Barclays Bank PLC

Q3 2023 Pillar 3 Report

30 September 2023

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The abbreviations '£m' and '£bn' represent millions and thousands of millions of Pounds Sterling respectively.

There are a number of key judgement areas, for example impairment calculations, which are based on models and which are subject to ongoing adjustment and modifications. Reported numbers reflect best estimates and judgements at the given point in time.

Relevant terms that are used in this document but are not defined under applicable regulatory guidance or International Financial Reporting Standards (IFRS) are explained in the results glossary available at home.barclays/investor-relations/reports-and-events.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to Barclays Bank PLC Group (the Barclays Bank Group). The Barclays Bank Group cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by directors, officers and employees of the Barclays Bank Group (including during management presentations) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Barclays Bank Group's future financial position, income levels, costs, assets and liabilities, impairment charges, provisions, capital, leverage and other regulatory ratios, capital distributions (including dividend policy and share buybacks), return on tangible equity, projected levels of growth in banking and financial markets, industry trends, any commitments and targets (including environmental, social and governance (ESG) commitments and targets), business strategy, plans and objectives for future operations and other statements that are not historical or current facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements speak only as at the date on which they are made. Forward-looking statements may be affected by a number of factors, including, without limitation: changes in legislation, regulation and the interpretation thereof, changes in IFRS and other accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards; the outcome of current and future legal proceedings and regulatory investigations; the policies and actions of governmental and regulatory authorities; the Barclays Bank Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively; environmental, social and geopolitical risks and incidents and similar events beyond the Barclays Bank Group's control; the impact of competition; capital, leverage and other regulatory rules applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions, including inflation; volatility in credit and capital markets; market related risks such as changes in interest rates and foreign exchange rates; higher or lower asset valuations; changes in credit ratings of any entity within the Barclays Bank Group or any securities issued by it; changes in counterparty risk; changes in consumer behaviour; the direct and indirect consequences of the Russia-Ukraine war on European and global macroeconomic conditions, political stability and financial markets; direct and indirect impacts of the coronavirus (COVID-19) pandemic; instability as a result of the UK's exit from the European Union (EU), the effects of the EU-UK Trade and Cooperation Agreement and any disruption that may subsequently result in the UK and globally; the risk of cyber-attacks, information or security breaches or technology failures on the Barclays Bank Group's reputation, business or operations; the Barclays Bank Group's ability to access funding; and the success of acquisitions, disposals and other strategic transactions. A number of these factors are beyond the Barclays Bank Group's control. As a result, the Barclays Bank Group's actual financial position, results, financial and non-financial metrics or performance measures or its ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Barclays Bank Group's forward-looking statements. Additional risks and factors which may impact the Barclays Bank Group's future financial condition and performance are identified in Barclays Bank PLC's filings with the US Securities and Exchange Commission (SEC) (including, without limitation, Barclays Bank PLC's Annual Report on Form 20-F for the financial year ended 31 December 2022 and interim Results Announcement for the six months ended 30 June 2023 filed on Form 6-K), which are available on the SEC's website at www.sec.gov.

Subject to Barclays Bank PLC's obligations under the applicable laws and regulations of any relevant jurisdiction (including, without limitation, the UK and the US), in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Disclosure Background

Barclays Bank PLC is a wholly-owned subsidiary of Barclays PLC and is the non ring-fenced bank within the Barclays PLC Group.

Barclays Bank PLC capital requirements are set by the Prudential Regulation Authority (PRA) at a solo-consolidated level. Barclays Bank PLC solo-consolidated comprises Barclays Bank PLC, the parent, plus certain additional subsidiaries, whose inclusion within the consolidation is subject to PRA approval. The disclosures provided in this document for Barclays Bank PLC are based on this regulatory scope of consolidation. This differs from the accounting disclosures, where Barclays Bank PLC Group relates to Barclays Bank PLC, the parent, and all its subsidiaries.

