Barclays Bank Ireland PLC

Interim Pillar 3 Report

30 June 2023

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Foreword

Section 10.1 of the Basel Committee on Banking Supervision's Basel Framework introduces disclosure requirements for banks as follows:

The provision of meaningful information about common key risk metrics to market participants is a fundamental tenet of a sound banking system. It reduces information asymmetry and helps promote comparability of banks' risk profiles within and across jurisdictions.

Pillar 3 of the Basel Framework aims to promote market discipline through regulatory disclosure requirements. These requirements enable market participants to access key information relating to a bank's regulatory capital and risk exposures in order to increase transparency and confidence about a bank's exposure to risk and the overall adequacy of its regulatory capital.

These disclosure requirements have been implemented into legislation through Part 8 of the Capital Requirements Regulation (CRR).

Barclays Bank Ireland PLC

Barclays Bank Ireland PLC (the 'Bank', 'BBI' or 'Company') is a wholly owned subsidiary of Barclays Bank PLC (BB PLC). BB PLC is a wholly owned subsidiary of Barclays PLC (B PLC). The consolidation of B PLC and its subsidiaries is referred to as the Barclays Group. The term Barclays refers to either B PLC or, depending on the context, the Barclays Group as a whole.

The Bank is licensed as a credit institution by the Central Bank of Ireland (CBI) and is designated as a significant institution, directly supervised by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB). The Bank is regulated by the CBI for financial conduct and the Bank's branches are also subject to direct supervision for local conduct purposes by national supervisory authorities in the jurisdictions where they are established.

The Bank is the primary legal entity within the Barclays Group serving its European Economic Area (EEA) clients, with branches in Belgium, France, Germany, Italy, Luxembourg, Netherlands, Portugal, Spain and Sweden, in addition to its Irish Head Office.

The Bank has two business segments, the Corporate and Investment Bank (CIB) and Consumer, Cards and Payments (CC&P). The CIB is comprised of the Corporate Banking, Investment Banking and Markets businesses, providing products and services to money managers, financial institutions, governments, supranational organisations and corporate clients to manage their funding, financing, strategic and risk management needs. CC&P is comprised of Barclays Consumer Bank Europe (CBE) and the Private Bank. Barclays CBE provides credit cards, online loans, instalment purchase financing, electronic point-of-sale financing and deposits. The Private Bank offers investment, banking and credit capabilities to meet the needs of our clients across the EEA.

Disclosure Background

Barclays Bank Ireland PLC's Pillar 3 interim disclosures for the six months ended 30 June 2023 complement those disclosed in the BBI 2023 Interim Results Announcement and provide additional information about BBI's risk profile, including its regulatory capital, minimum requirements for own funds and eligible liabilities (MREL), risk weighted exposure amounts (RWEAs), liquidity and leverage exposures for the Bank. The Pillar 3 report is prepared in accordance with the Capital Requirements Regulation and Capital Requirements Directive ('CRR' and 'CRD V', also known as the 'CRD V legislative package'). In particular, articles 431 to 455 of CRR specify the requirements of the Pillar 3 framework. The CRD V legislative package came into force on 27 June 2021. The Pillar 3 disclosures have also been prepared in accordance with the European Banking Authority's (EBA) 'Implementing Technical Standards with regards to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013', in effect at the reporting date.

The Bank is an Other-Systematically Important Institution (O-SII) and is considered as the highest level of consolidation within a member state following the end of Brexit transitional arrangements on 31 December 2020.

The Single Resolution Board (SRB) advised BBI in relation to the individual MREL requirements for both risk weighted and leverage exposures which must be met by 1 January 2024. In anticipation of this requirement, the SRB has also set interim targets for 1 January 2022 which have been met. As a material subsidiary of a non-EU Global Systemically Important Institution (G-SII), the Bank is also subject to the requirements of Article 92b of the CRR to satisfy, at all times, 90% of the requirements for own funds and eligible liabilities in Article 92a, i.e. 90% of the 18% total risk exposures requirement and 90% of the 6.75% total exposures requirement.

The IFRS 9 transitional arrangements have been extended by two years and a new modified calculation has been introduced allowing 100% relief throughout 2020 and 2021 on increases in stage 1 and stage 2 provisions from 1 January 2020 throughout 2020 and 2021; 75% in 2022; 50% in 2023; 25% in 2024 with no relief applied from 2025.

The phasing out of transitional relief on the "day 1" impact of IFRS 9 as well as increases in stage 1 and stage 2 provisions between 1 January 2018 and 31 December 2019 under the modified calculation remain unchanged and continue to be subject to 70% transitional relief throughout 2020; 50% for 2021; 25% for 2022 and with no relief applied from 2023.

Total increases in impairment allowances as a result of IFRS 9, net of tax, decreases shareholders' equity through retained earnings and decreases standardised RWEAs due to the increase in impairment being offset against the standardised Credit Risk exposures. This is somewhat reversed by the transitional relief applied on eligible impairment.

Since 1st July 2022, the Bank measures all of its Credit Risk exposures under the standardised approach following the removal of the temporary tolerance to use the advanced Internal Ratings-Based (IRB) approach. The IFRS 9 transitional capital arrangements were consequently adjusted as if the Bank has never been allowed to use IRB models. Until 30 June 2022, separate calculations were being performed for standardised and advanced IRB portfolios, reflecting the different ways these frameworks take account of provisions.

The Pillar 3 disclosures have also been prepared in accordance with Part Eight of the CRR in effect at the reporting date and Commission Delegated Regulation (EU) 2021/637, published in April 2021, which prescribes the format of the quantitative templates disclosed in this report. The disclosures included in this report reflect the Bank's interpretation of the current rules and guidance.

Implementing Regulation (EU) 2021/637 has been amended (by Implementing Regulation (EU) 2022/2453 of 30 November 2022) (the 'ITS') to set additional uniform disclosure formats and associated instructions for the disclosure of ESG risks as required by article 449a of CRR. Article 449a of CRR requires large institutions with securities traded on a regulated market of any member state to disclose prudential information on ESG risks, including physical risks and transition risks. This article applies to the Bank.

BBI's approach to managing risk is described within its 2022 Pillar 3 year-end disclosures.

Table 1: KM1 - Key metrics

This table shows key regulatory metrics and ratios as well as related components such as own funds, risk-weighted exposure amounts (RWEAs), 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.

