



Barclays PLC
Annual Report 2023

The secret instrument is a



Welcome to Barclays

Creating positive outcomes for our stakeholders

Our Purpose

Working together for a better financial future

Our Vision

The UK-centred leader in global finance

A comprehensive and pre-eminent UK consumer, corporate, wealth and private banking franchise

The leading non-US based investment bank

A strong, specialist US consumer bank

Our Values

Respect

We harness the power of diversity and inclusion in our business, trust those we work with, and value everyone's contribution

Integrity

We operate with honesty, courage, transparency and fairness in all we do

Service

We act with empathy and humility, putting the people and businesses we serve at the centre of what we do

Excellence

We set high standards for what we do, championing innovation and using our energy, expertise and resources to make a positive difference

Stewardship

We prize sustainability, and are passionate about leaving things better than we found them

The secret transportation is a



Customers and clients

A photograph of a man and a woman sitting on a couch, looking at a smartphone together.

Colleagues

A photograph of four people (three men and one woman) in an office setting, looking at a laptop screen.

Society

A photograph of three people wearing Barclays-branded white t-shirts and hairnets, working in a food bank or community kitchen.

Investors

A photograph of a man with a beard, wearing a blue and red plaid shirt, speaking at a podium with a microphone.

The Group at a glance

Working together for a better financial future

Barclays supports individuals and small businesses through our consumer banking services, and larger businesses and institutions through our corporate and investment banking services. Barclays is diversified by business, geography and income type.

The secret landmark is



Financial headlines

£6.6bn¹
Profit before tax
(PBT)

32.4p¹
Earnings per share
(EPS)

10.6%¹
Return on tangible equity
(RoTE)

Customers and clients

7.3m

personal customers who Barclays helped
to open a new savings account or grow
their deposits with us (2023)

Colleagues

86%

of colleagues would recommend Barclays
as a great place to work (2023)

Society

3.27m

people upskilled by Barclays (2023)

Investors

37%

increase in announced 2023
capital distribution
versus 2022

Note:

¹ Excluding the impact of Q423 structural cost actions.

In this year's report

Parts 1, 2 and 3 of Barclays PLC 2023 Annual Report together comprise Barclays PLC's annual accounts and report for the purposes of Section 423 of the Companies Act 2006.

Please note that throughout the document, graphical representation of component parts may not sum due to rounding.

Strategic report

The Barclays PLC Strategic report 2023 was approved by the Board of Directors on 19 February 2024 and signed on its behalf by the Chairman.

The Strategic report 2023 is not the Group's statutory accounts. It does not contain the full text of the Directors' report, and it does not contain sufficient information to allow as full an understanding of the results and state of affairs of the Group and of its policies and arrangements concerning Directors' remuneration as would be provided by the full Annual Report 2023.

Inside Part 1 Strategic report

Welcome to Barclays	1
The Group at a glance	2
In this year's report	3
Chairman's introduction	4
Chief Executive's review	7
Our business model	10
Our strategy	11
Our business environment	12
Our plan and targets	13
Our new divisional structure	14
2023 divisional review	15
About Barclays	16
Barclays UK	17
Barclays International: Corporate and Investment Bank	19
Barclays International: Consumer, Cards and Payments	21



11 Our strategy

Our stakeholders	23
Customers and clients	24
Colleagues	27
Society	30
Investors	34
Additional disclosures	27
Section 172(1) statement	27
Non-financial and sustainability information statement	40
Task Force on Climate-related financial disclosure statement of compliance	48
ESG Ratings and Benchmarks	49
ESG-related reporting and disclosures	50
Managing risk	51
Viability statement	54
Shareholder information	56
Important information	58

Inside Part 2

Climate and sustainability report	59
Risks and opportunities	66
Implementing our	72
	130



23 Our stakeholders

15 2023 divisional review



Inside Part 3

Governance	140
Board governance	144
Directors' report	145
Remuneration report	191
Other governance	230
Risk review	254
Risk review contents	255
Risk management	256
Material existing and emerging risks	258
Principal risk management	272
Risk performance	284
Supervision and regulation	363
Financial review	373
Key performance indicators	374
Consolidated summary income statement	376
Income statement commentary	
Consolidated summary balance sheet	378
Balance sheet commentary	
Analysis of results by business	380
Non-IFRS performance measures	387
Financial statements	394
Financial statements contents	395
Consolidated financial statements	413
Notes to the financial statements	421

Chairman's introduction

Working together for a better financial future



"The UK has been Barclays' home for over 300 years and as such we play an active part in its economic success."

