

Progressive Corp.

## Oct. '22 Earnings: PIF Growth is Back; Tests Underlying Results

PGR's underlying loss ratio has worsened in the last two months (77.6% in Oct. & 77.2% in Sept.). It does not appear PGR has reached rate adequacy yet, at least on an earned basis. We think auto insurers have to push high single-digit to low double-digit rate increases just to tread water amid inflationary loss trends.

Any insurer can shrink their way to greatness. As counterintuitive as this may sound, it is much easier to recognize margin expansion by shrinking when there are signs of pricing improvement. Once an insurer begins to grow again, as in PGR's case now that PIF growth is back (+0.5% personal auto), we worry that it may be challenging to operationally demonstrate the same restraint and turn down business when appropriate. In 3Q22, PGR saw total new personal auto application growth of 20% y/y, mostly driven by Direct +26%, followed by Agency +9%. There is usually a new business penalty, and it takes a few policy terms to meet profitability hurdle rates. It does not help that PGR is growing now while its underlying loss ratios are deteriorating.

PGR's underlying loss ratio worsened to 77.6% in Oct. from 77.2% in Sept. and 73.4% in August. PGR's expense ratio fell to 18.3% in Oct. from 19.0% in Sept. and remains below pre-pandemic levels (north of 20%). So while PGR's all-in combined ratio is just under its 96% target, we do not think an expense ratio well below 20% (especially this quarter's 18.3%) is sustainable.

We are cautious regarding how swiftly underlying loss ratios can turn around, particularly given PGR's stance that taking rating actions is behind the trend. In fact, auto insurers should be pushing rate increases just for maintenance purposes, to keep up with loss trends that are still accumulating; albeit at a moderating pace. PGR's underlying loss ratio three-month simple average of 76.1% has a way to go to return to pre-pandemic levels (~68%). We think auto insurers will approach rate adequacy in 2024. To be sure, not a return to 2019 levels.

**CAT ALAE Debunked:** Many investors viewed last month's underlying loss ratio with some disbelief given PGR does not parse out its auto cat ALAE figure. On the earnings call, PGR debunked that assumption as cat ALAE from auto is not a considerable contributor. A cleaner print this month supports underlying loss ratio deterioration.

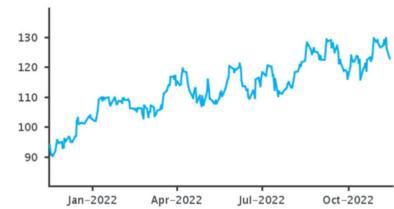
PGR reported personal auto PIF y/y growth of +.05% in Oct. (better than our estimate of -0.4%), mostly seen in auto agency (-3.6% vs. our -4.6%) followed by auto direct (+3.9% vs. our 3.1%).

| CORE

PGR	UNDERWEIGHT
	Unchanged
U.S. Insurance/Non-Life	POSITIVE
	Unchanged
Price Target	USD 104.00
	Unchanged
Price (15-Nov-22)	USD 123.06
Potential Upside/Downside	-15.5%
Market Cap (USD mn)	71999
Shares Outstanding (mn)	585.07
Free Float (%)	99.70
52 Wk Avg Daily Volume (mn)	2.8
Dividend Yield (%)	0.33
Return on Equity TTM (%)	5.14
Current BVPS (USD)	24.41

Source: Bloomberg

Price Performance      Exchange-NYSE  
52 Week range      USD 131.00-88.35



Source: IDC  
[Link to Barclays Live for interactive charting](#)

### U.S. Insurance/Non-Life

**Tracy Benguigui**

+1 212 526 1561

[tracy.benguigui@barclays.com](mailto:tracy.benguigui@barclays.com)

BCI, US

Alex Barenklau

+1 212 526 1021

[alexander.barenklau@barclays.com](mailto:alexander.barenklau@barclays.com)

BCI, US

Barclays Capital Inc. and/or one of its affiliates does and seeks to do business with companies covered in its research reports. As a result, investors should be aware that the firm may have a conflict of interest that could affect the objectivity of this report. Investors should consider this report as only a single factor in making their investment decision.

Please see analyst certifications and important disclosures beginning on page 10.

Completed: 16-Nov-22, 19:21 GMT   Released: 16-Nov-22, 19:25 GMT   Restricted - External

Oct. operating EPS of \$0.40 beat our \$0.33 estimate as catastrophe losses were better than expected. During Oct., PGR experienced some loss creep related to Hurricane Ian (by \$27 million, or 0.7 pts on its loss ratio for personal auto and by \$3mn or 0.3 pts for Commercial lines). PGR also experienced thunderstorm losses in the quarter. We had modeled higher loss creep from Hurricane Ian, as our catastrophe loss estimate was \$124mn vs. PGR's \$44mn.

**PGR: Quarterly and Annual EPS (USD)**

	<b>2021</b>	<b>2022</b>			<b>2023</b>			<b>Change y/y</b>	
<b>FY Dec</b>	<b>Actual</b>	<b>Old</b>	<b>New</b>	<b>Cons</b>	<b>Old</b>	<b>New</b>	<b>Cons</b>	<b>2022</b>	<b>2023</b>
Q1	1.72A	1.12A	1.12A	0.52A	1.39E	0.97E	1.63E	-35%	-13%
Q2	0.71A	1.03A	1.03A	-0.94A	1.45E	1.22E	1.45E	45%	18%
Q3	0.14A	0.49A	0.49A	0.20A	1.46E	1.45E	1.43E	250%	196%
Q4	1.06A	1.13E	0.88E	1.50E	1.59E	1.69E	1.80E	-17%	92%
Year	3.63A	3.78E	3.53E	4.05E	5.89E	5.32E	6.34E	-3%	51%
P/E	33.9		34.9			23.1			

Consensus numbers are from Bloomberg received on 16-Nov-2022; 13:50 GMT

Source: Barclays Research

U.S. Insurance/Non-Life						POSITIVE	
Progressive Corp. (PGR)							UNDERWEIGHT
Income statement (\$mn)	2021A	2022E	2023E	2024E	CAGR	Price (15-Nov-2022)	USD 123.06
Net premiums earned	44,369	49,371	56,202	62,291	12.0%	Price Target	USD 104.00
Net investment income (NII)	861	1,222	1,527	1,668	24.7%	<b>Why UNDERWEIGHT?</b>	
Underwriting income	1,374	929	1,878	3,109	31.3%	Our call on PGR takes a longer term view. PGR may need to hold more capital to support an evolving business mix, which could lower ROEs. Likewise, we struggle to see how PGR could return to its historical PIF growth rate, as the company cut rates early during the pandemic and is now playing catch up, which is proving tough to gain approval from regulators.	
Operating income	2,132	2,071	3,128	4,285	26.2%		
Net income	3,324	534	3,128	4,285	8.8%		
Effective tax rate (%)	20.4	24.0	21.0	21.0	1.0%		
Combined ratio (%)	95.3	96.6	95.2	93.5	-0.6%		
Combined ratio (ex cats & py development) (%)	92.4	93.2	93.8	92.5	0.0%		
Per share data (\$)	2021A	2022E	2023E	2024E	CAGR		
EPS (adj)	3.63	3.53	5.32	7.29	26.2%		
EPS (reported)	5.66	0.91	5.32	7.29	8.8%		
DPS	1.90	2.30	2.65	28.20	145.8%		
BVPS	30.35	23.00	25.31	4.44	-47.3%		
BVPS (ex AOCI)	30.28	28.74	31.04	10.17	-30.5%		
Diluted shares (mn)	587	587	588	588	0.0%		
Balance sheet and capital return (\$mn)	2021A	2022E	2023E	2024E	CAGR		
Total investments	51,514	53,612	58,008	62,944	6.9%		
Common shareholders' equity (ex AOCI)	17,697	16,811	18,161	5,949	-30.5%	If PGR is able to achieve personal auto rate adequacy and return to historical PIF growth rates. If PGR leverages its multivariate pricing model across newer business lines. Upside case reflects ~25x '23E EPS.	
Share buybacks	223	61	227	0	-100.0%		
Dividends paid	1,109	1,345	1,550	16,497	145.9%		
Balance sheet and capital return metrics	2021A	2022E	2023E	2024E	Average		
Debt leverage (%)	21.2	27.0	25.5	49.8	30.9		
Financial leverage (%)	23.4	29.0	27.5	53.6	33.4	Downside case reflects ~17x '23E EPS.	
Total capital return as a % of op. earnings	62.5	67.9	56.8	385.0	143.1		
Valuation metrics	2021A	2022E	2023E	2024E	Average		
P/BV (ex AOCI) (x)	4.06	4.28	3.96	12.10	6.10		
P/E (adj) (x)	33.9	34.9	23.1	16.9	27.2		
Dividend yield (%)	1.5	1.9	2.2	22.9	7.1		
ROE (%)	18.5	3.0	17.0	37.3	18.9		