		a	b	c	d	e
		As at 30.06.23	As at 31.03.23	As at 31.12.22	As at 30.09.22	As at 30.06.22
		€m	€m	€m	€m	€m
Available own funds (amounts)[a]						
1	Common Equity Tier 1 (CET1) capital	**5,929**	5,797	5,887	5,192	5,242
2	Tier 1 capital	**6,734**	6,602	6,692	5,997	6,047
3	Total capital	**7,929**	7,797	7,887	7,192	6,935
Risk-weighted exposure amounts[a]						
4	Total risk-weighted exposure amount	**35,457**	35,561	35,216	37,611	31,683
Capital ratios (as a percentage of risk-weighted exposure amount)[a]						
5	Common Equity Tier 1 ratio (%)	**16.7 %**	16.3 %	16.7 %	13.8 %	16.5 %
6	Tier 1 ratio (%)	**19.0 %**	18.6 %	19.0 %	15.9 %	19.1 %
7	Total capital ratio (%)	**22.4 %**	21.9 %	22.4 %	19.1 %	21.9 %
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	**3.0 %**	3.0 %	3.3 %	3.3 %	3.3 %
EU 7b	of which: to be made up of CET1 capital (%)	**1.7 %**	1.7 %	1.9 %	1.9 %	1.9 %
EU 7c	of which: to be made up of Tier 1 capital (%)	**2.3 %**	2.3 %	2.5 %	2.5 %	2.5 %
EU 7d	Total SREP own funds requirements (%)	**11.0 %**	11.0 %	11.3 %	11.3 %	11.3 %
Combined buffer and overall capital 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 (%)	**0.6 %**	0.4 %	0.2 %	0.1 %	0.1 %
EU 10a	Other Systemically Important Institution buffer (%)	**1.0 %**	1.0 %	1.0 %	1.0 %	1.0 %
11	Combined buffer requirement (%)	**4.1 %**	3.9 %	3.7 %	3.6 %	3.6 %
EU 11a	Overall capital requirements (%)	**15.1 %**	14.9 %	15.0 %	14.9 %	14.9 %
12	CET1 available after meeting the total SREP own funds requirements (%)	**10.5 %**	10.1 %	10.4 %	7.4 %	10.2 %
Leverage ratio[a]						
13	Total exposure measure	**133,305**	130,749	114,408	128,178	119,041
14	Leverage ratio (%)	**5.1 %**	5.1 %	5.8 %	4.7 %	5.1 %
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14c	Total SREP leverage ratio requirements (%)	**3.0 %**	3.0 %	3.0 %	3.0 %	3.0 %
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)						
EU 14e	Overall leverage ratio requirement (%)	**3.0 %**	3.0 %	3.0 %	3.0 %	3.0 %
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	**29,391**	28,215	27,269	26,297	25,890
EU 16a	Cash outflows - Total weighted value	**22,333**	21,565	21,258	21,706	22,094
EU 16b	Cash inflows - Total weighted value	**4,962**	4,831	4,817	5,775	6,601
16	Total net cash outflows (adjusted value)	**17,371**	16,733	16,441	15,930	15,493
17	Liquidity coverage ratio (%) (average)	**169 %**	169 %	166 %	165 %	167 %
17a	Liquidity coverage ratio (%) (spot)	**176 %**	181 %	194 %	163 %	157 %
Net Stable Funding Ratio						
18	Total available stable funding	**38,588**	32,919	34,178	31,509	30,380
19	Total required stable funding	**26,963**	21,327	22,949	22,445	20,907
20	NSFR ratio (%)	**143 %**	154 %	149 %	140 %	145 %

Note:
a. Transitional Capital, RWEAs and leverage ratio calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.

The CET1 ratio remained stable at 16.7% (December 2022: 16.7%). CET1 capital remained stable at €5.9bn (December 2022: €5.9bn) while RWEAs increased €0.2bn to €35.4bn (December 2022: €35.2bn). The RWEA increase in primarily due to an increase in market and credit risk, partially offset by a decrease in counterparty credit risk.

Table 2: CC1 – Composition of regulatory own funds

This table shows the components of regulatory capital presented on both a transitional and fully loaded basis.

		a			b	
		As at 30 June 2023		As at 31 December 2022		
		Transitional position	Fully loaded position	Transitional position	Fully loaded position	
		€m	€m	€m	€m	Ref[†]
Common Equity Tier 1 (CET1) capital: instruments and reserves						
1	Capital instruments and the related share premium accounts	4,022	4,022	3,872	3,872	a
1a	of which called up share capital and share premium	4,022	4,022	3,872	3,872	
2	Retained earnings	2,110	2,110	115	115	b
3	Accumulated other comprehensive income (and other reserves)	(284)	(284)	1,628	1,628	c
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend [1]	137	137	101	101	b
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	5,984	5,984	5,715	5,715	
Common Equity Tier 1 (CET1) capital: regulatory adjustments						
7	Additional value adjustments (negative amount)	(102)	(102)	(71)	(71)	
8	Intangible assets (net of related tax liability) (negative amount)	(31)	(31)	(42)	(42)	d
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	206	206	211	211	c
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	33	33	15	15	c
15	Defined-benefit pension fund assets (negative amount)	(4)	(4)	(4)	(4)	e
27a	Other regulatory adjustments[2]	(157)	(180)	63	(24)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(56)	(79)	172	85	
29	**Common Equity Tier 1 (CET1) capital**	5,929	5,905	5,887	5,800	
Additional Tier 1 (AT1) capital: instruments						
30	Capital instruments and the related share premium accounts	805	805	805	805	f
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	805	805	805	805	
Additional Tier 1 (AT1) capital: regulatory adjustments						
44	**Additional Tier 1 (AT1) capital**	805	805	805	805	
45	**Tier 1 capital (T1 = CET1 + AT1)**	6,734	6,710	6,692	6,605	
Tier 2 (T2) capital: instruments						
46	Capital instruments and the related share premium accounts	1,195	1,195	1,195	1,195	g
51	**Tier 2 (T2) capital before regulatory adjustments**	1,195	1,195	1,195	1,195	
Tier 2 (T2) capital: regulatory adjustments						
58	**Tier 2 (T2) capital**	1,195	1,195	1,195	1,195	
59	**Total capital (TC = T1 + T2)**	7,929	7,905	7,887	7,800	
60	**Total risk exposure amount**	35,457	35,433	35,216	35,129	
Capital ratios and requirements including buffers						
61	Common Equity Tier 1 capital	16.7 %	16.7 %	16.7 %	16.5 %	
62	Tier 1 capital	19.0 %	18.9 %	19.0 %	18.8 %	
63	Total capital	22.4 %	22.3 %	22.4 %	22.2 %	
64	Institution CET1 overall capital requirements	10.3 %	10.3 %	10.0 %	10.0 %	
65	of which: capital conservation buffer requirement	2.5 %	2.5 %	2.5 %	2.5 %	
66	of which: countercyclical capital buffer requirement	0.6 %	0.6 %	0.2 %	0.2 %	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	1.0 %	1.0 %	1.0 %	1.0 %	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.7 %	1.7 %	1.9 %	1.9 %	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	10.5 %	10.5 %	10.4 %	10.2 %	
Amounts below the thresholds for deduction (before risk weighting)						
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)[3]	237	237	218	218	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	95	95	94	94	
Applicable caps on the inclusion of provisions in Tier 2						
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	306	306	305	305	

Notes:

† The references (a) - (g) identify balance sheet components in Table 3: CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements on page 8 which are used in the calculation of regulatory capital.

1. Net of AT1 coupon accrual of €3mn as foreseeable charges or dividends must be deducted from statutory current year profit for regulatory purposes (per CRR Article 26(2))
2. Other regulatory adjustments include IFRS9 transitional relief.
3. Direct and indirect holdings of own funds and eligible liabilities as at 31 December 2022 were re-stated to include €64m of holdings of eligible liabilities subject to deduction in accordance with Article 72i CRR.

Table 3: CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

This table shows that the balance sheet prepared for statutory and regulatory scope of consolidation are the same. The amounts shown are not a risk weighted asset measure; they are based on an accounting measure and cannot be directly reconciled to other tables in this report.

		Ref †	Accounting balance sheet per published financial statements and per regulatory scope of consolidation	
			As at 30 June 2023	As at 31 December 2022
			€m	€m
	Assets			
1	Cash and balances at central banks		**29,219**	30,540
2	Cash collateral and settlement balances		**22,544**	18,540
3	Debt securities at amortised cost		**1,697**	87
4	Loans and advances at amortised cost to banks		**1,337**	1,412
5	Loans and advances at amortised cost to customers		**13,799**	13,861
6	Reverse repurchase agreements and other similar secured lending		**1,772**	1,764
7	Trading portfolio assets		**13,388**	7,700
8	Financial assets at fair value through the income statement		**31,070**	17,216
9	Derivative financial instruments		**36,978**	40,439
10	Goodwill and intangible assets		**56**	59
10a	Of which: other intangibles (excluding MSRs)	d	**56**	59
11	Property, plant and equipment		**135**	114
12	Current tax assets		**3**	1
13	Deferred tax assets		**208**	206
14	Retirement benefit assets	e	**4**	4
15	Other assets		**368**	591
16	**Total assets**		**152,578**	132,534
	Liabilities			
1	Deposits from banks		**3,665**	3,628
2	Deposits from customers		**29,780**	25,793
3	Cash collateral and settlement balances		**27,894**	24,684
4	Repurchase agreements and other similar secured borrowing		**2,937**	2,964
5	Debt securities in issue		**2,266**	3,139
6	Subordinated liabilities	g	**4,831**	4,679
7	Trading portfolio liabilities		**17,081**	12,872
8	Financial liabilities designated at FV		**27,779**	14,858
9	Derivative financial instruments		**28,674**	32,494
10	Current tax liabilities		**68**	53
11	Deferred tax liabilities		**1**	1
12	Retirement benefit liabilities		**12**	12
13	Other liabilities		**702**	743
14	Provisions		**95**	99
15	**Total liabilities**		**145,785**	126,019
	Total Equity			
1	Called up share capital and share premium		**4,022**	3,872
1a	Of which: amount eligible for CET1	a	**4,022**	3,872
2	Other equity instruments	f	**805**	805
3	Other reserves	c	**(284)**	(271)
4	Retained earnings	b	**2,250**	2,109
5	Total equity excluding non-controlling interest		**6,793**	6,515
6	**Total equity**		**6,793**	6,515
	Total liability and equity		**152,578**	132,534

Notes:
† The references (a) – (g) identify balance sheet components that are used in the calculation of regulatory capital in Table 2: CC1 – Composition of regulatory own funds on page 7.

