

Barclays Bank PLC Hong Kong Branch

Remuneration disclosure pursuant to HKMA Supervisory Policy
Manual CG-5 (“Guideline on a Sound Remuneration System”)

As at 31 Dec 2023



Remuneration of Senior Management and Key Personnel

These disclosures comply with the qualitative and quantitative remuneration disclosure requirements set out in Part 3 of the HKMA Supervisory Policy Manual CG-5 'Guideline on a Sound Remuneration System'.

These disclosures supplement the qualitative remuneration disclosures set out on pages 191 to 229 of the Remuneration Report ('Remuneration Report') in the Barclays PLC Annual Report 2023 ('Annual Report'), which is available at home.barclays/annualreport.

Remuneration Governance

Information relating to the governance structure of the remuneration system including the Barclays PLC Board Remuneration Committee (the 'Committee') and external consultants is included on pages 191, 228 and 229 of the Annual Report. The Committee oversees remuneration and regularly reviews Barclays' remuneration philosophy and policy. The remuneration philosophy can be found on page 197 of the Annual Report and the remuneration policy for Barclays' employees below Board level is summarised on page 198 of the Annual Report.

Performance management and remuneration

Barclays' remuneration philosophy links remuneration to achieving sustainable performance. In this context, sustainable performance means making a positive and enduring difference to investors, customers and communities, delivering good customer outcomes, taking pride in leaving things better than we found them and playing a valuable role in society. Our remuneration philosophy applies to all employees of Barclays globally and aims to reinforce our belief that effective performance management is critical to enabling the delivery of our business strategy in line with our Values. Employees who adhere to the Barclays' Values and contribute to Barclays' success are rewarded accordingly.

This is achieved by basing performance assessment on clear standards of delivery and behaviour. This starts with employees aligning their personal objectives each year ('what' they will deliver) to business and team goals, to support the delivery of the business strategy and good client/customer outcomes, to a consistently excellent standard. Behavioural expectations ('how' people will achieve their objectives) are set in the context of our Values and Mindset.

Performance is assessed against both financial and non-financial criteria. Other factors are also taken into consideration within the overall performance assessment, including core job responsibilities, behaviours towards risk and control, colleague and stakeholder feedback as well as input from the control functions and Chief Controls Office, where appropriate.

Through our approach to performance management, the equal importance of both what an individual has delivered and how the individual has achieved this is emphasised, encouraging balanced consideration of each dimension. These elements are assessed and rated independently of each other; there is no overall rating. This allows for more robust and reflective conversations between managers and team members on the individual components of performance.

Risk adjustments and remuneration

Another key element of the remuneration philosophy is the alignment of remuneration with the Group's risk appetite, and with the conduct expectations of Barclays, our regulators and stakeholders. The Committee takes risk and conduct events very seriously and ensures that there are appropriate adjustments to individual remuneration and, where appropriate, the incentive pool.

The Remuneration Review Panel (the 'Panel'), which reports to the Committee, supports the Committee in this process. The Panel is chaired by the Group HR Director and includes the Group Heads of Risk, Compliance, Legal and Internal Audit as well as the CEO of Barclays UK PLC and the President of Barclays Bank PLC. It oversees our policies and processes for assessing compensation adjustments for risk and conduct events.

The Panel also provides oversight of our approach to identifying 'Material Risk Takers' ('MRTs'), who are Barclays employees whose professional activities could have a material impact on the Group's risk profile. The remuneration approach for MRTs includes specific requirements as explained further on the next page.

We have robust processes for considering risk and conduct as part of individual performance management, with outcomes reflected in individual remuneration decisions. People leaders have primary accountability for ensuring that

risk and conduct issues are considered when assessing performance and making remuneration decisions. In addition, there is a secondary review by the risk control functions, for individuals involved in significant failures of risk management, conduct issues, regulatory actions or other major incidents that impact either the Group or a business area, to ensure these issues are also considered. When considering individual responsibility, a variety of factors are taken into account such as whether an individual was directly responsible, or whether the individual, could be deemed indirectly responsible by virtue of seniority, including staff who drive the Group's culture and set its strategy.