Note: FY End Dec

Source: Company data, Bloomberg, Barclays Research

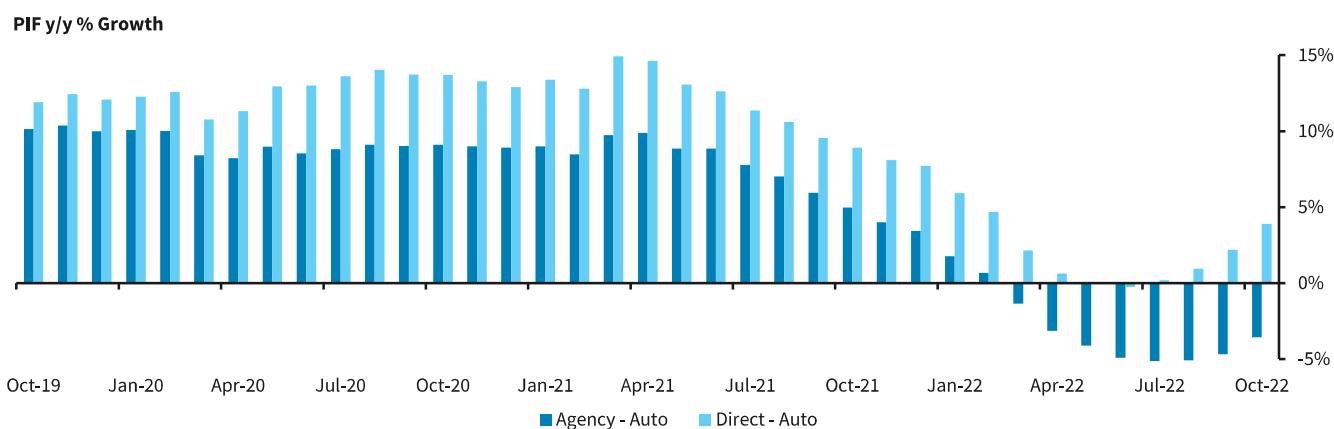


## PIF Growth Spotlight

PGR reported personal auto PIF y/y growth of +.05% in Oct. (better than our estimate of -0.4%), mostly seen in auto agency (-3.6% vs. our -4.6%) followed by auto direct (+3.9% vs. our 3.1%).

As PIF declines remain more evident in agency, we expect PGR's customer mix to continue to shift toward direct over time. To recap, direct represents 57% of personal auto PIF in Oct. '22.

**FIGURE 1. PIF growth y/y in Oct. with agent (-3.6%) and direct (+3.9%).**

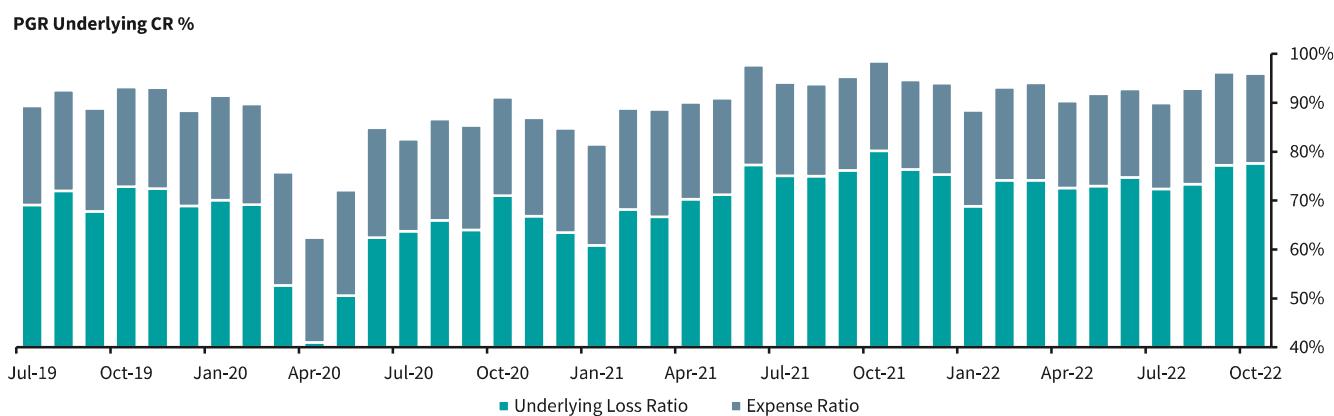


Source: Barclays Research, Company Data.

## Underlying loss ratio worsening

PGR's underlying loss ratio worsened to 77.6% in Oct. from 77.2% in Sept. and 73.4% in August. PGR's expense ratio of 18.3% in Oct. has declined relative to its run rate. Collectively, PGR's underlying combined ratio of 95.9% has declined from 96.2% in Sept., but is up from 92.9% in August and 90.0% in July.

**FIGURE 2. Oct. '22 underlying loss ratio of 77.6% (vs. 74.7% Barclays) and expense ratio of 18.3% (vs. 18.9% Barclays)**

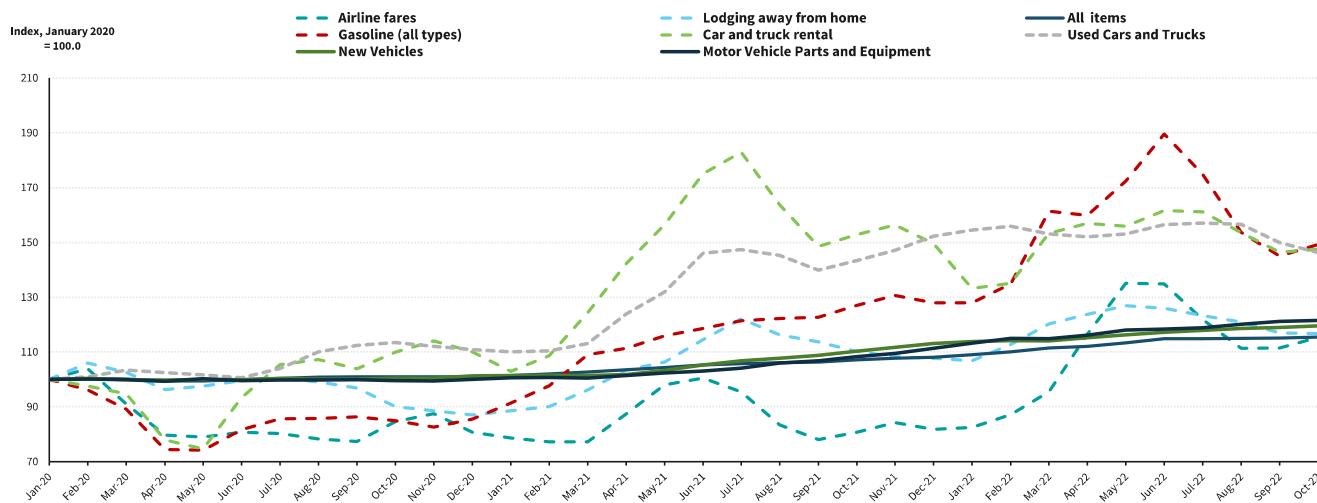


Source: Barclays Research, Company Data.