For the purpose of liquidity management, Barclays Bank PLC and its subsidiary Barclays Capital Securities Limited, a UK broker dealer entity, are monitored on a combined basis by the PRA under a Domestic Liquidity Sub-Group (Barclays Bank PLC DoLSub) arrangement ('DoLSub'). The liquidity disclosures (Liquidity Coverage Ratio and Net Stable Funding Ratio) provided in this document for Barclays Bank PLC are based on this regulatory scope of consolidation, unless otherwise specified.

The Pillar 3 report is prepared in accordance with the Capital Requirements Regulation and Capital Requirements Directive (CRR and CRD V). In particular articles 431 to 455 of CRR specify the requirements of the Pillar 3 framework. The regulations came into force on 1 January 2022, and were implemented by the PRA via the PRA Rulebook. The Pillar 3 disclosures have also been prepared in accordance with the updated PRA Rulebook.

On 20 December 2022, the PRA granted permission for leverage minimum requirements to be set at the sub-consolidated level for Barclays Bank PLC effective from 1 January 2023 replacing the individual requirement that was due to become effective at that time. The sub-consolidated group represents the Barclays Bank Group on a regulatory scope of consolidation subject to PRA approval. As a result, the Barclays Bank PLC leverage disclosures contained within this document are presented on both the Barclays Bank PLC solo-consolidated and Barclays Bank PLC sub-consolidated basis.

Capital and RWA requirements remain set at the Barclays Bank PLC solo-consolidated level.

The terms RWA and RWEA are used interchangeably throughout the document.

The disclosures included in this report reflect the Barclays Bank PLC's interpretation of the current rules and guidance.

Table 1: KM1 - Key metrics - Part 1

This table shows key regulatory metrics and ratios as well as related components such as own funds, RWAs, capital ratios, additional requirements based on Supervisory Review and Evaluation Process (SREP), capital buffer requirements, leverage ratio, liquidity coverage ratio and net stable funding ratio. Part 2 of this table further includes all UK LR2 components which are required to be reported with a quarterly frequency as per Article 433a(4).

KM1 ref		30.09.23 £m	30.06.23 £m	31.03.23 £m	31.12.22 £m	30.09.22 £m
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital[1]	**26,129**	25,607	25,552	25,907	28,592
1a	Fully loaded common Equity Tier 1 (CET1) capital[2]	**26,105**	25,581	25,494	25,571	28,230
2	Tier 1 capital[1]	**33,082**	34,546	34,440	34,139	37,026
2a	Fully loaded tier 1 capital[2]	**33,058**	34,520	34,381	33,802	36,665
3	Total capital[1,3]	**39,349**	41,068	41,248	42,321	41,526
3a	Fully loaded total capital[2,4]	**38,796**	40,474	40,301	41,092	40,254
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount[1]	**206,569**	204,351	200,088	203,833	214,935
4a	Fully loaded total risk-weighted exposure amount[2]	**206,542**	204,325	200,029	203,531	214,673
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)[1]	**12.6%**	12.5%	12.8%	12.7%	13.3%
5a	Fully loaded common Equity Tier 1 ratio (%)[2]	**12.6%**	12.5%	12.7%	12.6%	13.2%
6	Tier 1 ratio (%)[1]	**16.0%**	16.9%	17.2%	16.7%	17.2%
6a	Fully loaded tier 1 ratio (%)[2]	**16.0%**	16.9%	17.2%	16.6%	17.1%
7	Total capital ratio (%)[1,3]	**19.0%**	20.1%	20.6%	20.8%	19.3%
7a	Fully loaded total capital ratio (%)[2,4]	**18.8%**	19.8%	20.1%	20.2%	18.8%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a	Additional CET1 SREP requirements (%)	**2.5%**	2.5%	2.5%	2.5%	2.5%
UK 7b	Additional AT1 SREP requirements (%)	**0.8%**	0.8%	0.8%	0.8%	0.8%
UK 7c	Additional T2 SREP requirements (%)	**1.1%**	1.1%	1.1%	1.1%	1.1%
UK 7d	Total SREP own funds requirements (%)	**12.5%**	12.5%	12.5%	12.5%	12.5%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	**2.5%**	2.5%	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	**0.7%**	0.4%	0.4%	0.3%	0.0%
11	Combined buffer requirement (%)	**3.2%**	2.9%	2.9%	2.8%	2.5%
UK 11a	Overall capital requirements (%)	**15.7%**	15.4%	15.4%	15.3%	15.0%
12	CET1 available after meeting the total SREP own funds	**5.6%**	5.5%	5.7%	5.7%	6.3%