Actions that may be taken where risk management and conduct falls below required standards include:

Individual adjustments	Current year annual bonuses are adjusted downwards where individuals are found to be responsible (either directly or indirectly) in a risk or misconduct event.
Collective adjustments	In addition to reductions to individuals' bonuses, the Committee considers and makes collective adjustments to the incentive pool for specific risk and conduct events. The Committee also adjusts the incentive pool to take account of a wide range of future risks including conduct, non-financial factors that can support the delivery of a strong risk management, control and conduct culture, and other factors including reputation, and impact on customers, markets and other stakeholders. The Committee is supported in its consideration of this adjustment by the Barclays PLC Board Risk Committee.
Malus	Unvested deferred bonuses from prior years are subject to malus provisions, which enable the Committee to reduce the vesting level of deferred bonuses (including to nil) at its discretion. Events that may lead the Committee to do this include, but are not limited to, employee misconduct or a material failure of risk management.
Clawback	Clawback applies to any variable remuneration awarded to a Material Risk Taker ('MRT') on or after 1 January 2015 in respect of years for which they were a MRT. Barclays may apply clawback if, at any time during the seven-year period from the date on which variable remuneration is awarded to a MRT: (i) there is reasonable evidence of employee misbehaviour or material error, and/or (ii) the firm or the business unit suffers a material failure of risk management, taking account of the individual's proximity to and responsibility for that incident.

Remuneration structure

Employees receive salary, pension and other benefits and are eligible to be considered for an annual bonus. Some employees, including some MRTs, also receive Role Based Pay (RBP). Remuneration of all MRTs is subject to the 2:1 maximum ratio of variable to fixed remuneration. A Group-wide identification process is carried out annually to determine those who meet the MRT criteria. MRTs can include Senior Management and/or Key Personnel.

The remuneration of employees engaged in control functions is determined independently from the business they support and within the parameters of the incentive pool allocated to them by the Committee. Remuneration for control function employees is less weighted towards variable remuneration compared to front-office employees, with the ratio of variable to fixed remuneration typically limited to 1:1.

Fixed remuneration

Salary	Salaries reflect individuals' skills and experience and are reviewed annually. They are increased where justified by role change, increased responsibility, to reflect a change in the market rate or to maintain appropriate competitive positioning. Salaries may also be increased in line with local statutory requirements and union and works council commitments.
Role Based Pay	Some MRTs receive a class of fixed pay called RBP to recognise the seniority, scale and complexity of their role. RBP may be adjusted where justified by a role or responsibility change or a change in the appropriate market rate.
Pension and benefits	The provision of a competitive package of benefits is important to attracting and retaining the talented staff needed to deliver Barclays' strategy. Employees have access to a range of country-specific company-funded benefits, including pension schemes, healthcare, life assurance and Barclays' share plans, as well as other voluntary employee-funded benefits. The cost of providing these benefits is defined and controlled.

Variable remuneration

Annual bonus	Annual bonuses incentivise and reward the achievement of Group, business and individual objectives, and reward employees for demonstrating individual behaviours in line with Barclays' Values and Mindset.
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The ability to recognise performance through variable remuneration enables the Group to control its cost base flexibly and to react to events and market circumstances. Bonuses remain a key feature of remuneration practice in the market for talent in the financial services sector.

Annual bonuses may be delivered in both 'up-front' and deferred components. For MRTs (excluding 'de minimis MRTs'), both the up-front and deferred components have cash and share portions subject to retention periods of either six or twelve months.

Awards of guaranteed variable remuneration are only made in the context of hiring, in exceptional circumstances, and typically only when a new hire starts in the last quarter of the year.

Bonus deferral

The Committee is careful to control the proportion of variable to fixed remuneration paid to individuals and also to ensure an appropriate amount is deferred to future years. The typical deferral structures are:

For MRTs:		For de minimis MRTs/non-MRTs:	
Incentive award	Amount deferred	Incentive award	Amount deferred
< £500,000	40% of total award	Up to £65,000	0%
£500,000 to £1,000,000	60% of total award	> £65,000	Graduated level of deferral
> £1,000,000	60% up to £1,000,000 100% above £1,000,000		

Deferred bonuses are generally delivered in equal portions as deferred cash and deferred shares (save for the BPLC Executive Directors for whom they are delivered 100% as deferred shares) subject to the rules of the deferred cash and share plans (as amended from time to time) and to continued service. Deferred bonuses are subject to either a 3, 4, 5 or 7-year deferral period in line with regulatory requirements.

