period.

That has underpinned a 230bps improvement in returns across the Corporate and Investment Bank as a whole.

Slide 8: Market share gains and returns discipline across CIB

Our top-tier Markets business has gained 90bps of share since 2017 – over 9 times that of our closest European peer and comparable to the highest-gaining US banks.

And our Banking franchise saw 10bps of share gains just last year, with many of our European peers seeing their share decline, giving us a ranking of sixth globally for the first time and, more importantly, we are fifth in the US.

We advised on some significant marquee deals in 2019.

Barclays is acting as exclusive financial advisor and lead financing provider to Danaher in its $21.4bn pending acquisition of the BioPharma division of GE Life Sciences - the largest ever acquisition in the life science tools market.

We are also acting as Corporate Broker, Financial Advisor and Sponsor to the London Stock Exchange in its $27bn pending acquisition of Refinitiv.

And, as part of that deal, we were the Underwriter, Bookrunner and Facility Agent on bridge facilities totalling $13.5bn.

In Corporate Banking, we have been driving returns through a careful focus on the returns profile of each client, balancing the capital committed in lending with the amount of transactional banking business a client does with us.

As a result, we have seen a 90bps increase since 2016 in return on risk-weighted assets[1].

We continue to manage our capital holistically across the Corporate and Investment Bank, dynamically adapting our capital allocation to match our opportunities.

The 8% return for 2019 is not yet where we believe it should be, but represents real progress.

[1] Corporate revenues as a proportion of credit risk RWAs

Slide 9: Investing in less capital intensive, technology-led, annuity businesses

The profitability and cost efficiency of our model means that we are also sustainably creating the capacity to grow.

We are focused on growing fee-based, technology-led, annuity businesses with lower capital intensity.

There are three areas where we have a significant customer base and believe we can differentiate Barclays over the next three to five years.

Slide 10: Unique footprint with significant non-capital intensive growth potential

Firstly, in payments, we are in the unique position of being a bank with merchant acquiring, card issuing, and supplier payment capabilities.

That means we issue debit and credit cards to consumers, we provide businesses with the ability to accept payments in-store and online, and we help clients make payments to suppliers as they order goods and services.

This ability to 'see' the payments landscape from all sides, alongside the significant investment in technology we have already made, creates opportunities to deliver real value to our corporate clients and to consumers.

We've helped one large UK insurance client realise millions of pounds' worth of additional online customer transactions, simply as a result of the improvements we made to their payment routes.

Those improvements were powered by the insights we get from using machine learning against the large data set that comes from seeing every stage of the payment process.

We're also connecting to the procurement systems of our clients, taking out time and cost by eliminating paper and manual processing, while giving access to working capital.

We see good growth opportunities to build on our leading payments position in the UK.

Only around 25% of our 1 million UK small-business customers use our payments services today, so there's a significant opportunity to grow here.

One of the ways we're doing that is by moving to digital application and onboarding, which will reduce friction for small businesses and make signing up much more efficient.

And we're embedding our payment acceptance capabilities in the software of third-party partners, which is helping us to scale much faster.

We are also looking to further expand our European payments business.

We recently signed a major client to our new, European-wide payment acceptance proposition, supporting their entire UK and European business with thousands of new payment terminals.

Slide 11: Focusing on non-capital intensive, annuity income growth

Secondly, we are growing our 'Transaction Banking' proposition in Corporate Banking - everyday fee-based banking services.

We are continuing to expand the proposition across Europe, with our single platform now live across seven of our nine target European countries.

We added 360 new European clients in 2019, without the expense of a bricks-and-mortar presence, which has helped us grow to over ten billion Euros in our European deposit base.

Improved client coverage, and increased integration with our Payments business and FX teams, is also helping to grow and diversify our income, as well as deepening the relationships we have with our corporate customers across more products.

We now have over £500m of fee and commission income from Transaction Banking, and are targeting 5-10% annual growth rate in that number over the next few years.

Slide 12: Creating a leading integrated platform for banking, advice and investments

Thirdly, we see a significant longer-term opportunity to grow our UK wealth advice and investments platform.

We want to bring an integrated, digital-first experience across banking, financial planning and investments to over one million of our existing Premier Banking customers.

We are just beginning a multi-year programme to transform our Smart Investor and Wealth Management businesses, building fee-based income with low capital intensity.