Nigel Higgins
Chairman

Our strong and stable franchise has enabled us to remain resilient and continue to support our customers, clients and communities through an unpredictable external environment. We will continue to work together for a better financial future for all our stakeholders.

Banks and the banking system should at all times strive for a high degree of stability and reliability, reflecting their resilience, continuity of service to customers and clients, and the essential mechanics they perform for national and global economies. The premium for stability and reliability, and the challenge of achieving both, rise in difficult times. The essence of our message to you this year is that Barclays is well on the journey to a more sustainable, and satisfactory performance, but has more to do and a plan to do it.

That the global background is unpredictable is obvious and volatility is now the backdrop to our world, where we seek so many things with only partial success – continuing economic growth, predictable courses for inflation and interest rates, settled patterns of global trade, stability within and between nations.

2023 started with fairly uniform and downbeat economic and equity market expectations. On both counts, however, the intervening twelve months surprised on the positive side, but not without considerable stress being experienced by households and businesses, triggered by inflation and rising interest rates. It is testimony to the resilience of the economic system that this occurred but is sobering to note how wrong so much of the predictive commentary could be.

As a global bank we must pay close heed to shifts in the external environment and reverberations for our stakeholders. Banks vary enormously, by geography and by individual firm, in terms of how they respond to changes in interest rates and the interest rate curve. After years of negligible interest rates, banks have to find the right balance between higher rates for borrowers which improve profitability, and

The secret office supply is a



Chairman's introduction (continued)

Facts and figures

32.4p¹Earnings per share
2022: 30.8p

8.0p

Dividend
2022: 7.25p

£3.0bn

Total capital return in relation to 2023
2022: £2.1bn

\$67.8bn

Sustainable and transition
financing facilitated towards the target
of \$1trn by 2030

In this environment, Barclays has maintained strong liquidity and operated towards the top of its target range for capital throughout 2023. With a profitable business model we delivered a Return on Tangible Equity for 2023 of 10.6%¹, enabling capital distributions of c. £3.0bn. These capital returns mean that since 2019 we have returned c.£9bn in dividends and buybacks to our shareholders, representing a share count reduction of 13%. Our management team has brought stability to our business and a consistent underlying

The secret drink is a

part of our ambition to be a bank that is being consistently excellent and doing it well. This has been a very material endeavour and Venkat gives more detail about our renewed operational rigour in his letter.

However, both the Board and management team are acutely aware that our returns should be higher, and our valuation is far from where it should be. Our focus since the global financial crisis has been to rebuild and stabilise the bank. In a world of constrained capital and human resource, the bank has prioritised its operational and financial resilience, including significant investments in the technology stack. This has included a considerable shrinkage of geographic footprint and a focus on those businesses where we believe we can be successful.



We have also reinforced the talent and infrastructure of the Investment Bank, in Markets and Banking in particular, given that these are scale-dependent businesses and are central to the diversified returns strategy we pursue. The consumer businesses of Barclays have received less consistent and focused investment.

The challenges of performance and valuation are linked but distinct. In addressing the challenges and regulatory requirements of the post-financial crisis world Barclays has become overly complex and cost-heavy. It is not always the case that more resources and extra processes make a financial institution safer or more resilient. Complexity can lead to accountability or responsibility being unclear at times, and to unnecessary cost; being simpler is often safer, and more cost efficient. In other words, how we operate is as important as the shape of the business model. There are a small number of business lines which we plan to exit in 2024, but these are not particularly material to the performance challenge. The big task is to execute Venkat's ambition to be consistently excellent. The simplification of processes and the streamlining of management layers in the bank are fundamental to this. This process is well underway and it lay behind the decision to take a significant fourth quarter restructuring charge last year.