Notes

1. Transitional capital and RWAs are calculated by applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.
2. Fully loaded capital and RWAs are calculated without applying the IFRS9 transitional arrangements of the CRR as amended by CRR II.
3. Total capital is calculated applying the grandfathering of CRR II non-compliant capital instruments included within Tier 2 capital.
4. Fully loaded total capital is calculated without applying the grandfathering of CRR II non-compliant capital instruments included within Tier 2 capital.

The CET1 ratio decreased to 12.6% (December 2022: 12.7%) as a £2.7bn increase in RWAs to £206.6bn (December 2022: £203.8bn) was partially offset by a £0.2bn increase in CET1 capital to £26.1bn (December 2022: £25.9bn):

- c.90bps increase from attributable profit generated in the period
- c.70bps decrease primarily due to increased regulatory capital deductions largely driven by an accrual for the FY23 dividend and a reduction in IFRS 9 transitional relief due to regulatory changes which took effect on 1 January 2023
- c.30bps decrease as a result of a £4.6bn increase in RWA primarily driven by increased trading activity within Corporate and Investment Bank (CIB)
- £1.9bn decrease in RWA as a result of foreign exchange movements due to strengthening of GBP against USD was broadly offset by a £0.1bn decrease in CET1 capital due to a decrease in currency translation reserves

Table 1: KM1 - Key metrics - Part 2

KM1 ref	LR 2 Ref		30.09.23 £m	30.06.23 £m	31.03.23 £m	31.12.22 £m	30.09.22 £m
		Leverage ratio					
		Barclays Bank PLC sub-consolidated group[1]					
13	UK 24b	Total exposure measure excluding claims on central banks[2]	**955,650**	937,242	925,303		
14	25	Leverage ratio excluding claims on central banks (%)[2]	**5.6%**	5.9%	6.0%		
		Additional leverage ratio disclosure requirements					
UK 14a	UK 25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)[3]	**5.6%**	5.9%	6.0%		
UK 14b	UK 25c	Leverage ratio including claims on central banks (%)[2]	**4.5%**	4.8%	4.8%		
UK 14c	UK 33	Average leverage ratio excluding claims on central banks (%)[2,4]	**5.2%**	5.4%	5.5%		
UK 14d	UK 34	Average leverage ratio including claims on central banks (%)[2,4]	**4.3%**	4.6%	4.5%		
UK 14e	UK 27b	Countercyclical leverage ratio buffer (%)	**0.2%**	0.1%	0.1%		
UK 14f	UK 27	Leverage ratio buffer (%)	**0.2%**	0.1%	0.1%		
		Barclays Bank PLC solo-consolidated					
13	UK 24b	Total exposure measure excluding claims on central banks[2]	**802,919**	790,000	780,630	742,730	838,344
14	25	Leverage ratio excluding claims on central banks (%)[2]	**4.1%**	4.4%	4.4%	4.6%	4.4%
		Additional leverage ratio disclosure requirements					
UK 14a	UK 25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)[3]	**4.1%**	4.4%	4.4%	4.6%	4.4%
UK 14b	UK 25c	Leverage ratio including claims on central banks (%)[2]	**3.3%**	3.5%	3.5%	3.7%	3.7%
		Liquidity Coverage Ratio					
15		Total high-quality liquid assets (HQLA) (Weighted value)	**211,673**	212,767	211,630	205,518	202,824
UK 16a		Cash outflows - Total weighted value	**244,891**	245,648	247,108	241,940	237,389
UK 16b		Cash inflows - Total weighted value	**101,268**	96,466	93,170	88,399	85,060
16		Total net cash outflows (adjusted value)	**143,623**	149,182	153,938	153,542	152,329
17		Liquidity coverage ratio (%)[5]	**148 %**	143 %	138 %	134 %	133 %
		Net Stable Funding Ratio[6]					
18		Total available stable funding	**329,589**	322,872	316,651	309,676	
19		Total required stable funding	**301,474**	297,393	291,982	288,035	
20		NSFR ratio (%)	**109 %**	109 %	108 %	108 %	

Notes

1. The fully loaded Barclays Bank PLC Solo-consolidated and Barclays Bank PLC sub-consolidated CET1 ratios, as are relevant for assessing against the conversion triggers in Barclays Bank PLC AT1 securities (all of which are held by Barclays PLC), were 12.6% and 16.3% respectively calculated without applying the transitional arrangements of the CRR as amended by CRR II.

