

The Hartford Financial Services Group, Inc.

UPDATE: 2Q22 Earnings Review: Small Commercial in Focus

| CORE

The overall tone from HIG remains cautiously optimistic, particularly around its enhanced capabilities. Auto severity isn't getting better. Trading at 8x 2023E P/E, HIG offers compelling long term risk/reward in our view.

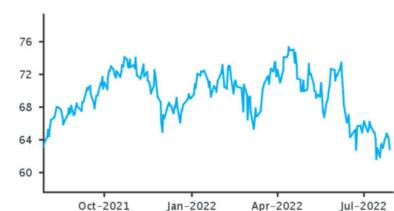
UPDATE This publication is an update to 'The Hartford Financial Services Group, Inc.: 2Q22 Earnings Review: Small Commercial in Focus', originally published on 01 Aug 2022 at 00:10 EDT. It corrects the comment that there is less granularity on pricing. While management shared less data points on its 2Q earnings call vs. prior calls, renewal written price increases for small commercial and middle market are available in its financial supplement.

Ramping up for renewal cycles: HIG's 17.2% NPW growth y/y in small commercial is its second highest on record following 17.4% y/y in 4Q21. Bulking up on small commercial business means HIG can be more prepared for potentially lower retentions amid a recession scenario (i.e. business closures). Albeit, HIG thinks an inflation fueled 'mild' recession will pale in comparison to pandemic fueled recession for its small commercial business, given the shelter in place piece. At the trough of the pandemic, HIG's small commercial policy count retention only fell to 79% in 3Q20 from its typical mid 80s range. HIG attributes growth in small commercial to new products & cross selling (i.e. E&O) and audit exposures. HIG also admitted that it is pushing itself outside of its historically conservative risk appetite.

On the personal auto side, HIG's flat PIF growth q/q in this business is ahead of its historical trend. Over exuberance on its Prevail platform may be the driver. HIG is also attributing growth in the age 50+ cohort. HIG considers the customer life cycle in its growth ambitions — a fair strategy if auto headwinds subsides in short order, not as good if adverse loss trend persists. In fact, HIG expected to see some moderation in severity trends and, to date, that has not been the case with physical damage up 2.5 pts. HIG updated its guided '22 personal lines underlying combined ratio (+1-2 pt above original 90-92%) based on auto inflationary impacts and less optimism for improvement. Auto underlying combined ratio deteriorated sequentially to 100% in 2Q22 from 93.3% in 1Q22. Recall, on a seasonality perspective, 1Q loss ratio runs lower on average than the year.

An industry debate this quarter has been centered around how a piece of exposure can act like rate. HIG defines pricing as pure rate and exposure. Just as the prior quarter, about 1.5 points of its commercial pricing is attributed to exposure growth. Particularly, HIG thinks wage growth acts like rate with indemnity payment offsets. HIG is maintaining its loss trends of ~5%

HIG	OVERWEIGHT
	Unchanged
U.S. Insurance/Non-Life	POSITIVE
	Unchanged
Price Target	USD 78.00
	lowered -3% from USD 80.00
Price (29-Jul-22)	USD 64.47
Potential Upside/Downside	+21.0%
Market Cap (USD mn)	20833
Shares Outstanding (mn)	323.14
Free Float (%)	99.57
52 Wk Avg Daily Volume (mn)	1.9
Dividend Yield (%)	2.43
Return on Equity TTM (%)	13.07
Current BVPS (USD)	42.74
Source: Bloomberg	
Price Performance	Exchange-NYSE
52 Week range	USD 78.17-61.15



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

U.S. Insurance/Non-Life

Tracy Benguigui

+1 212 526 1561
tracy.benguigui@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: 02-Aug-22, 15:13 GMT Released: 02-Aug-22, 15:19 GMT Restricted - External

excluding workers' compensation, 100 bps below its pricing level of 6.1%. Likewise, HIG has maintained a long-term medical inflation pick of 5% vs benign trends over the last few years.