## Inflation: Focus on Absolute Levels

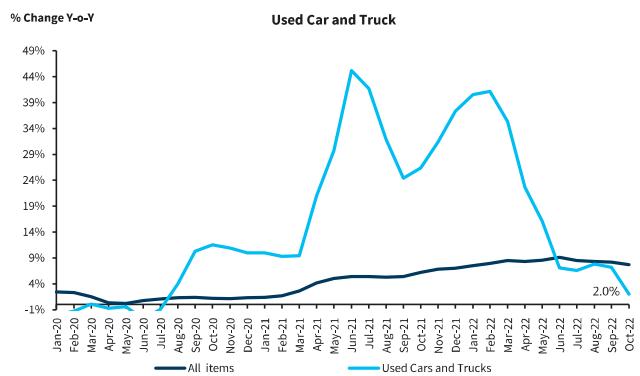
The Consumer Price Index (CPI) for All Urban Consumers rose 7.7% over the 12 months from Oct. 2021 to Oct. 2022. Used car and truck CPI trails all items at +2.0% vs. 7.2% in Sept. Our focus is on an absolute basis where used car pricing remains significantly elevated (see figure 3).

**FIGURE 3. CPI Indexed to Jan. '20**



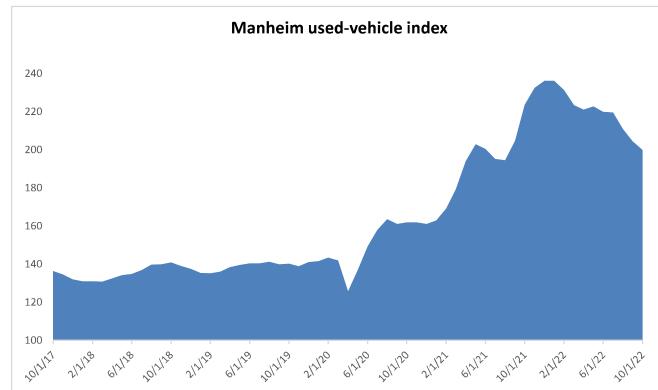
Source: Barclays Research, U.S. Bureau of Labor Statistics

**FIGURE 4. CPI: Used Car and Truck (y/y +2.0% in Oct '22)**



Source: Barclays Research, U.S. Bureau of Labor Statistics

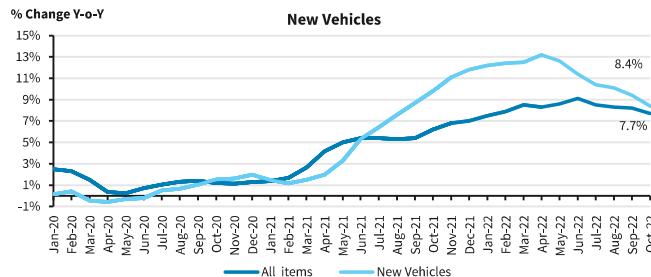
**FIGURE 5. Manheim used car prices (y/y -10.6% in Oct. '22)**



Source: Barclays Research, Bloomberg, Manheim

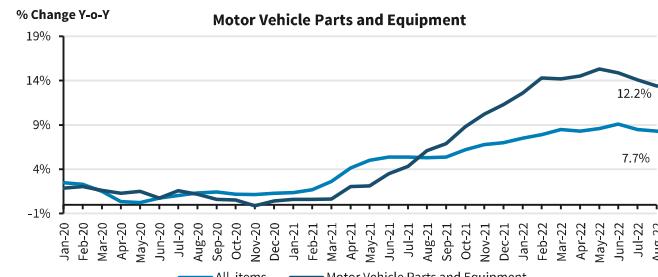
The new vehicle CPI index rose 8.4% y/y (vs. 9.4% in Sept.) and Motor Vehicle Parts and Equipment CPI index rose 12.2% y/y (vs. 13.4% in Sept.).

**FIGURE 6. CPI % Change (Y-o-Y): New Vehicles**



Source: Barclays Research, U.S. Bureau of Labor Statistics

**FIGURE 7. CPI % Change (Y-o-Y): Motor Vehicle Parts and Equipment**



Source: Barclays Research, U.S. Bureau of Labor Statistics

## Valuation

Our PT of \$104 (unchanged) is based on 20x (up from 18x) our '23E EPS and 3.2x '23E BVPS (ex AOCI), reflecting market sentiment on PGR's return to PIF growth.

### Model Updates:

We typically base our loss ratio expectations on a rolling 3-month average.

Updated EPS: '22E from \$3.78 to \$3.53. '23E from \$5.89 to \$5.32.

## Variance Tables – Oct. '22

FIGURE 8. Variance Analysis - Oct. '22

Summary Details		M/M		Y/Y		Barclays Est.	
(in \$mn, except per share)	Oct '22	Sept '22	% Change	Oct '21	% Change	Oct '22	% Var.
Net premiums written	\$5,187	\$4,007	29%	\$4,347	19%	\$5,053	3%
Net investment income	\$118	\$133	-11%	\$66	78%	\$98	20%
Combined Ratio	95.9%	116.2%	(2030 bps)	97.2%	(130 bps)	96.2%	(34 bps)
Combined Ratio ex cats and PYD	95.9%	96.2%	(29 bps)	98.5%	(256 bps)	93.6%	237 bps
Operating EPS	\$0.40	-\$0.70	-156%	\$0.23	75%	\$0.33	18%
Book value per share (ex. AOCI)	\$30.4	\$29.72	2.2%	\$30.9	-2%	\$30.1	1%

NPW by Segment		M/M		Y/Y		Barclays Est.	
(in \$mn, except per share)	Oct '22	Sept '22	% Change	Oct '21	% Change	Oct '22	% Var.
Personal lines-agent	\$1,847	\$1,456	27%	\$1,633	13%	\$1,830	0.9%
Personal lines-direct	\$2,086	\$1,715	22%	\$1,744	20%	\$2,007	4.0%
Total Personal Lines	\$3,933	\$3,171	24%	\$3,376	16.5%	\$3,837	2.5%
Commercial Business & Other	\$1,051	\$638	65%	\$789	33%	\$1,025	2%
Property	\$203	\$198	2%	\$182	12%	\$191	7%
Total Written Premiums	\$5,187	\$4,007	29%	\$4,347	19%	\$5,053	3%

CR by Segment		M/M		Y/Y		Barclays Est.	
(in \$mn, except per share)	Oct '22	Sept '22	% Change	Oct '21	% Change	Oct '22	% Var.
Total Personal Lines	97.4%	116.1%	(1870 bps)	98.9%	(150 bps)	97.3%	13 bps
Personal lines-agent	99.0%	119.7%	(2070 bps)	97.7%	130 bps	94.0%	500 bps
Personal lines-direct	96.0%	113.0%	(1700 bps)	99.9%	(390 bps)	94.5%	150 bps
Commercial Business & Other	91.9%	97.4%	(550 bps)	93.5%	(160 bps)	92.1%	(20 bps)
Property	84.4%	193.0%	(10860 bps)	79.6%	480 bps	97.0%	(1260 bps)

Source: Barclays Research, Company Data.