Table 4: IFRS 9[a] – Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous expected credit losses (ECLs)

		As at 30.06.23	As at 31.03.23	As at 31.12.22	As at 30.09.22	As at 30.06.22
		€m	€m	€m	€m	€m
Available capital (amounts)						
1	CET1 capital[b]	**5,929**	5,797	5,887	5,192	5,242
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**5,905**	5,766	5,800	5,110	5,202
3	Tier 1 capital[b]	**6,734**	6,602	6,692	5,997	6,047
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**6,710**	6,571	6,605	5,915	6,007
5	Total capital[b]	**7,929**	7,797	7,887	7,192	6,935
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**7,905**	7,766	7,800	7,110	6,902
Risk-weighted exposure amounts (RWEAs)						
7	Total RWEAs [b]	**35,457**	35,561	35,216	37,611	31,683
8	Total RWEAs as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**35,433**	35,530	35,129	37,529	31,648
Capital ratios						
9	CET 1 (as a percentage of risk exposure amounts)[b]	**16.7 %**	16.3 %	16.7%	13.8%	16.5%
10	CET 1 (as a percentage of risk exposure amounts) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**16.7 %**	16.2 %	16.5%	13.6%	16.4%
11	Tier 1 (as a percentage of risk exposure amounts)[b]	**19.0 %**	18.6 %	19.0%	15.9%	19.1%
12	Tier 1 (as a percentage of risk exposure amounts) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**18.9 %**	18.5 %	18.8%	15.8%	19.0%
13	Total capital (as a percentage of risk exposure amounts)[b]	**22.4 %**	21.9 %	22.4%	19.1%	21.9%
14	Total capital (as a percentage of risk exposure amounts) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**22.3 %**	21.9 %	22.2%	18.9%	21.8%
Leverage ratio						
15	Leverage ratio total exposure measure[b]	**133,305**	130,749	114,408	128,178	119,041
16	Leverage ratio[b]	**5.1 %**	5.1 %	5.8%	4.7%	5.1%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	**5.0 %**	5.0 %	5.8%	4.6%	5.0%

Notes:

a. From 1 January 2018, the Bank 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.

b. Transitional Capital, RWEAs, leverage ratio and leverage ratio total exposure measure are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.

Table 5: Risk-weighted exposure amounts by risk type

This table shows RWAs by risk type.

	Credit risk		Counterparty credit risk (CCR)					Securitisation risk		Market risk		Operational risk	
	Std	A-IRB	Std	A-IRB	Central clearing counterparty (CCP)[a]	Settlement risk	Credit valuation adjustment (CVA)	Std	A-IRB	Std	IMA	TSA	Total RWEAs
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
As at 30 June 2023	17,211	—	7,625	—	54	19	693	46	—	6	7,483	2,320	35,457
As at 31 December 2022	16,928	—	8,046	—	25	32	1,601	43	—	39	6,182	2,320	35,216

Note:
a. Risk exposure amount for contributions to the default fund of a CCP.

Table 6: OV1 - Overview of risk-weighted exposure amounts

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

		Total risk exposure amounts (TREA)			Total own funds requirements		
		a	b		c		
		As at 30.06.23	As at 31.03.23	As at 31.12.22	As at 30.06.23	As at 31.03.23	As at 31.12.22
		€m	€m	€m	€m	€m	€m
1	**Credit risk (excluding CCR)**	**17,211**	18,105	16,928	**1,377**	1,448	1,354
2	Of which the standardised approach	**17,211**	18,105	16,928	**1,377**	1,448	1,354
6	**Counterparty credit risk - CCR**	**8,372**	7,573	9,672	**669**	606	773
7	Of which the standardised approach	**677**	487	317	**54**	39	25
8	Of which internal model method (IMM)	**6,229**	5,797	6,832	**498**	465	547
EU 8a	Of which exposures to a CCP	**83**	93	51	**7**	7	4
EU 8b	Of which credit valuation adjustment (CVA)	**693**	604	1,601	**55**	48	128
9	Of which other CCR	**690**	592	871	**55**	47	69
15	**Settlement risk**	**19**	15	32	**2**	1	3
16	**Securitisation exposures in the non-trading book (after the cap)**	**46**	45	43	**4**	4	3
19	Of which SEC-SA approach	**46**	45	43	**4**	4	3
20	**Position, foreign exchange and commodities risks (Market risk)**	**7,489**	7,503	6,221	**599**	600	498
21	Of which the standardised approach	**6**	12	39	**—**	1	3
22	Of which IMA	**7,483**	7,491	6,182	**599**	599	495
23	**Operational risk**	**2,320**	2,320	2,320	**186**	186	186
EU 23b	Of which standardised approach	**2,320**	2,320	2,320	**186**	186	186
24	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**237**	237	235	**19**	19	19
29	**Total**	**35,457**	35,561	35,216	**2,837**	2,845	2,817

Overall RWEAs increased by €0.3bn to €35.5bn (31 December 2022: €35.2bn).

- Credit risk RWEAs increased by €0.3bn to €17.2bn (31 December 2022: €16.9bn) primarily driven by reduction of guarantees and lending activities increase in Corporate and Investment Banking.
- Counterparty credit risk RWEAs decreased by €1.3bn to €8.4bn (31 December 2022: €9.7bn) primarily driven by an increase in collateral posted, increase in maturity of equity swaps trades and holding collateral for derivatives.
- Market risk RWEAs increased by €1.3bn to €7.5bn (31 December 2022: €6.2bn) primarily driven by an increase in Incremental Risk Charge (IRC) of €0.8bn and an increase in Stressed Value at Risk (SVaR) of €0.5bn in H1'23, which are a result of increased risk taking activity, mainly from the Rates business.

Table 7: CCR7 - RWEA flow statements of CCR exposures under the IMM

The total in this table shows the contribution of Internal Model Method (IMM) exposures (excluding central clearing counterparties) to CCR RWEAs.

		a	
		RWEA	
		Three months ended 30 June 2023	Six months ended 30 June 2023
		€m	€m
1	**RWEA as at the end of the previous reporting period**	**5,797**	**6,832**
2	Asset size	**449**	**(627)**
3	Credit quality of counterparties	**(152)**	**(174)**
7	Foreign exchange movements	**135**	**198**
9	**RWEA as at the end of the reporting period**	**6,229**	**6,229**

Three months Internal Model Method RWEAs increased by €0.4bn to €6.2bn primarily driven by:

• €449m increase in asset size primarily due to increase in SFTs trading activities partially offset by derivatives portfolio run off.

• €(152)m decrease in credit quality of counterparties due to a change in risk weights from 100% to 50% upon a credit rating improvement.

Six months Internal Model Method RWEAs decreased by €0.6bn to €6.2bn primarily driven by:

• €(627)m decrease in asset size primarily due to decrease in derivatives trading activities partially offset by an increase in SFTs for Repo and Reverse-Repo trades.