Sequential commercial underlying margin expansion (20 bps), though we think investors are scrutinizing the sources. HIG's small commercial underlying combined ratio of 86.9% while strong deteriorated sequentially 1 pt. We were surprised to see global specialty outperform small commercial with an 83.1% underlying combined ratio and 5.1 pt improvement q/q. Sustainability of recent performance within global specialty should bode well for the stock given not too long ago it dragged earnings. HIG also experienced lower than normal non-cat losses (although higher than the prior year). All in, HIG is likely past its trough back in 3Q21, with a commercial underlying combined ratio of 87.2% vs. 88.1% in 2Q22, 88.3% in 1Q22 and 88.9% in 4Q21.

We expected HIG to make greater traction in improving its expense ratio as part of its Hartford Next initiative. Still, we think HIG will meet its '22 outlook of achieving an underlying combined ratio within Commercial of 86.5%-88.5% (our estimate 88.0%).

With 13% total commercial NPW growth in 1H22 vs. 1H21, we think HIG will beat its guided 4-5% commercial NPW growth for '22. Our estimates acknowledge management's sentiment that commercial growth will slow in 2Q22 vs. 1Q22.

Peer Leading P&C ROE: HIG's core ROE of 14.0% is at the upper end of its 13-14% '22 guidance. In particular, its core ROE in P&C of 17.9% is peer leading and ahead of its segment guide of 14-15%. Though, 2Q results benefited from lower catastrophe losses than normalized levels and higher favorable PYD. HIG's core ROE within group benefits was disappointing at 3.7% and well below its segment guide of 10-11%. Lastly, Hartford Funds core ROE of 55.9% is trending above its segment guide of 54-55%. Note, HIG excludes AOCI from the denominator of its CORE ROE.

Strong alternative returns (with annualized LP yield of 17.3% pre-tax vs. 8-10% guide). Nonetheless, HIG anticipates annualized LP returns in 2H22 could trail its full year annualized target, though 2H22 LLP returns should be positive. HIG's annual portfolio turnover rate is 10-15%. New money rate of about 4.5% is ahead of its 3.6% average yield of assets rolling off. HIG is expecting ex LP yields to increase 10-20 bps during 2H22.

Capital Returns: During 2Q22 HIG repurchased \$450mn of shares in 2Q22 (vs. our \$300mn estimate) and \$107mn from July 1-27, 2022. HIG's new \$3bn share buybacks program, effective Aug 1, '22- YE24, is below our original \$3.6bn cumulative estimate (3Q22-4Q24) going into the quarter (we have since recasted our estimates to align with the new plan).

HIG: Quarterly and Annual EPS (USD)

	2021	2022			2023			Change y/y	
FY Dec	Actual	Old	New	Cons	Old	New	Cons	2022	2023
Q1	0.56A	1.66A	1.66A	1.69A	2.03E	2.03E	2.01E	196%	22%
Q2	2.33A	1.48E	2.15A	2.18A	1.83E	1.77E	1.92E	-8%	-18%
Q3	1.26A	1.68E	1.48E	1.60E	2.06E	1.96E	2.05E	17%	32%
Q4	2.02A	2.04E	1.76E	1.93E	2.34E	2.29E	2.26E	-13%	30%
Year	6.17A	6.86E	7.06E	7.07E	8.24E	8.03E	8.23E	14%	14%
P/E	10.4		9.1			8.0			