2. Transitional UK leverage ratios are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.

3. Fully loaded UK leverage ratio is calculated without applying the transitional arrangements of the CRR as amended by CRR II.

4. Average UK leverage ratio uses capital based on the last day of each month in the quarter and an exposure measure for each day in the quarter.

5. Liquidity coverage ratio computed as a trailing average of the last 12 month-end ratios.

6. Net Stable Funding Ratio is computed as a trailing average of the last four spot quarter end positions.

The Barclays Bank PLC sub-consolidated group UK Leverage ratio decreased to 5.6% in the quarter (June 2023: 5.9%) due to a reduction in Tier 1 Capital of £1.3bn to £53.7bn (June 2023: £55.0bn) primarily driven by redemption of an Additional Tier 1 instrument during the quarter. Further, there was an increase in exposures of £18.4bn to £955.6bn (June 2023: £937.2bn) due to increased trading activity during the quarter.

Table 2: IFRS 9[1] – Comparison of institution's own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs

	Available capital (amounts)	30.09.23 £m	30.06.23 £m	31.03.23 £m	31.12.22 £m	30.09.22 £m
1	CET1 capital[2]	**26,129**	25,607	25,552	25,907	28,592
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**26,105**	25,581	25,494	25,571	28,230
3	Tier 1 capital[2]	**33,082**	34,546	34,440	34,139	37,026
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**33,058**	34,520	34,381	33,802	36,665
5	Total capital[2,3]	**39,349**	41,068	41,248	42,321	41,526
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**39,325**	41,042	41,190	42,004	41,229
	Risk-weighted assets (amounts)					
7	Total risk-weighted assets[2]	**206,569**	204,351	200,088	203,833	214,935
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**206,542**	204,325	200,029	203,531	214,673
	Capital ratios					
9	CET1 (as a percentage of risk exposure amount)[2]	**12.6%**	12.5%	12.8%	12.7%	13.3%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**12.6%**	12.5%	12.7%	12.6%	13.2%
11	Tier 1 (as a percentage of risk exposure amount)[2]	**16.0%**	16.9%	17.2%	16.7%	17.2%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**16.0%**	16.9%	17.2%	16.6%	17.1%
13	Total capital (as a percentage of risk exposure amount)[2,3]	**19.0%**	20.1%	20.6%	20.8%	19.3%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**19.0%**	20.1%	20.6%	20.6%	19.2%
	Leverage ratio					
	Barclays Bank PLC sub-consolidated group					
15	Leverage ratio total exposure measure	**955,650**	937,242	925,303		
16	Leverage ratio[2]	**5.6%**	5.9%	6.0%		
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**5.6%**	5.9%	6.0%		
	Barclays Bank PLC solo-consolidated					
15	Leverage ratio total exposure measure	**802,919**	790,000	780,630	742,730	838,344
16	Leverage ratio[2]	**4.1%**	4.4%	4.4%	4.6%	4.4%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**4.1%**	4.4%	4.4%	4.6%	4.4%

Notes

1. From 1 January 2018, Barclays Bank PLC elected to apply the IFRS 9 transitional arrangements of the CRR. The transitional relief on the "day 1" impact on adoption of IFRS 9 and on increases in non-defaulted provisions between "day 1" and 31 December 2019 was phased out over a 5 year period ending on 1 January 2023. On 27 June 2020, CRR was amended to extend the transitional period by two years and to introduce a new modified calculation. The transitional relief for increases in non-defaulted provisions between 1 January 2020 and the reporting date is also phased out over a 5 year period with 75% applicable for 2022; 50% for 2023; 25% for 2024 and with no transitional relief from 2025.