We already have some £24bn of assets under management, with good growth potential as we deliver our integrated platform.

These are all areas that can increase our profitability without significantly increasing capital deployment, enabling us to further diversify Barclays without limiting our commitment to the businesses we're already in, or our capacity to return more capital to shareholders.

Slide 13: Continued delivery of financial targets

In summary, we are pleased with our continued delivery in 2019, which again demonstrated the strength of our strategy to be the British universal bank.

We know that our success over the long-term is tied not just to sustainable financial results, but to the progress of our communities and the preservation of our environment.

We are committed to playing a leading role in the transition to a low-carbon economy, and are actively engaged in conversations with all of our stakeholders to ensure we make the greatest difference.

In 2019, we achieved our 9% returns target, and increased returns to shareholders, whilst remaining in line with our target CET1 level.

We have good control of our costs, both in absolute terms and in our still-improving cost: income ratio.

We continue to believe that it is appropriate to target a return of greater than 10%, and we are managing our business to achieve just that.

Given the low interest rate environment, however, it has become more challenging to achieve a 10% return this year.

Nonetheless, we are confident that Barclays is well-positioned and will further improve returns meaningfully in 2020.

We expect future earnings to drive increased returns to shareholders, as we anticipate a significant reduction in charges related to litigation and conduct from this year onwards.

We intend to pay a progressive ordinary dividend supplemented with additional cash returns to shareholders, including share buybacks, as and when appropriate.

Through continued cost discipline, we will also create the capacity to invest selectively across our business, including in the opportunities I've just outlined.

Barclays is in a strong position, well placed to face the challenges and opportunities ahead, and we look forward to delivering for all of our stakeholders in 2020 and beyond.

Now I'll hand you over to Tushar, who will take you through the numbers in more detail.

Slide 14: Tushar Morzaria, Barclays Group Finance Director

Thanks, Jes.

I'll begin with a quick summary of the results for the full year and then focus my comments on Q4 performance, our cost trajectory and our capital position.

Slide 15: FY19 Group highlights

We reported a profit before tax of £6.2bn, generating 24.4p of earnings per share, excluding litigation and conduct, up from 21.9p in 2018.

This delivered a RoTE of 9%, the third consecutive year of underlying RoTE progression, and in line with our target for the year. As Jes mentioned we still believe that above 10% is an appropriate target for Barclays over time, but achieving this in 2020 has become more difficult. We are nevertheless confident of reporting meaningful year-on-year progression in RoTE for 2020.

I'll exclude litigation and conduct charges in my commentary, as usual, but following the PPI provision of £1.4bn at Q3, we hope that in future there will be less need to discuss the gap to statutory profitability.

In 2019 this gap was largely due to the PPI provision, which resulted in statutory EPS of 14.3p. The residual PPI provision is £1.2bn and we are well advanced with processing the large volume of items received in Q3 in the run up to the deadline.

We grew income 2% year-on-year, with growth in CIB and CCP, and income held up well in Barclays UK despite the challenging rate and margin environment.

Costs were down 2%, delivering positive jaws, both at the Group level and in each of our operating businesses. At just below £13.6bn, costs were in line with our guidance for the year.

Cost control will remain a major focus, as we flex our cost base to suit the income environment, and pursue our existing target of delivering a sub-60% cost:income ratio over time. The reduction in the year from 66% to 63% represents good progress towards this.

Impairment was £1.9bn, up on last year's charge, which benefitted from improved macroeconomic variables, but credit metrics remain broadly stable across both secured and unsecured portfolios.

We ended the year with a capital ratio of 13.8%, which was up 60bps year-on-year, reflecting the change in treatment of operational risk at Q3.

Our underlying capital generation more than offset the litigation and conduct headwind of close to 60bps, allowing us to pay a significantly increased dividend of 9p.

We are comfortable with our capital target of around 13.5%.

Although our capital ratio will go backwards in Q1, we are confident of generating capital in 2020, to fund increased returns to shareholders.

Looking now at the fourth quarter.

Slide 16: Q419 Group highlights

Income increased 4%, reflecting improvements across all the operating businesses.

The cost print of £3.5bn was down 9%, and reflects substantial cost efficiency measures across the group, including a lower bank levy charge. This resulted in positive jaws of 13%.