• €(174)m decrease in credit quality of counterparties due to a change in risk weights from 100% to 50% upon a credit rating improvement.

Table 8: MR2-B - RWEAs flow statement of market risk exposures under the IMA

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

		a	b	c	e	f	g
		Three months ended 30 June 2023					
		VaR	SVaR	IRC	Other	Total RWEAs	Total own funds requirements
		€m	€m	€m	€m	€m	€m
1	**RWEAs at the end of the previous period end**	**1,268**	**3,999**	**1,371**	**853**	**7,491**	**599**
1a	*Regulatory adjustment*[a]	(771)	(3,347)	(440)	—	(4,558)	(364)
1b	*RWEAs at the previous quarter-end (end of the day)*	497	652	931	853	2,933	235
2	Movement in risk levels	(292)	367	443	(25)	493	39
8a	*RWEAs at the end of the disclosure period (end of the day)*	205	1,019	1,374	828	3,426	274
8b	*Regulatory adjustment*[b]	1,189	2,868	—	—	4,057	325
8	**RWEAs at the end of the disclosure period**	**1,394**	**3,887**	**1,374**	**828**	**7,483**	**599**

Modelled market risk RWEAs remained stable at €7.5bn (March 2023: €7.5bn).

		a	b	c	e	f	g
		Six months ended 30 June 2023					
		VaR	SVaR	IRC	Other	Total RWEAs	Total own funds requirements
		€m	€m	€m	€m	€m	€m
1	**RWEAs at the end of the previous period end**	**1,281**	**3,412**	**616**	**873**	**6,182**	**495**
1a	Regulatory adjustment[a]	(921)	(2,531)	(160)	—	(3,612)	(289)
1b	RWEAs at the previous quarter-end (end of the day)	360	881	456	873	2,570	206
2	Movement in risk levels	(155)	138	918	(45)	856	68
8a	*RWEAs at the end of the disclosure period (end of the day)*	205	1,019	1,374	828	3,426	274
8b	*Regulatory adjustment*[b]	1,189	2,868	—	—	4,057	325
8	**RWEAs at the end of the disclosure period**	**1,394**	**3,887**	**1,374**	**828**	**7,483**	**599**

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

Modelled market risk RWEAs increased by €1.3bn to €7.5bn (December 2022: €6.2bn), primarily driven by an increase in Incremental Risk Charge (IRC) of €0.8bn and an increase in Stressed Value at Risk (SVaR) of €0.5bn in H1'23, which are a result of increased risk taking activity, mainly in the Rates business.

Leverage ratio and exposures

BBI is required to disclose a Capital Requirements Regulation (CRR) leverage ratio, which is based on the end point CRR definition of tier 1 capital and the CRR definition of leverage exposure.

The following leverage tables show the components of the leverage ratio using the CRR II definition for the leverage exposure and Tier 1 capital as at 30 June 2023[1].

This disclosure has been prepared using the format set out in Annex XI and XII of the final 'Implementing technical standards with regard to disclosure of the leverage ratio for institutions (Commission implementing regulation-EU 2021/637)'.

Table 9: LR1 - Summary of reconciliation of accounting assets and leverage ratio exposures

		a	
		Applicable amount	
		As at 30 June 2023	As at 31 December 2022
		€m	€m
1	Total assets as per published financial statements	**152,578**	132,534
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))[a]	**—**	–
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	**(10,735)**	(7,539)
8	Adjustments for derivative financial instruments	**(16,468)**	(18,845)
9	Adjustment for securities financing transactions (SFTs)	**1,233**	1,286
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)[b]	**16,728**	16,436
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)[c]	**(137)**	(117)
12	Other adjustments[d]	**(9,894)**	(9,347)
13	**Total exposure measure**	**133,305**	114,408

Notes:
1. Capital and leverage measures are calculated applying the transitional arrangements of the CRR as amended by CRR II.

a. The exposure exemptions to coins and bank notes constituting legal currency in the jurisdiction of the central bank and assets representing claims on the central bank, including reserves held at the central bank in accordance with point (n) of Article 429a(1) CRR were removed from 1st April 2022 and therefore excluded as at 31 December 2022 and 30 June 2023.

b. As at 30 June 2023, the adjustment for off-balance sheet items excludes certain off-balance sheet provisions of €(35)m (December 2022: €(46)m).

c. As at 30 June 2023, adjustments which have reduced Tier 1 capital includes certain off-balance sheet provisions of €(35)m and adjustments of €(102)m due to the requirements for prudent valuation (31 December 2022: €(46)m and €(71)m).

d. As at 30 June 2023, other adjustments exclude adjustments of €(102)m due to the requirements for prudent valuation (December 2022: €(71)m).

Total leverage exposure measure increased by €18.9bn to €133.3bn driven by trading portfolio assets and securities financing exposures due to increased client demand and trading activity.

Leverage (continued)

Table 10: LR2 - Leverage ratio common disclosure

This table shows the leverage ratio calculation and includes additional breakdowns for the leverage exposure measure.

		a	b
		CRR leverage ratio exposures	
		As at 30 June 2023	As at 31 December 2022
		€m	€m
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)[a]	**73,614**	67,363
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	**(6,888)**	(5,111)
6	(Asset amounts deducted in determining Tier 1 capital)	**(116)**	(31)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**66,610**	62,221
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	**13,381**	14,188
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	**15,170**	15,967
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)[b]	**(11,469)**	(13,599)
11	Adjusted effective notional amount of written credit derivatives	**29,234**	46,618
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**(28,753)**	(45,855)
13	**Total derivative exposures**[b]	**17,563**	17,319
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	**61,407**	44,188
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**(30,157)**	(26,995)
16	Counterparty credit risk exposure for SFT assets	**1,233**	1,286
18	**Total securities financing transaction exposures**	**32,483**	18,479
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	**39,800**	38,744
20	(Adjustments for conversion to credit equivalent amounts)[c]	**(23,073)**	(22,309)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)[d]	**(35)**	(46)
22	**Off-balance sheet exposures**	**16,692**	16,389
Excluded exposures			
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	**(43)**	—
EU-22k	**(Total exempted exposures)**	**(43)**	—
Capital and total exposure measure			
23	Tier 1 capital	**6,734**	6,692
24	**Total exposure measure**	**133,305**	114,408
Leverage ratio			
25	**Leverage ratio (%)**	**5.1 %**	5.8 %
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	**5.1 %**	5.8 %
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	**5.1 %**	5.8 %
26	Regulatory minimum leverage ratio requirement (%)	**3.0 %**	3.0 %
EU-27a	Overall leverage ratio requirement (%)	**3.0 %**	3.0 %
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	**Transitional**	Transitional

Table 10: LR2 - Leverage ratio common disclosure (continued)

		a	b
		CRR leverage ratio exposures	
		As at 30 June 2023	As at 31 December 2022
		€m	€m
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	**39,389**	31,779
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	**31,250**	17,192
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	**141,444**	128,995
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	**141,444**	128,995
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	**4.8 %**	5.2 %
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	**4.8 %**	5.2 %

Notes:

a. As at 30 June 2023, on-balance sheet exposures exclude initial margin of €(2,947)m (31 December 2022: €(4,275)m).

b. As at 30 June 2023, derivative exposures include initial margin of €(2,947)m (31 December 2022: €(4,275)m).

c. As at 30 June 2023, adjustments for conversion to credit equivalent amounts exclude certain off-balance sheet provisions of €(35)m (31 December 2022: €(46)m).

d. As at 30 June 2023, general provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures include certain off-balance sheet provisions of €(35)m (31 December 2022: €(46)m).

The decrease in the CRR leverage ratio was driven by a €18.9bn increase in the leverage exposure partially offset by a €42m increase in tier 1 capital.

Total leverage exposure measure increased by €18.9bn to €133.3bn driven by trading portfolio assets and securities financing exposures due to increased client demand and trading activity.

