Barclays PLC (BCS)

Updated February 11th, 2026 by Aristofanis Papadatos

Key Metrics

Current Price:	$26	**5 Year CAGR Estimate:**	5.0%	**Market Cap:**	$92 B
Fair Value Price:	$24	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date[1]:**	2/20/26
% Fair Value:	108%	**5 Year Valuation Multiple Estimate:**	-1.5%	**Dividend Payment Date:**	3/31/26
Dividend Yield:	1.7%	**5 Year Price Target**	$31	**Years Of Dividend Growth:**	5
Dividend Risk Score:	C	**Sector:** Financials		**Rating:**	Hold

Overview & Current Events

Barclays PLC provides a wide range of financial services in the United Kingdom, Europe, the Americas, Africa, the Middle East, and Asia. The company operates through Barclays UK (retail banking division); Barclays UK Corporate Bank (corporate banking division); Barclays Wealth Management; Barclays Investment Bank; and Barclays US Consumer Bank (a global leading card issuer) segments. The two major segments are Barclays UK and Barclays Investment Bank, which generate approximately 44% and 47%, respectively, of total earnings. The company was founded in 1690 and trades with a market capitalization of $92 billion. It is based in London, UK.

On February 10th, 2026, Barclays reported results for the fourth quarter of 2025. It achieved a return on tangible equity of 8.5%. Net interest income grew 11% over the prior year's quarter. Barclays UK saw its income decrease -11% but Barclays Investment Bank grew its income 7%, assisted by growth in stable income streams. Given also lower provisions for loan losses, total profit grew 24%. Barclays posted a healthy Tier 1 capital ratio of 14.3%. It also provided strong guidance, expecting a return on tangible equity above 12% in 2026 (vs. 11.3% in 2025) and above 14% in 2028. Management also expects to maintain a fixed annual amount of dividends in the upcoming years and provide growth of dividend per share via material share repurchases.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$0.56	-$0.58	$0.49	$0.73	$0.44	$2.01	$1.47	$1.35	$1.75	$2.31	***$2.80***	***$3.57***
DPS	$0.25	$0.15	$0.24	$0.36	---	$0.17	$0.31	$0.38	$0.42	$0.45	***$0.45***	***$0.52***
Shares[2]	17.0	17.3	17.4	17.5	17.7	17.4	16.9	15.1	14.4	14.0	***13.5***	***12.0***

Barclays has a history of more than three centuries; this bodes well for the business model of the bank. On the other hand, as shown in the above chart, the company has exhibited a more volatile performance record than a typical bank. One of the reasons behind the choppy performance was Brexit, i.e., the exit of the United Kingdom from the European Union. Brexit was the primary reason behind the losses reported by Barclays in 2017.

Even in recent years, Barclays has failed to show consistent growth. In the last four years, the bank has grown its tangible net asset value per share by 7% per year on average but it has grown its earnings per share by only 3.5% per year on average, despite the tailwind from share repurchases. However, the bank is now focused on its two most promising segments, namely Barclays UK and Barclays Investment Bank, and expects to grow its earnings by at least 5% per year until 2028. We expect 5% average annual growth of earnings-per-share over the next five years.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	17.0	---	20.8	11.1	14.3	4.9	5.6	5.7	6.2	8.0	***9.3***	***8.6***
Avg. Yld.	2.6%	1.4%	2.4%	4.4%	---	1.7%	3.7%	4.9%	3.9%	2.4%	***1.7%***	***1.7%***

[1] Semiannual dividend.
[2] In billions.

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Due to its volatile performance record, Barclays has traded at remarkably low price-to-earnings ratios over the last five years. The stock is currently trading at a price-to-earnings ratio of 9.3, which is higher than the 7-year average earnings multiple of 8.6 of the stock. We expect the stock to trade close to its historical valuation in five years. In such a case, the stock will incur a -1.5% annualized valuation drag.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	45%	---	49%	49%	0%	8%	21%	28%	24%	19%	***16%***	***15%***