## Model Summary

**FIGURE 9. Model Summary (pg. 1)**

(\$ in mn, except per share data)	2019	2020	2021	2022E	2023E	2024E
Net premiums written	37,578	40,569	46,405	51,337	59,165	66,726
Revenues:						
Net premiums earned	36,192	39,262	44,369	49,371	56,202	62,291
Investment income	1,042	937	861	1,222	1,527	1,668
Total net realized gains (losses) on securities	1,029	1,630	1,509	(1,661)	-	-
Fees and other revenues	564	604	692	727	843	934
Service revenues	195	226	271	306	337	374
<b>Total revenues</b>	<b>39,022</b>	<b>42,658</b>	<b>47,702</b>	<b>49,966</b>	<b>58,908</b>	<b>65,267</b>
Expenses:						
Losses and loss adjustment expenses	25,471	25,122	33,628	38,471	42,323	45,517
Total underwriting expenses	7,998	8,843	9,368	9,971	12,000	13,666
Policyholder credit expense	-	1,077	-	-	-	-
Investment expenses	25	20	26	24	31	33
Service expenses	179	206	253	294	309	343
Interest expense	190	217	219	243	251	251
<b>Total expenses</b>	<b>33,862</b>	<b>35,485</b>	<b>43,492</b>	<b>49,228</b>	<b>54,914</b>	<b>59,810</b>
Underwriting Income	2,724	5,297	1,374	929	1,878	3,109
Income before income taxes	5,160	7,173	4,210	738	3,994	5,457
Provision for income taxes	1,180	1,469	859	177	839	1,146
Other comp (income) loss att. to NCI	(10)	-	-	-	-	-
Net income	3,970	5,705	3,351	560	3,155	4,311
Less: Preferred stock dividends	27	27	27	27	27	26
<b>Net income to common shareholders</b>	<b>3,943</b>	<b>5,678</b>	<b>3,324</b>	<b>534</b>	<b>3,128</b>	<b>4,285</b>
ATX total net realized gains (losses) on sec	813	1,288	1,192	(1,313)	-	-
Other	-	-	-	(225)	-	-
<b>Operating income to common shareholders</b>	<b>3,130</b>	<b>4,390</b>	<b>2,132</b>	<b>2,071</b>	<b>3,128</b>	<b>4,285</b>
<b>Operating EPS</b>	<b>\$5.33</b>	<b>\$7.47</b>	<b>\$3.63</b>	<b>\$3.53</b>	<b>\$5.32</b>	<b>\$7.29</b>
<b>Net EPS</b>	<b>\$6.72</b>	<b>\$9.66</b>	<b>\$5.66</b>	<b>\$0.91</b>	<b>\$5.32</b>	<b>\$7.29</b>
Net Written Premiums (y/y %)	15.2%	8.0%	14.4%	10.6%	15.2%	12.8%
Net Earned Premiums (y/y %)	17.0%	8.5%	13.0%	11.3%	13.8%	10.8%

Source: Barclays Research, Company Data.

**FIGURE 10. Model Summary (pg. 2)**

<b>(\$ in mn, except per share data)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022E</b>	<b>2023E</b>	<b>2024E</b>
<b><u>Underwriting Margins</u></b>						
Loss and LAE ratio	70.4%	64.0%	75.8%	77.9%	75.3%	73.1%
Expense ratio	20.5%	21.0%	19.6%	18.7%	19.9%	20.4%
<b>Combined ratio</b>	<b>90.9%</b>	<b>85.0%</b>	<b>95.3%</b>	<b>96.6%</b>	<b>95.2%</b>	<b>93.5%</b>
Catastrophes pretax	552	880	1,310	1,692	780	631
Cat pts	1.5%	2.2%	3.0%	3.4%	1.4%	1.0%
PYD pretax (negative is unfavorable PYD)	(232)	(195)	5	(7)	-	-
PYD pts	-0.6%	-0.5%	0.0%	0.0%	0.0%	0.0%
<b>Underlying loss ratio</b>	<b>68.2%</b>	<b>61.2%</b>	<b>72.8%</b>	<b>74.5%</b>	<b>73.9%</b>	<b>72.1%</b>
<b>Underlying combined ratio</b>	<b>88.8%</b>	<b>82.2%</b>	<b>92.4%</b>	<b>93.2%</b>	<b>93.8%</b>	<b>92.5%</b>
<b><u>Share information</u></b>						
Shares beginning period	583.2	584.6	585.2	584.4	585.0	585.0
Shares issued	3	2	2	1	2	-
Shares Repurchased	1	1	2	1	2	-
Common Shares Outstanding, end of period	584.6	585.2	584.4	585.0	585.0	585.0
Weighted average shares - basic	583.8	584.9	584.7	584.6	585.0	585.0
Dilution	3.1	2.5	2.3	2.3	2.7	2.7
Weighted average shares - diluted	586.9	587.4	587.0	586.9	587.7	587.7
<b><u>Shareholders' equity and returns</u></b>						
Common shareholders' equity ex AOCI	12,612	15,613	17,697	16,811	18,161	5,949
Average common shareholders' equity ex AOCI	11,423	14,113	16,655	17,254	17,486	12,055
Book Value Per Share to common ex AOCI	\$21.57	\$26.68	\$30.28	\$28.74	\$31.04	\$10.17
Operating return on avg. common SHE ex AOCI	27.4%	31.1%	12.8%	12.0%	17.9%	35.5%
Trailling twelve month average ROCE (as reported)	31.3%	35.6%	18.5%	3.0%	17.0%	37.3%

Source: Barclays Research, Company Data.

**Analyst(s) Certification(s):**

I, Tracy Benguigui, hereby certify (1) that the views expressed in this research report accurately reflect my personal views about any or all of the subject securities or issuers referred to in this research report and (2) no part of my compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this research report.

**Important Disclosures:**

Barclays Research is produced by the Investment Bank of Barclays Bank PLC and its affiliates (collectively and each individually, "Barclays"). All authors contributing to this research report are Research Analysts unless otherwise indicated. The publication date at the top of the report reflects the local time where the report was produced and may differ from the release date provided in GMT.

**Availability of Disclosures:**

Where any companies are the subject of this research report, for current important disclosures regarding those companies please refer to <https://publicresearch.barclays.com> or alternatively send a written request to: Barclays Research Compliance, 745 Seventh Avenue, 13th Floor, New York, NY 10019 or call +1-212-526-1072.

The analysts responsible for preparing this research report have received compensation based upon various factors including the firm's total revenues, a portion of which is generated by investment banking activities, the profitability and revenues of the Markets business and the potential interest of the firm's investing clients in research with respect to the asset class covered by the analyst.

Analysts regularly conduct site visits to view the material operations of covered companies, but Barclays policy prohibits them from accepting payment or reimbursement by any covered company of their travel expenses for such visits.

Barclays Research Department produces various types of research including, but not limited to, fundamental analysis, equity-linked analysis, quantitative analysis, and trade ideas. Recommendations contained in one type of Barclays Research may differ from those contained in other types of Barclays Research, whether as a result of differing time horizons, methodologies, or otherwise.

In order to access Barclays Statement regarding Research Dissemination Policies and Procedures, please refer to

<https://publicresearch.barcap.com/S/RD.htm>. In order to access Barclays Research Conflict Management Policy Statement, please refer to:

<https://publicresearch.barcap.com/S/CM.htm>.

