Barclays PLC
Fixed Income Investor Call

FY 2019 Results Announcement

13 February 2020

Tushar Morzaria

Barclays Group Finance Director

FY19 Group highlights

Delivered on FY19 Group RoTE target and cost guidance, while increasing capital distribution to shareholders

Financial performance[1]

Income
£21.6bn FY18: £21.1bn

Costs
£13.6bn FY18: £13.9bn[2]

Cost: income ratio
63% FY18: 66%

Impairment
£1.9bn FY18: £1.5bn

PBT
£6.2bn FY18: £5.7bn

RoTE
9.0% FY18: 8.5%

EPS
24.4p FY18: 21.9p

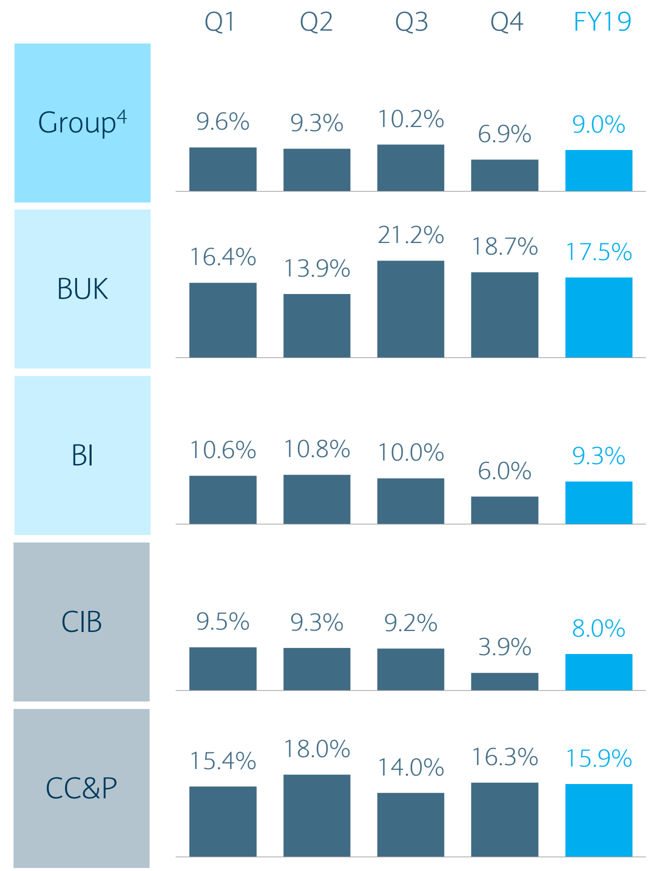
CET1 ratio
13.8% FY18: 13.2%

TNAV per share
262p FY18: 262p

DPS
9.0p FY18: 6.5p

- Income increased 2%, reflecting resilient performance in Barclays UK and growth in CIB and CC&P
- Costs were down 2% to below £13.6bn[3], in line with guidance, resulting in a cost: income ratio of 63%
  - Third consecutive year of positive cost: income jaws, with all operating businesses generating positive jaws in 2019
- Impairment increased to £1.9bn, which included the impact of macroeconomic scenario updates and an overall reduction in unsecured gross exposures
  - Favourable US macroeconomic scenario updates and a £150m charge regarding the anticipated economic uncertainty in the UK from prior year did not recur
- RoTE increased to 9.0%, in line with the 2019 target
  - Third consecutive year of underlying RoTE improvements[5], underpinning confidence in future progression
- Generated 24.4p of EPS, up from 21.9p in 2018
- Increased full year dividend of 9.0p declared, with Group capital returns policy unchanged
  - Progressive ordinary dividend, supplemented with share buybacks as and when appropriate

RoTE[1]



[1] Relevant income statement and financial performance measures, accompanying commentary and RoTE charts exclude L&C of £1,849m (Group FY19) and £2,207m (Group FY18) | [2] Excluding a GMP charge of £140m in 2018 | [3] Excluding L&C and based on a 1.27 USD/GBP FX rate | [4] Group RoTE includes Head Office | [5] 2017 RoTE excludes material items |