Table 11: LR3 - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)[a]

This table shows a breakdown of the on-balance sheet exposures excluding derivatives, SFTs and exempted exposures, by asset class.

		a	
		CRR leverage ratio exposures	
		As at 30 June 2023	As at 31 December 2022
		€m	€m
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	**63,235**	57,174
EU-2	Trading book exposures	**15,561**	9,489
EU-3	Banking book exposures, of which:	**47,674**	47,685
EU-4	Covered bonds	**—**	—
EU-5	Exposures treated as sovereigns	**31,403**	30,850
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	**160**	172
EU-7	Institutions	**1,196**	1,689
EU-8	Secured by mortgages of immovable properties	**4,432**	4,655
EU-9	Retail exposures	**4,512**	4,551
EU-10	Corporates	**4,940**	4,697
EU-11	Exposures in default	**313**	308
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	**718**	763

Note:
a. Leverage measures are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.

Total exposure increased by €6.1bn to €63.2bn driven by trading portfolio assets due to increased client demand and trading activity.

Minimum Requirement for own funds and Eligible Liabilities (MREL)

Table 12: iLAC - Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs

The Bank is a material subsidiary of a Non-EU Globally Systemic International Institution (G-SII), i.e. the Barclays Group, therefore it is subject to Article 92b of the Capital Requirements Regulation to satisfy at all times 90% of the own funds and eligible liabilities requirement in Article 92a. This requirement is applicable on an individual basis.

The Single Resolution Board (SRB) has set an Internal MREL requirement for the Bank, effective from 1 January 2024. As at the reference date of this document, the Bank is on course to meet these requirements. The SRB has also set an interim Internal MREL requirement, effective from 1 January 2022, which has been met.

		a	b		
		As at 30 June 2023		As at 31 December 2022	
		Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)	Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII requirement for own funds and eligible liabilities (internal TLAC)
		€m	€m	€m	€m
Own funds and eligible liabilities[a]					
EU-3	Common Equity Tier 1 capital (CET1)	**5,929**	**5,929**	5,887	5,887
EU-4	Eligible Additional Tier 1 instruments	**805**	**805**	805	805
EU-5	Eligible Tier 2 instruments	**1,195**	**1,195**	1,195	1,195
EU-6	Eligible own funds[b]	**7,929**	**7,929**	7,887	7,887
EU-7	Eligible liabilities	**3,625**	**3,625**	3,475	3,475
EU-9b	Own funds and eligible liabilities items after adjustments[b]	**11,554**	**11,554**	11,362	11,362
Total risk exposure amount and total exposure measure[a]					
EU-10	Total risk exposure amount	**35,457**	**35,457**	35,216	35,216
EU-11	Total exposure measure	**133,305**	**133,305**	114,408	114,408
Ratio of own funds and eligible liabilities[a]					
EU-12	Own funds and eligible liabilities (as a percentage of TREA)[b]	**32.6 %**	**32.6 %**	32.3 %	32.3 %
EU-14	Own funds and eligible liabilities (as a percentage of leverage exposure)[b]	**8.7 %**	**8.7 %**	9.9 %	9.9 %
EU-16	CET1 (as a percentage of TREA) available after meeting the entity's requirements[b]	**10.5 %**	**10.5 %**	10.4 %	10.4 %
EU-17	Institution-specific combined buffer requirement		**4.1 %**		3.7 %
Requirements					
EU-18	Requirement expressed as a percentage of the total risk exposure amount[b]	**20.5 %**	**16.2 %**	20.5 %	16.2 %
EU-20	Internal MREL expressed as percentage of the total exposure measure[b]	**5.9 %**	**6.1 %**	5.9 %	6.1 %
Memorandum items					
EU-22	Total amount of excluded liabilities referred to in Article 72a(2) CRR		**83,617**		42,186

Note:

a. Own funds included in TLAC (MREL), and RWEAs are calculated applying the IFRS9 transitional arrangements of the CRR as amended by CRR II.

b. The SRB has also set an interim Internal MREL requirement, effective from 1 January 2022, which has been met.

Table 13: TLAC2 - Creditor ranking - Entity that is not a resolution entity

This table provides information on the insolvency ranking and on the creditors' ranking in the liabilities structure, showing the distribution of liabilities across the hierarchy of claims, from own funds to the highest ranking eligible liabilities instruments. The amount attributable to each rank is further broken down into amounts owned by the resolution entity, including amounts owned directly or indirectly by the resolution entity through entities along the chain of ownership, where applicable; and other amounts not owned by the resolution entity, where applicable.

		Insolvency ranking								
		1	2	3	3	5	6	11	11	
		(Most junior)						(Most senior)	(Most senior)	Total
		resolution entity	resolution entity	resolution entity	other	other	other	resolution entity	other	
As at 30 June 2023		€m	€m	€m	€m	€m	€m	€m	€m	€m
2	Description of insolvency rank	Equity[a]	Subordinated Claims	Unsecured claims	Unsecured claims	Certain deposit claims	Certain claims owing by preferential creditors	Claims secured by fixed security, financial collateral arrangements or where a right or set-off / netting arises	Claims secured by fixed security, financial collateral arrangements or where a right or set-off / netting arises	
3	Liabilities and own funds including derivative liabilities	**5,988**	**5,625**	**7,341**	**58,924**	**1,527**	**2,857**	**16,681**	**53,635**	**152,578**
4	o/w excluded liabilities	**—**	**—**	**1,500**	**8,962**	**—**	**2,850**	**16,670**	**53,635**	**83,617**
5	Liabilities and own funds less excluded liabilities	**5,988**	**5,625**	**5,841**	**49,962**	**1,527**	**7**	**11**	**—**	**68,960**
6	Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of internal MREL[b]	**5,988**	**5,625**	**—**	**—**	**—**	**—**	**—**	**—**	**11,613**
7	o/w residual maturity ≥ 1 year < 2 years	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
8	o/w residual maturity ≥ 2 year < 5 years	**—**	**1,700**	**—**	**—**	**—**	**—**	**—**	**—**	**1,700**
9	o/w residual maturity ≥ 5 years < 10 years	**—**	**3,120**	**—**	**—**	**—**	**—**	**—**	**—**	**3,120**
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
11	o/w perpetual securities	**5,988**	**805**	**—**	**—**	**—**	**—**	**—**	**—**	**6,793**

Table 13: TLAC2 - Creditor ranking - Entity that is not a resolution entity (continued)

		Insolvency ranking								
		1	2	3	3	5	6	11	11	Total
		(most junior)						(most senior)	(most senior)	
		resolution entity	resolution entity	resolution entity	other	other	other	resolution entity	other	
As at 31 December 2022		€m	€m	€m	€m	€m	€m	€m	€m	€m
2	Description of insolvency rank	Equity[a]	Subordinated Claims	Unsecured claims	Unsecured claims	Certain deposit claims	Certain claims owing by preferential creditors	Claims secured by fixed security, financial collateral arrangements or where a right or set-off / netting arises[c]	Claims secured by fixed security, financial collateral arrangements or where a right or set-off / netting arises	
3	Liabilities and own funds including derivative liabilities	5,887	5,475	7,619	47,381	3,283	1,408	8,483	53,174	132,710
4	o/w excluded liabilities	—	—	7,436	4,198	—	1,398	7,579	21,576	42,186
5	Liabilities and own funds less excluded liabilities	5,887	5,475	183	43,183	3,283	10	905	31,598	90,524
6	Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of internal MREL[b]	5,887	5,475	—	—	—	—	—	—	11,362
7	o/w residual maturity ≥ 1 year < 2 years	—	125	—	—	—	—	—	—	125
8	o/w residual maturity ≥ 2 year < 5 years	—	1,550	—	—	—	—	—	—	1,550
9	o/w residual maturity ≥ 5 years < 10 years	—	2,995	—	—	—	—	—	—	2,995
10	o/w residual maturity ≥ 10 years, but excluding perpetual securities	—	—	—	—	—	—	—	—	—
11	o/w perpetual securities	5,887	805	—	—	—	—	—	—	6,692

Notes:

a. As at 30 June 2023, Equity excludes Prudential Capital Adjustments of €59m, while it includes Prudential Capital Adjustments of €172m as at 31 December 2022.

b. Maturity split is based on contractual maturity, while Table 15 maturity is based on next callable date.

c. Description of insolvency rank 11 of a resolution entity is updated as at 31 December 2022.