**Primary Stocks (Ticker, Date, Price)**

**Progressive Corp.** (PGR, 15-Nov-2022, USD 123.06), Underweight/Positive, CD/CE/J/K/M

Unless otherwise indicated, prices are sourced from Bloomberg and reflect the closing price in the relevant trading market, which may not be the last available closing price at the time of publication.

**Disclosure Legend:**

**A:** Barclays Bank PLC and/or an affiliate has been lead manager or co-lead manager of a publicly disclosed offer of securities of the issuer in the previous 12 months.

**B:** An employee or non-executive director of Barclays PLC is a director of this issuer.

**CD:** Barclays Bank PLC and/or an affiliate is a market-maker in debt securities issued by this issuer.

**CE:** Barclays Bank PLC and/or an affiliate is a market-maker in equity securities issued by this issuer.

**CH:** Barclays Bank PLC and/or its group companies makes, or will make, a market in the securities (as defined under paragraph 16.2 (k) of the HK SFC Code of Conduct) in respect of this issuer.

**D:** Barclays Bank PLC and/or an affiliate has received compensation for investment banking services from this issuer in the past 12 months.

**E:** Barclays Bank PLC and/or an affiliate expects to receive or intends to seek compensation for investment banking services from this issuer within the next 3 months.

**FA:** Barclays Bank PLC and/or an affiliate beneficially owns 1% or more of a class of equity securities of this issuer, as calculated in accordance with US regulations.

**FB:** Barclays Bank PLC and/or an affiliate beneficially owns a long position of more than 0.5% of a class of equity securities of this issuer, as calculated in accordance with EU regulations.

**FC:** Barclays Bank PLC and/or an affiliate beneficially owns a short position of more than 0.5% of a class of equity securities of this issuer, as calculated in accordance with EU regulations.

**FD:** Barclays Bank PLC and/or an affiliate beneficially owns 1% or more of a class of equity securities of this issuer, as calculated in accordance with South Korean regulations.

**FE:** Barclays Bank PLC and/or its group companies has financial interests in relation to this issuer and such interests aggregate to an amount equal to or more than 1% of this issuer's market capitalization, as calculated in accordance with HK regulations.

**GD:** One of the Research Analysts on the fundamental credit coverage team (and/or a member of his or her household) has a long position in the common equity securities of this issuer.

**GE:** One of the Research Analysts on the fundamental equity coverage team (and/or a member of his or her household) has a long position in the common equity securities of this issuer.

**H:** This issuer beneficially owns more than 5% of any class of common equity securities of Barclays PLC.

**I:** Barclays Bank PLC and/or an affiliate is party to an agreement with this issuer for the provision of financial services to Barclays Bank PLC and/or an affiliate.

**J:** Barclays Bank PLC and/or an affiliate is a liquidity provider and/or trades regularly in the securities of this issuer and/or in any related derivatives.

**K:** Barclays Bank PLC and/or an affiliate has received non-investment banking related compensation (including compensation for brokerage services, if applicable) from this issuer within the past 12 months.

**L:** This issuer is, or during the past 12 months has been, an investment banking client of Barclays Bank PLC and/or an affiliate.

**M:** This issuer is, or during the past 12 months has been, a non-investment banking client (securities related services) of Barclays Bank PLC and/or an affiliate.

**N:** This issuer is, or during the past 12 months has been, a non-investment banking client (non-securities related services) of Barclays Bank PLC and/or an affiliate.

**O:** Not in use.

**P:** A partner, director or officer of Barclays Capital Canada Inc. has, during the preceding 12 months, provided services to the subject company for remuneration, other than normal course investment advisory or trade execution services.

**Q:** Barclays Bank PLC and/or an affiliate is a Corporate Broker to this issuer.

**R:** Barclays Capital Canada Inc. and/or an affiliate has received compensation for investment banking services from this issuer in the past 12 months.

**S:** This issuer is a Corporate Broker to Barclays PLC.

**T:** Barclays Bank PLC and/or an affiliate is providing equity advisory services to this issuer.

**U:** The equity securities of this Canadian issuer include subordinate voting restricted shares.

**V:** The equity securities of this Canadian issuer include non-voting restricted shares.

#### **Risk Disclosure(s)**

Master limited partnerships (MLPs) are pass-through entities structured as publicly listed partnerships. For tax purposes, distributions to MLP unit holders may be treated as a return of principal. Investors should consult their own tax advisors before investing in MLP units.

#### **Disclosure(s) regarding Information Sources**

Copyright © (2022) Sustainalytics. Sustainalytics retains ownership and all intellectual property rights in its proprietary information and data that may be included in this report. Any Sustainalytics' information and data included herein may not be copied or redistributed, is intended for informational purposes only, does not constitute investment advice and is not warranted to be complete, timely and accurate. Sustainalytics' information and data is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>

Bloomberg® is a trademark and service mark of Bloomberg Finance L.P. and its affiliates (collectively “Bloomberg”) and the Bloomberg Indices are trademarks of Bloomberg. Bloomberg or Bloomberg’s licensors own all proprietary rights in the Bloomberg Indices. Bloomberg does not approve or endorse this material, or guarantee the accuracy or completeness of any information herein, or make any warranty, express or implied, as to the results to be obtained therefrom and, to the maximum extent allowed by law, Bloomberg shall have no liability or responsibility for injury or damages arising in connection therewith.

#### **Guide to the Barclays Fundamental Equity Research Rating System:**

Our coverage analysts use a relative rating system in which they rate stocks as Overweight, Equal Weight or Underweight (see definitions below) relative to other companies covered by the analyst or a team of analysts that are deemed to be in the same industry (the “industry coverage universe”).

In addition to the stock rating, we provide industry views which rate the outlook for the industry coverage universe as Positive, Neutral or Negative (see definitions below). A rating system using terms such as buy, hold and sell is not the equivalent of our rating system. Investors should carefully read the entire research report including the definitions of all ratings and not infer its contents from ratings alone.

#### **Stock Rating**

**Overweight** - The stock is expected to outperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

**Equal Weight** - The stock is expected to perform in line with the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

**Underweight** - The stock is expected to underperform the unweighted expected total return of the industry coverage universe over a 12-month investment horizon.

**Rating Suspended** - The rating and target price have been suspended temporarily due to market events that made coverage impracticable or to comply with applicable regulations and/or firm policies in certain circumstances including where the Investment Bank of Barclays Bank PLC is acting in an advisory capacity in a merger or strategic transaction involving the company.

#### **Industry View**

**Positive** - industry coverage universe fundamentals/valuations are improving.

**Neutral** - industry coverage universe fundamentals/valuations are steady, neither improving nor deteriorating.

**Negative** - industry coverage universe fundamentals/valuations are deteriorating.

Below is the list of companies that constitute the “industry coverage universe”:

#### **U.S. Insurance/Non-Life**

AIG, Inc. (AIG)	Allstate Corp. (ALL)	Arch Capital Group Ltd. (ACGL)
Chubb Limited (CB)	James River Group Holdings (JVRV)	Lemonade Inc (LMND)
Palomar Holdings, Inc. (PLMR)	Progressive Corp. (PGR)	Root Inc. (ROOT)
Ryan Specialty Holdings (RYAN)	The Hartford Financial Services Group, Inc. (HIG)	The Travelers Companies, Inc. (TRV)

**Distribution of Ratings:**

Barclays Equity Research has 1685 companies under coverage.

50% have been assigned an Overweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Buy rating; 49% of companies with this rating are investment banking clients of the Firm; 71% of the issuers with this rating have received financial services from the Firm.

34% have been assigned an Equal Weight rating which, for purposes of mandatory regulatory disclosures, is classified as a Hold rating; 41% of companies with this rating are investment banking clients of the Firm; 67% of the issuers with this rating have received financial services from the Firm.