Impairment was £523m, down £120m, reflecting non-recurrence of the £150m for economic uncertainty in the UK, which we took in Q4 last year and remains in place.

Credit metrics remain reassuring, with improvement in arrears in UK cards and flat arrears in US cards.

The improved Q4 performance contributed to our delivery of the full year RoTE of 9%.

Looking now at the businesses in more detail, starting with BUK.

Slide 17: Q4 Barclays UK

BUK reported an RoTE of 18.7% for Q4, with income up 5%, despite the challenging income environment, while costs decreased 8%, delivering strong positive jaws, both for Q4 and for the full year.

As in recent quarters, we had lower interest-earning lending in UK cards, continuing to reflect reduced risk appetite and higher customer repayments. This was more than offset by the benefits of treasury operations and debt sales.

As I mentioned at Q3, our debt sales this year were concentrated in Q4, but would more normally be spread across the year.

In Personal Banking, we saw continued growth in mortgage balances, up a further £1.9bn in the quarter, as our flow again exceeded our stock share.

Although mortgage pricing remains competitive, we saw some margin improvement in the quarter.

In Barclaycard, balances were down £0.2bn, as in Q3, to £14.7bn, reflecting both our risk appetite and balance pay down.

As I indicated at Q3, NIM was just above 300bps at 303bps, resulting in a full year NIM of 309bps. This reflected our growth in secured lending and I would expect that to continue in 2020, resulting in a NIM below 300bps.

The combination of these factors, and the low rate environment would suggest a 2020 income run rate below the Q4 level.

The cost decrease reflects efficiency savings, which more than offset continued investment, particularly in improved digital capabilities to serve our customers.

Cost management will remain a priority in 2020 given the income environment, but we won't delay key investment spend, including branch optimisation, which will benefit the digital transformation of the UK bank, and this year I would expect that spend to be skewed towards the first half.

Impairment for the quarter was down year-on-year because of the one-off in Q4 last year that I mentioned, but up on the low Q3 print, at £190m.

UK card delinquencies were down slightly, and other credit metrics are benign.

As we look forward, the £200m run rate we've referenced in the past is looking too high, absent significant deterioration in the economic conditions.

Turning now to Barclays International.

Slide 18: Q419 Barclays International

The BI businesses delivered an RoTE of 6.0% for the quarter, compared to break-even last year, with improvement in both CIB and CCP.

I'll go into more detail on the businesses on the next two slides.

Slide 19: Q419 Barclays International: Corporate & Investment Bank

Although Q4 is seasonally the weakest quarter for the CIB, RoTE was 3.9%, compared to a small loss last year, contributing to a full year RoTE of 8.0%, up from around 7% for 2018.

Income was up 8%, at £2.3bn, while costs were down 9% at £1.8bn, delivering strong positive jaws.

Markets income included a gain of £55m on Tradeweb, and a £37m negative from CVA hedging net of treasury activities.

FICC had a good quarter, up 27%, reflecting strong performance particularly in Rates.

Equities increased 9% despite a lower contribution from derivatives, as cash equities and equity financing reported year-on-year growth.

Overall, Markets income was up 20% year-on-year.

Banking was down 7% against our record Q4 last year.

As I've stressed before, the timing of deal completion can make the banking line quite lumpy from quarter to quarter, but we're happy with the way the franchise is developing.

The Corporate income line was down 9%, reflecting mark-to-market moves on loan hedges.

We reduced CIB costs by 9%, as cost efficiencies outweighed continued investment in the business.

Going forward we will clearly be aiming for positive jaws, adapting the cost base to the income environment.

RWAs decreased by over £13bn in the quarter to £172bn but were similar to the 2018 year-end level. Some of the Q4 reduction reflected the weakening of the dollar.

As usual we would expect an increase through Q1, which will include the new securitisation rules introduced on 1 January, as well as seasonality.

Turning now to Consumer Cards & Payments.

Slide 20: Q419 Barclays International: Consumer, Cards & Payments

We continue to generate attractive returns in CCP, with a Q4 RoTE of 16.3%, up from 5.4% for Q4 last year.

Income increased year-on-year by 6%, reflecting improved treasury contribution. You'll recall that we disclosed a £60m negative last Q4.

But costs were down 10%, resulting in strong positive jaws.

