Barclays PLC
Fixed Income Investor Call

FY 2020 Results Announcement

18 February 2021

Tushar Morzaria

Barclays Group Finance Director

FY20 Group highlights

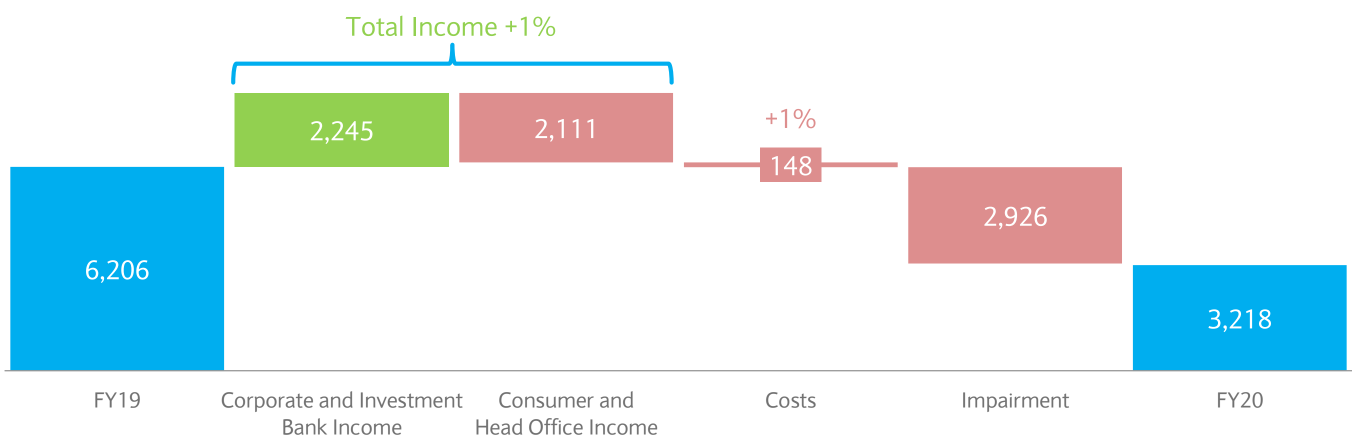
Group PBT of £3.2bn (excl. litigation and conduct) despite the impact of the COVID-19 pandemic

Financial performance[1]

Income	£21.8bn FY19: £21.6bn
Costs	£13.7bn FY19: £13.6bn
Cost: income ratio	63% FY19: 63%
Impairment	£4.8bn FY19: £1.9bn
PBT	£3.2bn FY19: £6.2bn
RoTE	3.4% FY19: 9.0%
EPS	9.5p FY19: 24.4p
CET1 ratio	15.1% FY19: 13.8%
TNAV per share	269p FY19: 262p
Liquidity coverage ratio	162% FY19: 160%
Loan: deposit ratio	71% FY19: 82%

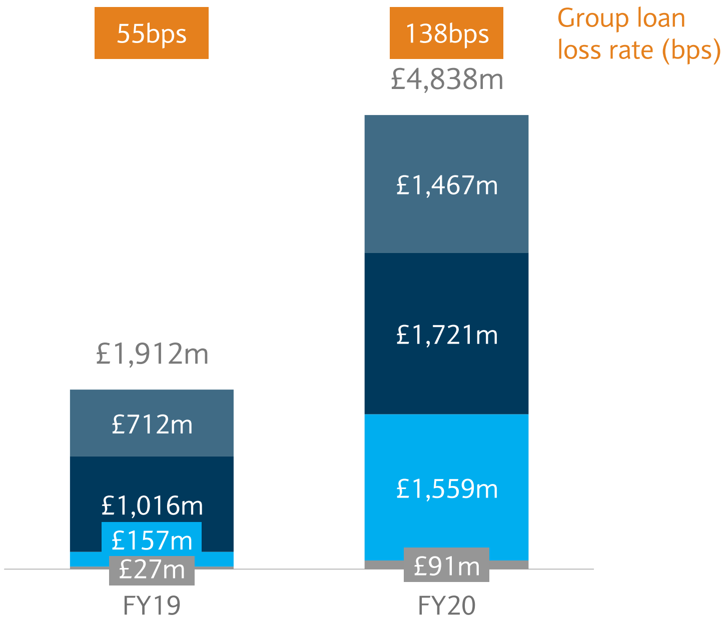
- **PBT down 48%, primarily driven by materially increased impairment charges** due to the deterioration in economic outlook driven by the COVID-19 pandemic
- **Income increased 1%,** reflecting a 22% growth in CIB income, offset by headwinds in BUK and CC&P
- **Costs increased 1%,** driven by increased spend on structural cost actions and COVID-19 initiatives, more than offsetting efficiency savings
- **CET1 ratio increased to 15.1%,** up 130bps from FY19, reflecting profits, regulatory measures, and cancellation of the full year 2019 dividend payment, partially offset by an increase in RWAs
  - **Capital distributions announced** with a 1p FY20 dividend and the intention to initiate a share buyback of up to £700m, representing a **total payout equivalent to 5p per share**

FY19 to FY20 profit before tax (£m)[2]



[1] Relevant income statement, financial performance measures, accompanying commentary and profit before tax bridge exclude litigation & conduct | [2] Bridge does not include other net income YoY change of (£48m) |

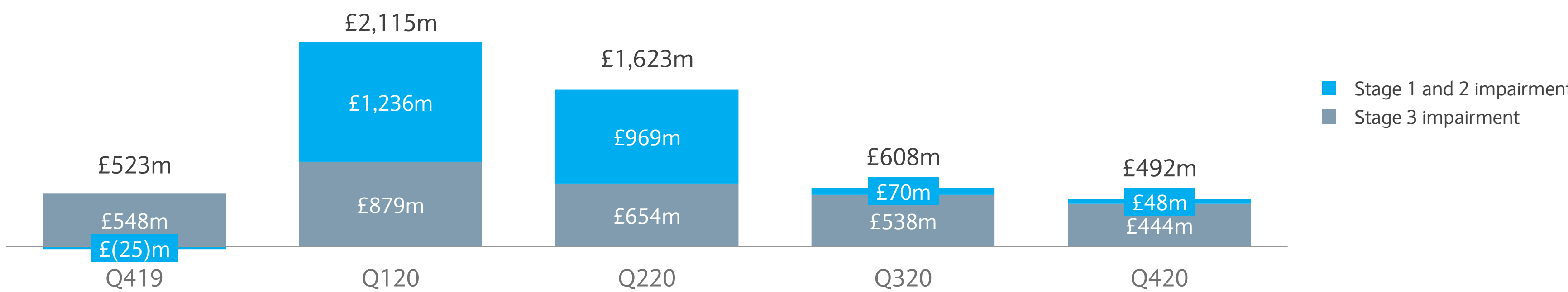
Impairment charge increased £2.9bn due to expected future customer and client stress caused by the pandemic



All divisions experienced increased impairment in 2020, due to the deterioration in economic outlook

Barclays UK	Impairment increased to £1.5bn reflecting higher non-defaulted provisions (stage 1 and stage 2 impairment) – UK cards arrears rates remained stable
BI: Consumer, Cards and Payments	Impairment increased to £1.7bn reflecting higher non-defaulted provisions (stage 1 and stage 2 impairment) – US cards arrears rates remained broadly stable
BI: Corporate and Investment Bank	Impairment increased to £1.6bn including non-defaulted provisions of £0.7bn (stage 1 and stage 2 impairment), and £0.8bn of single name wholesale loan charges (stage 3 impairment)
Head Office	Impairment related to Italian home loan portfolio

Components of impairment charge



Balance sheet impairment allowances significantly strengthened, including management adjustments

Baseline scenario macroeconomic variables (MEVs)

		Dec-19 MEVs		Dec-20 MEVs			Expected worst point[2]
		2021	2022	2021	2022	2023	
UK GDP[1]	Annual growth	1.5%	1.6%	6.3%	3.3%	2.6%	1.2% (Q121)
UK unemployment	Quarterly average	4.2%	4.2%	6.7%	6.4%	5.8%	7.4% (Q221)
US GDP[1]	Annual growth	1.9%	1.9%	3.9%	3.1%	2.9%	1.0% (Q121)
US unemployment	Quarterly average	3.9%	4.0%	6.9%	5.7%	5.6%	7.5% (Q121)

- Baseline UK and US macroeconomic variables have been revised
  - The Dec-20 baseline scenario assumes a prolonged period of recovery in both economies
  - The unemployment rates in the UK and US are the key economic variable for unsecured lending impairment

Impairment allowance and management adjustments

Impairment allowance (£m)	FY19	FY20	Change
Impairment allowance pre management adjustments	6,290	8,011	*1,721*
Management adjustments	340	1,388	*1,048*
Total	**6,630**	**9,399**	***2,769***
Of which on balance sheet	*6,308*	*8,335*	*2,027*
Of which off balance sheet	*322*	*1,064*	*742*

- Total Group impairment allowance increased by £2.8bn to £9.4bn, including a £1.0bn increase in management adjustments
  - Management adjustments primarily relate to the unsecured lending portfolios to reflect the temporary nature of ongoing government support and the uncertainty in relation to the timing of expected stress, particularly in the UK

Provided macroeconomic assumptions remain consistent with expectations, the Group expects the full year 2021 impairment charge will be materially below that of 2020

[1] GDP based on Barclays Global Economic Forecasts | [2] GDP expected worst point is the minimum growth rate to Q420 based on a 12 quarter period. Unemployment expected worst point is the highest rate in the 12 quarter period starting Q121 |

Kathryn McLeland

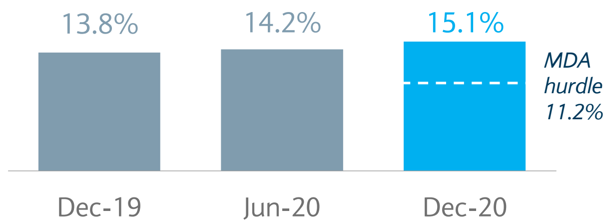
Group Treasurer

FY20 highlights

Strong balance sheet evidenced across key metrics, providing ability to support clients