Consensus numbers are from Bloomberg received on 02-Aug-2022; 12:50 GMT

Source: Barclays Research

U.S. Insurance/Non-Life						POSITIVE	
The Hartford Financial Services Group, Inc. (HIG)						OVERWEIGHT	
Income statement (\$mn)	2021A	2022E	2023E	2024E	CAGR	Price (29-Jul-2022)	USD 64.47
Net premiums earned	12,495	13,510	14,421	15,312	7.0%	Price Target	USD 78.00
Net investment income (NII)	2,313.0	1,893.1	2,214.3	2,365.3	0.7%	Why OVERWEIGHT?	
Underwriting income	469	1,010	955	1,008	29.0%	HIG has sound fundamentals following transformation, which should continue to drive a stronger book multiple. ROE convergence with peers should make current valuation look inexpensive. Navigators acquisition is becoming more accretive given boost from hard pricing in specialty lines. HIG has accelerated the pace of its expense savings plans.	
Operating income	2,150	2,325	2,496	2,663	7.4%		
Net income	2,337	1,947	2,516	2,683	4.7%		
Effective tax rate (%)	18.6	19.8	19.5	19.5	1.5%		
Combined ratio (%)	96.2	92.5	93.4	93.4	-1.0%		
Combined ratio (ex cats & py development) (%)	89.3	89.1	88.4	88.5	-0.3%		
Per share data (\$)	2021A	2022E	2023E	2024E	CAGR	Upside case USD 87.00	
EPS (adj)	6.17	7.06	8.03	9.08	13.7%	Our upside case reflects stronger than expected underwriting margin expansion and commercial P&C pricing levels and improving group benefits margins. Our upside case is ~1.5x '23 BVPS ex AOCI.	
EPS (reported)	6.62	5.85	8.03	9.08	11.1%		
DPS	1.47	1.62	1.75	1.86	8.2%		
BVPS	51.36	43.50	48.44	54.40	1.9%		
BVPS (ex AOCI)	50.86	53.70	59.25	65.85	9.0%		
Balance sheet and capital return (\$mn)	2021A	2022E	2023E	2024E	CAGR	Downside case USD 62.00	
Total investments	57,749	52,500	55,479	58,674	0.5%	Our downside case assumes unsuccessful underwriting margin expansion and expense savings as well as a slowdown in the commercial P&C renewal rate environment. Our downside case is ~7.7x '23E EPS.	
Common shareholders' equity (ex AOCI)	17,337	17,170	17,885	18,763	2.7%		
Share buybacks	1,702	1,471	1,243	1,243	-10.0%		
Dividends paid	513	525	535	538	1.6%		
Balance sheet and capital return metrics	2021A	2022E	2023E	2024E	Average	Upside/Downside scenarios	
Debt leverage (%)	21.7	23.4	22.6	21.6	22.3		
Financial leverage (%)	23.2	25.2	24.3	23.2	24.0		
Total capital return as a % of op. earnings	103.0	85.9	71.2	66.9	81.8		
Valuation metrics	2021A	2022E	2023E	2024E	Average		
P/BV (ex AOCI) (x)	1.27	1.20	1.09	0.98	1.13		
P/E (adj) (x)	10.4	9.1	8.0	7.1	8.7		
Dividend yield (%)	2.3	2.5	2.7	2.9	2.6		
ROE (%)	13.2	11.0	14.0	14.3	13.1		

Note: FY End Dec

Source: Company data, Bloomberg, Barclays Research



2Q22 vs. Target Financial Plan

HIG updated its guided '22E personal lines underlying combined ratio (+1-2 pt above original 90-92%) based on auto inflationary impacts and less optimism for improvement. We are estimating a 92.8% '22E personal lines underlying combined ratio. HIG's personal lines underlying CR was 94.1% in 2Q22.

Commercial lines underlying CR of 88.1% in 2Q22 is on track to meet HIG's 2022E outlook range of 86.5%-88.5%. Group Benefits 9.8% core earnings margin and 9.3% ex COVID in 2Q22 is ahead of the 2022E outlook ranges (3.1-5.4% inc. COVID and 6-7% ex COVID) in the quarter. We are modeling better commercial lines premiums in 2022 than HIG's plan (BARC: 11.8% vs. HIG: 4-5%).