Kathryn McLeland

Group Treasurer

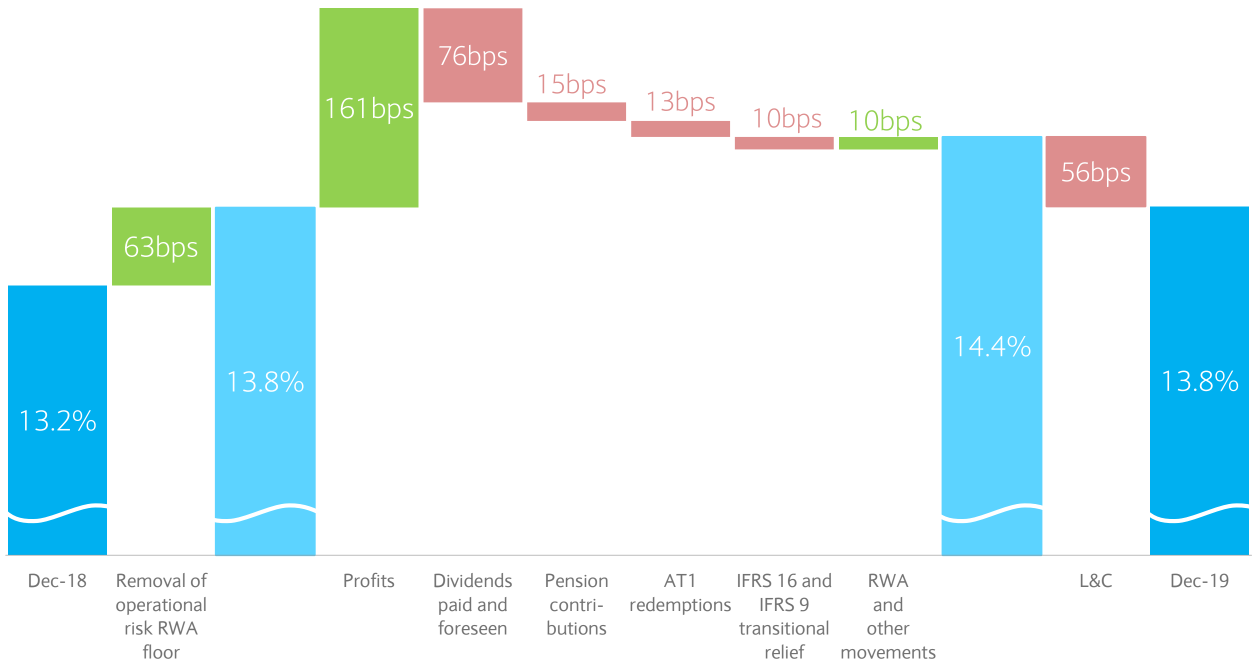
FY19 highlights

Strong financial position across key metrics

Key principles	Key metrics
Capital	Prudently managing the Group's capital position; CET1 ratio of 13.8%; target remains c.13.5%
Funding	Strong progress towards meeting MREL requirement; HoldCo MREL ratio of 31.2% diversified across currencies
Liquidity	Liquidity remains in prudential surplus; Liquidity pool of £211bn, with LCR of 160%

YoY CET1 ratio progression

CET1 ratio[1]



CET1 capital: £41.9bn £40.8bn

RWA: £313.3bn £295.1bn

- CET1 ratio of 13.8% reflecting:
  - 63bps from the benefit of removing the operational risk RWA floor
  - 161bps of profits generated in the year
  - 10bps of RWA and other movements
- Offset by:
  - 76bps for dividends paid and foreseen on ordinary shares and AT1 coupons
  - 15bps due to the £500m scheduled pension deficit reduction contribution payments
  - 13bps from the FX impact on redemption of USD and EUR AT1 securities
  - 10bps from IFRS 16 and IFRS 9 transitional relief
  - 56bps from L&C, including the PPI provision of £1.4bn

[1] CET1 ratio is currently 170bps above the MDA hurdle for CET1. The headroom will continue to be reviewed on a regular basis. The fully loaded CET1 ratio was 13.5% as at December 2019 |

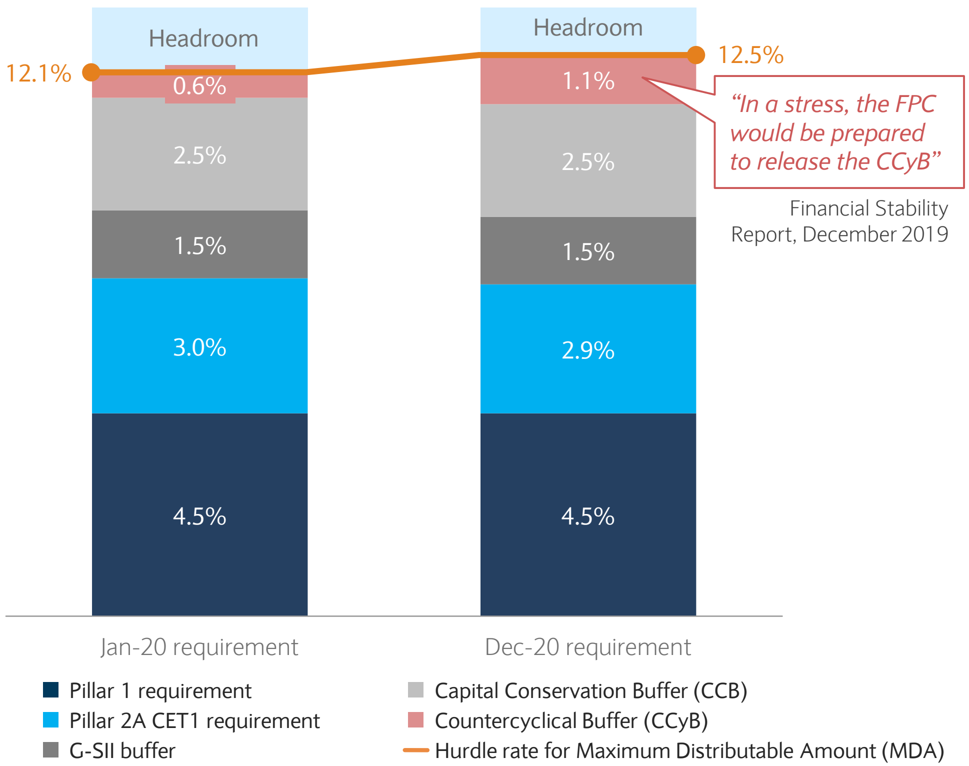
Prudently managing the Group's capital position

Group's CET1 managed to be prudently above the regulatory minimum and to pass stress tests