Capital

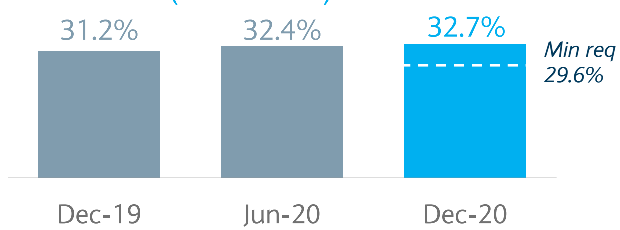
CET1 ratio



Prudently managing the Group's capital position; CET1 ratio of 15.1%, with 390bps headroom to MDA

Funding

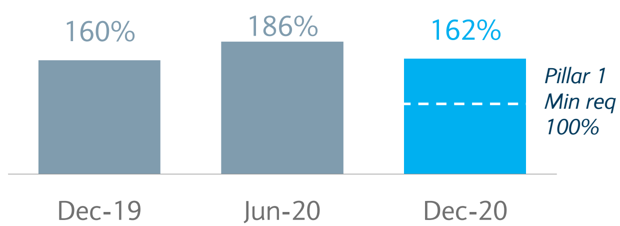
MREL ratio (RWA basis)



Fully loaded MREL position of £100bn as at Dec-20, fulfilling all expected requirements;
HoldCo MREL ratio of 32.7%

Liquidity

LCR

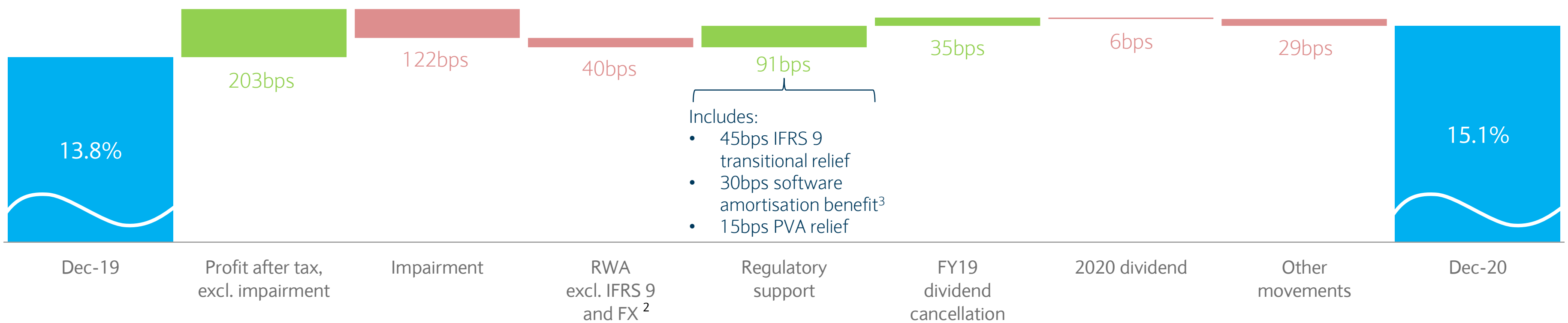


Liquidity pool of £266bn, with LCR of 162%

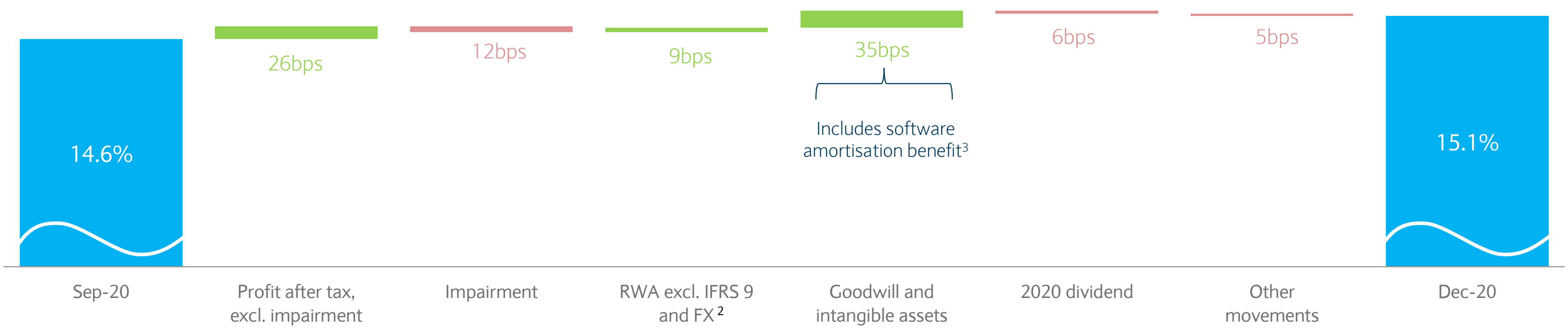
CET1 ratio increased 130bps YoY and 50bps QoQ

CET1 ratio was 390bps above the MDA hurdle of 11.2% as at Dec-20

YoY CET1 ratio[1] movements

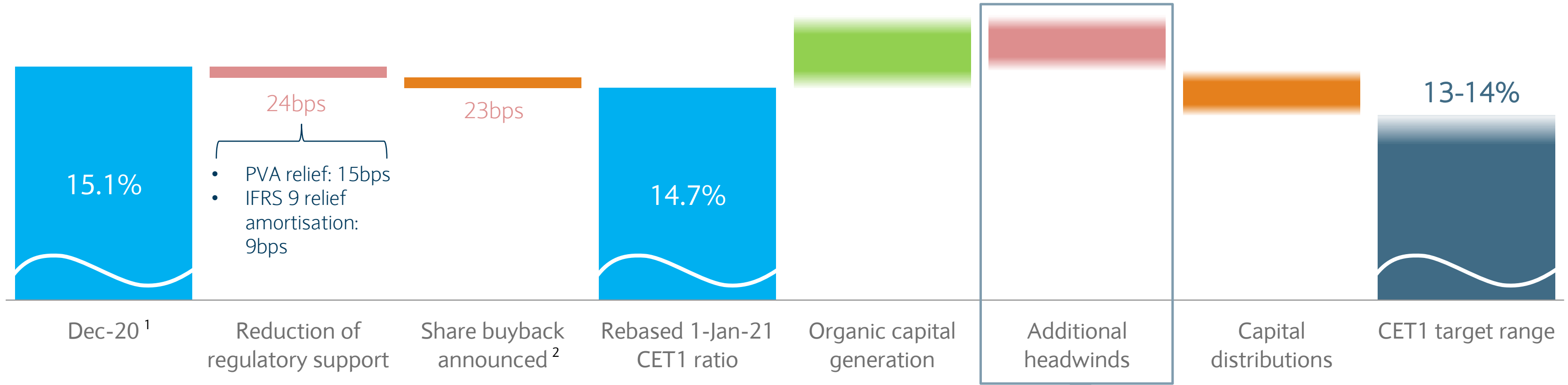


QoQ CET1 ratio[1] movements



[1] The fully loaded CET1 ratio was 14.3% as at 31 December 2020 | [2] FX on credit risk RWAs | [3] Subject to completion of PRA review | Note: Chart may not sum due to rounding |

CET1 ratio flightpath to target range of 13-14%



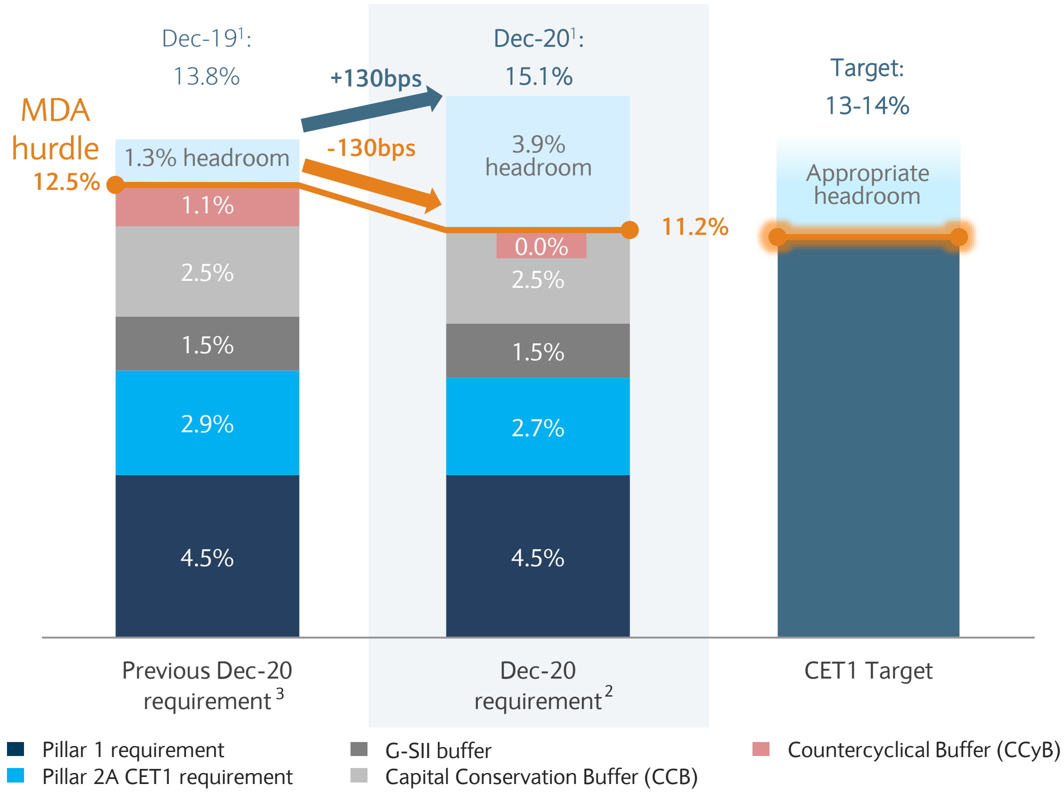
Additional Headwinds 2021/2022	Timing[3]	Impact[3,4]
Potential RWA procyclicality from macroeconomic deterioration	TBC	TBC
Reduction in IFRS 9 transitional relief from migration of impairment into Stage 3	TBC	TBC
Reversal of software amortisation benefit – subject to completion of PRA review	2021	-30bps
Amortisation of IFRS 9 transitional relief	2022	TBC
Regulatory changes to Mortgage risk-weights (Definition of Default, Hybrid model, and floors)	2022	Low single-digit billion RWAs
Regulatory changes to standardised approach to counterparty credit risk (SA-CCR)	2022	Low single-digit billion RWAs
Impact of pension deficit reduction contributions	2021 2022	-£0.7bn CET1 capital/-23bps -£0.3bn CET1 capital/-10bps