FIGURE 1. HIG Targets vs. Barclays Estimates

HIG Outlook Key Business Metrics	2021 Actual	2022E Outlook Range		2022E Barclays	2023E Barclays
Commercial Lines					
NPW Growth	12%	~ 4%	-	5%	11.8%
CR	95.8%	90%	-	92%	90.6%
Underlying CR	89.1%	86.5%	-	88.5%	88.0%
Personal Lines					
NPW Growth	-1.0%	Flat to slightly down		-0.7%	-0.5%
CR	90.6%	97.0%	-	99.0%	98.5%
Underlying CR	89.9%	91.0%	-	94.0%	92.8%
Group Benefits					
Earned Premium and Fee Income Growth	2.7%	~ 2%		5.3%	3.0%
Core earnings margin (excluding COVID)	10.3%	6.0%	-	7.0%	6.3%
Core earnings margin (including COVID)	2.4%	3.1%	-	5.4%	5.8%
Core ROE	12.7%	13.0%	-	14.0%	13.5%
					14.2%

Source: Barclays Research, Company Data.

Personal Lines

HIG is pushing rate increases and focusing on its Prevail roll out. On the auto side, HIG received an average 5.7% rate increase on its 39 auto state filings in 1H22. A notable achievement; still, we think more rate is needed. Auto accident year loss ratio increased by 5.7 pts in 2Q vs. 1Q.

FIGURE 2. PIF flat in auto and PIF decline moderating in home

Policies in Force (in thousands)	1Q20	2Q20	3Q20	4Q20	1Q21	2Q21	3Q21	4Q21	1Q22	2Q22
Auto	1,410	1,416	1,392	1,369	1,357	1,339	1,328	1,317	1,315	1,315
y/y % growth	-5.1%	-3.3%	-3.7%	-3.7%	-3.8%	-5.4%	-4.6%	-3.8%	-3.1%	-1.8%
Homeowners	868	865	846	826	815	799	786	773	765	747
y/y % growth	-4.9%	-4.2%	-5.3%	-5.8%	-6.1%	-7.6%	-7.1%	-6.4%	-6.1%	-6.5%

Source: Barclays Research, Company Data.

Personal Underwriting Performance

The **auto** underlying combined ratio of 100% was up 6.7 pts sequentially. HIG saw higher than expected severity, most evident in physical damage. We recognize that part of auto performance is seasonality, with its loss ratio running lower on average in 1Q vs. the year.

The **homeowners** underlying combined ratio of 82.0% was up 4.6 pts q/q.

Underlying Commercial Margin

Commercial lines underlying margin improved to 88.1% ~1.3 pts y/y and 0.2 pts q/q. HIG is targeting commercial lines underlying combined ratio of 86.5%- 88.5% in 2022 (BARC estimate 88.0%).

Segment Underlying Results:

- **Middle & Large Commercial** underlying combined ratio of 92.9% in 2Q22 worsened from 91.5% in 1Q22.
- **Small Commercial** underlying combined ratio at 86.9% in 2Q22 worsened from 85.9% im 1Q22.
- **Global Specialty** underlying combined ratio of 83.1% in 2Q22 improved from 88.2%in 1Q22.

Group Benefits

Core earnings margin of 9.8% is trending above'22 guidance including COVID of 3.1%-5.4%, and better than our estimate of 2.9%). HIG's favorable PPD of excess claims more than offset COVID claims in 2Q22. Therefore, its margins included a pandemic benefit of \$5mn pre-tax and a \$5mn benefit related to pre-tax COVID-19 related short term disability claims. The group benefits core earnings margin adjusted for pandemic excess mortality and COVID-19 ST disability losses was 9.3%, above its guided range of 6-7%.