Illustrative evolution of minimum CET1 requirements and buffers

FY19 CET1 ratio[1] 13.8%

c.13.5% target



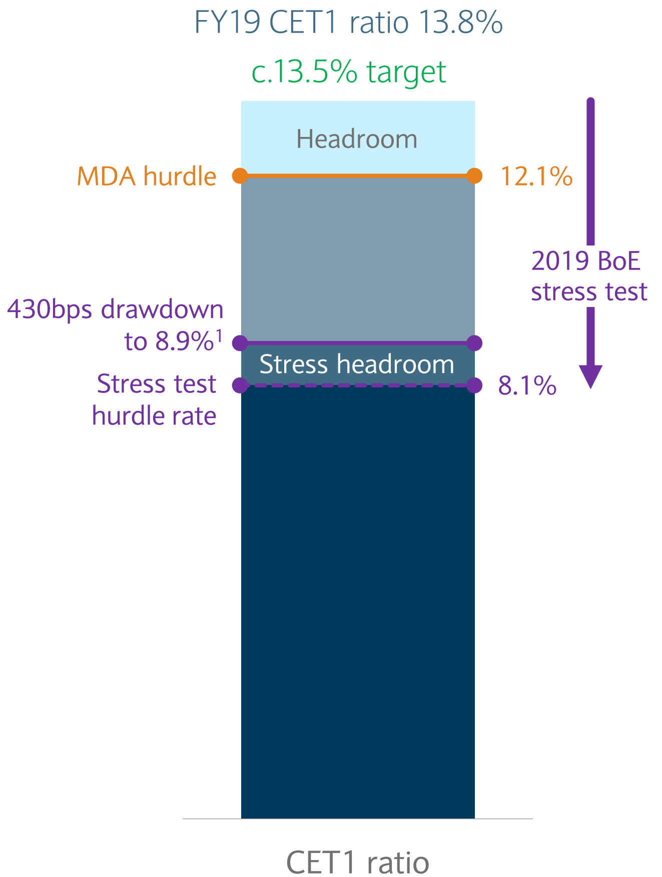
- Barclays' headroom to the MDA hurdle is intended to absorb fluctuations in the CET1 ratio, cover event risk and stress and to enable management actions to be taken in sufficient time to avoid mandatory distribution restrictions
- Expect CCyB requirement to increase by c.50bps to 1.1% in December 2020
- Expect the PRA to reduce Pillar 2A requirement by 50% of the increase in CCyB, resulting in a c.25bps reduction in total Pillar 2A, of which c.14bps would be met with CET1 capital, and thus a 2.9% requirement all else equal
- In determining any proposed distributions to shareholders, the Board notes it will consider the expectation of servicing more senior securities

Near-term RWA changes

- Manageable near-term regulatory-driven RWA increases, each in low single digit billions[2]:
  - Securitisation applied from January 2020 (CIB)
  - Mortgages (Definition of Default moving from 180 to 90 days and adoption of hybrid model) in December 2020 (BUK)
  - SA-CCR in June 2021 (CIB)

[1] CET1 ratio calculated applying the transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date | [2] All regulatory models are subject to PRA approval before adoption. The impacts may change as a result |

Demonstrated ability to pass stress tests



Favourable drawdown in 2019 BoE stress test compared to major UK peers

"The 2019 annual cyclical scenario stress test (ACS) shows the UK banking system would be resilient to deep simultaneous recessions in the UK and global economies that are more severe overall than the global financial crisis, combined with large falls in asset prices and a separate stress of misconduct costs".

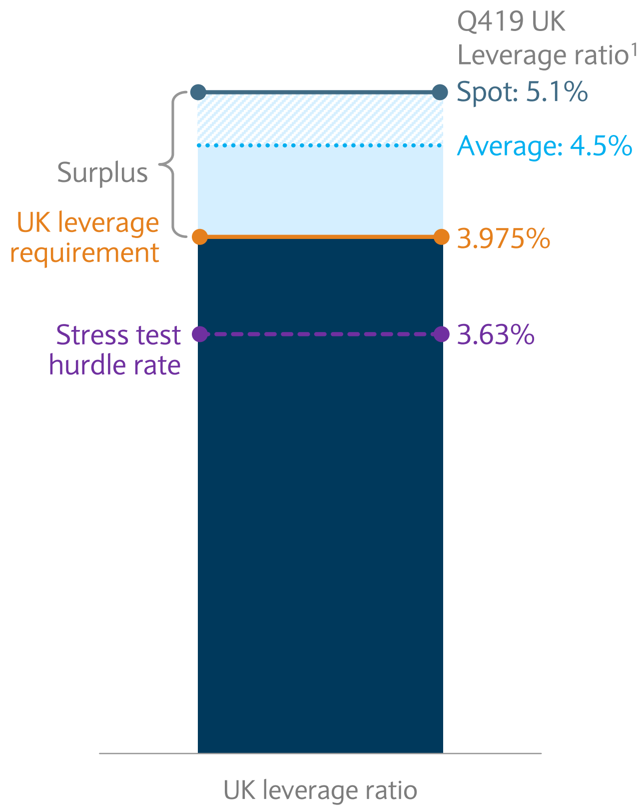
2019 stress test results[2]
BoE comments

[1] Drawdown to 8.9% based on Dec-18 starting point of 13.2% | [2] Bank of England Financial Stability Report, Issue No. 46 (December 2019) |

Prudently managed leverage ratio

A material portion of our leverage exposure is short term or liquid in nature

Minimum leverage requirements and buffers under the UK regime



Proven ability to dynamically manage our leverage exposure

- We deploy a material portion of leverage balance sheet into short term or liquid areas
  - Efficient and profitable to run the business at this level, whilst remaining prudently above regulatory requirements
  - The resources are typically deployed to financing, macro and liquidity management businesses
  - Some client activity also falls away at quarter ends, including settlement balances
- The exposure can be reduced in a short timeframe and is not highly dependent on market conditions

The RWA based CET1 ratio remains our primary regulatory constraint

- We continue to closely monitor leverage regulatory developments, cognisant of future FPC statements
- Leverage exposure under CRR II is expected to reduce meaningfully given the change in regulatory treatment for settlement balances, and the more risk sensitive approaches available for derivatives
- Maintain a prudent headroom above stress test hurdles

[1] Leverage ratio calculated applying the transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date. This includes IFRS 9 transitional arrangements |

Strong legal entity capital and liquidity positions

Group expects to accommodate all legal entity capital requirements within Group CET1 ratio target of c.13.5%

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]	FY19	FY18[4]
CET1 ratio	13.5%	14.2%
Tier 1 ratio	16.9%	17.0%
Total capital ratio	21.3%	21.3%
LCR[5]	144%	164%
Liquidity pool	£42bn	£45bn