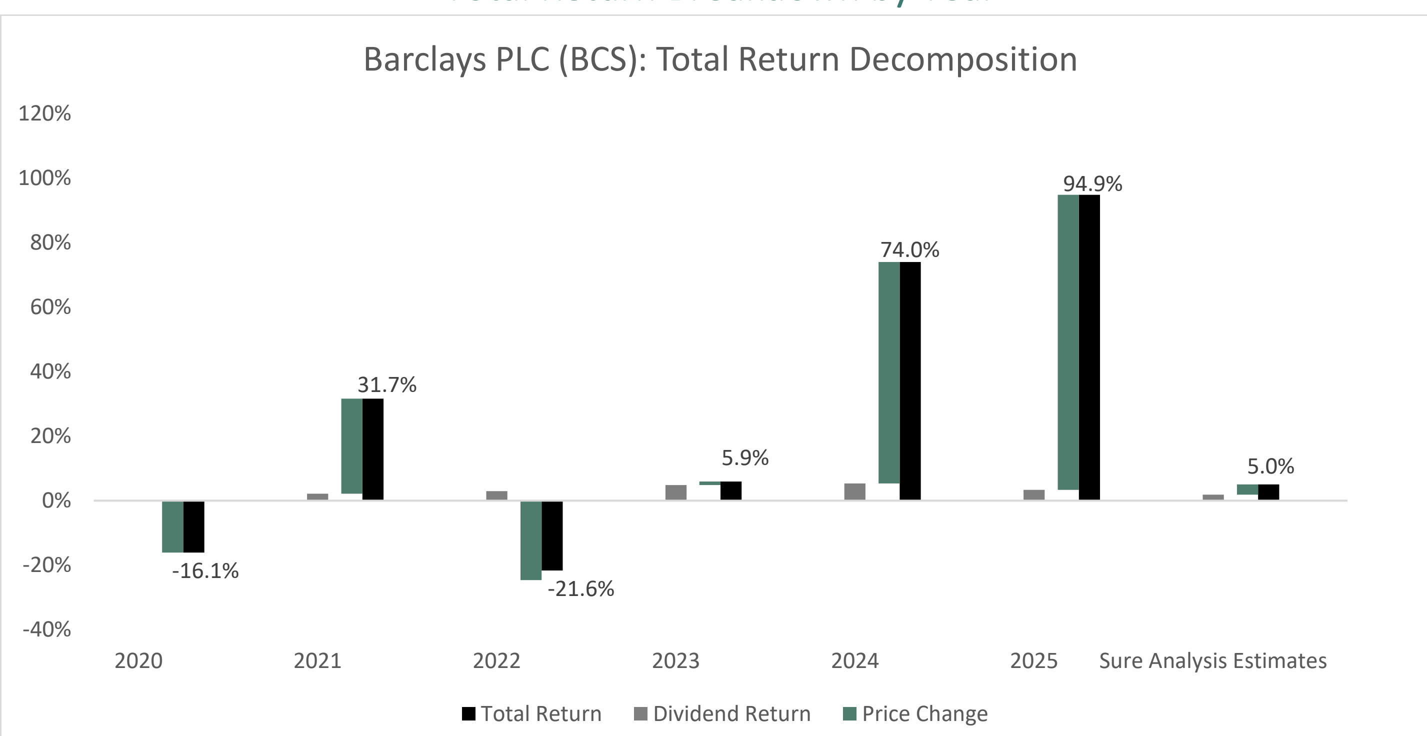
Barclays faces competition from several major financial institutions, such as HSBC Holdings, Lloyds Banking Group and Deutsche Bank. In addition, Barclays has proved vulnerable to recessions and downturns in its business. It incurred losses in 2017 due to the exit of the UK from the European Union and saw its earnings-per-share plunge -40% in 2020 due to the coronavirus crisis. Moreover, as the profit of the Investment Banking division is highly sensitive to the status of financial global markets, the stock is highly vulnerable to bear markets and sell-offs of financial markets. Therefore, the stock is suitable only for investors who can tolerate stock price pressure and volatility during downturns.

On the bright side, Barclays has a healthy Tier 1 capital ratio of 14.3%. It has also recovered from every financial crisis, except for the Great Recession, which caused irreversible losses to the shareholders of the bank. Eighteen years after that crisis, the stock is still trading 55% lower than its pre-crisis all-time high.

Final Thoughts & Recommendation

Barclays has exhibited volatile business performance but its current business momentum is strong across all segments, primarily thanks to the ongoing rally in global financial markets and the excessive liquidity with which most central banks have flooded the global financial system. Barclays could offer a 5.0% average annual return over the next five years thanks to 5.0% growth of earnings-per-share and a 1.7% dividend, partly offset by a -1.5% annualized valuation headwind. The stock receives a hold rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	35925	34512	38267	38327	35401	37564	45073	63813	70563	72029
SG&A Exp.	3024	5890	7527	7878	4540	11987	10766	8659	9927	---
D&A Exp.	8.4%	17.1%	19.7%	20.6%	12.8%	31.9%	23.9%	13.6%	14.1%	---
Net Profit	2574	1077	2441	3242	2057	8598	6243	5392	6855	8192
Net Margin	7.2%	3.1%	6.4%	8.5%	5.8%	22.9%	13.9%	8.5%	9.7%	11.4%
Free Cash Flow	-23981	6021	-3081	-2120	11975	18404	-19415	11483	-11227	-12827
Income Tax	1340	2885	1215	1280	775	1565	1280	1534	2239	2538

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets ($B)	1499	1533	1443	1511	1845	1875	1821	1884	1901	2077
Cash & Equivalents	128285	335820	323865	309348	399825	448480	443808	425175	413326	484600
Acc. Receivable	9547	10618	10154	10756	10865	10918	9911	9936	10364	---
Goodwill & Int.	1419	1456	1374	1438	1769	1797	1753	1809	1826	11142
Total Liab ($B)	786	603	353	282	120	274	102	113	124	199
Long-Term Debt	214698	214535	184981	181329	186274	232116	223541	226433	213185	222101
Total Equity	72192	74353	67404	70951	74670	76923	66169	73868	74826	87508
LTD/E Ratio	2.97	2.89	2.74	2.56	2.49	3.02	3.38	3.07	2.85	2.93

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.2%	0.1%	0.2%	0.2%	0.1%	0.5%	0.3%	0.3%	0.4%	0.4%
Return on Equity	3.0%	1.4%	3.3%	4.6%	2.8%	11.1%	8.6%	7.6%	9.1%	10.0%
ROIC	0.8%	0.4%	0.9%	1.3%	0.8%	3.0%	2.1%	1.8%	2.3%	2.6%
Shares Out.	17.0	17.3	17.4	17.5	17.7	17.4	16.9	15.1	14.4	3651
Revenue/Share	8.43	8.12	8.81	8.77	8.01	8.63	10.69	16.06	18.48	19.73
FCF/Share	(5.63)	1.42	(0.71)	(0.49)	2.71	4.23	(4.60)	2.89	(2.94)	(3.51)

Note: All figures in millions of U.S. Dollars unless per share or indicated otherwise.