Table 14: LIQ1 - Liquidity Coverage ratio

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

Liquidity coverage ratio (period end)	Total period end value			
	30.06.23	31.03.23	31.12.22	30.09.22
	€m	€m	€m	€m
Liquidity buffer	**33,240**	31,593	30,709	26,735
Total net cash outflows	**18,884**	17,437	15,865	16,362
Liquidity coverage ratio (%) (period end)	**176%**	181%	194%	163%

	LIQ1 - Liquidity coverage ratio (average)	a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on	30.06.23	31.03.23	31.12.22	30.09.22	30.06.23	31.03.23	31.12.22	30.09.22
EU 1b	Number of data points used in the calculation of averages	**12**	12	12	12	**12**	12	12	12
	High-quality liquid assets	€m	€m	€m	€m	€m	€m	€m	€m
1	Total high-quality liquid assets (HQLA)					**29,391**	28,215	27,269	26,297
	Cash outflows								
2	**Retail deposits and deposits from small business customers, of which:**	**2,184**	1,907	1,808	1,836	**301**	257	240	236
3	Stable deposits	**32**	33	34	38	**2**	2	2	2
4	Less stable deposits	**2,152**	1,873	1,774	1,798	**299**	256	238	234
5	Unsecured wholesale funding	**18,073**	17,646	17,636	17,758	**10,158**	9,927	9,940	10,006
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	**5,091**	4,993	4,966	4,880	**1,271**	1,246	1,239	1,217
7	Non-operational deposits (all counterparties)	**12,710**	12,419	12,446	12,675	**8,615**	8,447	8,476	8,586
8	Unsecured debt	**272**	234	224	202	**272**	234	224	202
9	**Secured wholesale funding**					**2,725**	2,784	3,079	3,463
10	**Additional requirements**	**28,329**	27,585	26,410	25,933	**8,662**	8,120	7,543	7,544
11	Outflows related to derivative exposures and other collateral requirements	**3,333**	2,999	2,671	3,086	**3,327**	2,997	2,671	3,086
12	Outflows related to loss of funding on debt products	**23**	12	14	25	**23**	12	14	25
13	Credit and liquidity facilities	**24,974**	24,574	23,726	22,822	**5,312**	5,111	4,858	4,433
14	**Other contractual funding obligations**	**—**	—	—	—	**—**	—	—	—
15	**Other contingent funding obligations**	**11,420**	11,130	10,807	10,350	**487**	476	458	457
16	**Total cash outflows**					**22,333**	21,565	21,258	21,706
	Cash inflows								
17	**Secured lending (e.g. reverse repos)**	**46,452**	42,803	41,043	38,544	**2,310**	2,403	2,620	2,946
18	**Inflows from fully performing exposures**	**1,281**	1,259	1,209	1,306	**1,182**	1,160	1,102	1,160
19	Other cash inflows	**2,174**	1,953	1,735	2,205	**1,470**	1,269	1,094	1,670
EU-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)					**—**	—	—	—
EU-19b	(Excess inflows from a related specialised credit institution)					**—**	—	—	—
20	**Total cash inflows**	**49,908**	46,014	43,987	42,055	**4,962**	4,831	4,817	5,775
EU-20a	Fully exempt inflows	**—**	—	—	—	**—**	—	—	—
EU-20b	Inflows subject to 90% cap	**—**	—	—	—	**—**	—	—	—
EU-20c	Inflows subject to 75% cap	**49,908**	46,014	43,987	42,055	**4,962**	4,831	4,817	5,775
21	**Liquidity buffer**					**29,391**	28,215	27,269	26,297
22	**Total net cash outflows**					**17,371**	16,733	16,441	15,930
23	**Liquidity coverage ratio (%) (average)**					**169%**	169%	166%	165%

As at 30 June 2023, BBI's LCR was 176%, equivalent to a surplus of €14.4bn to 100% regulatory requirement, as shown on Table 14. The Net Stable Funding Ratio (NSFR) at 30 June 2023 was 143%, a €11.6bn surplus to 100% regulatory minimum. Details are included in Table 15. The strong liquidity position reflects BBI's prudent approach to funding and liquidity management. The Bank also continued to maintain surpluses to its internal liquidity requirements.

The composition of the liquidity pool is subject to caps set by the Risk team designed to monitor and control concentration risk by issuer, currency and asset type.

As at 30 June 2023, the liquidity pool consisted of a mix of EUR cash (€28.6bn) and High Quality Liquid Assets (HQLA) Securities (€4.6bn).

The strong deposit franchise in BBI is a primary funding source for the Bank. The BBI Structured and Medium Term Notes programmes, along with the portfolio of Schuldschein notes, European Commercial Paper and unsecured intragroup funding facilities complement the well diversified and stable deposit source of funding for BBI. BBI also has access to ECB monetary policy operations such as Main Refinancing Operations (MRO) and Targeted Long Term Refinancing Operations (TLTRO).

The Bank maintains access to a variety of sources of wholesale funding in major currencies, including those available from term investors across a range of distribution channels and geographies, short-term funding markets and repo markets. In addition, BBI has access to US, European and Asian capital markets directly or through Barclays Group. As a result, wholesale funding is well diversified by product, maturity, geography and currency.

Table 15: LIQ2 - Net Stable Funding Ratio

This table shows the net stable funding ratio that the Bank requires to maintain a stable funding profile in relation to its on- and certain off-balance sheet activities.

		a	b	c	d	e
		Unweighted value by residual maturity				
		No maturity[a]	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
As at 30 June 2023		€m	€m	€m	€m	€m
Available stable funding (ASF) Items						
1	Capital items and instruments	6,793	—	526	4,294	11,087
2	Own funds	6,793	—	526	669	7,462
3	Other capital instruments		—	—	3,625	3,625
4	Retail deposits		3,795	120	1	3,536
5	Stable deposits		230	—	—	219
6	Less stable deposits		3,565	120	1	3,317
7	Wholesale funding:		44,870	4,764	12,786	23,966
8	Operational deposits		4,794	—	—	2,397
9	Other wholesale funding		40,076	4,764	12,786	21,569
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	18,202	—	—	—
12	NSFR derivative liabilities	—				
13	All other liabilities and capital instruments not included in the above categories		18,202	—	—	—
14	**Total available stable funding (ASF)**					**38,588**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					530
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		1,482	—	510	1,174
16	Deposits held at other financial institutions for operational purposes		—	—	—	—
17	Performing loans and securities:		24,380	2,202	19,379	20,043
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		11,699	682	2,738	3,079
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		10,982	800	7,456	8,562
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		1,532	578	5,383	5,629
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		323	41	8	187
22	Performing residential mortgages, of which:		127	126	3,789	2,751
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		111	110	2,982	2,049
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		40	15	12	22
25	Interdependent assets		—	—	—	—
26	Other assets:	—	14,361	—	1,346	3,418
27	Physical traded commodities				—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		1,692	—	—	1,438
29	NSFR derivative assets		—			—
30	NSFR derivative liabilities before deduction of variation margin posted		12,669			633
31	All other assets not included in the above categories		—	—	1,346	1,346
32	Off-balance sheet items		38,132	—	—	1,798
33	**Total RSF**					**26,963**
34	**Net Stable Funding Ratio (%)**					**143 %**