[1] CET1 ratio was 390bps above the MDA hurdle of 11.2% as at Dec-20. The fully loaded CET1 ratio was 14.3% as at 31 December 2020 | [2] Barclays intends to initiate a share buyback of up to £700m, which is expected to commence in Q121 | [3] Refer to the Important Notice in the Disclaimer for the basis of preparation. Timing and impact of items marked "TBC" are dependent on economic conditions | [4] Basis point impacts calculated as a proportion of Dec-20 RWAs |

Material increase in headroom above MDA hurdle

CET1 ratio target in the range of 13-14%

Illustrative evolution of minimum CET1 requirements and buffers



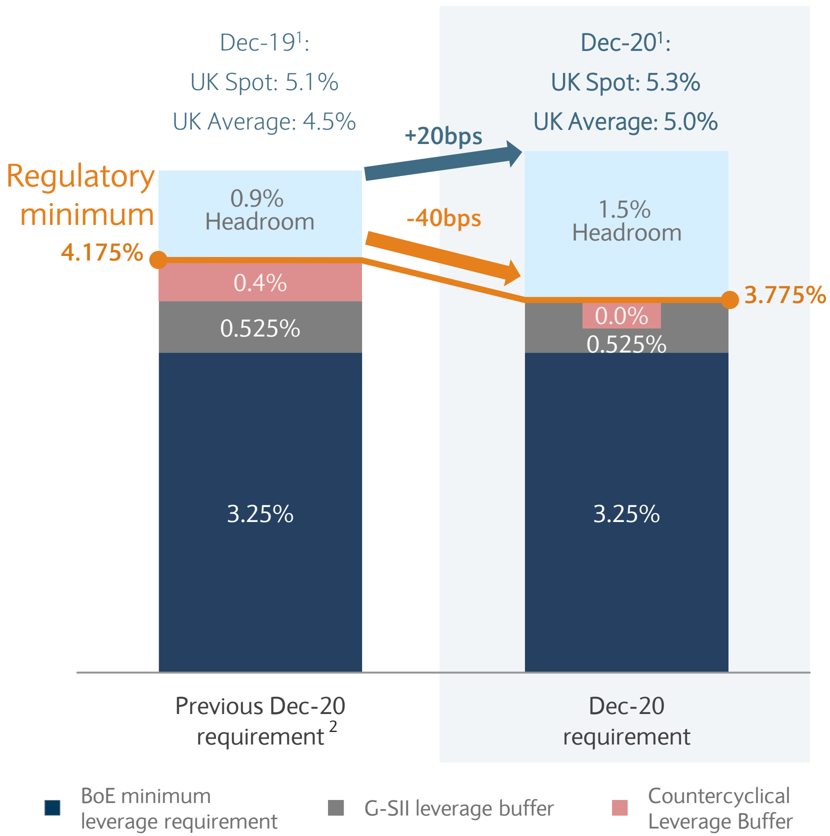
- Barclays intends to manage its CET1 ratio in the range of 13-14%, to enable it to support customers whilst maintaining appropriate headroom over the MDA hurdle, which is currently 11.2%[2]
- Headroom above MDA increased to 390bps as a result of regulatory measures and consistent profit generation in each quarter, whilst Barclays consistently achieved strong capital accretion in each quarter of 2020
- Barclays remains in a strong capital position with a year end CET1 ratio of 15.1%
- Certain headwinds to capital are likely in 2021, including procyclical effects on RWAs, reversal of regulatory forbearance applied through 2020 and increased pension contributions

Barclays intends to manage its CET1 ratio in the range of 13-14%, to enable it to support customers whilst maintaining appropriate headroom over the MDA hurdle

[1] CET1 ratio calculated applying the transitional arrangements of the CRR as amended by CRR II | [2] Barclays' MDA hurdle at 11.2% reflecting the new Pillar 2A requirement as per the PRA's ICR | [3] Previously expected Dec-20 requirement, following revision of the UK CCyB and Pillar 2A requirements by the PRA in December 2019 |

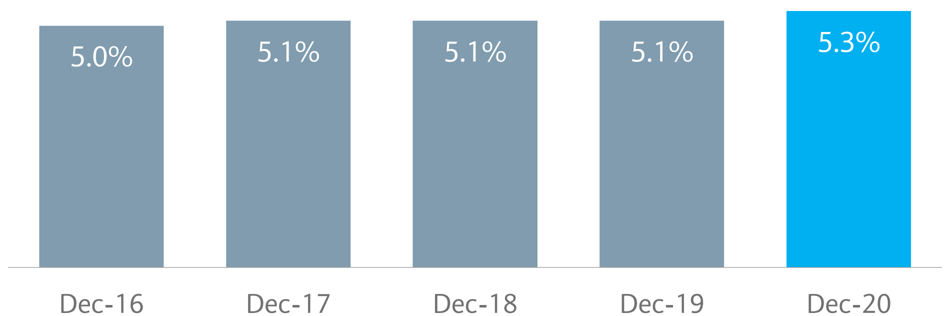
Managing evolving future Group minimum leverage requirements

Minimum leverage requirements and buffers under the UK regime



- Headroom to minimum leverage requirement of 150bps in Q4, while the RWA based CET1 ratio remains our primary regulatory constraint
- The Group currently has one leverage requirement, as measured under the UK's PRA leverage regime. The requirement must be met on a daily basis, and is reflected in the daily average leverage exposure
- We expect tailwinds to be realised in 2022 when the CRR II changes relating to SA-CCR come into effect
- The CRR II leverage requirement, due to become binding from 2022, will only be at 3%, as the G-SIB component will not apply until 2023. The BoE's Financial Policy Committee intends to review the UK leverage framework in 2021

UK Spot Leverage Ratio (2016-2020)

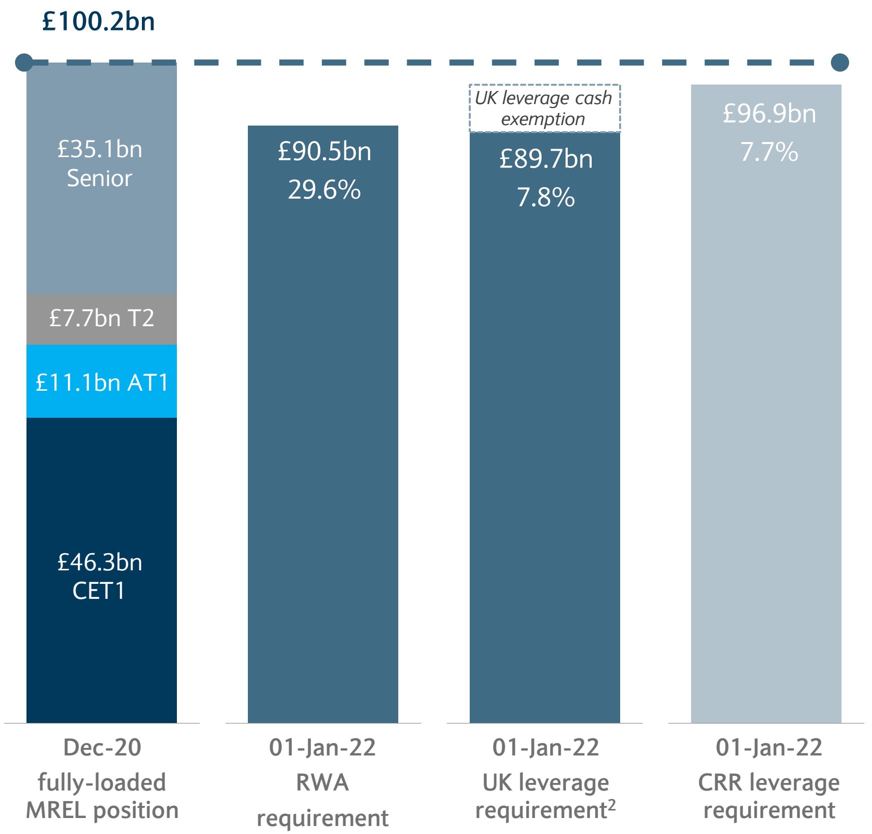


[1] Leverage ratio calculated applying the transitional arrangements of the CRR as amended by CRR II. This includes IFRS 9 transitional arrangements | [2] Previously expected Dec-20 requirement, following revision of the UK CCyB and Pillar 2A requirements by the PRA in December 2019 |

MREL position already compliant with all 2022 requirements

Expect c.£8bn of MREL issuance in 2021

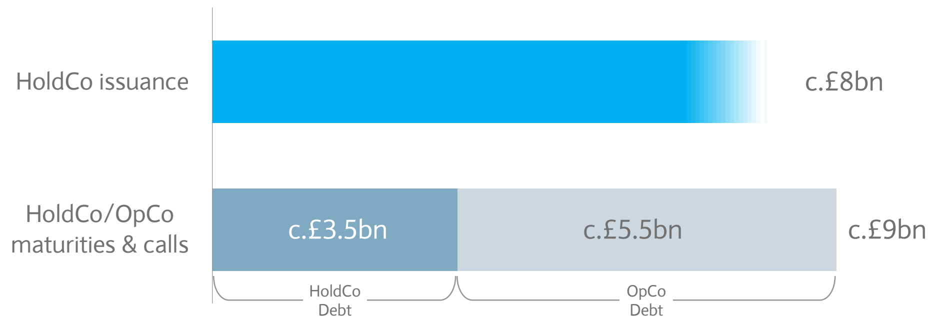
Fully loaded MREL position of £100bn as at Dec-20, fulfilling all expected requirements[1]