In US Cards we continue to increase the focus on the co-brand portfolios, while scaling back own-brand. This resulted in overall growth in net receivables of just 1%, but within that co-brand balances increased 3% yoy.

At this stage in the US economic cycle, I think growth in the co-brand balances is likely to be in mid- to high-single digits per annum, but overall balance growth will be lower.

We also saw some income growth in Germany, and in Private Banking and Payments.

As Jes mentioned, we are particularly encouraged by the outlook for Payments growth, following the major investment in systems we have made over the last few years.

The reduction in costs also reflects the refocusing in the US consumer business, as we scaled back our own brand offering, while continuing to invest in other areas.

Impairment was slightly down yoy, at £299m and down on Q3, which you will recall included a c.£30m increase from macroeconomic updates.

Credit metrics also remain well controlled, with not much movement in 30 and 90-day arrears.

Turning now to Head Office.

BARCLAYS

Slide 21: Head Office

The Head Office loss before tax of £167m was a little higher than the Q3 loss of £116m.

The delta is largely attributable to the Absa dividend, which we receive in Q1 and Q3 each year.

Costs continue to run in the £50-60m range, while the negative income reflects the main elements I've referenced before: c.£30m of residual legacy funding costs, hedge accounting expenses, and the residual negative treasury items.

There was also some negative income in Q4 from the sale of close to £1bn of our Italian mortgage portfolio.

Slide 22: Continued efficiencies driving positive operating leverage

Now I want to focus a little on costs. We delivered on our cost guidance in 2019, and although we aren't setting fixed cost guidance for 2020, we are very focussed on delivering positive jaws, in order to drive the Group's cost:income ratio to sub-60% over time.

Through cost efficiencies, we have delivered an absolute reduction of £1.4bn over the last three years, while continuing to invest in key business initiatives. Together with income growth, this generated a nine percentage point reduction in the cost:income ratio.

Looking in a bit more detail at these cost efficiency actions.

Slide 23: Creating capacity through transforming the way we operate

I've shown here some examples of the productivity gains that our Serv Co, BX, has been driving over the last two years, under four main categories.

For example, in procurement, BX has delivered an 11% reduction in suppliers since the end of 2018.

On the real estate front we've cut over 1 million square feet of floor space, while creating new campuses in New Jersey, Pune, and Glasgow.

Overall these savings totalled around £550m in 2019, and many of the actions are ongoing through 2020, so we expect to drive further significant cost capacity creation.

The result of this is that we are spending less on "run the bank" costs and more on "change the bank".

For example between 2018 and 2020 we expect to reduce costs allocated to mandatory regulatory control by a third.

Slide 24: Q419 TNAV movement

TNAV decreased in the quarter by 12p to 262p, but was flat on 2018, despite the currency headwind.

Q4 included a negative currency impact of 7p, and other reserve headwinds of 6p reflecting rate moves and credit spread tightening. These more than offset 4p of EPS.

As you know the £:$ rate has been volatile over the last couple of quarters with a significant benefit in Q3, followed by the Q4 headwind, and there have also been material rate moves, with increases in the quarter but reductions since year end.

The capital progression by contrast was a positive story.

Slide 25: Q419 CET1 ratio progression

On capital, the CET1 ratio increased in the quarter by 40bps to 13.8%.

Although Q4 is our seasonally weakest quarter for underlying profitability, we still generated 28bps, more than offsetting the 18bps applied to dividends and AT1 coupons.

The other contributor to the increase was the significant reduction in RWAs. This is mainly due to depreciation of the dollar, capital efficient actions, and the seasonality at year-end in the CIB.

I would remind you that the RWA reduction from the weakening of the dollar is broadly hedged by the move in dollar CET1 capital.

Looking on the next slide at our capital requirement.

Slide 26: CET1 ratio target remains c.13.5%

Our year-end CET1 ratio of 13.8% is comfortable against our target level of around 13.5%.

As you know, Q1 tends to be our weakest quarter for ratio build, and I would expect a lower capital ratio at 31 March, reflecting both the seasonal build in RWAs and the increase in securitisation RWAs that came in on 1 January.

Nevertheless we remain confident about capital generation from our businesses to support increased returns to shareholders through 2020.

This capital build will be helped over the next few years by the lower pension deficit contributions agreed with the Trustee following the recent triennial valuation, which showed a significant reduction in the funding deficit to £2.3bn. These are detailed in an appendix slide.