2. Transitional CET1 capital, RWAs and leverage ratios are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.

3. Total capital is calculated applying the transitional arrangements of the CRR as amended by CRR II included within Tier 2 capital.

Table 3: RWAs by risk type

This table shows RWAs by risk type.

	Credit risk[1]		Counterparty credit risk				Market risk		Operational risk	Total RWAs
	Std	A-IRB	Std	A-IRB	Settlement risk	CVA	Std	IMA		
As at 30.09.23	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Barclays Bank PLC	**48,693**	**66,853**	**16,518**	**15,980**	**135**	**2,140**	**8,981**	**27,198**	**20,071**	**206,569**
As at 31.12.22										
Barclays Bank PLC	48,895	71,435	15,484	15,831	53	2,465	8,241	21,401	20,028	203,833

Note

1. Credit risk RWAs of £2.5bn, relating to deferred tax assets (DTAs), have been reclassified from IRB to STD with no impact to total RWAs.

Table 4: OV1 – Overview of risk weighted exposure amounts

The table shows RWAs and minimum capital requirement by risk type and approach.

		Risk weighted exposure amounts(RWEAs)			Total own funds requirements		
		As at 30.09.23	As at 30.06.23	As at 31.12.22	As at 30.09.23	As at 30.06.23	As at 31.12.22
		£m	£m	£m	£m	£m	£m
1	Credit risk (excluding CCR)[1]	**100,581**	105,166	105,321	**8,046**	8,413	8,426
2	*Of which the standardised approach*	***42,724***	*43,013*	*43,489*	***3,418***	*3,441*	*3,480*
4	*Of which: slotting approach*	***3,905***	*4,244*	*4,292*	***312***	*340*	*343*
5	*Of which the advanced IRB (AIRB) approach*	***53,952***	*57,909*	*57,540*	***4,316***	*4,632*	*4,603*
6	Counterparty credit risk - CCR	**34,582**	34,312	33,746	**2,766**	2,745	2,700
7	*Of which the standardised approach*	***3,541***	*3,280*	*3,832*	***283***	*262*	*307*
8	*Of which internal model method*	***22,514***	*23,605*	*21,075*	***1,801***	*1,889*	*1,686*
UK 8a	*Of which exposures to a CCP*	***1,176***	*828*	*865*	***94***	*66*	*69*
UK 8b	*Of which credit valuation adjustment - CVA*	***2,140***	*2,187*	*2,465*	***171***	*175*	*197*
9	*Of which other CCR*	***5,211***	*4,413*	*5,509*	***417***	*353*	*441*
15	Settlement risk	**135**	408	53	**11**	33	4
16	Securitisation exposures in the non-trading book (after the cap)	**15,021**	14,015	15,043	**1,202**	1,121	1,203
17	*Of which SEC-IRBA approach*	***8,996***	*8,569*	*9,603*	***720***	*686*	*768*
18	*Of which SEC-ERBA (including IAA)*	***1,956***	*1,813*	*1,849*	***157***	*145*	*148*
19	*Of which SEC-SA approach*	***4,054***	*3,627*	*3,586*	***324***	*290*	*287*
UK 19a	*Of which 1250%/ deduction*	***15***	*6*	*5*	***1***	—	—
20	Position, foreign exchange and commodities risks (Market risk)	**36,179**	30,379	29,642	**2,894**	2,430	2,371
21	*Of which the standardised approach*	***8,981***	*8,211*	*8,241*	***718***	*657*	*659*
22	*Of which IMA*	***27,198***	*22,168*	*21,401*	***2,176***	*1,773*	*1,712*
UK 22a	Large exposures	**—**	—	—	**—**	—	—
23	Operational risk	**20,071**	20,071	20,028	**1,606**	1,606	1,602
UK 23a	*Of which basic indicator approach*	**—**	—	—	**—**	—	—
UK 23b	*Of which standardised approach*	***20,071***	*20,071*	*20,028*	***1,606***	*1,606*	*1,602*
UK 23c	*Of which advanced measurement approach*	**—**	—	—	**—**	—	—
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	**9,834**	9,604	9,712	**787**	768	777
25	Floor Adjustments						
29	**Total**	**206,569**	204,351	203,833	**16,525**	16,348	16,306