14% have been assigned an Underweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Sell rating; 29% of companies with this rating are investment banking clients of the Firm; 60% of the issuers with this rating have received financial services from the Firm.

**Guide to the Barclays Research Price Target:**

Each analyst has a single price target on the stocks that they cover. The price target represents that analyst's expectation of where the stock will trade in the next 12 months. Upside/downside scenarios, where provided, represent potential upside/potential downside to each analyst's price target over the same 12-month period.

**Top Picks:**

Barclays Equity Research's "Top Picks" represent the single best alpha-generating investment idea within each industry (as defined by the relevant "industry coverage universe"), taken from among the Overweight-rated stocks within that industry. While analysts may highlight other Overweight-rated stocks in their published research in addition to their Top Pick, there can only be one "Top Pick" for each industry. To view the current list of Top Picks, go to the Top Picks page on Barclays Live (<https://live.barcap.com/go/keyword/TopPicks>).

To see a list of companies that comprise a particular industry coverage universe, please go to <https://publicresearch.barclays.com>.

**Types of investment recommendations produced by Barclays Equity Research:**

In addition to any ratings assigned under Barclays' formal rating systems, this publication may contain investment recommendations in the form of trade ideas, thematic screens, scorecards or portfolio recommendations that have been produced by analysts within Equity Research. Any such investment recommendations shall remain open until they are subsequently amended, rebalanced or closed in a future research report.

Barclays may also re-distribute equity research reports produced by third-party research providers that contain recommendations that differ from and/or conflict with those published by Barclays' Equity Research Department.

**Disclosure of other investment recommendations produced by Barclays Equity Research:**

Barclays Equity Research may have published other investment recommendations in respect of the same securities/instruments recommended in this research report during the preceding 12 months. To view all investment recommendations published by Barclays Equity Research in the preceding 12 months please refer to <https://live.barcap.com/go/research/Recommendations>.

**Legal entities involved in producing Barclays Research:**

Barclays Bank PLC (Barclays, UK)

Barclays Capital Inc. (BCI, US)

Barclays Bank Ireland PLC, Frankfurt Branch (BBI, Frankfurt)

Barclays Bank Ireland PLC, Paris Branch (BBI, Paris)

Barclays Bank Ireland PLC, Milan Branch (BBI, Milan)

Barclays Securities Japan Limited (BSJL, Japan)

Barclays Bank PLC, Hong Kong Branch (Barclays Bank, Hong Kong)

Barclays Capital Canada Inc. (BCCI, Canada)

Barclays Bank Mexico, S.A. (BBMX, Mexico)

Barclays Capital Casa de Bolsa, S.A. de C.V. (BCCB, Mexico)

Barclays Securities (India) Private Limited (BSIPL, India)

Barclays Bank PLC, India Branch (Barclays Bank, India)

Barclays Bank PLC, Singapore Branch (Barclays Bank, Singapore)

Barclays Bank PLC, DIFC Branch (Barclays Bank, DIFC)

## Progressive Corp. (PGR / PGR)

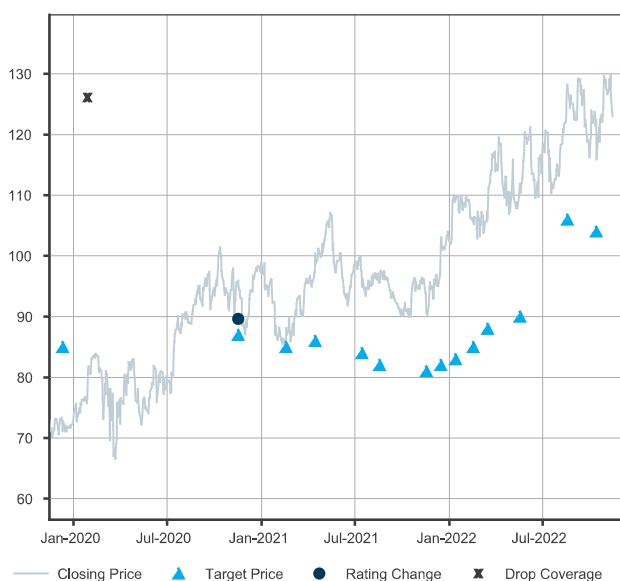
Stock Rating: **UNDERWEIGHT**

Industry View: **POSITIVE**

**USD 123.06** (15-Nov-2022)

### Rating and Price Target Chart - USD (as of 15-Nov-2022)

Currency=USD



Source: IDC, Barclays Research

[Link to Barclays Live for interactive charting](#)

Publication Date	Closing Price*	Rating	Adjusted Price Target
13-Oct-2022	121.40		104.00
18-Aug-2022	122.49		106.00
18-May-2022	111.19		90.00
16-Mar-2022	107.31		88.00
16-Feb-2022	105.78		85.00
13-Jan-2022	109.85		83.00
15-Dec-2021	97.14		82.00
17-Nov-2021	90.73		81.00
18-Aug-2021	95.57		82.00
15-Jul-2021	94.95		84.00
15-Apr-2021	100.40		86.00
17-Feb-2021	86.25		85.00
16-Nov-2020	95.90	Underweight	87.00
22-Jan-2020	76.16	Coverage Dropped	
11-Dec-2019	72.85		85.00

On 16-Nov-2019, prior to any intra-day change that may have been published, the rating for this security was Overweight, and the adjusted price target was 90.00.

Source: Bloomberg, Barclays Research

\*This is the closing price referenced in the publication, which may not be the last available closing price at the time of publication.

Historical stock prices and price targets may have been adjusted for stock splits and dividends.

**CD:** Barclays Bank PLC and/or an affiliate is a market-maker in debt securities issued by Progressive Corp..

**CE:** Barclays Bank PLC and/or an affiliate is a market-maker in equity securities issued by Progressive Corp..

**J:** Barclays Bank PLC and/or an affiliate is a liquidity provider and/or trades regularly in the securities by Progressive Corp. and/or in any related derivatives.

**K:** Barclays Bank PLC and/or an affiliate has received non-investment banking related compensation (including compensation for brokerage services, if applicable) from Progressive Corp. within the past 12 months.

**M:** Progressive Corp. is, or during the past 12 months has been, a non-investment banking client (securities related services) of Barclays Bank PLC and/or an affiliate.

**Valuation Methodology:** Our \$104 PT is based on 20x EPS and 3.2x BVPS (ex AOCI) on 2023E.

**Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target:** The primary risks to our thesis are if PGR can improve PIF growth back to double digit levels while producing underlying loss ratios <70% on a sustainable basis. This would require loss cost trends abating, that is outside our base case. Next, PGR may be uniquely positioned to make a digital breakthrough within the small commercial lines market (\$120bn premiums/TAM) if it can successfully leverage its multivariate pricing model it is known for on the personal auto side.

**Disclaimer:**

This publication has been produced by Barclays Research Department in the Investment Bank of Barclays Bank PLC and/or one or more of its affiliates (collectively and each individually, "Barclays").