Forward Looking Commentary/Model Updates

- HIG updated its guided '22E personal lines underlying combined ratio (+1-2 pt above original 90-92%) based on auto inflationary impacts and less optimism for improvement. We are modeling a personal lines underlying combined ratio of 92.8% for '22E, 91.1% for '23E and 90.9% in '24E.
- New money rate of about 4.5% is ahead of its 3.6% average yield of assets rolling off. HIG is expecting ex LP yields to increase 10-20 bps during 2H22. During 1H22 HIG recorded a 3.0% annualized investment yield, pre-tax and ex LLP, on an amortized cost basis where applicable. On the same basis, we are estimating a 3.2% yield in 2H22.
- HIG anticipates annualized LP returns in 2H22 could trail its full year annualized target, though 2H22 LLP returns should be positive. To provide context, HIG posted 16.3% (pre-tax) annualized LLP returns in 1H22. In order to arrive at <8-10% annual target, we are estimating 0.2% returns in 2H22, a key driver of our EPS updates in 3Q22E and 4Q22E.
- **Capital Returns:** During 2Q22 HIG repurchased \$450mn of shares in 2Q22 (vs. our \$300mn estimate) and \$107mn from July 1-27, 2022. HIG's new \$3bn share buybacks program, effective Aug 1, '22- YE24, is below our original \$3.6bn cumulative estimate (3Q22-4Q24) going into the quarter (we have since recasted our estimates to align with the new plan).

We reiterate our Overweight rating on HIG and lower our PT to \$78 (from \$80) based on a 50/50 weighted 10.5x \$8.03 (down from \$8.24) '23E EPS and 1.2x 2023E book value per share ex AOCI of \$59.2 (down from \$60.4). Trading at 8x 2023E P/E, HIG offers one of the best long term risk/reward in P/C insurance, in our view.

FIGURE 3. 2Q22 Variance Analysis: Segments

Consolidated Results (in \$ mn, except per share data)	Q/Q			Y/Y		Barclays Est.	
	2Q22A	1Q22	% Change	2Q21	% Change	2Q22E	% Var.
Net income avail to common shareholders	\$437	\$440	(0.7%)	\$900	(51.4%)	\$484	(9.7%)
Net income per diluted share	\$1.32	\$1.30	1.0%	\$2.51	(47.5%)	\$1.45	(9.2%)
Core earnings	\$714	\$561	27.3%	\$836	(14.6%)	\$495	44.2%
Core earnings per diluted share	\$2.15	\$1.66	29.4%	\$2.33	(7.7%)	\$1.48	44.9%
Net investment income	\$541	\$509	6.3%	\$581	(6.9%)	\$492	10.0%
Cat losses	\$123	\$98	25.5%	\$128	(3.9%)	\$227	(45.9%)
P&C - Combined ratio	91.4%	90.4%	99 bps	88.5%	290 bps	94.0%	(261 bps)
P&C - Underlying combined ratio	89.4%	88.5%	98 bps	89.2%	27 bps	88.2%	123 bps
Book value per diluted share	\$42.21	\$46.36	(8.9%)	\$50.62	(16.6%)	\$46.83	(9.9%)
Book value per diluted share (ex. AOCI)	\$52.12	\$51.42	1.4%	\$49.01	6.4%	\$51.96	0.3%
Core Earnings ROE	14.0%	14.8%	(80 bps)	13.1%	90 bps	12.7%	129 bps
Share Repurchases	\$450	\$400	12.5%	\$568	(20.8%)	\$300	50.0%

Source: Barclays Research, Company Data.