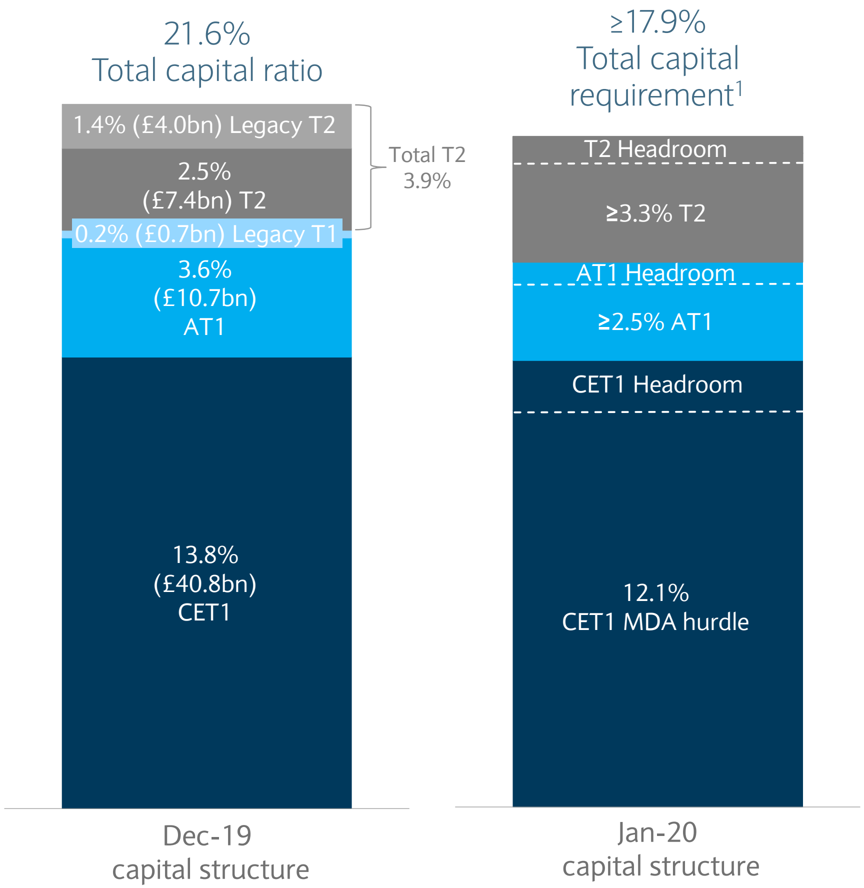
BBPLC (solo) metrics[3]	FY19	FY18
CET1 ratio	13.9%	13.5%
Tier 1 ratio	18.1%	18.4%
Total capital ratio	22.1%	22.2%
LCR[5]	141%	147%
Liquidity pool[6]	£169bn	£182bn

[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 as at the reporting date. This includes IFRS 9 transitional arrangements and the grandfathering of CRR and CRR II non-compliant capital instruments | [4] BBUKPLC capital comparatives are based on BBUKPLC Solus reported values | [5] Barclays Bank UK Group and Barclays Bank PLC DoLSub liquidity coverage ratio | [6] Barclays Bank Group liquidity pool |

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:
  - Expect to be a regular issuer of AT1s and comfortable at or around the current level of AT1s outstanding. AT1 as a proportion of RWAs may vary due to seasonal and FX driven fluctuations, in addition to potential issuance and redemptions
  - Expect to continue to maintain a headroom to 3.3% of Tier 2

Pillar 2A requirement

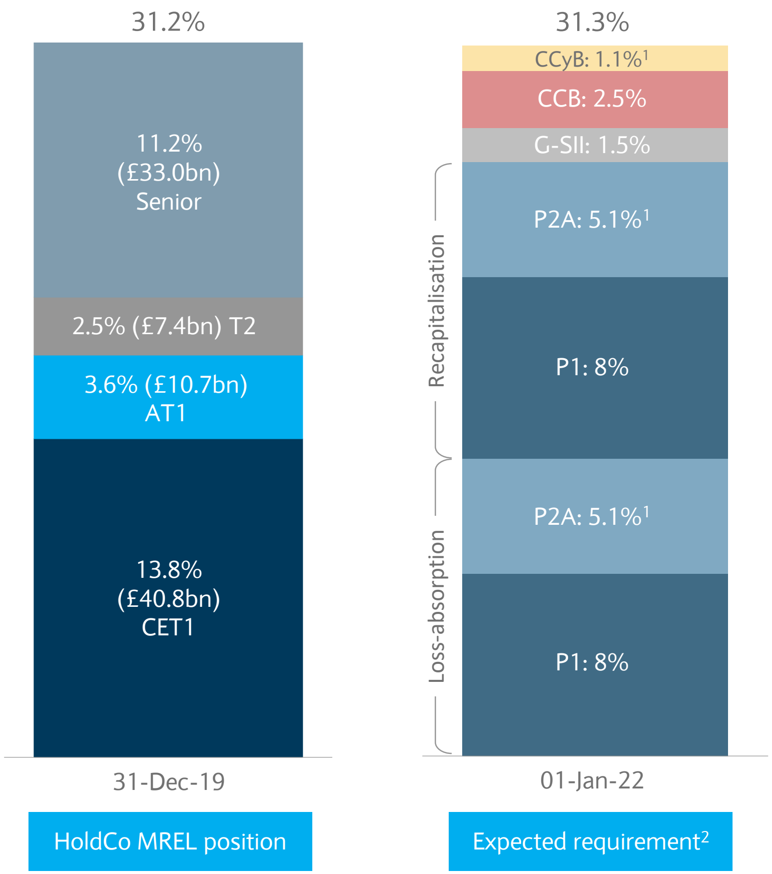
- Barclays' Pillar 2A requirement is set as part of an "Overall Capital Requirement" (P1 + P2A + CBR) reviewed and prescribed at least annually by the PRA
- The Group P2A requirement applicable from 24 October 2019 has been revised to 5.4% and is split:
  - CET1 of 3.0% (assuming 56.25% of total P2A requirement)
  - AT1 of 1.0% (assuming 18.75% of total P2A requirement)
  - Tier 2 of 1.3% (assuming 25% of total P2A requirement)
- During 2020, the PRA is expected to consult UK banks on decreasing banks' P2A requirement by 50% of the increase in CCyB requirement, to keep loss absorbing capacity unchanged

[1] Excludes headrooms | [2] In line with their regulatory capital values until 1 January 2022; based on Barclays' understanding of the current BoE position |