Well advanced on 2022 HoldCo issuance plan

- Issued c.£8bn of MREL in 2020 across Senior, Tier 2 and AT1 form
- Expect c.£8bn of MREL issuance for 2021 across Senior, Tier 2 and AT1
- Expect to be a net negative issuer in 2021
- Issuance plan out to 2022 calibrated to meet MREL requirements and allow for a prudent headroom
- 2021 interim MREL requirement already met

2021 MREL issuance, maturities and calls

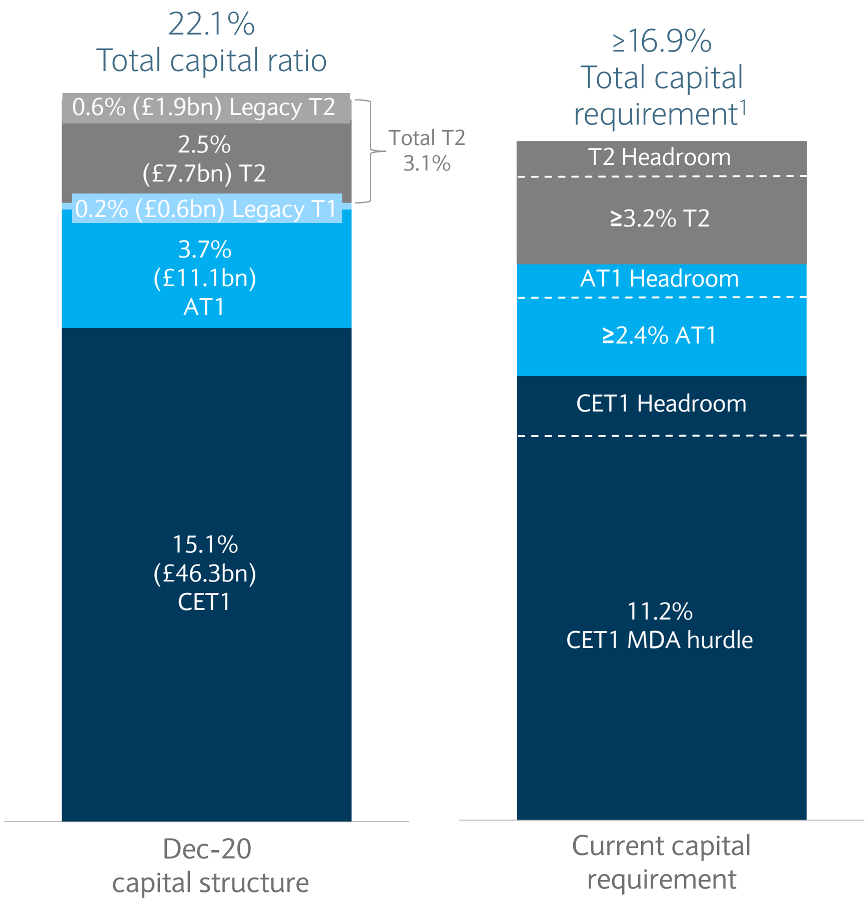


[1] The MREL requirement must meet the higher of the RWA and leverage bases. The chart represents an illustrative scenario only, where the CRR leverage basis is binding in 2022. Based on current Pillar 2A requirement. 2022 requirements subject to BoE review |
[2] Represents UK average leverage requirement |

Capital structure well established

Expect to hold prudent headroom above AT1 and Tier 2 minimums

Illustrative evolution of regulatory capital structure

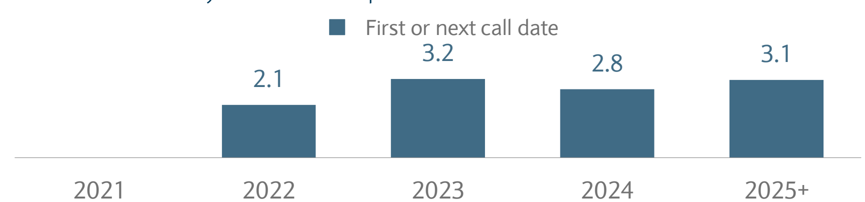


Well managed and balanced total capital structure

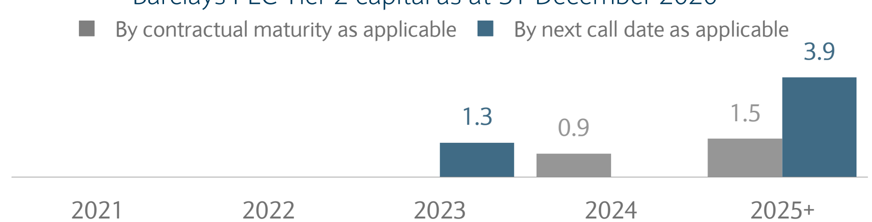
- BBPLC issued capital instruments are expected to be included as MREL until 1 January 2022[2], and may continue to qualify as Tier 2 regulatory capital thereafter
- Aim is to manage our capital structure in an efficient manner:
  - Continue to target prudent AT1 headroom and may temporarily be at an elevated level. AT1 as a proportion of RWAs may vary due to seasonal and FX driven fluctuations, in addition to potential issuance and redemptions
  - Expect to build headroom to 3.2% of Tier 2

Barclays PLC capital call and maturity profile (£bn)

Barclays PLC AT1 capital as at 31 December 2020[3]



Barclays PLC Tier 2 capital as at 31 December 2020[3]



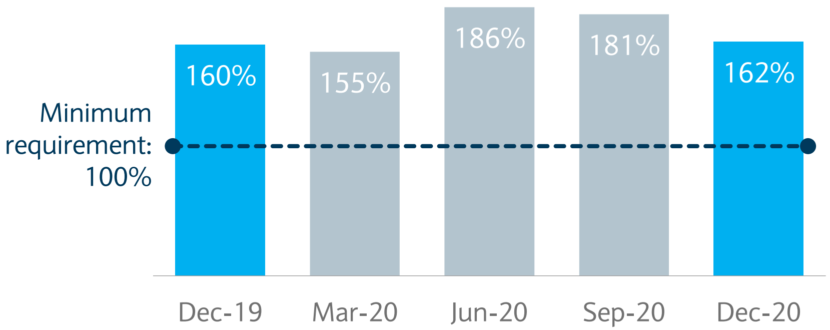
[1] Excludes headrooms | [2] In line with their regulatory capital values until 1 January 2022; based on Barclays' understanding of the current BoE position | [3] Prepared on nominal basis which will not reconcile with regulatory or accounting bases due to adjustments |

High quality liquidity position

YoY liquidity position stable, with Group LCR well above regulatory requirements

Comfortably exceeding minimum requirements

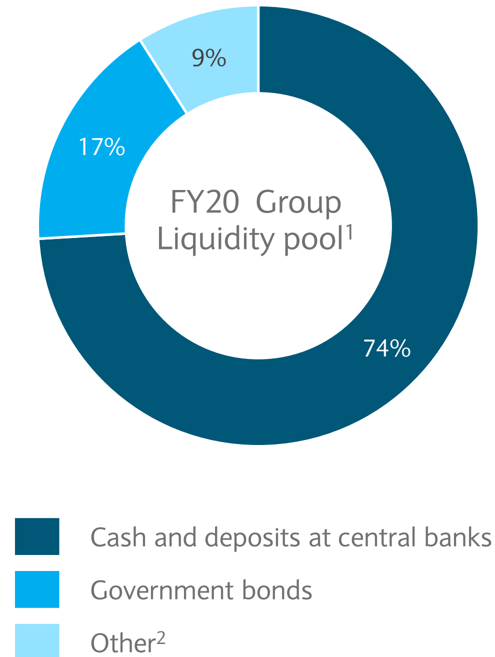
Liquidity Coverage Ratio (LCR)



	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
Liquidity pool[1] (£bn)	211	237	298	327	266
Liquidity surplus (£bn)	78	82	135	143	99

- Quality of the liquidity pool remains high, with the majority held in cash and deposits with central banks, and highly rated government bonds
- The YoY increase in the liquidity pool, LCR and surplus was driven by 16% growth in deposits, which was largely a consequence of government and central bank policy response to the COVID-19 pandemic
- Liquidity pool of £266bn represents 20% of Group balance sheet

Majority of pool held in cash and deposits with central banks

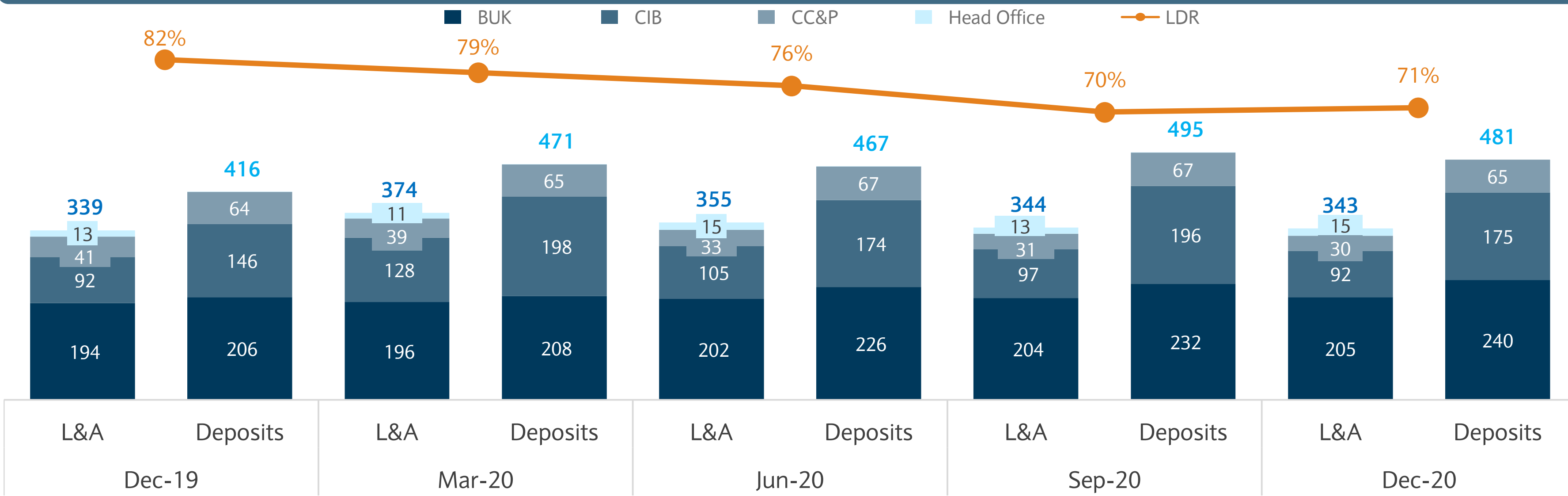


[1] Liquidity pool as per the Group's Liquidity Risk Appetite | [2] Other includes government guaranteed issuers, PSEs, GSEs, international organisations and MDBs, and covered bonds |