The valuation challenge is obviously less directly under our control. The Board's view remains that the diversified returns strategy which we pursue is the right one. However, it brings business complexities, and there is a scarcity of comparable banks in Europe.

Our commitment to the Investment Bank remains strong, and its priority over the next few years, having reached overall scale, is to become more capital efficient and thus profitable, in part through improved prioritisation around activities and clients. The cost structure also requires some work. Given this, we do not envisage needing to add materially to the capital deployed in the Investment Bank. At the same time we will step up investment in the consumer businesses of Barclays on both sides of the Atlantic.

As a result, we expect the allocation of capital within the bank to shift, with Markets and Banking coming to represent a rather lower proportion of RWAs over coming years. We think that this balance, as long as it is reinforced by continuing returns at the appropriate level, should improve investor sentiment towards this business. Secondly, we continue the journey to make sure that investors have more confidence in where and how we make money. Our disclosures around risk and profitability have improved markedly over the last few years and we remain committed to doing more. The new divisional reporting arrangement will help here, including being transparent about those areas of the business where profitability improvement is most needed.

In his letter to shareholders Venkat sets out in more detail his vision for Barclays, including new financial targets, and a clear plan to achieve them.

Note:

¹ Excluding the impact of Q423 structural cost actions.

Chairman's introduction (continued)

This path to a simpler, better and more balanced bank is not just based on the work around Barclays' shape, strategy and financial performance. It is also intimately tied to our expression of Purpose, which we have also decided to streamline to emphasise the way in which we need to operate. 'Working together for a better financial future' expresses our drive to deliver high quality products and services which help to improve livelihoods for customers and clients, helping them with the finance and advice to innovate, invest and grow. And for our communities, it is about using our scale and capabilities to fulfil potential. It is also clear that a greater focus on the consumer and on the UK as a whole are crucial here.

During 2023, we continued to make progress to meet our ambition of being a net zero bank by 2050. Capital is critical for a successful energy transition and we are targeting our financing and resources to energy companies committed to decarbonise and investing to enable the transition in the real economy. I am pleased to report that in 2023 we financed \$67.8bn of Sustainable and Transition Financing, contributing towards our target of \$1trn by the end of 2030.

In addition, earlier in February we published a revised energy policy to progress our climate strategy, with a commitment not to directly finance energy companies' new oil and gas projects, consistent with the IEA NZE scenario, and setting clear expectations of transition strategies and decarbonisation requirements for our clients. This policy change is an important lever for reducing our financed emissions as we continue towards aligning our financing portfolio to the goals of the Paris Agreement.

As you read this report you will also find powerful testimonies as to how Barclays is supporting our communities, including in our UK home market. In 2023 we marked the ten year anniversary of Barclays' LifeSkills programme, which has helped millions of people transform their futures through its employability tools and learning resources.

Our partnerships with sport are another meaningful demonstration of how we can support the development of vital skills and confidence which are critical to the future success of our communities. Building on our comprehensive sponsorship of girls' and women's football since 2019, in 2023 we debuted as the Official Banking Partner of Wimbledon, integrating it with our existing programmes to support employability and skills, our focus on sustainability, and connecting clients, customers and communities.

The UK has been Barclays' home for over 300 years and as such we play an active part in its economic success. Against a backdrop of constrained public finances, high inflation and interest rates, we recognise the increasing imperative for financial institutions to play a prominent role in fostering sustainable economic growth. We have continued to do just that through 2023, from our growing network of Barclays Eagle Labs supporting entrepreneurship, to our close participation in public policy consideration of how the UK's capital markets can be bolstered to unlock business growth.

The various threads of our performance I have recounted are only made possible by the steadfast dedication and hard work of colleagues. On behalf of the Board, I would like to thank all of them for their ongoing commitment to serve our stakeholders, and for their success.

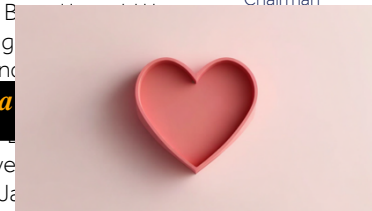
The secret shape is a heart.