Successfully transitioning to a HoldCo funding model

Currently expect £7-8bn of MREL issuance in 2020

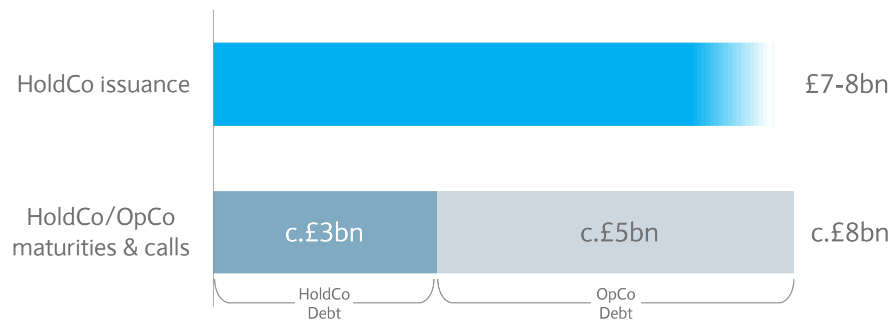
HoldCo MREL position and expected requirement



Well advanced on 2022 HoldCo issuance plan

- Issued £8.6bn equivalent of MREL in 2019 in Senior, AT1 and Tier 2, in line with the 2019 HoldCo issuance plan of c.£8bn
- Currently expecting £7-8bn of MREL issuance for 2020 across Senior, Tier 2 and AT1
- Issuance plan out to 2022 calibrated to meet MREL requirements and allow for a prudent headroom
- Transitional MREL ratio as at December 2019: 32.8%
  - 2019 and 2020 interim requirements already met

2020 MREL issuance, maturities and calls

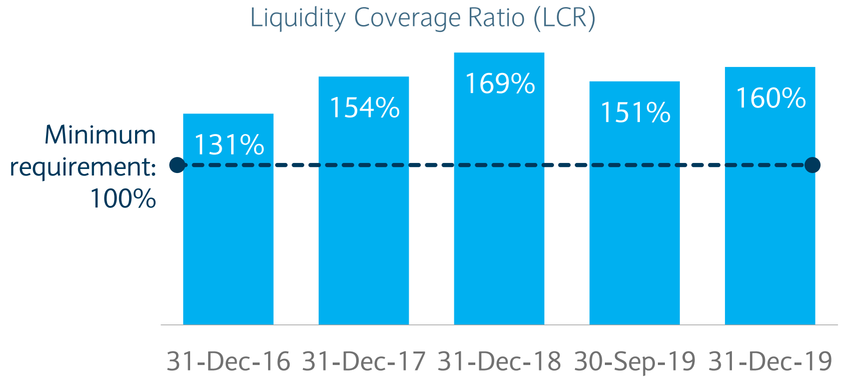


[1] During 2020, the PRA is expected to consult UK banks on decreasing banks' P2A requirement by 50% of the increase in CCyB requirement, to ultimately keep loss absorbing capacity unchanged. These figures relate to the P2A change being implemented, all else equal | [2] 2022 requirements subject to BoE review by end-2020 |

High quality liquidity position

Prudently positioned liquidity pool, LDR and lower reliance on short-term wholesale funding

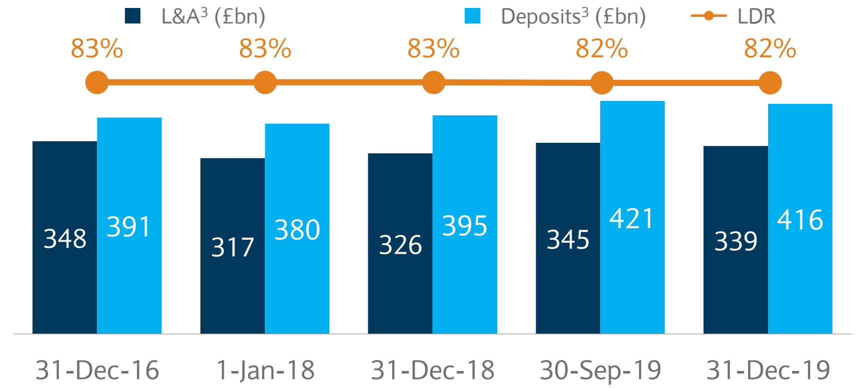
Highly liquid, comfortably exceeding minimum requirement



	31-Dec-16	31-Dec-17	31-Dec-18	30-Sep-19	31-Dec-19
Liquidity pool[1] (£bn)	165	220	227	226	211

- LCR remained well above the 100% regulatory requirement at 160%, equivalent to a surplus of £78bn
- Quality of the liquidity pool remains high, with the majority held in cash and deposits with central banks, and highly rated government bonds
- The liquidity pool, LCR and surplus have been managed down during the course of the year, supporting increased business funding requirements while maintaining a prudent liquidity position
- NSFR is expected to exceed future minimum requirements

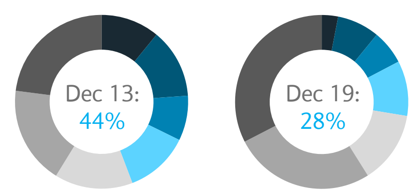
Conservative loan: deposit ratio[2]



- Loan: deposit ratio of 82% as at 31 December 2019, stable QoQ as loans and advances decreased commensurately with deposits during the quarter

Lower reliance on <1 year wholesale funding

≤1month 1-3 months 3-6 months 6-12 months
1-2 years 2-5 years >5 years



- Lower reliance on <1 year wholesale funding with the ratio decreasing to 28% of total wholesale funding as at December 2019 from 44% as at December 2013

[1] Liquidity pool as per the Barclays Group's Liquidity Risk Appetite (LRA) | [2] Loan: deposit ratio is calculated as loans and advances at amortised cost divided by deposits at amortised cost. Additionally, 1-Jan-18, 31-Dec-18, 30-Sep-19, and 31-Dec-19 reflect the impact of IFRS 9 | [3] At amortised cost |

Ratings remain a key priority

Focus on strategy execution and performance targets to improve ratings

Current Senior Long and Short Term ratings	Moody's	Standard & Poor's	Fitch
Barclays PLC	**Baa2** Stable **P-2**	**BBB** Stable **A-2**	**A** Stable **F1**
Barclays Bank PLC (BBPLC)	**A1** Stable **P-1** Counterparty risk assessment A1/P-1 (cr)	**A** Stable **A-1** Resolution counterparty rating A+/A-1	**A+** Stable **F1** Derivative counterparty rating A+/Stable (dcr)
Barclays Bank UK PLC (BBUKPLC)	**A1**[1] Negative **P-1** Counterparty risk assessment Aa2/P-1 (cr)	**A** Stable **A-1**	**A+** Stable **F1** Derivative counterparty rating A+/Stable (dcr)

We solicit ratings from Moody's, S&P and Fitch for the HoldCo and both its OpCos that sit immediately beneath it.