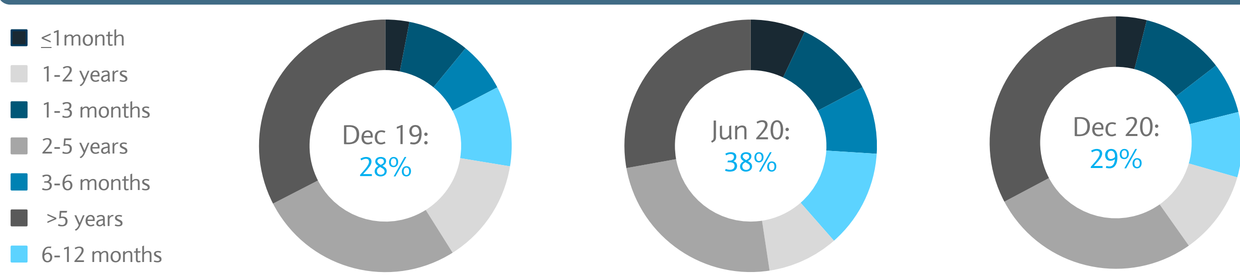
Conservative loan: deposit ratio

LDR decreased 11% YoY, reflecting strong deposit growth during the year in BUK and CIB

Conservative loan: deposit ratio (LDR)[1,2]



Normalised levels of <1 year wholesale funding



At 29%, the proportion of wholesale funding maturing in less than 1 year reverted to the expected range at the year end, after a temporary increase intra year to manage liquidity needs during the prevailing uncertainty.

[1] Loan: deposit ratio is calculated as loans and advances at amortised cost divided by deposits at amortised cost | [2] Loans and advances (L&A) and deposits at amortised cost |

Strong legal entity capital and liquidity positions

Continue to manage legal entity capital ratios with appropriate headroom to requirements

Barclays PLC

— Accounting and regulated sub-group - - - Accounting sub-group

Barclays Bank UK PLC sub-group

Barclays Bank UK PLC (solus)
Capital regulated on a consolidated and solus basis[1]

Subsidiaries
No material regulated subsidiaries exist in the BBUKPLC sub-group

Barclays Bank PLC sub-group

Barclays Bank PLC (solo)
Capital continues to be regulated on a solo basis[2]

US IHC
Capital continues to be regulated on a standalone basis by the Fed

Barclays Bank Ireland
Regulated by the Single Supervisory Mechanism of the ECB

Other subsidiaries
A mix of regulated and unregulated subsidiaries

BBUKPLC metrics[3]	FY20	H120	FY19
CET1 ratio	15.6%	14.2%	13.5%
Tier 1 ratio	19.2%	17.6%	16.9%
Total capital ratio	23.9%	23.1%	21.3%
LCR[4]	160%	171%	144%
Liquidity pool	£60bn	£64bn	£42bn

BBPLC (solo) metrics[3]	FY20	H120	FY19
CET1 ratio	14.2%	14.3%	13.9%
Tier 1 ratio	18.1%	17.8%	18.1%
Total capital ratio	21.0%	21.0%	22.1%
LCR[4]	145%	166%	141%
Liquidity pool[5]	£206bn	£234bn	£169bn

[1] Regulation on a consolidated basis became effective on 1 January 2019 | [2] Barclays Bank PLC (solo) contains additional relatively small entities that are brought into scope for regulatory solo requirements | [3] Capital metrics calculated based on CRR transitional arrangements, as amended by CRR II. This includes IFRS 9 transitional arrangements and the grandfathering of CRR and CRR II non-compliant capital instruments | [4] Barclays Bank UK Group and Barclays Bank PLC DoLSub liquidity coverage ratio | [5] Barclays Bank Group liquidity pool |

Strategic priority to maintain strong ratings

Current Senior Long and Short Term ratings	Moody's	Standard & Poor's	Fitch
Barclays PLC	**Baa2** Stable **P-2**	**BBB** Negative **A-2**	**A** Negative **F1**
Barclays Bank PLC (BBPLC)	**A1** Stable **P-1** Counterparty risk assessment A1/P-1 (cr)	**A** Negative **A-1** Resolution counterparty rating A+/A-1	**A+** Negative **F1** Derivative counterparty rating A+/Negative (dcr)
Barclays Bank UK PLC (BBUKPLC)	**A1**[1] Negative **P-1** Counterparty risk assessment Aa3/P-1 (cr)	**A** Negative **A-1**	**A+** Negative **F1** Derivative counterparty rating A+/Negative (dcr)

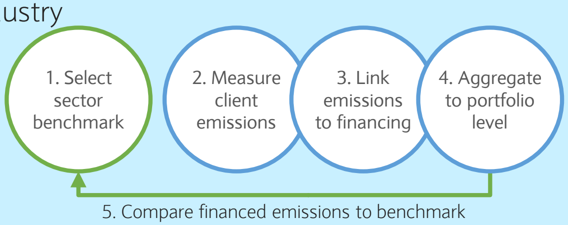
[1] Deposit rating |

Ambition to be a net zero bank by 2050

- **Already at net zero emissions from our own operations** (Scope 1 and 2)
- Announced in March 2020 our **commitment to align our financing in all sectors with the goals of the Paris Agreement**
  - Emissions for the clients we finance (Scope 3) **will cover capital markets as well as lending activity**
  - **Starting with the Energy and Power sectors** (up to three quarters of all emissions globally), before rolling out to other sectors
  - By 2025, target Power portfolio emissions intensity reduction of 30%; Energy portfolio absolute emissions reduction of 15%

Created BlueTrack™ methodology that builds on and extends existing industry approaches

- BlueTrack™ used to measure our financed emissions, and track them at a portfolio level against the goals of the Paris Agreement
- Embedding climate impact in our financing decisions, so that we can make active choices to re-shape our portfolio
- Transparency and collaboration are key to achieving a common approach across the industry



Specific goals to help accelerate the transition to a low-carbon economy[1]

£100bn Green financing by 2030

£175m Sustainable Impact Capital Initiative over five years

We believe our net zero ambition and Paris alignment commitment represent the best way for Barclays to help accelerate the transition to a low-carbon economy by using the breadth and depth of our capital markets franchise to support financing needed to build a greener future

[1] £100bn green financing 2018 – 2030; £175m Sustainable Impact Capital Initiative 2020-2025. See home.barclays/esg for further information |

Kathryn McLeland

Group Treasurer

Q&A

Appendix

Strong balance sheet underpinning returns potential

FY20 metrics[1]

Group RoTE

3.2%

Cost efficiency

64% cost: income ratio[2]

CET1 ratio

15.1%

Capital distribution

1p full year dividend
Up to £700m share buyback announced
Total payout equivalent 5p / share

Group targets

Group RoTE/profitability

>10% RoTE over time, with meaningful year on year improvement in 2021

Cost efficiency

<60% cost: income ratio over time

CET1 ratio

CET1 ratio between 13-14%

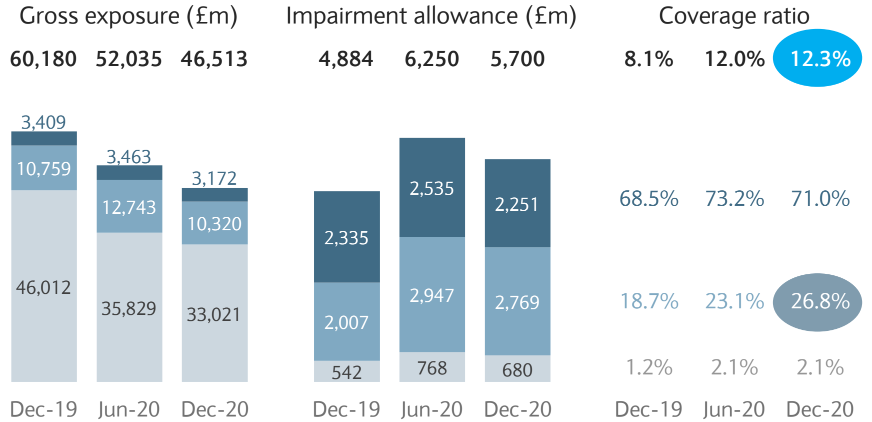
Capital Distribution

Barclays understands the importance of delivering attractive total cash returns to shareholders

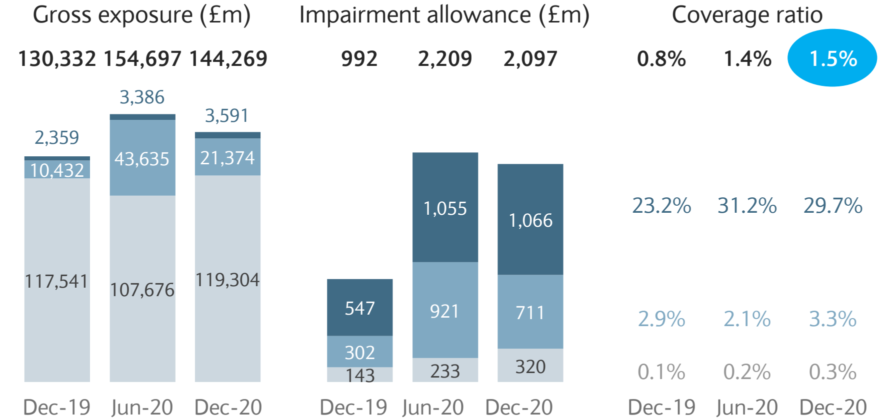
[1] FY20 metrics on a statutory basis (including litigation & conduct) | [2] FY20 cost: income ratio of 63%, excluding litigation & conduct |