It has been prepared for institutional investors and not for retail investors. It has been distributed by one or more Barclays affiliated legal entities listed below or by an independent and non-affiliated third-party entity (as may be communicated to you by such third-party entity in its communications with you). It is provided for information purposes only, and Barclays makes no express or implied warranties, and expressly disclaims all warranties of merchantability or fitness for a particular purpose or use with respect to any data included in this publication. To the extent that this publication states on the front page that it is intended for institutional investors and is not subject to all of the independence and disclosure standards applicable to debt research reports prepared for retail investors under U.S. FINRA Rule 2242, it is an "institutional debt research report" and distribution to retail investors is strictly prohibited. Barclays also distributes such institutional debt research reports to various issuers, media, regulatory and academic organisations for their own internal informational news gathering, regulatory or academic purposes and not for the purpose of making investment decisions regarding any debt securities. Media organisations are prohibited from re-publishing any opinion or recommendation concerning a debt issuer or debt security contained in any Barclays institutional debt research report. Any such recipients that do not want to continue receiving Barclays institutional debt research reports should contact [debtresearch@barclays.com](mailto:debtresearch@barclays.com). Clients that are subscribed to receive equity research reports, will not receive certain cross asset research reports co-authored by equity and FIICC research analysts that are distributed as "institutional debt research reports" unless they have agreed to accept such reports. Eligible clients may get access to such cross asset reports by contacting [debtresearch@barclays.com](mailto:debtresearch@barclays.com). Barclays will not treat unauthorized recipients of this report as its clients and accepts no liability for use by them of the contents which may not be suitable for their personal use. Prices shown are indicative and Barclays is not offering to buy or sell or soliciting offers to buy or sell any financial instrument.

Without limiting any of the foregoing and to the extent permitted by law, in no event shall Barclays, nor any affiliate, nor any of their respective officers, directors, partners, or employees have any liability for (a) any special, punitive, indirect, or consequential damages; or (b) any lost profits, lost revenue, loss of anticipated savings or loss of opportunity or other financial loss, even if notified of the possibility of such damages, arising from any use of this publication or its contents.

Other than disclosures relating to Barclays, the information contained in this publication has been obtained from sources that Barclays Research believes to be reliable, but Barclays does not represent or warrant that it is accurate or complete. Barclays is not responsible for, and makes no warranties whatsoever as to, the information or opinions contained in any written, electronic, audio or video presentations of third parties that are accessible via a direct hyperlink in this publication or via a hyperlink to a third-party web site ('Third-Party Content'). Any such Third-Party Content has not been adopted or endorsed by Barclays, does not represent the views or opinions of Barclays, and is not incorporated by reference into this publication. Third-Party Content is provided for information purposes only and Barclays has not independently verified its accuracy or completeness.

The views in this publication are solely and exclusively those of the authoring analyst(s) and are subject to change, and Barclays Research has no obligation to update its opinions or the information in this publication. Unless otherwise disclosed herein, the analysts who authored this report have not received any compensation from the subject companies in the past 12 months. If this publication contains recommendations, they are general recommendations that were prepared independently of any other interests, including those of Barclays and/or its affiliates, and/or the subject companies. This publication does not contain personal investment recommendations or investment advice or take into account the individual financial circumstances or investment objectives of the clients who receive it. Barclays is not a fiduciary to any recipient of this publication. The securities and other investments discussed herein may not be suitable for all investors and may not be available for purchase in all jurisdictions. The United States imposed sanctions on certain Chinese companies (<https://home.treasury.gov/policy-issues/financial-sanctions/sanctions-programs-and-country-information/chinese-military-companies-sanctions>), which may restrict U.S. persons from purchasing securities issued by those companies. Investors must independently evaluate the merits and risks of the investments discussed herein, including any sanctions restrictions that may apply, consult any independent advisors they believe necessary, and exercise independent judgment with regard to any investment decision. The value of and income from any investment may fluctuate from day to day as a result of changes in relevant economic markets (including changes in market liquidity). The information herein is not intended to predict actual results, which may differ substantially from those reflected. Past performance is not necessarily indicative of future results. The information provided does not constitute a financial benchmark and should not be used as a submission or contribution of input data for the purposes of determining a financial benchmark.

**Third Party Distribution:** Any views expressed in this communication are solely those of Barclays and have not been adopted or endorsed by any third party distributor.

**United Kingdom:** This document is being distributed (1) only by or with the approval of an authorised person (Barclays Bank PLC) or (2) to, and is directed at (a) persons in the United Kingdom having professional experience in matters relating to investments and who fall within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "Order"); or (b) high net worth companies, unincorporated associations and partnerships and trustees of high value trusts as described in Article 49(2) of the Order; or (c) other persons to whom it may otherwise lawfully be communicated (all such persons being "Relevant Persons"). Any investment or investment activity to which this communication relates is only available to and will only be engaged in with Relevant Persons. Any other persons who receive this communication should not rely on or act upon it. Barclays Bank PLC is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority and is a member of the London Stock Exchange.

**European Economic Area ("EEA"):** This material is being distributed to any "Authorised User" located in a Restricted EEA Country by Barclays Bank Ireland PLC. The Restricted EEA Countries are Austria, Bulgaria, Estonia, Finland, Hungary, Iceland, Liechtenstein, Lithuania, Luxembourg, Malta, Portugal, Romania, Slovakia and Slovenia. For any other "Authorised User" located in a country of the European Economic Area, this material is being distributed by Barclays Bank PLC. Barclays Bank Ireland PLC is a bank authorised by the Central Bank of Ireland whose registered office is at 1 Molesworth Street, Dublin 2, Ireland. Barclays Bank PLC is not registered in France with the Autorité des marchés financiers or the Autorité de contrôle prudentiel. Authorised User means each individual associated with the Client who is notified by the Client to Barclays and authorised to use the Research Services. The Restricted EEA Countries will be amended if required.

**Finland:** Notwithstanding Finland's status as a Restricted EEA Country, Research Services may also be provided by Barclays Bank PLC where permitted by the terms of its cross-border license.

**Americas:** The Investment Bank of Barclays Bank PLC undertakes U.S. securities business in the name of its wholly owned subsidiary Barclays Capital Inc., a FINRA and SIPC member. Barclays Capital Inc., a U.S. registered broker/dealer, is distributing this material in the United States and, in connection therewith accepts responsibility for its contents. Any U.S. person wishing to effect a transaction in any security discussed herein should do so only by contacting a representative of Barclays Capital Inc. in the U.S. at 745 Seventh Avenue, New York, New York 10019.

Non-U.S. persons should contact and execute transactions through a Barclays Bank PLC branch or affiliate in their home jurisdiction unless local regulations permit otherwise.

This material is distributed in Canada by Barclays Capital Canada Inc., a registered investment dealer, a Dealer Member of IIROC ([www.iroc.ca](http://www.iroc.ca)), and a Member of the Canadian Investor Protection Fund (CIPF).

This material is distributed in Mexico by Barclays Bank Mexico, S.A. and/or Barclays Capital Casa de Bolsa, S.A. de C.V. This material is distributed in the Cayman Islands and in the Bahamas by Barclays Capital Inc., which it is not licensed or registered to conduct and does not conduct business in, from or within those jurisdictions and has not filed this material with any regulatory body in those jurisdictions.

**Japan:** This material is being distributed to institutional investors in Japan by Barclays Securities Japan Limited. Barclays Securities Japan Limited is a joint-stock company incorporated in Japan with registered office of 6-10-1 Roppongi, Minato-ku, Tokyo 106-6131, Japan. It is a subsidiary of Barclays Bank PLC and a registered financial instruments firm regulated by the Financial Services Agency of Japan. Registered Number: Kanto Zaimukyokucho (kinsho) No. 143.

**Asia Pacific (excluding Japan):** Barclays Bank PLC, Hong Kong Branch is distributing this material in Hong Kong as an authorised institution regulated by the Hong Kong Monetary Authority. Registered Office: 41/F, Cheung Kong Center, 2 Queen's Road Central, Hong Kong.