Note

1. Credit risk RWAs of £2.5bn relating to DTAs, have been reclassified from IRB to STD with no impact to total RWAs.

Overall RWAs increased £2.2bn to £206.6bn in the quarter (June 2023: £204.4bn) primarily due to:

- Credit risk RWAs decreased £4.6bn to £100.6bn primarily due to a decrease in business activities within CIB partially offset by an increase in foreign exchange movements due to strengthening of USD against GBP
- Securitisation RWAs increased £1.0bn to £15.0bn primarily driven by an increase in business activities
- Market risk RWAs increased £5.8bn to £36.2bn primarily driven by an increase in stressed value at risk (SVaR)

Table 5: CR8 - RWEA flow statements of credit risk exposures under the IRB approach

The total in this table shows the contribution of credit risk RWAs under the AIRB approach and will not directly reconcile to the Credit Risk AIRB RWAs in table 3.

		Three months ended 30 September 2023 £m	Nine months ended 30 September 2023 £m
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**58,466**	**57,776**
2	Asset size	(2,794)	(1,830)
3	Asset quality	(357)	353
4	Model updates	—	—
5	Methodology and policy	—	1,219
6	Acquisitions and disposals	—	—
7	Foreign exchange movements	1,405	(798)
8	Other	—	—
9	**Risk weighted exposure amount as at the end of the reporting period**	**56,720**	**56,720**

Advanced credit risk RWAs decreased £1.7bn to £56.7bn in the quarter (June 2023 : £58.5bn) driven by:

- A £2.8bn decrease in asset size primarily driven by decrease in business activities within CIB
- A £1.4bn increase as a result of foreign exchange movements primarily due to the strengthening of USD against GBP

Advanced credit risk RWAs decreased £1.1bn to £56.7bn (December 2022 : £57.8bn) driven by:

- A £1.8bn decrease in asset size primarily driven by decrease in business activities within CIB
- A £1.2bn increase in methodology and policy primarily driven by the recalibration of post model adjustment (PMA) introduced to address the IRB roadmap changes.
- A £0.8bn decrease as a result of foreign exchange movements primarily due to the strengthening of GBP against USD since December 2022

Table 6: CCR7 - RWEA flow statements of CCR exposures under the IMM

The total in this table shows the contribution of Internal Model Method (IMM) exposures to CCR RWAs (under both standardised and AIRB) and will not directly reconcile to the CCR AIRB RWAs in table 3.

		Three months ended 30 September 2023 £m	Nine months ended 30 September 2023 £m
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**23,605**	**21,075**
2	Asset size	(2,195)	1,130
3	Credit quality of counterparties	227	147
4	Model updates (IMM only)	—	—
5	Methodology and policy (IMM only)	—	363
6	Acquisitions and disposals	—	—
7	Foreign exchange movements	877	(201)
8	Other	—	—
9	**Risk weighted exposure amount as at the end of the reporting period**	**22,514**	**22,514**

IMM RWAs decreased by £1.1bn to £22.5bn in the quarter (June 2023: £23.6bn) primarily driven by reduced trading activity within CIB, partially offset by foreign exchange movements due to strengthening of USD against GBP.

IMM RWAs increased by £1.4bn to £22.5bn (December 2022: £21.1bn) primarily driven by an increase in asset size primarily due to an increase in initial margin posted to intra-group counterparties.

Table 7: MR2-B – RWA flow statements of market risk exposures under the IMA

This table shows the contribution of market risk RWAs covered by internal models (i.e. value at risk (VaR), stressed value at risk (SVaR) and incremental risk charge (IRC)).