I am also grateful to our colleagues for their contributions this last year. I would like to welcome Marc Moses to our Board in January and John Kingman to our Board and as Chair of Barclays Bank UK PLC in June 2023. Both bring a deep experience of financial services. Julia Wilson, who joined the Board in 2021, took over as Chair of the Audit Committee in April 2023 and you can read her letter to shareholders on page 166. I would also like to reiterate my thanks to Mike Ashley and Crawford Gillies who retired from the Board during 2023, having supported Barclays through a period of considerable change during their tenure.

I look forward to discussing Barclays' performance in 2023 and plans for the year ahead at our Annual General Meeting on Thursday 9 May 2024 in Glasgow, which is the home of our net zero campus and base for over 5,000 colleagues. The meeting will take place at the Scottish Events Campus, Armadillo, Glasgow and shareholders will be invited to participate in person or online.

2024 will be notable as we renew our focus on delivering high quality products and service to our customers and clients, and on improving our returns to investors.

Nigel Higgins
Chairman



Chief Executive's review

Our ambition to be the UK-centred leader in global finance

The secret clothing is a



**g Simpler,
and More
re can deliver
greater shareholder
value by 2026."**

C. S. Venkatakrishnan
Group Chief Executive

Over the last decade we have made good progress building strong customer franchises in the UK and US, alongside the leading markets and banking business outside the US. We have also strengthened the bank financially, and improved our returns. From these strong foundations, we have a vision for the shape of a better run, more strongly performing and higher returning Barclays.

Introduction

During this year, as in the previous one, we have seen increasing political and economic tensions around the world. Resurgent nationalism is precipitating global decoupling, reversing the ratcheting integration of preceding decades. The effects are reflected in increasingly restrictive trade policies, subsidies, mistrust even among allies, and the resurgence of real conflict.

This riskier market, economic and political environment has several important implications for a global financial institution like Barclays. Notwithstanding global fragmentation, investors continue to need access to world markets. We have to provide this while managing the relatively higher risk of doing so. In the last decade, Barclays has largely curtailed or entirely shut retail operations in Africa, India and Europe. Our footprint today, operating in London and New York, and across major global financial centres, positions us well for this increasingly polarising world.

Perhaps most relevantly, our home in London, remains one of the leading capital market centres.

Our progress and performance

We have built a strong position in the UK market, the product of more than three centuries of commitment, with c.20 million personal customers. In the last two decades, we have also built a growing customer franchise in the US, working in partnership with prominent US brands like Gap Inc. and American Airlines, through which we serve c.20 million credit card customers. In parallel, we have established the leading international markets and banking business headquartered outside the US. Barclays Investment Bank has forged a global reputation for sophisticated execution and risk management, and is at a scale which competes directly with US peers. In Global Markets we are Top 3 in Credit and Fixed Income Financing¹, while in Investment Banking we continue to maintain a 6th position globally². We led on a number of prominent deals through 2023, including Arm's IPO – the largest to price since 2021.

Notes:

- 1 Coalition Greenwich Competitor Analytics, 1H23 Global Results. Analysis based on the following banks: Barclays, BofA Securities, BNP Paribas, Citigroup, Credit Suisse, Deutsche Bank, Goldman Sachs, J.P. Morgan, Morgan Stanley, UBS. Analysis is based on Barclays' internal revenue numbers and business structure.
- 2 Dealogic for the period covering 1 January 2023 to 31 December 2023.

Chief Executive's review (continued)

Facts and figures

£25.4bn

Total income
2022: £25.0bn

£6.6bn

Profit before tax¹
2022: £7.0bn

10.6%

Return on tangible equity¹
2022: 11.6%

13.8%

CET1 capital
2022: 13.9%

As we have built our multinational footprint, we have also strengthened Barclays financially, and improved our returns. Over the last decade we increased our capitalisation from 10% to nearly 14% CET1, against a backdrop of accelerating digital transformation, an evolving regulatory landscape including Basel III, and significant economic and geopolitical disruption.