- **Moody's** upgraded the long-term ratings of Barclays PLC and BBPLC by one notch in January 2020, reflecting their view that the earnings profile of the entities has improved. This followed the positive outlooks that had been placed on these entities in May 2019, and the outlooks reverted to stable in the most recent action. They revised the outlook of BBUKPLC to negative from stable in November 2019, alongside many UK peers following a change to the UK sovereign outlook
- **S&P** affirmed all ratings for Barclays PLC, BBPLC and BBUKPLC in June 2019. They rate BBUKPLC and BBPLC in line with the Group's credit profile of A/A-1, as these subsidiaries are designated "core" status relative to the Group
- **Fitch** affirmed all ratings for Barclays PLC, BBPLC and BBUKPLC in June 2019. They reverted the outlooks of all entities to stable from rating watch negative in December 2019, alongside UK peers to reflect their view that the immediate risk of a disruptive no deal Brexit scenario is now removed

[1] Deposit rating |

ESG Highlights – Group Treasurer's perspective

Managing ESG factors to strengthen our franchise and deliver sustainable returns for all our stakeholders

Group Treasury ESG highlights and commitments

Green bond issuance

- Updated **Green Bond Framework** was published in Q419, which is now aligned to the equivalent aspects of the UN Sustainable Development Goals and includes expanded eligibility criteria
- We intend to issue under the expanded Framework during the year[1], following our inaugural green bond issuance in 2017

Green bond investments

- We continue to be a meaningful investor in green bonds
- We continue to build towards our target of holding **£4bn** of green bonds in our liquidity pool

Climate risk incorporated

- Integrated in Group Enterprise Risk Management Framework (**ERMF**)
- Actively engaged with the Bank of England on its climate stress testing initiative

[1] Subject to market conditions |

Tushar Morzaria

Barclays Group Finance Director

Q&A

Appendix

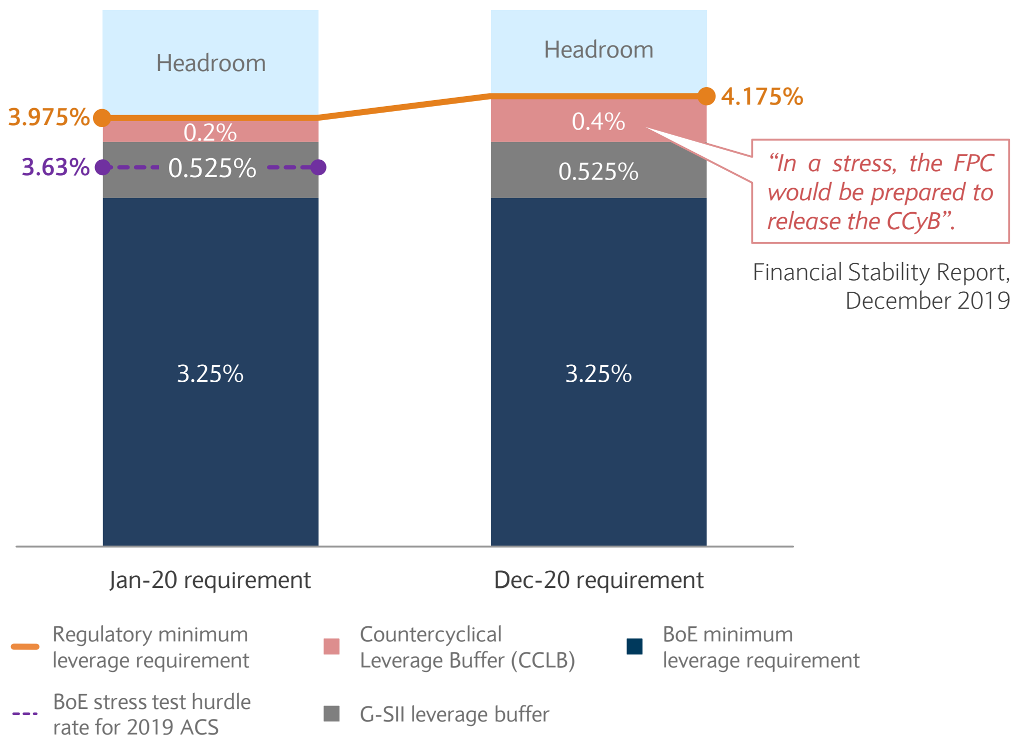
Managing evolving future Group minimum leverage requirements

Minimum leverage requirements and buffers under the UK regime

Q419 UK leverage ratios[1]:

Spot: 5.1%

Average: 4.5%

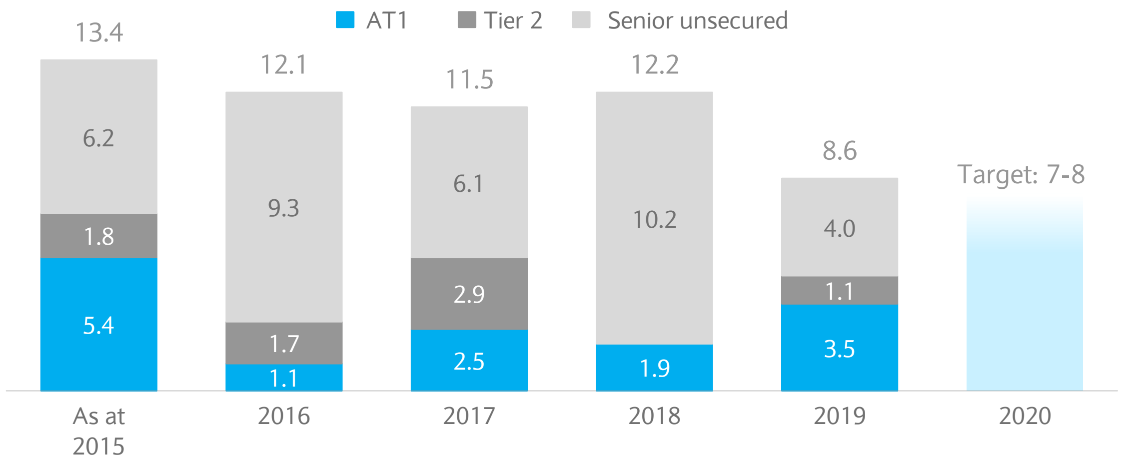


- The RWA based CET1 ratio remains our primary regulatory constraint
- The Group currently has one leverage requirement, as measured under the UK’s PRA leverage regime. The requirement must be met on a daily basis, and is reflected in the daily average leverage exposure
- Expect CCLB requirement to increase by 20bps to 0.4% in December 2020, and therefore the minimum increases to 4.175%
- Leverage exposure under CRR II is expected to reduce meaningfully given the change in regulatory treatment for settlement balances, and the more risk sensitive approaches available for derivatives

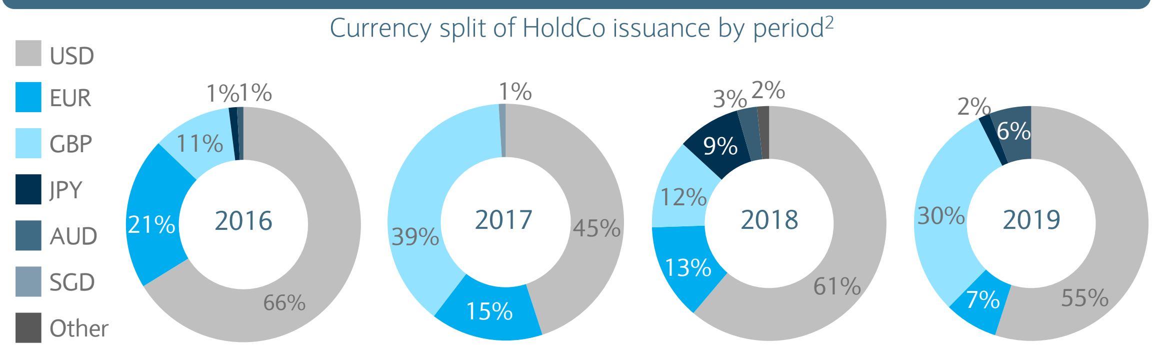
[1] Leverage ratio calculated applying the transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date. This includes IFRS 9 transitional arrangements |

Continued progress in HoldCo issuance

Annual HoldCo issuance volume materially lower vs 2016-18 (£bn)[1]



Diversified currency of HoldCo issued instruments



2019 HoldCo issuance by currency[3]

March: USD 2bn AT1

April: USD 750m Senior tap

May: USD 2bn Senior

May: GBP 600m Senior

June: GBP 1bn AT1

June: USD 1.5bn Tier 2

June: AUD 800m Senior

September: GBP 1bn AT1

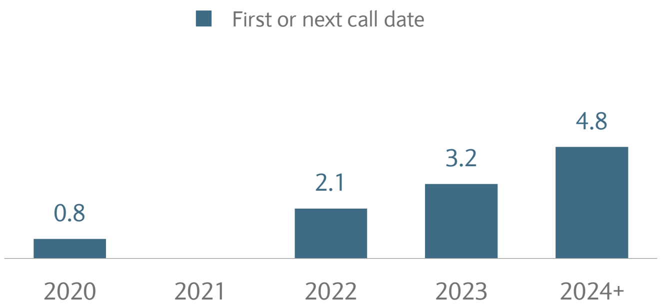
December: EUR 750m Senior

[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] FX rates as at respective period ends | [3] Excludes private placements |
Note: Charts may not sum due to rounding |

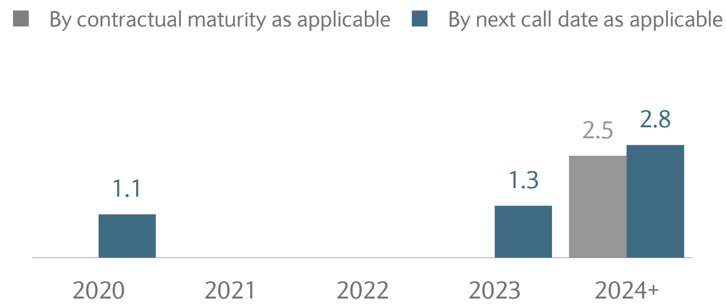
Managing the call and maturity profiles of BPLC and BBPLC capital instruments

BPLC capital call and maturity profile (£bn)

BPLC AT1 capital as at 31 December 2019[1]



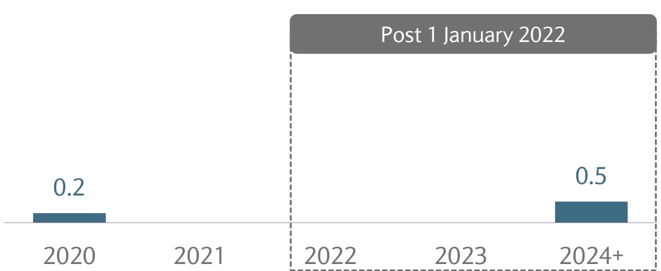
BPLC Tier 2 capital as at 31 December 2019[1]