FIGURE 4. 2Q22 Variance Analysis: Segments

Business Results (in \$ mn, except per share data)	Q/Q		Y/Y		Barclays Est.		
	2Q22A	1Q22	% Change	2Q21	% Change	2Q22E	% Var.
Commercial Lines							
Net written premiums	\$2,836	\$2,809	1.0%	\$2,494	13.7%	\$2,784	1.9%
Underwriting gain (loss)	\$333	\$242	37.6%	\$261	(27.6%)	\$212	57.4%
Underlying underwriting gain	\$312	\$290	7.6%	\$249	25.3%	\$343	(9.0%)
Underlying Loss ratio	56.1%	56.1%	(1 bps)	57.1%	(103 bps)	56.0%	10 bps
Cat and PYD pts	(0.8%)	2%	(273 bps)	(0.5%)	(29 bps)	5.0%	(580 bps)
Expense ratio	31.7%	31.9%	(24 bps)	32.0%	(29 bps)	30.6%	108 bps
Policyholder dividends	0.3%	0.3%	(1 bps)	0.3%	1 bps	0.3%	(6 bps)
Combined ratio	87.3%	90.3%	(300 bps)	88.9%	(160 bps)	91.9%	(468 bps)
Underlying combined ratio	88.1%	88.3%	(27 bps)	89.4%	(131 bps)	86.9%	113 bps
Personal Lines							
Net written premiums	\$756	\$707	6.9%	\$760	(0.5%)	\$751	0.7%
Underwriting gain (loss)	(\$13)	\$69	(118.8%)	\$96	(113.5%)	(\$10)	24.9%
Underwriting underwriting gain	\$43	\$83	(48.2%)	\$87	(50.6%)	\$52	(17.7%)
Underlying Loss ratio	65.7%	60.8%	487 bps	60.6%	513 bps	65.0%	70 bps
Cat and PYD pts	7.7%	1.9%	577 bps	(1.2%)	893 bps	8.7%	(95 bps)
Expense ratio	28.4%	27.6%	74 bps	27.6%	73 bps	27.8%	60 bps
Combined ratio	101.8%	90.4%	1137 bps	87.0%	1480 bps	101.4%	35 bps
Underlying combined ratio	94.1%	88.5%	560 bps	88.2%	587 bps	92.8%	130 bps
Group Benefits							
Net income	\$104	(\$6)	(1833.3%)	\$170	(38.8%)	\$46	(127.3%)
Core earnings	\$161	\$8	(1912.5%)	\$149	(8.1%)	\$47	(242.2%)
Fully insured ongoing premiums (ex. buyout premiums)	\$1,469	\$1,445	1.7%	\$1,378	6.6%	\$1,433	2.5%
Loss ratio	70.2%	81.9%	(1174 bps)	71.4%	(120 bps)	79.0%	(880 bps)
Expense ratio	25.5%	26.0%	(56 bps)	25.4%	6 bps	25.4%	5 bps
Net income margin	6.6%	(0.4%)	697 bps	10.7%	(409 bps)	2.9%	374 bps
Core earnings margin	9.8%	0.5%	930 bps	9.5%	33 bps	2.9%	686 bps
Hartford Funds							
Net income	\$34	\$42	(19.0%)	\$52	(34.6%)	\$58	(40.9%)
Core earnings	\$44	\$50	(12.0%)	\$51	(13.7%)	\$58	(23.6%)
Mutual Fund and ETP net flows	(\$2,011)	(\$424)	374.3%	\$2,440	(182.4%)	\$134	(1600.9%)
Total Hartford AUM	\$127,398	\$148,046	(13.9%)	\$153,793	(17.2%)	\$152,539	(16.5%)

Source: Barclays Research, Company Data.

FIGURE 5. Model Summary (pg. 1)

(\$ in mn, except per share data)	2018	2019	2020	2021	2022E	2023E	2024E
P&C Net written premiums	10,412	11,583	11,905	12,949	14,116	15,174	16,278
P&C Revenues:							
P&C net earned premiums	10,446	11,490	11,918	12,495	13,510	14,421	15,312
Fee Income	74	72	64	66	67	67	67
Total revenues	10,520	11,562	11,982	12,561	13,577	14,488	15,379
P&C Expenses:							
Loss & loss adjustment expenses	6,940	7,398	7,653	8,110	8,284	8,973	9,520
Amortization of DAC	1,323	1,555	1,641	1,628	1,783	1,911	2,045
Underwriting Expenses	2,000	2,261	2,228	2,330	2,468	2,612	2,766
Dividends to policyholders	23	30	29	24	32	38	41
Total expenses	10,286	11,244	11,551	12,092	12,567	13,534	14,372
Underwriting Income	234	318	431	469	1,010	955	1,008
P&C Net investment income	1,242	1,392	1,372	1,734	1,423	1,665	1,779
Other	(40)	219	(83)	315	(329)	-	-
P&C Income before income taxes	1,436	1,929	1,720	2,518	2,104	2,620	2,787
Income tax expense	241	358	314	469	417	511	543
P&C Net Income (loss)	1,195	1,571	1,406	2,049	1,687	2,109	2,243
Adjustments (incl ATX net realized cap gain/(loss))	(35)	67	(313)	36	(260)	-	-
P&C Core Earnings	\$1,230	\$1,504	\$1,719	\$2,013	\$1,947	\$2,109	\$2,243
Core earnings Per Share	\$4.33	\$5.65	\$5.78	\$6.17	\$7.06	\$8.03	\$9.08
Shares							
Wtd Average Diluted Shares Outstanding	364.1	364.9	360.6	354.1	329.5	310.7	293.3