		Three months ended 30 September 2023					
		VaR £m	SVaR £m	IRC £m	Other £m	Total RWA £m	Total own funds requirements £m
1	**RWAs at previous period end**	**5,612**	**9,263**	**4,418**	**2,875**	**22,168**	**1,774**
1a	*Regulatory adjustment[1]*	*(3,315)*	*(4,233)*	—	—	*(7,548)*	*(604)*
1b	*RWAs at the previous quarter-end (end of the day)*	*2,297*	*5,030*	*4,418*	*2,875*	*14,620*	*1,170*
2	Movement in risk levels	(47)	7,349	829	58	8,189	655
3	Model updates/changes	—	—	—	—	—	—
4	Methodology and policy	—	—	—	—	—	—
5	Acquisitions and disposals	—	—	—	—	—	—
8a	*RWAs at the end of the disclosure period (end of the day)*	*2,250*	*12,379*	*5,247*	*2,933*	*22,809*	*1,825*
8b	*Regulatory adjustment[2]*	*2,780*	*1,609*	—	—	*4,389*	*351*
8	**RWAs at the end of the disclosure period**	**5,030**	**13,988**	**5,247**	**2,933**	**27,198**	**2,176**

Notes

1. Row 1a reflects the difference between reported RWA (row 1) and the relevant spot measure (row 1b) for the previous period.
2. Row 8b reflects the difference between the relevant spot measure (row 8a) and reported RWA (row 8) for the current period.

Modelled Market risk RWAs increased by £5.0bn to £27.2bn in the quarter (June 2023: £22.2bn) primarily driven by SVaR.

		Nine months ended 30 September 2023					
		VaR £m	SVaR £m	IRC £m	Other £m	Total RWA £m	Total own funds requirements £m
1	**RWAs at previous period end**	**6,207**	**9,575**	**2,786**	**2,833**	**21,401**	**1,712**
1a	*Regulatory adjustment[1]*	*(3,496)*	*(4,438)*	*(33)*	—	*(7,967)*	*(637)*
1b	*RWAs at the previous quarter-end (end of the day)*	*2,711*	*5,137*	*2,753*	*2,833*	*13,434*	*1,075*
2	Movement in risk levels	(461)	7,242	2,494	100	9,375	750
3	Model updates/changes	—	—	—	—	—	—
4	Methodology and policy	—	—	—	—	—	—
5	Acquisitions and disposals	—	—	—	—	—	—
8a	*RWAs at the end of the disclosure period (end of the day)*	*2,250*	*12,379*	*5,247*	*2,933*	*22,809*	*1,825*
8b	*Regulatory adjustment[2]*	*2,780*	*1,609*	—	—	*4,389*	*351*
8	**RWAs at the end of the disclosure period**	**5,030**	**13,988**	**5,247**	**2,933**	**27,198**	**2,176**

Notes

1. Row 1a reflects the difference between reported RWA (row 1) and the relevant spot measure (row 1b) for the previous period.
2. Row 8b reflects the difference between the relevant spot measure (row 8a) and reported RWA (row 8) for the current period.

Modelled market risk RWAs increased by £5.8bn to £27.2bn (December 2022: £21.4bn) primarily driven by SVaR and IRC, partially offset by a reduction in VaR.

Table 8: LIQ1 - Liquidity Coverage Ratio

This table shows the level and components of the Liquidity Coverage Ratio (LCR).

LIQ1 - Liquidity coverage ratio (average)