Increased coverage across all portfolios, with unsecured lending coverage ratio at 12.3%

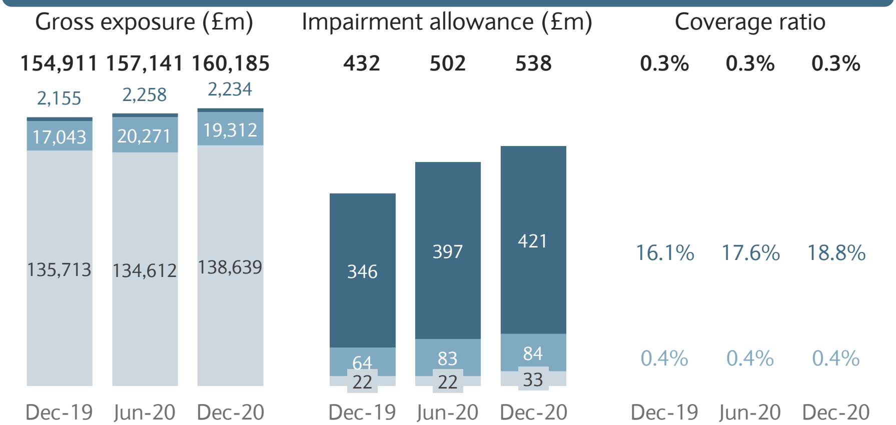
Credit cards, unsecured loans and other retail lending



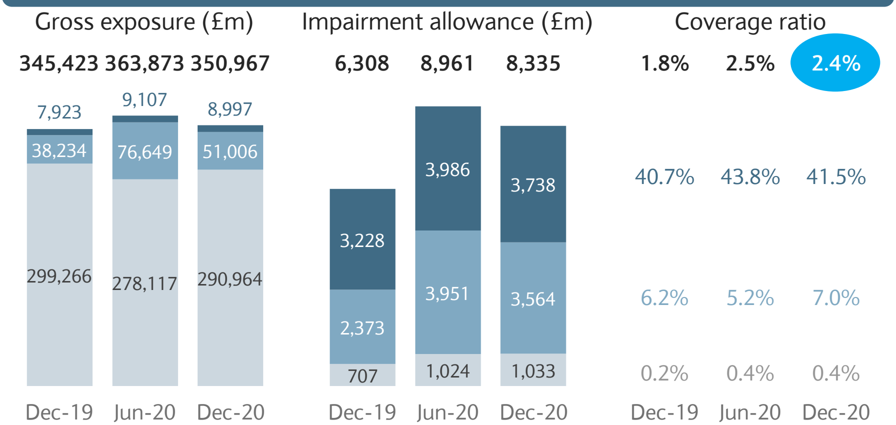
Wholesale loans



Home loans



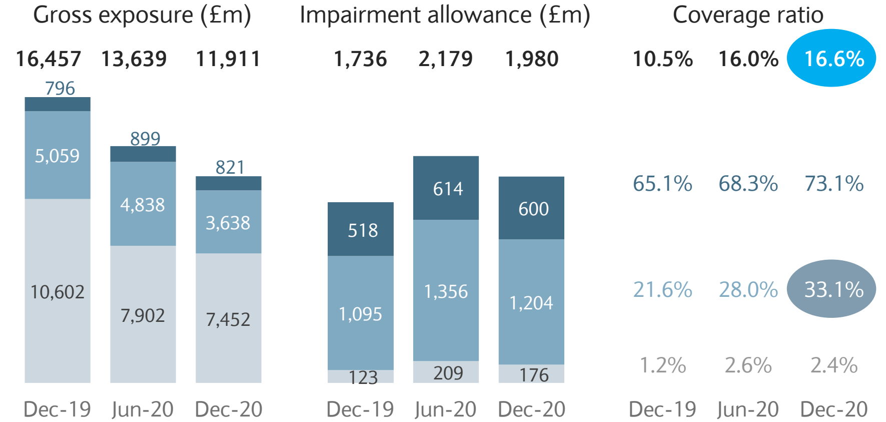
Total loans



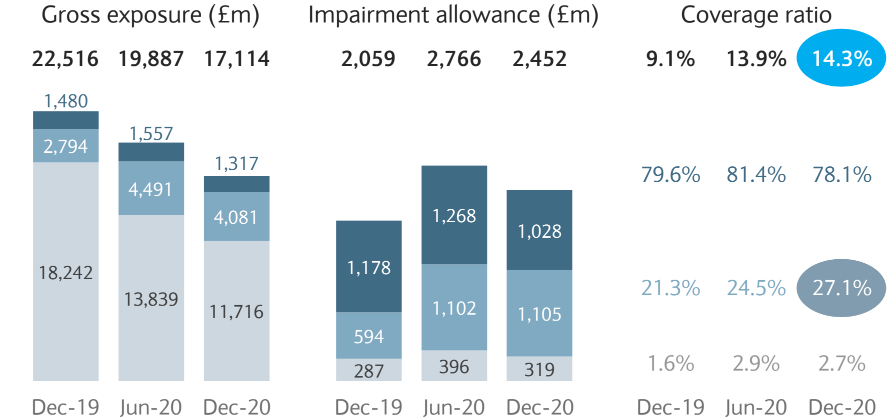
Stage 1 Stage 2 Stage 3

Increased coverage across unsecured portfolios, with UK and US cards coverage ratios of 16.6% and 14.3% respectively