Source: Barclays Research, Company Data.

FIGURE 6. Model Summary (pg. 2)

(\$ in mn, except per share data)	2018	2019	2020	2021	2022E	2023E	2024E
<u>Capital deployment</u>							
Assumed Repurchase Price Per Share	NM	\$59	\$56	\$65	\$69	\$69	\$73
Shares Repurchased (in mn)	-	3.4	2.7	26.3	21.3	17.9	16.9
Dollar Amount Repurchased (in \$ mn)	-	200	150	1,702	1,471	1,243	1,243
Dividends Per Share	\$1.10	\$1.20	\$1.30	\$1.47	\$1.62	\$1.75	\$1.86
Shareholder dividends (in \$ mn)	394	433	466	513	525	535	538
Total capital returned	394	633	616	2,215	1,997	1,778	1,780
Total capital returned as % normalized earnings	25%	31%	30%	103%	86%	71%	67%
<u>Other statistics</u>							
Effective Tax Rate	16.8%	18.6%	18.3%	18.6%	19.8%	19.5%	19.5%
Catastrophe losses (P/T)	821	463	606	664	577	743	783
Prior year reserve development (fav)/unfav (P/T)	(167)	(65)	(136)	199	(109)	(29)	(28)
<u>Shareholders' Equity and Returns on Capital</u>							
Common stockholders' equity ex AOCI	14,346	15,884	17,052	17,337	17,170	17,885	18,763
Total stockholders' equity ex AOCI	14,680	16,218	17,386	17,671	17,504	18,219	19,097
Book value per diluted share ex AOCI	\$39.40	\$43.71	\$47.16	\$50.86	\$53.70	\$59.25	\$65.85
Core Earnings ROE	11.6%	13.6%	12.7%	12.5%	13.5%	14.2%	14.5%
<u>Underwriting Margins - P&C</u>							
Loss ratio	66.4%	64.4%	64.2%	64.9%	61.3%	62.2%	62.2%
Expense ratio	31.1%	32.6%	31.9%	31.1%	31.0%	30.9%	31.0%
Policyholder dividends	0.2%	0.3%	0.2%	0.2%	0.2%	0.3%	0.3%
Total P&C Combined ratio	97.8%	97.2%	96.4%	96.2%	92.5%	93.4%	93.4%
<u>Underlying Combined Ratio</u>							
Catastrophe loss CR pts	7.9%	4.0%	5.1%	5.3%	4.3%	5.1%	5.1%
Prior year reserve development CR pts	-1.6%	-0.6%	-1.1%	1.6%	-0.8%	-0.2%	-0.2%
Underlying P&C Combined Ratio	91.5%	93.5%	92.4%	89.3%	89.1%	88.4%	88.5%

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)

The Hartford Financial Services Group, Inc. (HIG, 29-Jul-2022, USD 64.47), Overweight/Positive, A/CD/CE/D/J/K/L/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 Group Holdings (RYAN)	The Hartford Financial Services Group, Inc. (HIG)	The Travelers Companies, Inc. (TRV)

Distribution of Ratings:

Barclays Equity Research has 1691 companies under coverage.

51% have been assigned an Overweight rating which, for purposes of mandatory regulatory disclosures, is classified as a Buy rating; 51% of companies with this rating are investment banking clients of the Firm; 70% of the issuers with this rating have received financial services from the Firm.