		Total unweighted value (average)				Total weighted value (average)			
		30.09.23	30.06.23	31.03.23	31.12.22	30.09.23	30.06.23	31.03.23	31.12.22
	Number of data points used in calculation of averages[1]	12	12	12	12	12	12	12	12
High-quality liquid assets		£m	£m	£m	£m	£m	£m	£m	
1	Total high-quality liquid assets (HQLA)					**211,673**	212,767	211,630	205,518
Cash outflows									
2	**Retail deposits and deposits from small business customers, of which:**	**30,068**	29,845	29,188	27,676	**3,369**	3,421	3,432	3,347
3	*Stable deposits*	***724***	*727*	*732*	*736*	***36***	*36*	*37*	*37*
4	*Less stable deposits*	***19,991***	*20,352*	*20,481*	*20,088*	***3,332***	*3,385*	*3,395*	*3,310*
5	**Unsecured wholesale funding, of which:**	**202,360**	210,283	216,493	217,643	**108,999**	114,379	119,207	120,433
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	***57,911***	*58,957*	*59,191*	*58,302*	***14,304***	*14,565*	*14,622*	*14,396*
7	*Non-operational deposits (all counterparties)*[2]	***136,963***	*143,692*	*149,583*	*152,300*	***87,209***	*92,179*	*96,866*	*98,996*
8	*Unsecured debt*	***7,486***	*7,634*	*7,719*	*7,041*	***7,486***	*7,635*	*7,719*	*7,041*
9	**Secured wholesale funding**					**74,814**	70,282	67,067	63,534
10	**Additional requirements, of which:**	**154,110**	155,575	156,216	154,144	**46,690**	46,784	46,553	44,355
11	*Outflows related to derivative exposures and other collateral requirements*	***18,568***	*17,446*	*16,407*	*14,562*	***14,603***	*14,013*	*13,279*	*11,766*
12	*Outflows related to loss of funding on debt products*	***4,328***	*4,759*	*4,726*	*4,757*	***4,328***	*4,759*	*4,726*	*4,757*
13	*Credit and liquidity facilities*	***131,214***	*133,370*	*135,083*	*134,825*	***27,759***	*28,012*	*28,548*	*27,832*
14	**Other contractual funding obligations**	**7,827**	7,646	7,760	7,289	**7,136**	6,954	7,066	6,626
15	**Other contingent funding obligations**	**68,937**	67,347	66,546	64,317	**3,883**	3,828	3,783	3,646
16	**Total cash outflows**					**244,891**	245,648	247,108	241,940
Cash inflows									
17	**Secured lending (e.g. reverse repos)**	**618,610**	599,476	588,741	575,991	**72,617**	68,822	66,516	63,018
18	**Inflows from fully performing exposures**	**22,078**	21,718	21,093	19,975	**19,125**	18,596	18,050	17,017
19	Other cash inflows[3]	**12,316**	12,007	11,543	11,188	**9,526**	9,048	8,604	8,364
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					—	—	—	—
UK-19b	(Excess inflows from a related specialised credit institution)					—	—	—	—
20	**Total cash inflows**	**653,004**	633,201	621,377	607,154	**101,268**	96,466	93,170	88,399
UK-20a	*Fully exempt inflows*								
UK-20b	*Inflows subject to 90% cap*								
UK-20c	*Inflows subject to 75% cap*	***550,771***	*530,036*	*516,619*	*499,416*	***101,268***	*96,466*	*93,170*	*88,399*
UK-21	**Liquidity buffer**					**211,673**	212,767	211,630	205,518
22	**Total net cash outflows**					**143,623**	149,182	153,938	153,542
23	**Liquidity coverage ratio (%) (average)**					**148 %**	143 %	138 %	134 %

Notes

1. The Liquidity Coverage Ratio is computed as a trailing average of the last 12 month-end ratios.

2. Non-operational deposits in row 7 also include excess operational deposits as defined in the PRA Rulebook (Liquidity Coverage Ratio - CRR) Article 27(4).

3. Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there is transfer restrictions or which are denominated in non-convertible currencies.

Table 8: LIQ1 - Liquidity Coverage Ratio (continued)

The average LCR for the 12 months to 30 September 2023 was 148% (June 2023: 143%), equivalent to a surplus of £68bn (June 2023: £64bn) above the 100% regulatory requirement. The decrease in net cash outflows is driven by a decrease in non-operational deposit balances and lower business consumption.

The composition of the liquidity pool is subject to limits set by the Board and the independent liquidity risk, credit risk and market risk functions. In addition, the investment of the liquidity pool is monitored for concentration risk by issuer, currency and asset type. Given the returns generated by these highly liquid assets, the risk and reward profile is continuously managed.

The strong deposit franchise is a primary funding source for Barclays Bank PLC. Barclays Bank PLC continued to issue in the shorter-term markets and maintained active medium-term note programmes. This funding capacity enables Barclays Bank PLC to maintain its stable and diversified funding base.

Barclays Bank PLC also supports various central bank monetary initiatives, such as the Bank of England's Term Funding Scheme with additional incentives for SMEs (TFSME). These are reported under 'repurchase agreements and other similar secured borrowing' on the balance sheet.