Table 15: LIQ2 - Net Stable Funding Ratio (continued)

		a	b	c	d	e
		Unweighted value by residual maturity				
		No maturity[a]	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
As at 31 December 2022		€m	€m	€m	€m	€m
Available stable funding (ASF) Items						
1	Capital items and instruments	5,710	—	300	5,175	10,885
2	Own funds	5,710	—	300	1,700	7,410
3	Other capital instruments		—	—	3,475	3,475
4	Retail deposits		2,136	91	—	2,014
5	Stable deposits		194	—	—	185
6	Less stable deposits		1,942	91	—	1,829
7	Wholesale funding:		32,636	4,970	10,412	21,279
8	Operational deposits		5,033	—	—	2,516
9	Other wholesale funding		27,603	4,970	10,412	18,763
10	Interdependent liabilities		—	—	—	—
11	Other liabilities	—	13,687	—	—	—
12	NSFR derivative liabilities	—				
13	All other liabilities and capital instruments not included in the above categories		13,687	—	—	—
14	**Total available stable funding (ASF)**					34,178
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					274
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		1,056	—	—	528
16	Deposits held at other financial institutions for operational purposes		—	—	—	—
17	Performing loans and securities:		14,189	2,524	15,016	16,667
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		2,885	1,090	1,981	2,526
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		8,798	600	3,139	4,025
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		2,371	697	5,765	6,362
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		272	4	39	164
22	Performing residential mortgages, of which:		135	136	4,131	3,754
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		116	116	3,201	2,197
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products		—	—	—	—
25	Interdependent assets		—	—	—	—
26	Other assets;	—	14,045	—	1,626	3,761
27	Physical traded commodities				—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		1,791	—	—	1,523
29	NSFR derivative assets		—			—
30	NSFR derivative liabilities before deduction of variation margin posted		12,254			613
31	All other assets not included in the above categories		—	—	1,626	1,626
32	Off-balance sheet items		37,118	—	—	1,719
33	**Total RSF**					22,949
34	**Net Stable Funding Ratio (%)**					149 %

Note:

a. Items disclosed in the 'no maturity' time bucket do not have a stated maturity or are perpetual including CET1. AT1 items are perpetual, but have a call option and their maturity bucket above is determined by the date of the next call option.

NSFR surplus increased primarily due to increased ASF on deposits partially offset by increased RSF on net secured funding transactions.

Table 16: IRRBB1 - Quantitative information on IRRBB

The table below shows the impact on the Bank's economic value of equity (EVE) from the six supervisory shock scenarios defined by the European Banking Authority (EBA), in their guidelines on the management of interest rate risk arising from non-trading book activities.

The table also shows the impact on the Bank's net interest income (NII) for which there are two prescribed parallel shocks. An instantaneous parallel shock of +/-200bps is applied to EUR and USD, with other currencies shocked as per EBA guidelines. This metric is a risk evaluation of the Bank's balance sheet and does not factor in the impact of management and mitigating actions expected in the respective interest rate environments.

		a	b	c	d		
		Change of the economic value of equity		Change of the net interest Income		Tier 1 capital	
		As at 30 June 2023	As at 31 December 2022	As at 30 June 2023	As at 31 December 2022	As at 30 June 2023	As at 31 December 2022
Supervisory shock scenarios		€m	€m	€m	€m	€m	€m
1	Parallel up	**(425)**	(385)	**70**	58		
2	Parallel down	**215**	189	**(61)**	(52)		
3	Steepener	**(29)**	(34)				
4	Flattener	**(48)**	(35)				
5	Short rates up	**(186)**	(166)				
6	Short rates down	**87**	72				
	Maximum	**(425)**	(385)				
	Tier 1 capital					**6,734**	6,692

The maximum EVE loss under the six scenarios was €(425)m (December 2022: €(385)m) under the parallel up scenario as of June 2023. he increase in the parallel up shock sensitivity in H1 2023 was driven by the Bank's structural hedging of its equity position. The parallel shock down sensitivity is €215m (December 2022: €189m) as the impact of flooring reduced during the year due to higher market rate levels.

The maximum one-year loss in NII is €(61)m (December 2022: €(52)m) as of June 2023, in the parallel down scenario

Repricing maturity assumptions assigned to non-maturity deposits

The average repricing maturity assigned to non-maturing deposits is 3 months, with the longest repricing maturity assigned to any portfolio of non-maturing deposits being 60 months. This is calculated using a simple weighted average maturity including all non-maturing deposits, regardless of whether deposits are structurally hedged.

Table 17: CR4 - Standardised approach - Credit risk exposure and CRM effects

This table shows the impact of credit risk mitigation (CRM) and credit conversion factors (CCF) on exposure values, broken down by credit exposure class. This table includes exposures subject to the Standardised approach only and does not include securitisation exposures.

The term 'before CCF and CRM' means the original gross exposures before the application of credit conversion factor and before the application of CRM techniques.

		Exposures before CCF and before CRM		Exposures post-CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures[a]	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density
		a	b	c	d	e	f
		€m	€m	€m	€m	€m	%
As at 30 June 2023							
1	Central governments or central banks	**31,344**	**20**	**31,413**	**57**	**320**	**1 %**
2	Regional governments or local authorities	**26**	**21**	**26**	**—**	**—**	**—**
3	Public sector entities	**160**	**1,748**	**31**	**642**	**244**	**36 %**
6	Institutions	**1,177**	**2,850**	**666**	**600**	**442**	**35 %**
7	Corporates[b]	**4,882**	**28,269**	**2,764**	**9,486**	**10,580**	**86 %**
8	Retail[b]	**4,439**	**6,460**	**4,364**	**—**	**3,273**	**75 %**
9	Secured by mortgages on immovable property[b]	**4,360**	**6**	**4,360**	**3**	**1,615**	**37 %**
10	Exposures in default	**313**	**110**	**277**	**51**	**384**	**117 %**
16	Other items	**377**	**—**	**377**	**—**	**353**	**94 %**
17	**Total**	**47,078**	**39,484**	**44,278**	**10,839**	**17,211**	**31 %**
As at 31 December 2022							
1	Central governments or central banks	30,778	15	30,918	10	347	1 %
2	Regional governments or local authorities	39	6	39	—	—	—
3	Public sector entities	172	1,924	66	819	358	40 %
6	Institutions	1,683	2,556	973	579	578	37 %
7	Corporates[b]	4,680	27,785	2,119	9,561	9,974	85 %
8	Retail[b]	4,535	6,224	4,460	—	3,345	75 %
9	Secured by mortgages on immovable property[b]	4,639	—	4,639	—	1,674	36 %
10	Exposures in default	308	41	226	14	253	106 %
16	Other items	432	—	432	—	399	92 %
17	**Total**	47,266	38,551	43,872	10,983	16,928	31 %

Notes:

a The amounts shown in rows 1 to 9 above exclude exposures in default shown in row 10 above.

b Certain mortgages on immovable property that are risk-weighted at rates in excess of the standard 35% (due to their higher loan to value ratio) are not shown within row 9 above, but are reflected within rows 7 or 8 above.

Off-Balance sheet exposure increased by €0.9bn to €39.5bn, primarily due to foreign exchange movements within institutions, Retail and Corporates, partially offset by a movement in facilities.

On-Balance sheet exposure decreased by €0.2bn to €47.1bn, mostly driven by a decrease in Institutions exposures (primarily due to movements in Barclays Bank PLC balances from drawn to undrawn) and a decrease in Secured by mortgages on immovable property exposures (primarily due to a decrease in portfolio amortisation) partially offset by increase in Central government and central banks (primarily due to foreign exchange movements partially offset by the movements in Nostro balances).

Table 18: CR5 - Standardised approach

This table shows exposure at default post-CCF and CRM, broken down by credit exposure class and risk weight. This table includes exposures subject to the standardised approach only.