Since 2021, we have delivered consistent underlying returns above 10%, through an uncertain operating environment. This strength and resiliency has enabled us to return c.£9bn in dividends and buybacks to our shareholders since 2019, and since 2021 we have returned 33% of our market cap. With respect to dividends, we have announced c. £3.0bn in dividends and buybacks, an increase of 37% on 2022.

We continued to deliver well in 2023, despite the mixed macroeconomic backdrop. Our income was £25.4bn, our CIR was 63% - in line with our target - and our RoTE was 10.6%, excluding the structural cost charge taken in Q4 2023. We generated a PBT of £6.6bn, and EPS of 32.4p.

Our Vision


I have considerable ambition for Barclays. Simply put, I want us to be the UK-centred leader in global finance. At our core we will have a comprehensive and pre-eminent UK consumer, corporate, wealth and private banking franchise, complemented by a strong, specialist US consumer bank. Alongside both will be the leading non-US based Investment Bank.

I want Barclays to be renowned for excellent operational performance, strong product delivery, highly satisfied customers and clients, and robust liquidity, capital and risk management. The outcome of which is a strongly returning, highly valued global bank, centred in the UK, producing higher levels of total shareholder returns.

Achieving our objective

We are building from the strong foundations I set out earlier, but we know this is not reflected in our shareholder experience. We have spent time examining the path we are on, and the direction we will take going forward, as we know we need to do better. I believe Barclays is capable of delivering further value for our shareholders.

We need to continue to improve our operational and financial performance, and improve total shareholder returns. To do so, over the next three years we aim to make three key changes: Better and More balance

The secret currency is a  business lines, each with a clear focus on high returns. This will be a key part of our reporting, and improve the accountability and transparency of each individual businesses performance.

Our UK ring-fenced consumer bank – Barclays UK (BUK) – today delivers consistently high returns, has entrenched scale, with full presence across products and clients. We will aim to establish a leadership position in the UK, ever-improving our customer propositions and service. Our emphasis is on regaining share within credit cards and unsecured lending, and delivering greater operational and cost efficiency. We aim to reduce our CIR from 58% in 2023 to c.50% in 2026.

We will split out Consumer, Cards and Payments (CCP) into three, separately reported businesses: Barclays US Consumer Bank, Barclays UK Corporate Bank and Barclays Private Bank & Wealth Management.

Barclays US Consumer Bank (USCB), is a specialist partnership credit card provider in the US, with a market leading position in Travel and Airlines. Notwithstanding the lower RoTE in 2023 which is explained on page 21 of the Annual Report, we aim to be a partner of choice for America's leading brands, particularly in Retail, achieving an ever-more diversified portfolio of blue-chip clients.

We will continue to invest in a scalable digital platform to increase operating efficiency, and sophisticated capital management techniques to enhance risk-adjusted returns.

We will also seek to build further on our strengths in Barclays UK Corporate Bank, which has a long and successful history of fostering enterprise in the UK. We have relationships with 25% of UK corporates², and see more than two in five of the UK's credit and debit card transactions. We aim to build on this strength, expanding our share in lending, and modernising our systems to improve self-service capabilities.

Barclays Private Bank and Wealth Management represents a significant opportunity to strengthen our retail and mass affluent franchise, linked to our strong consumer franchise and complementing our UK-centred Private Bank. We will offer robust financial management tools, priced fairly, managed transparently, constructed simply and delivered efficiently, in order for our clients to grow wealth responsibly at each stage of their personal financial journeys.

Barclays Investment Bank today is the leading non-US based international markets and investment banking business³. It is at scale, with deep client relationships and a global reputation for sophistication in execution and risk management.

Note:

- 1 Excluding the impact of Q423 structural cost actions and the Over-issuance of Securities in the prior year.
- 2 Relationships from which we generate >£500 income per annum from our existing product set from companies (not legal entities) with annual income of >£6.5m across UK Corporate and Corporate within the Investment Bank.
- 3 #6 Global Markets and Investment Banking. Global Markets rank based on Barclays' calculations using Peer reported financials. Top 10 Peers includes Barclays and; US Peers: Bank of America, Citi, Goldman Sachs, JP. Morgan, Morgan Stanley. European Peers: BNP Paribas, Credit Suisse, Deutsche Bank, UBS. Investment Banking rank based on Dealogic as at 31 December 2023.