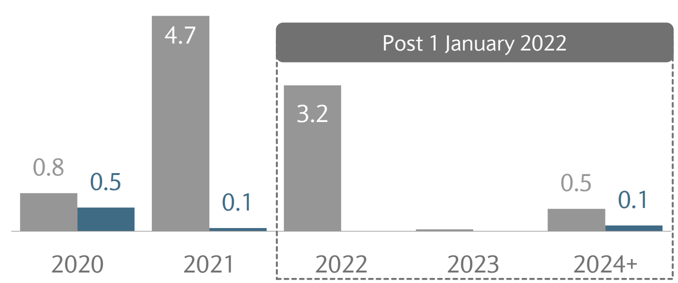
- Redemption of three AT1 instruments effected on 15 September 2019

BBPLC capital call and maturity profile (£bn)

BBPLC AT1 capital as at 31 December 2019[1]



BBPLC Tier 2 capital as at 31 December 2019[1]



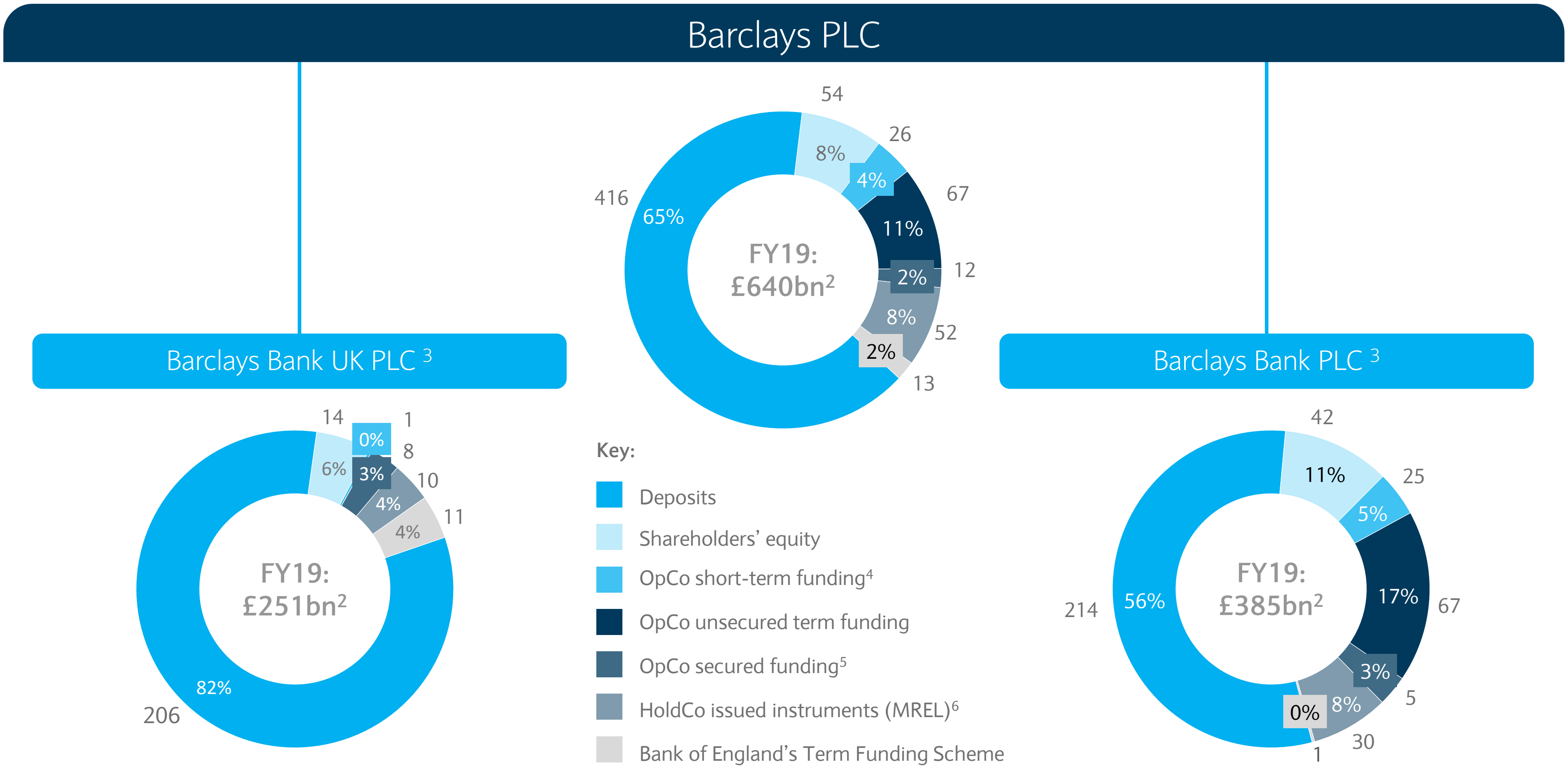
- Legacy capital instruments maturing or callable post 1 January 2022 are modest and short-dated, with c.90% of all instruments maturing or callable by the end of 2022

Short and small tail of legacy capital by 1 January 2022

[1] Prepared on nominal basis which will not reconcile with regulatory or accounting bases due to adjustments |

Diversified Funding Sources across all legal entities[1]

Majority of funding within legal entities through deposits



[1] The funding sources presented include external deposits at amortised cost, wholesale funding including public benchmark and privately placed senior unsecured notes, certificates of deposits, commercial paper, covered bonds, asset backed securities, subordinated debt, participation in Bank of England's Term Funding Scheme, Additional Tier 1 capital instruments and shareholders' equity | [2] Excludes derivative financial instruments, repurchase agreements and other similar secured borrowing, trading portfolio liabilities, cash collateral and settlement balances and other liabilities | [3] Barclays Bank PLC and Barclays Bank UK PLC funding profile includes subsidiaries | [4] OpCo short-term funding consists of certificates of deposit, commercial paper and asset backed commercial paper | [5] OpCo secured funding includes covered bonds and asset backed securities | [6] HoldCo MREL downstreamed to BBUKPLC, BBPLC, and other subsidiaries, including Barclays Execution Services Limited and Barclays Principal Investments Limited | Note: Charts may not sum due to rounding |

Disclaimer

Important Notice

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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.

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, 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.