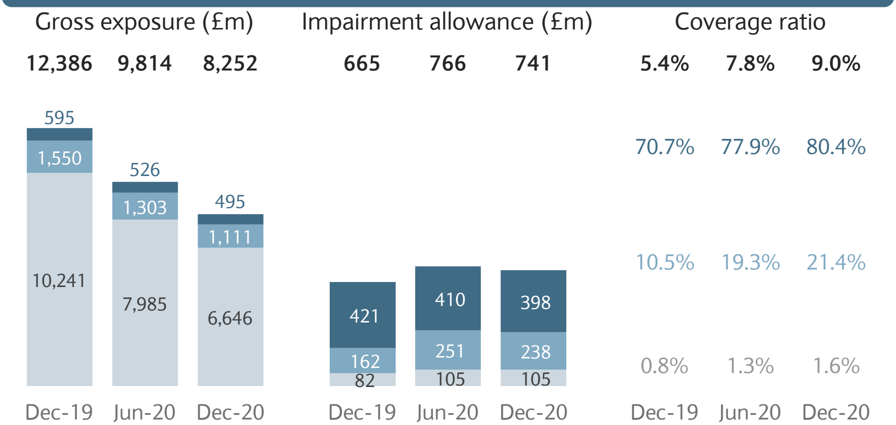
UK cards



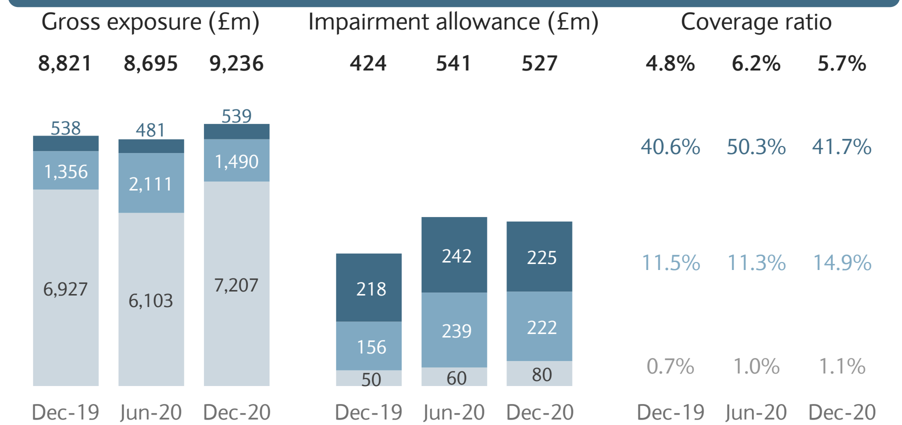
US cards



UK Personal loans and partner finance



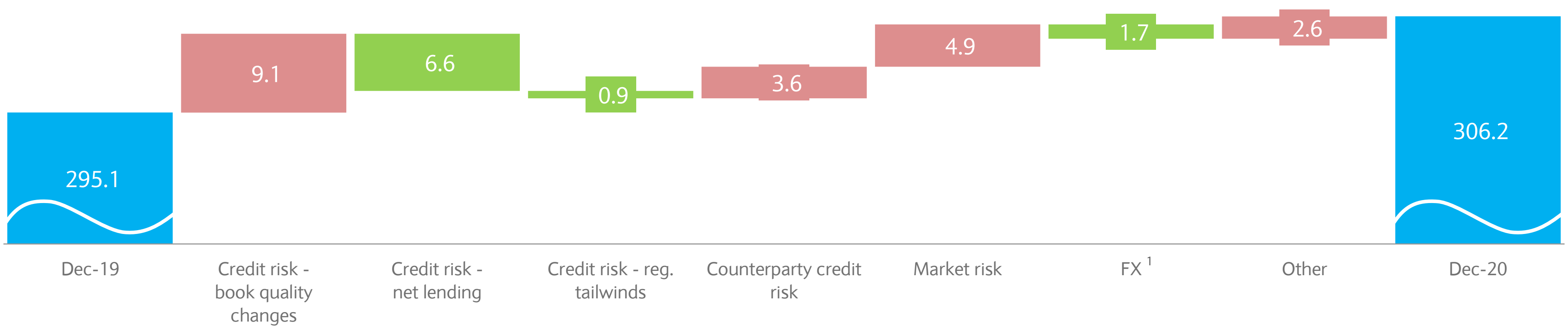
Germany and other unsecured lending



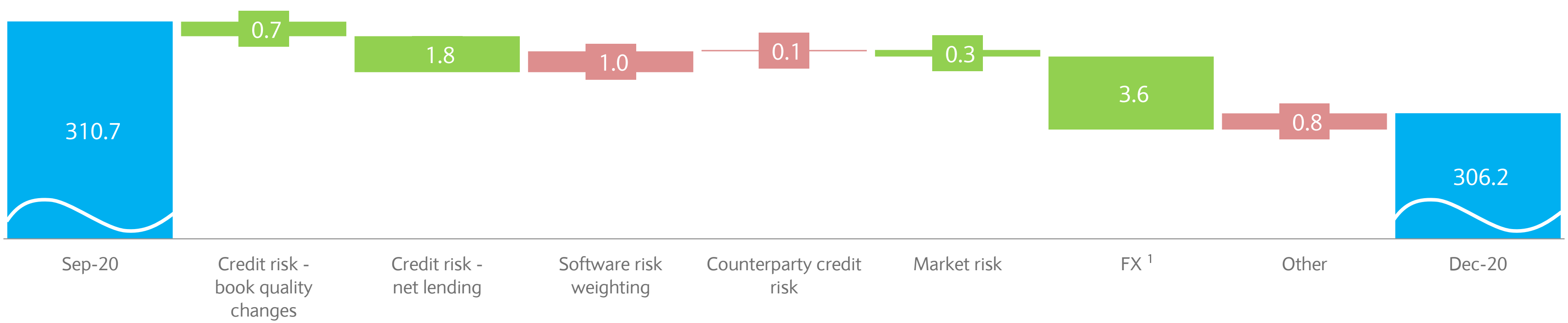
Stage 1 Stage 2 Stage 3

RWAs increased by £11.1bn YoY and decreased by £4.5bn QoQ

YoY RWAs movements (£bn)



QoQ RWA movements (£bn)



[1] FX on credit risk RWAs | Note: Chart may not sum due to rounding |

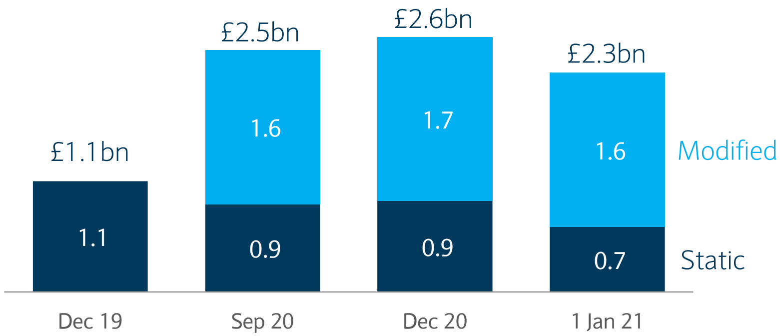
IFRS 9 transitional relief as at Dec-20 at c.80bps

Impairment migration to stage 3 would lead to capital impact as it is not eligible for transitional relief

Constructive regulatory action in Q220 gave greater relief for stage 1 and 2 impairments

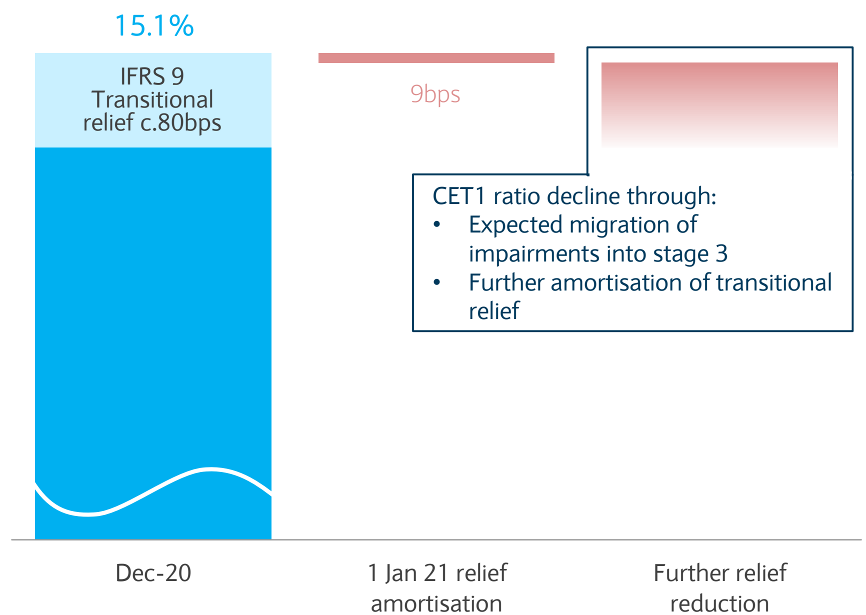
- 100% transitional relief for modified impairment post Dec-19 now applied until end-2021
- Transitional relief schedule for static component remained as before
- Total post-tax IFRS 9 transitional relief as at Dec-20 stands at £2.6bn or c.80bps capital, broadly unchanged compared to Sep-20

IFRS 9 Transitional relief CET1 add-back (£bn)



Relief Schedule	Pre-2020	2020 onwards
2019	85%	
2020	70%	100%
2021	50%	100%
2022	25%	75%
2023		50%
2024		25%

Prudently positioned CET1 ratio in the event of stage migration



- IFRS 9 transitional relief applies to stage 1 and 2 impairments
- Our capital planning allows for decline in CET1 ratio as we progress through the stress from a position of strength
- Transitional basis of capital remains the relevant measure for our capital adequacy assessment by regulators

Constructive regulatory actions in 2020

Many regulatory actions in place for the medium term and beyond	Expected timeline

CET1 requirement

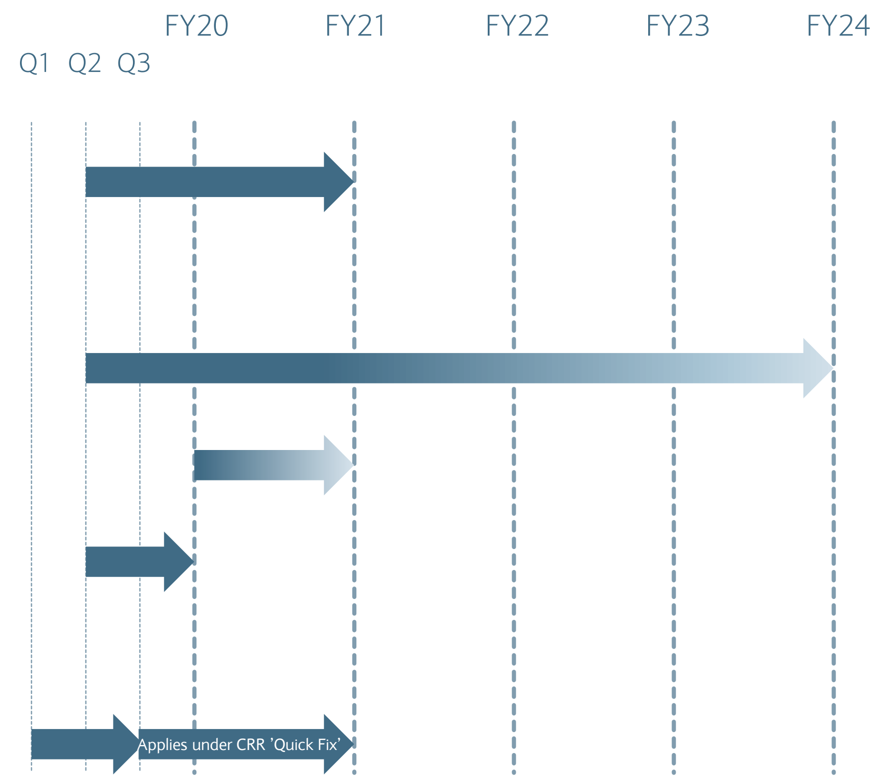
- Modification of Pillar 2A requirement[1]

CET1 capital

- IFRS 9 transitional relief on new COVID-19 related expected credit loss provisions[2]
- CRR software intangibles change[3]
- PVA[4]

RWAs

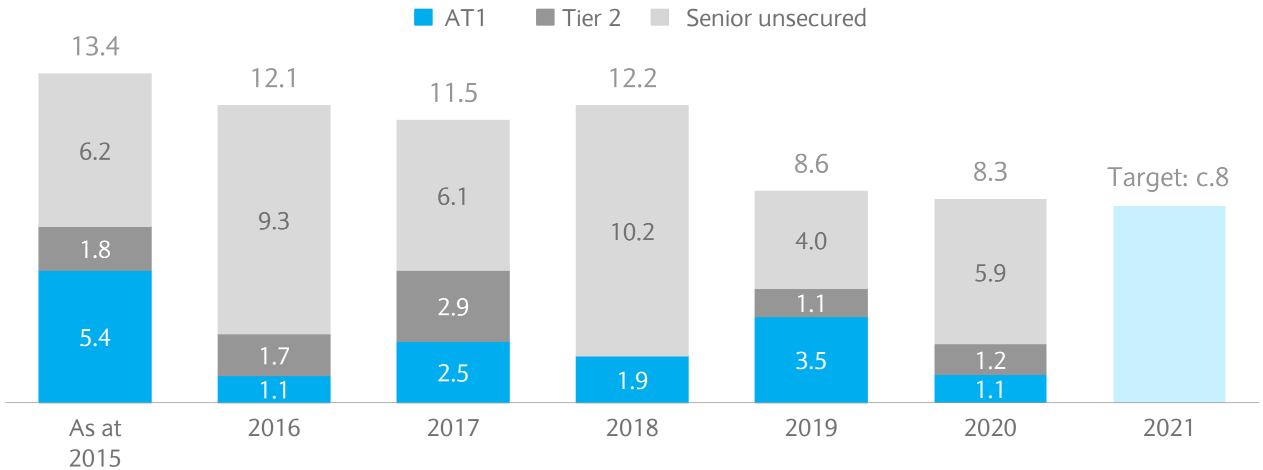
- Market risk changes, including VaR back-testing[2,5,6]