All Indian securities-related research and other equity research produced by Barclays' Investment Bank are distributed in India by Barclays Securities (India) Private Limited (BSIPL). BSIPL is a company incorporated under the Companies Act, 1956 having CIN U67120MH2006PTC161063. BSIPL is registered and regulated by the Securities and Exchange Board of India (SEBI) as a Research Analyst: INH000001519; Portfolio Manager INP00002585; Stock Broker INZ000269539 (member of NSE and BSE); Depository Participant with the National Securities & Depositories Limited (NSDL); DP ID: IN-DP-NSDL-299-2008; Investment Adviser: INA000000391. BSIPL is also registered as a Mutual Fund Advisor having AMFI ARN No. 53308. The registered office of BSIPL is at 208, Ceejay House, Shivasagar Estate, Dr. A. Besant Road, Worli, Mumbai – 400 018, India. Telephone No: +91 22 67196363. Fax number: +91 22 67196399. Any other reports produced by Barclays' Investment Bank are distributed in India by Barclays Bank PLC, India Branch, an associate of BSIPL in India that is registered with Reserve Bank of India (RBI) as a Banking Company under the provisions of The Banking Regulation Act, 1949 (Regn No BOM43) and registered with SEBI as Merchant Banker (Regn No INM000002129) and also as Banker to the Issue (Regn No INBI00000950). Barclays Investments and Loans (India) Limited, registered with RBI as Non Banking Financial Company (Regn No RBI CoR-07-00258), and Barclays Wealth Trustees (India) Private Limited, registered with Registrar of Companies (CIN U93000MH2008PTC188438), are associates of BSIPL in India that are not authorised to distribute any reports produced by Barclays' Investment Bank.

This material is distributed in Singapore by the Singapore Branch of Barclays Bank PLC, a bank licensed in Singapore by the Monetary Authority of Singapore. For matters in connection with this material, recipients in Singapore may contact the Singapore branch of Barclays Bank PLC, whose registered address is 10 Marina Boulevard, #23-01 Marina Bay Financial Centre Tower 2, Singapore 018983.

This material, where distributed to persons in Australia, is produced or provided by Barclays Bank PLC.

This communication is directed at persons who are a "Wholesale Client" as defined by the Australian Corporations Act 2001.

Please note that the Australian Securities and Investments Commission (ASIC) has provided certain exemptions to Barclays Bank PLC (BBPLC) under paragraph 911A(2)(l) of the Corporations Act 2001 from the requirement to hold an Australian financial services licence (AFSL) in respect of financial services provided to Australian Wholesale Clients, on the basis that BBPLC is authorised by the Prudential Regulation Authority of the United Kingdom (PRA) and regulated by the Financial Conduct Authority (FCA) of the United Kingdom and the PRA under United Kingdom laws. The United Kingdom has laws which differ from Australian laws. To the extent that this communication involves the provision of financial services by BBPLC to Australian Wholesale Clients, BBPLC relies on the relevant exemption from the requirement to hold an AFSL. Accordingly, BBPLC does not hold an AFSL.

This communication may be distributed to you by either: (i) Barclays Bank PLC directly or (ii) Barrenjoey Markets Pty Limited (ACN 636 976 059, "Barrenjoey"), the holder of Australian Financial Services Licence (AFSL) 521800, a non-affiliated third party distributor, where clearly identified to you by Barrenjoey. Barrenjoey is not an agent of Barclays Bank PLC.

This material, where distributed in New Zealand, is produced or provided by Barclays Bank PLC. Barclays Bank PLC is not registered, filed with or approved by any New Zealand regulatory authority. This material is not provided under or in accordance with the Financial Markets Conduct Act of

2013 ("FMCA"), and is not a disclosure document or "financial advice" under the FMCA. This material is distributed to you by either: (i) Barclays Bank PLC directly or (ii) Barrenjoey Markets Pty Limited ("Barrenjoey"), a non-affiliated third party distributor, where clearly identified to you by Barrenjoey. Barrenjoey is not an agent of Barclays Bank PLC. This material may only be distributed to "wholesale investors" that meet the "investment business", "investment activity", "large", or "government agency" criteria specified in Schedule 1 of the FMCA.

**Middle East:** Nothing herein should be considered investment advice as defined in the Israeli Regulation of Investment Advisory, Investment Marketing and Portfolio Management Law, 1995 ("Advisory Law"). This document is being made to eligible clients (as defined under the Advisory Law) only. Barclays Israeli branch previously held an investment marketing license with the Israel Securities Authority but it cancelled such license on 30/11/2014 as it solely provides its services to eligible clients pursuant to available exemptions under the Advisory Law, therefore a license with the Israel Securities Authority is not required. Accordingly, Barclays does not maintain an insurance coverage pursuant to the Advisory Law.

This material is distributed in the United Arab Emirates (including the Dubai International Financial Centre) and Qatar by Barclays Bank PLC. Barclays Bank PLC in the Dubai International Financial Centre (Registered No. 0060) is regulated by the Dubai Financial Services Authority (DFSA). Principal place of business in the Dubai International Financial Centre: The Gate Village, Building 4, Level 4, PO Box 506504, Dubai, United Arab Emirates. Barclays Bank PLC-DIFC Branch, may only undertake the financial services activities that fall within the scope of its existing DFSA licence. Related financial products or services are only available to Professional Clients, as defined by the Dubai Financial Services Authority. Barclays Bank PLC in the UAE is regulated by the Central Bank of the UAE and is licensed to conduct business activities as a branch of a commercial bank incorporated outside the UAE in Dubai (Licence No.: 13/1844/2008, Registered Office: Building No. 6, Burj Dubai Business Hub, Sheikh Zayed Road, Dubai City) and Abu Dhabi (Licence No.: 13/952/2008, Registered Office: Al Jazira Towers, Hamdan Street, PO Box 2734, Abu Dhabi). This material does not constitute or form part of any offer to issue or sell, or any solicitation of any offer to subscribe for or purchase, any securities or investment products in the UAE (including the Dubai International Financial Centre) and accordingly should not be construed as such. Furthermore, this information is being made available on the basis that the recipient acknowledges and understands that the entities and securities to which it may relate have not been approved, licensed by or registered with the UAE Central Bank, the Dubai Financial Services Authority or any other relevant licensing authority or governmental agency in the UAE. The content of this report has not been approved by or filed with the UAE Central Bank or Dubai Financial Services Authority. Barclays Bank PLC in the Qatar Financial Centre (Registered No. 00018) is authorised by the Qatar Financial Centre Regulatory Authority (QFCRA). Barclays Bank PLC-QFC Branch may only undertake the regulated activities that fall within the scope of its existing QFCRA licence. Principal place of business in Qatar: Qatar Financial Centre, Office 1002, 10th Floor, QFC Tower, Diplomatic Area, West Bay, PO Box 15891, Doha, Qatar. Related financial products or services are only available to Business Customers as defined by the Qatar Financial Centre Regulatory Authority.

**Russia:** This material is not intended for investors who are not Qualified Investors according to the laws of the Russian Federation as it might contain information about or description of the features of financial instruments not admitted for public offering and/or circulation in the Russian Federation and thus not eligible for non-Qualified Investors. If you are not a Qualified Investor according to the laws of the Russian Federation, please dispose of any copy of this material in your possession.

**IRS Circular 230 Prepared Materials Disclaimer:** Barclays does not provide tax advice and nothing contained herein should be construed to be tax advice. Please be advised that any discussion of U.S. tax matters contained herein (including any attachments) (i) is not intended or written to be used, and cannot be used, by you for the purpose of avoiding U.S. tax-related penalties; and (ii) was written to support the promotion or marketing of the transactions or other matters addressed herein. Accordingly, you should seek advice based on your particular circumstances from an independent tax advisor.

© Copyright Barclays Bank PLC (2022). All rights reserved. No part of this publication may be reproduced or redistributed in any manner without the prior written permission of Barclays. Barclays Bank PLC is registered in England No. 1026167. Registered office 1 Churchill Place, London, E14 5HP. Additional information regarding this publication will be furnished upon request.