33% have been assigned an Equal Weight rating which, for purposes of mandatory regulatory disclosures, is classified as a Hold rating; 42% of companies with this rating are investment banking clients of the Firm; 70% 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; 30% of companies with this rating are investment banking clients of the Firm; 62% 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)

The Hartford Financial Services Group, Inc. (HIG / HIG)

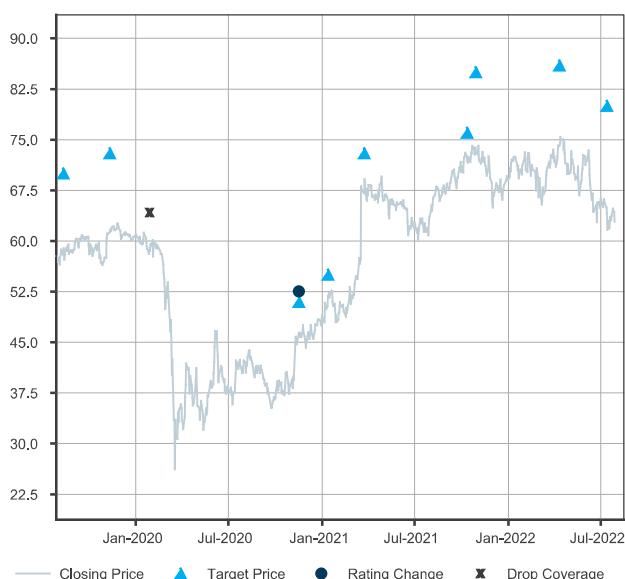
Stock Rating: **OVERWEIGHT**

Industry View: **POSITIVE**

USD 64.47 (29-Jul-2022)

Rating and Price Target Chart - USD (as of 29-Jul-2022)

Currency=USD



Source: IDC, Barclays Research

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

Publication Date	Closing Price*	Rating	Adjusted Price Target
13-Jul-2022	64.93		80.00
11-Apr-2022	74.13		86.00
29-Oct-2021	72.93		85.00
12-Oct-2021	71.96		76.00
24-Mar-2021	67.05		73.00
12-Jan-2021	51.86		55.00
16-Nov-2020	46.34	Overweight	51.00
22-Jan-2020	59.90	Coverage Dropped	
11-Nov-2019	61.09		73.00
12-Aug-2019	57.97		70.00

On 31-Jul-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 \$62.00.

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.

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 Hartford Financial Services Group, Inc. in the previous 12 months.

CD: Barclays Bank PLC and/or an affiliate is a market-maker in debt securities issued by The Hartford Financial Services Group, Inc..

CE: Barclays Bank PLC and/or an affiliate is a market-maker in equity securities issued by The Hartford Financial Services Group, Inc..

D: Barclays Bank PLC and/or an affiliate has received compensation for investment banking services from The Hartford Financial Services Group, Inc. in the past 12 months.

J: Barclays Bank PLC and/or an affiliate is a liquidity provider and/or trades regularly in the securities by The Hartford Financial Services Group, Inc. 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 The Hartford Financial Services Group, Inc. within the past 12 months.

L: The Hartford Financial Services Group, Inc. is, or during the past 12 months has been, an investment banking client of Barclays Bank PLC and/or an affiliate.

M: The Hartford Financial Services Group, Inc. 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 \$78 price target on HIG is based on a 50/50 weighted 10.5x '23E EPS and 1.2x 2023E book value per share ex AOCI.

Risks which May Impede the Achievement of the Barclays Research Valuation and Price Target: Risks to HIG reaching our PT include greater exposure to a reduction in policies in force from business closures/affordability issues (beyond a drop in insurable losses as work forces partially migrate remotely going forward). If unexpected adverse reserve development (e.g. exhaustion of HIG's ADCs) could also materialize.

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. Clients that are subscribed to receive equity research reports, will not receive certain cross asset research reports co-authored by equity and FICC 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. 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), 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 INP000002585; 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 INB100000950). 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.