[1] The Pillar 2A requirement will continue to move, given the changes outlined in the new methodology outlined in the 7 May 2020 statement by the PRA | [2] Measures outlined in Regulation (EU) 2020/873, effective on 27 June 2020, as part of the CRR II 'Quick Fix' package, and adopted in H1 2020 reporting | [3] On 23 December 2020, a new regulatory technical standard on the prudential treatment of qualifying software assets was adopted into EU law replacing the CET1 capital deduction with prudential amortisation up to a 3-year period. Intangible assets that are no longer deducted are subject to 100% risk weight instead. Following its stated intention to consult, on 12 February 2021 the PRA launched a consultation on certain items within the Basel standards that remain to be implemented in the UK as well as setting out proposed new PRA CRR rules. The proposals include reverting to the previous treatment of 100% CET1 capital deduction for qualifying software assets by the end of 2021, meaning the benefit in the CET1 ratio is likely to be reversed in future periods | [4] Measures adopted as part of amendments to Regulatory Technical Standard on Prudential Valuation | [5] As guided by the PRA on 30 March 2020, which allows the offset of market risk increases due to COVID-19 related back testing exceptions against risks-not-in-VaR (RNIV); post Q3-20, as per CRR II "Quick Fix", discounting of COVID-19 exceptions is subject to PRA approval which has been granted for those exceptions observed to date | [6] Timeline refers to VaR back-testing |

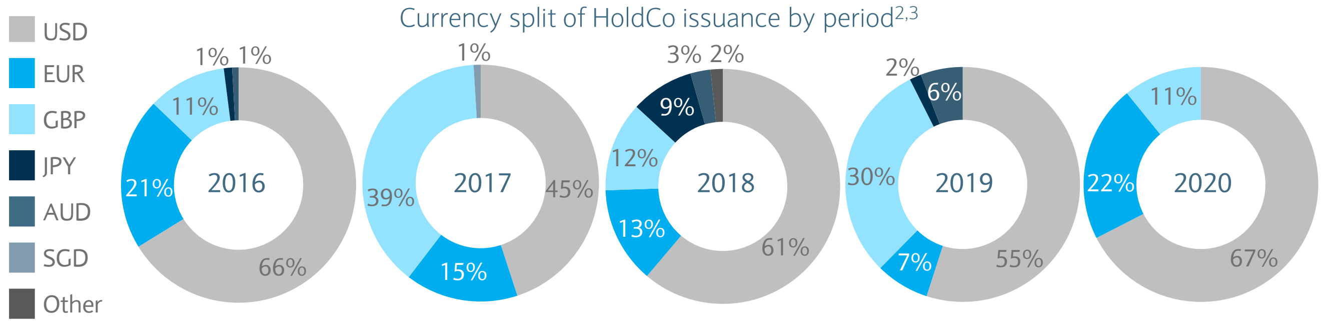
Continued progress in HoldCo issuance

Annual HoldCo issuance volume materially lower compared to 2016-18 (£bn)[1,2]

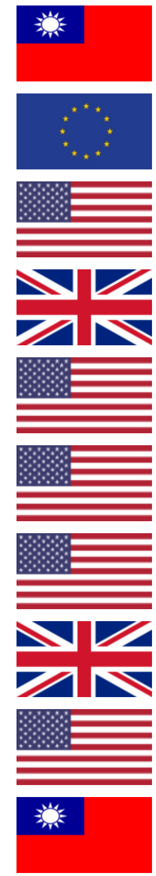


Diversified currency of HoldCo issued instruments

Currency split of HoldCo issuance by period[2,3]



2020 HoldCo issuance by currency[2]



March:
USD 300m Senior Formosa

April:
EUR 2bn Senior

May:
USD 1.75bn Senior

May:
GBP 500m Tier 2

June:
USD 1bn Senior

August:
USD 1.5bn AT1

September:
USD 1bn Tier 2

November:
GBP 400m Green Senior

December:
USD 1.5bn Senior

December:
USD 500m Senior Formosa

[1] Annual issuance balances based on FX rate at end of respective periods for debt accounted instruments and historical transaction rates for equity accounted instruments | [2] 2020 issuance includes USD 500m Senior Unsecured Formosa which priced on 22 December 2020 and settled on 7 January 2021 | [3] FX rates as at respective period ends | Note: Charts may not sum due to rounding |

Barclays is set up to continue serving clients based in the EU

EU subsidiary operational with client on-boarding substantially complete

- Barclays has been able to provide undisrupted services in the European Union (EU) throughout the Brexit transition period and since the end of the post-Brexit transition period on 31st December 2020
- Build out of Barclays Europe (BE) has meant Barclays is not dependant on the EU and UK agreeing to Financial Services equivalence to continue to serve clients
- Barclays Europe, operating through Barclays Bank Ireland PLC (BBI), is operational with nine branches across the European Union. The on-boarding of European clients from BBPLC to BE is substantially complete
- BBI obtained all regulatory authorisations and licences for its expanded activity in 2018 and is supervised by the Single Supervisory Mechanism of the ECB and the Central Bank of Ireland since 2019
- Barclays Europe fortifies the diversification of the Group's business, operating across Corporate, Investment and Private Banking as well as a credit card and consumer business in Germany[1], with strategic investments to grow footprint
- Diversified, well balanced funding sources and strong liquidity ratios. MREL and capital provided from within the Group
- The entity reported a strong financial profile as of H120 with credit ratings in line with its immediate parent BBPLC

European footprint to service key markets

Barclays Europe Key Jun-20 Ratios and Credit Ratings[2]

		Barclays Bank Ireland PLC, as at 17 Feb 2021	
IFRS assets	€92.5bn		
CET1 ratio[3]	13.3%	Fitch	A+ / Negative / F1
LCR	210%	S&P	A / Negative / A-1

[1] The activity also incorporates a legacy Italian mortgage portfolio | [2] The ratings are equalised to those of Barclays Bank PLC, the immediate parent of Barclays Bank Ireland PLC | [3] CET1 ratio calculated applying the transitional arrangements of the CRR as amended by CRR II |

Structural Hedge and Interest rate sensitivity

Structural Hedge Program update

- The Group's combined gross equity and product structural hedge contribution was £0.4bn in Q420 and £1.7bn in FY20. The net structural hedge contribution was £0.3bn in Q420 and £1.2bn in FY20
- The combined structural hedge notional as at Dec-20 was £188bn with an average duration of 2.5 to 3 years

Illustrative sensitivity of Group NII to a parallel shift in interest rate curves[1]

Impact of parallel shifts in interest rate curves (£m)	Year 1	Year 2	Year 3
25bps upward	c.150	c.300	c.400
10bps upward	c.50	c.100	c.150
10bps downward	c.(200)	c.(250)	c.(300)
25bps downward	c.(500)	c.(600)	c.(700)

- This analysis assumes an instantaneous parallel shift in interest rate curves
- The upwards scenarios assume an illustrative 50% pass-through of rate rises to deposit pricing
- Pass-through is limited on the downward scenarios, as customer rates are floored at 0% for GBP and USD deposits[2], including when the downward scenarios reflect negative base rates
- It does not apply floors to shocked market rates, thus reflecting, for illustrative purposes, the impact of negative base rates on Group NII in the downward scenarios
- The scenarios do not reflect pricing decisions that would be made in the event of rate rises or falls
- The NII sensitivity is also calculated using a constant balance sheet - i.e. maturing business is reinvested at a consistent tenor and margin
- This sensitivity is not a forecast of interest rate expectations, and Barclays' pricing decisions in the event of an interest rate change may differ from the assumptions underlying this sensitivity. Accordingly, in the event of an interest rate change the actual impact on Group NII may differ from that presented in this analysis

[1] This sensitivity is based on the modelled performance of the consumer and corporate banking book, and includes the impact of both the product and equity structural hedges. It provides the annual impact on Group NII over the next three years, for illustrative purposes only, and is based on a number of assumptions regarding variables which are subject to change. Such assumptions might also differ from those underlying the AEaR calculation in the Annual Report | [2] With regards to the relatively modest balance of EUR deposits that are currently subject to charging, no incremental pass-through of further rates reductions are assumed in the illustrative scenario |

Disclaimer

Important Notice

The terms Barclays or Group refer to Barclays PLC together with its subsidiaries. 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.

Information relating to:

- regulatory capital, leverage, liquidity and resolution is based on Barclays' interpretation of applicable rules and regulations as currently in force and implemented in the UK, including, but not limited to, CRD IV (as amended by CRD V applicable as at the reporting date) and CRR (as amended by CRR II applicable as at the reporting date) texts and any applicable delegated acts, implementing acts or technical standards and as such rules and regulations form part of UK law pursuant to the EU (Withdrawal) Act 2018, subject to the temporary transitional powers (TTP) available to UK regulators to delay or phase-in on-shoring changes to UK regulatory requirements between 31 December 2020 and 31 March 2022. Throughout the TTP period, the Bank of England and the PRA are expected to review the UK legislation framework and any disclosures made by the Group will be subject to any resulting guidance. All such regulatory requirements are subject to change. References herein to 'CRR as amended by CRR II' mean, unless otherwise specified, CRR as amended by CRR II, as it forms part of UK law pursuant to the European Union (Withdrawal) Act 2018 and subject to the TTP, as at the applicable reporting date;
- MREL is based on Barclays' understanding of the Bank of England's policy statement on "The Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL)" published in 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. The Bank of England is currently conducting an MREL review, which may drive a different 1 January 2022 MREL requirement than currently proposed. The Pillar 2A requirement is also subject to at least annual review;
- future regulatory capital, liquidity, funding and/or MREL, including forward-looking illustrations, are provided for illustrative purposes only and are not forecasts of Barclays' results of operations or capital position or otherwise. Illustrations regarding the capital flight path, end-state capital evolution and expectations and MREL build are based on certain assumptions applicable at the date of publication only which cannot be assured and are subject to change.

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. 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, capital distributions (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. Forward-looking 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; the Group's ability along with government and other stakeholders to manage and mitigate the impacts of climate change effectively; 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; direct and indirect impacts of the coronavirus (COVID-19) pandemic; instability as a result of the UK's exit from the European Union (EU), the effects of the EU-UK Trade and Cooperation Agreement and the disruption that may subsequently result in the UK and globally; the risk of cyber-attacks, information or security breaches or technology failures on the Group's business or operations; 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, capital distributions, 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 2020), 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.