Chief Executive's introduction (continued)

We aim to consolidate our position, broadening and deepening client relationships, monetising our investments in technology and capital, and driving stronger returns. To support this journey, we have moved the International Corporate Banking business into Investment Banking.

Operating our bank, and each of our businesses, extremely well is fundamental to improving and de-risking our financial outcomes. We will continue to drive operational and process efficiency across the group, by streamlining our workforce, simplifying decision making, upgrading legacy system architecture, and accelerating the pace of delivery. This will deliver improved cost income ratios across every business, even as we invest to drive better returns and improve resilience.

I am also clear we must manage the bank in a consistently excellent way, to avoid unexpected and unnecessary losses from operational errors and give continued confidence to our stakeholders. We have implemented a group-wide culture programme – Consistently Excellent – establishing a very high operating standard for the firm, and targeting best-in-class service across the group. We are making progress advancing this high standard across the bank as numerous examples throughout this Report will attest, but we have more to do as we aim to make it the essence of Barclays.

Financially, we will increase the allocation of capital to higher-returning businesses. Over the next three years we will deliver a more evenly balanced allocation of RWAs, with more capital deployed to our highest returning consumer businesses, which attract higher investor multiples.

RWAs in Barclays UK, Barclays UK Corporate Bank and Barclays Private Bank and Wealth Management will increase by around 4% points as a proportion of total RWAs.

By no means is this to diminish the importance of our Investment Bank; rather, it is to place our consumer and corporate businesses on a similarly strong footing.

Over the medium-term this will rebalance Barclays RWAs across our consumer and wholesale businesses, to support more consistent and higher returns.

By being Simpler, Better and More balanced, we can deliver greater shareholder value by 2026. Our new financial framework includes a target to generate a Return on Tangible Equity of greater than 12% by that time, and to return at least £10 billion to shareholders via a mix of dividends and buybacks¹.

Shaping Barclays for the future

The business, operational and financial goals which we have outlined are an important part of success, but they are not all of it. In the increasingly multi-polar world we described at the outset, we must choose what we want to be and where.

This year signifies our strengthened commitment to the UK. The UK economy continues to prove relatively resilient to global shifts and, as a UK headquartered bank, we are deeply rooted in our domestic market. With a renewed focus on businesses in which we can be successful, and a re-emphasis on delivering excellent customer service, we can build on our valuable brand and capture even more opportunity in our home market.

Conclusion

Our commitment to, and deep roots in, the UK have shaped our vision. As part of this resolve, we are purposefully engaged in initiatives to advance UK prosperity, from levelling-up essential life skills for 3.27 million people during 2023, to supporting ambitious start-ups and scale-ups across the UK.

At the heart of the activity and ambition which I have detailed throughout this letter are our colleagues. Our success is driven by their hard work and dedication and to support our customers, clients and communities. I am pleased to note that Barclays is ranked as Number 1 on LinkedIn's 2023 UK Top Companies list for the third year in a row, demonstrating that we have built an organisation of mutual respect and appreciation, and one in which our colleagues have opportunities to thrive.

2024 will be a crucial year for Barclays. To change the way we operate and achieve sustainable success will take strenuous effort, relentless focus and time. I am confident that our clear plan will achieve these objectives, and take us to new heights.

Thank you.

C. S. Venkatakrishnan
Group Chief Executive



The secret food is

Our Priorities



Simpler

**Simpler business
Simpler organisation
Simpler operations**



Better

**Better returns
Better investments
Better quality income
Better customer experience
and outcomes**



More balanced

**More balanced allocation
of RWAs
More balanced
geographical footprint**

Note:

¹ This multiyear plan is subject to supervisory and Board approval, anticipated financial performance and our published CET1 range of 13%-14%.



Read more about our
priorities on Page 13