As you know, our capital returns policy is to combine a progressive dividend with share buybacks, as and when appropriate, but we won't be saying anything about the precise timing and quantum of buybacks until we are ready to announce one.

We've shown on this slide our current capital requirement, and also an illustration of how this might change to reflect the expected counter-cyclical buffer increase indicated by the Bank of England.

There is expected to be some reduction in the P2a requirement, but overall it would increase our MDA hurdle, all other things being equal.

As I've said many times, we look at capital through a number of lenses, and our target level isn't only based on the buffer over MDA.

We wouldn't see this change increasing our target capital level of around 13.5%, and we don't see it materially affecting our capital distribution plans.

Slide 27: Prudently managed leverage ratio

Our UK leverage ratio at the end of the year was 5.1% on a spot basis, and 4.5% for Q4 on a daily average basis. These are prudent levels for us to hold above our UK leverage requirement, which is currently just below 4%.

With a material portion of our exposures being short term or liquid in nature, we have proven our ability to manage our leverage exposure dynamically.

Our spot and average measures will generally be wider apart than most UK peers, which have less flexibility and more static leverage positions.

I would also note that we expect the implementation of CRR2 to provide a meaningful benefit to our leverage position, given our level of settlement balances and the effect on derivatives exposures.

Slide 28: High quality funding position with a conservatively positioned liquidity pool and LDR

Our funding and liquidity position remains strong.

We issued £8.6bn equivalent of MREL debt in the year, broadly in line with our plan to issue around £8bn, and we plan roughly £7 - 8bn in the current year.

Our MREL is currently at 31.2%, in line with our expected end requirement.

We are also pleased with the recent rating upgrade from Moody's, which has moved our Tier 2 debt up to investment grade.

Our Liquidity Coverage Ratio was 160% at the end of the quarter, and our loan to deposit ratio was 82%, reflecting our strong deposit base across both the corporate and consumer businesses.

Slide 29: Environmental, Social and Governance Highlights

Before I conclude, a few words on ESG, which is rightly becoming an increased focus for both our investors, and for other stakeholders.

Our key principles on ESG are guided by our core objective of delivering sustainable returns for the long term.

This slide shows a number of key 2019 highlights in this area.

With the publication of our annual ESG Report in March, we will be providing information on how we're taking a leading position on climate change and the transition to a low-carbon economy, as well as enhanced climate-related disclosures to supplement our already extensive environmental, social and governance reporting.

Slide 30: Continued delivery of financial targets

So, to re-cap.

We reported an RoTE of 9% excluding litigation and conduct, for the year with positive jaws of 4%.

We still believe that above 10% is an appropriate target for Barclays over time, but we've acknowledged that achievement of this in 2020 has become more difficult.

We are nevertheless confident of reporting meaningful year on year progression in RoTE for 2020.

This progression remains a key priority for the Group, while also delivering attractive capital returns to shareholders and investing in key business growth opportunities.

We are paying a dividend of 9p for the year, up from 6.5p.

With our CET1 ratio at 13.8%, against our target of around 13.5%, we are well placed to generate capital to fund increased distributions to shareholders.

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

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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. All such regulatory requirements are subject to change;
- 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 June 2018, updating the Bank of England's November 2016 policy statement, and the non-binding indicative 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 statement and as a result of the finalisation of international and European MREL/TLAC requirements;
- 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. The Bank of England will review the MREL calibration by the end of 2020, including assessing the proposal for Pillar 2A recapitalisation, which may drive a different 1 January 2022 MREL requirement than currently proposed. The Pillar 2A requirement is subject to at least annual review.

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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. 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. Forward-looking statements can be made in writing but also may be made verbally by members of the management of the Group (including, without limitation, during management presentations to financial analysts) 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 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 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. The forward-looking statements speak only as at the date on which they are made and such statements may be affected by changes in legislation, the development of standards and interpretations under IFRS, including 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 entity within the 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 UK 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 Group's control. As a result, the Group's actual financial position, future results, dividend payments, capital, leverage or other regulatory ratios or other financial and non-financial metrics or performance measures 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 our filings with the SEC (including, without limitation, our Annual Report on Form 20-F for the fiscal year ended 31 December 2019), which are available on the SEC's website at www.sec.gov.

Subject to our 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.