Where dividend equivalents cannot be delivered on deferred bonus shares, the number of deferred bonus shares awarded will be calculated using a share price discounted to reflect the absence of dividends or equivalent during the vesting period.

Share plans	Alignment of MRTs with shareholders is achieved through deferral of incentive pay. The Committee also encourages additional shareholding through the all-employee share plans.
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Quantitative disclosures

The tables below show the remuneration paid to Senior Management and Key Personnel in 2022 and 2023. Senior Management refers to those executives responsible for oversight of strategy, activities or material business lines. Senior Management includes the Chief Executive, Alternate Chief Executive, Executive Officers and Bank Managers as registered with the HKMA. Key Personnel refers to those employees, other than Senior Management, whose duties or activities involve the assumption of material risk or the taking on of material exposures. Key Personnel are those employees who have been classified as MRTs based on the qualitative and quantitative criteria specified in the Regulatory Technical Standard issued by the Prudential Regulation Authority.

Aggregate remuneration by remuneration type

	2023		2022	
	Senior Management	Key Personnel	Senior Management	Key Personnel
Fixed Pay¹				
Number of individuals	31	22	31	19
Cash (HK\$m)	165.6	92.9	162.3	85.0
Shares (HK\$m)	-	-	1.7	-
of which are subject to holding period (HK\$m)	-	-	1.7	-
Total Fixed Pay (HK\$m)	165.6	92.9	164.0	85.0
Variable Pay²				
Number of individuals	27	16	26	16
Current year cash bonus (HK\$m)	25.5	14.6	29.0	16.1
Current year share bonus (HK\$m)	17.8	13.1	22.6	15.2
Deferred cash bonus (HK\$m)	33.3	13.2	41.8	15.7
Deferred share bonus (HK\$m)	33.2	13.6	41.8	16.2
Total Variable Pay (HK\$m)	109.8	54.5	135.2	63.2

Special payments

	2023		2022	
	Senior Management	Key Personnel	Senior Management	Key Personnel
Sign-on awards				
Number of beneficiaries	-	-	-	-
Made during year (HK\$m)	-	-	-	-
Guaranteed bonuses³				
Number of beneficiaries	-	2	-	1
Awarded during year (HK\$m)	-	9.4	-	1.9
Severance awards				
Number of beneficiaries	1	-	-	-
Made during year (HK\$m)	1.1	-	-	-
Awarded during the year (HK\$m)	1.1	-	-	-
Highest individual award (HK\$m)	1.1	-	-	-

¹2022 and 2023 Fixed Pay includes an estimated value for pensions and benefits.

² Variable remuneration takes the form of cash and/or shares. There are no other forms of variable remuneration.

³ 'Guaranteed bonuses' include buy-out awards.

Deferred remuneration and retained remuneration⁴

	2023		2022	
	Senior Management	Key Personnel	Senior Management	Key Personnel
Balance at 1 Jan (HK\$m)	228.30	68.2	209.9	54.5
Awarded in year (HK\$m)	118.3	53.3	114.1	51.8
Paid in year (HK\$m)	(85.6)	(31.3)	(70.6)	(20.1)
Reduced through ex post explicit adjustments (HK\$m)	-	-	-	-
Increased/(decreased) through ex post implicit adjustments (HK\$m) ⁵	(2.5)	(0.8)	(15.6)	(4.1)
Forfeited (HK\$m)	-	-	(2.8)	-
Outstanding at 31 December (HK\$m), of which⁶	258.5	89.4	235.0	82.1
- cash (HK\$m)	106.6	29.0	93.1	28.6
- shares unvested (HK\$m)	113.4	39.1	111.2	34.9
- shares vested (HK\$m) ⁷	38.5	21.3	30.7	18.6

⁴ Deferred remuneration can be subject to explicit adjustments under the malus provision during the vesting period and (for MRTs) the clawback provision post vesting. All share-based remuneration is subject to implicit adjustments due to share price fluctuations.

⁵ Reflects the change in value of deferred share awards as a result of a change in the Barclays share price between date of grant and date of vesting (or where applicable end of retention period) of the awards.

⁶ Deferred remuneration takes the form of cash and/or shares. There are no other forms of deferred remuneration.

⁷ Vested shares are subject to a six month or one year holding period.