	Risk weight																
	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Total	of which unrated[a]
	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
As at 30 June 2023	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
1 Central governments or central banks	31,292	—	—	—	—	—	—	—	—	83	—	95	—	—	—	31,470	179
2 Regional governments or local authorities	26	—	—	—	—	—	—	—	—	—	—	—	—	—	—	26	—
3 Public sector entities	115	—	—	—	118	—	440	—	—	—	—	—	—	—	—	673	118
6 Institutions	—	—	—	—	661	—	593	—	—	12	—	—	—	—	—	1,266	207
7 Corporates	—	—	—	—	727	—	2,397	—	—	8,866	260	—	—	—	—	12,250	5,478
8 Retail exposures	—	—	—	—	—	—	—	—	4,364	—	—	—	—	—	—	4,364	4,364
9 Exposures secured by mortgages on immovable property	—	—	—	—	—	4,177	—	—	132	54	—	—	—	—	—	4,363	4,363
10 Exposures in default	—	—	—	—	—	—	—	—	—	216	112	—	—	—	—	328	328
16 Other items	22	—	—	—	2	—	—	—	—	353	—	—	—	—	—	377	377
17 Total	31,455	—	—	—	1,508	4,177	3,430	—	4,496	9,584	372	95	—	—	—	55,117	15,291
As at 31 December 2022																	
1 Central governments or central	30,723	—	—	—	—	—	—	—	—	112	—	94	—	—	—	30,929	215
2 Regional governments or local authorities	39	—	—	—	—	—	—	—	—	—	—	—	—	—	—	39	—
3 Public sector entities	117	—	—	—	87	—	680	—	—	—	—	—	—	—	—	884	87
6 Institutions	—	—	—	—	766	—	721	—	—	65	—	—	—	—	—	1,552	231
7 Corporates	—	—	—	—	272	—	3,138	—	—	8,069	202	—	—	—	—	11,681	5,449
8 Retail exposures	—	—	—	—	—	—	—	—	4,460	—	—	—	—	—	—	4,460	4,460
9 Exposures secured by mortgages on immovable property	—	—	—	—	—	4,512	—	—	127	—	—	—	—	—	—	4,639	4,639
10 Exposures in default	—	—	—	—	—	—	—	—	—	212	27	—	—	—	—	239	239
16 Other items	32	—	—	—	1	—	—	—	—	399	—	—	—	—	—	432	432
17 Total	30,911	—	—	—	1,126	4,512	4,539	—	4,587	8,857	229	94	—	—	—	54,855	15,752

Note:

a. Total unrated exposure number was re-stated to include €72m of deferred tax assets as at 31 December 2022.

Standardised Credit Risk Exposure Post-CCF and CRM increased by €0.3bn to €55.1bn primarily driven by:

- increased exposures to central governments and central banks within 0% Risk Weight (primarily due to foreign exchange movements partially offset by the movements in Nostro balances); and
- an increase in corporates within 20% and 100% Risk Weights due to foreign exchange movements (partially offset by a decrease due to the movements in facilities within 50% Risk Weight); and
- a decrease in institutions within 20%, 50% and 100% Risk Weights (primarily due to movements in Barclays Bank PLC balances from undrawn to drawn); and
- a decrease in secured by mortgages on immovable property within 35% Risk Weight (primarily due to a decrease in portfolio amortisation); and
- a decrease in public sector entities within 50% Risk Weight (primarily due to a reclassification of asset class).

Table 19: CR1-A – Maturity of exposures

This table represents a breakdown of loans and debt securities by residual maturity. For on-balance sheet items, the net exposure value is the gross carrying value of exposure less allowances/impairments. For off-balance sheet items, the net value is the gross carrying value of exposure less provisions. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		a	b	c	d	e	f
		Net exposure values					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total[a]
As at 30 June 2023		€m	€m	€m	€m	€m	€m
1	Loans and advances	**40,587**	**54,345**	**8,705**	**4,897**	**—**	**108,534**
2	Debt securities	**—**	**11**	**1,081**	**634**	**—**	**1,726**
3	**Total**	**40,587**	**54,356**	**9,786**	**5,531**	**—**	**110,260**
As at 31 December 2022							
1	Loans and advances	39,094	37,227	8,547	5,084	—	89,952
2	Debt securities	—	10	43	58	—	111
3	**Total**	39,094	37,237	8,590	5,142	—	90,063

Note:
a. Total exposure includes off balance sheet balances (commitments and guarantees) and impairment on loans and advances, while excluding cash balances at central banks.

Loans and advances increased by €18.6bn to €108.5bn driven by increased secured lending and settlement balances.

Debt securities increased by €1.6bn to €1.7bn driven by investment in debt securities for the liquidity pool in Treasury.

Table 20: CR2 - Changes in the stock of non-performing loans and advances

This table shows information on changes in the institutions stock of on balance sheet non-performing loans and advances. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		a	
		Gross carrying amount	
		As at 30 June 2023	As at 31 December 2022
		€m	€m
010	**Initial stock of non-performing loans and advances**	**674**	678
020	Inflows to non-performing portfolios	**180**	184
030	Outflows from non-performing portfolios	**(21)**	(51)
040	Outflows due to write-offs	**(21)**	(50)
050	Outflow due to other situations[a]	**(219)**	(87)
060	**Final stock of non-performing loans and advances**	**593**	674

Note:
a. Other changes include repayments and disposals and other adjustments, partly offset by a net increase in the exposure in default on existing loans and debt securities.

Non- performing loans and advances decreased by €81m to €0.6bn primarily driven by repayments and disposals decrease due to the movements in corporate loans and retail.

Table 21: CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

This table shows a breakdown of on balance sheet unsecured and secured credit risk exposures secured by various methods of collateral for both loans and advances and debt securities. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
		a	b	c	d	e
As at 30 June 2023		€m	€m	€m	€m	€m
1	Total loans and advances	**61,638**	**38,548**	**36,518**	**2,030**	**—**
2	Total debt securities	**1,697**	**28**	**28**	**—**	**—**
3	**Total exposures**	**63,335**	**38,576**	**36,546**	**2,030**	**—**
4	Of which non-performing exposures	**375**	**218**	**179**	**39**	**—**
EU-5	Of which defaulted	**350**	**207**			
As at 31 December 2022						
1	Total loans and advances	58,876	24,940	22,791	2,149	—
2	Total debt securities	87	24	24	—	—
3	**Total exposures**	58,963	24,964	22,815	2,149	—
4	Of which non-performing exposures	374	300	221	79	—
EU-5	Of which defaulted	354	287			

The total unsecured and secured exposure increased by €18.0bn to €101.9bn primarily due to:

- Unsecured loans and advances increase by €2.8bn to €61.6bn (31 December 2022: €58.8bn) due to increased lending activity; and
- Secured loans and advances increase by €13.6bn to €38.5bn (31 December 2022: €24.9bn) due to increase in reverse repos; and
- Unsecured debt securities increase by €1.6bn to €1.7bn (31 December 2022: €0.1bn) due to increased investments debt securities in Treasury.

Table 22: CR1 - Performing and non-performing exposures and related provisions

This table provides an overview of the credit quality of on and off balance sheet non-performing exposures and related impairments, provisions and valuation adjustments by portfolio and exposure class.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount[a]						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - accumulated impairment and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
As at 30 June 2023		€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
005	**Cash balances at central banks and other demand deposits**	29,197	29,197	—	—	—	—	—	—	—	—	—	—	—	—	—
010	**Loans and advances**	70,394	36,792	2,582	593	48	522	(253)	(40)	(213)	(244)	(14)	(230)	—	38,329	218
020	Central banks	1,649	519	—	—	—	—	—	—	—	—	—	—	—	1,129	—
030	General governments	1,986	1,745	—	—	—	—	—	—	—	—	—	—	—	—	—
040	Credit institutions	29,870	9,202	8	2	—	2	—	—	—	(2)	—	(2)	—	21,423	—
050	Other financial corporations	24,567	15,682	174	—	—	—	(2)	(2)	—	—	—	—	—	9,836	—
060	Non-financial corporations	3,170	2,446	724	125	—	125	(33)	(8)	(25)	(30)	—	(30)	—	1,662	40
070	Of which SMEs	—	—	—	2	—	2	—	—	—	(2)	—	(2)	—	—	—
080	Households	9,152	7,198	1,676	466	48	395	(218)	(30)	(188)	(212)	(14)	(198)	—	4,279	178
090	**Debt securities**	1,726	1,693	4	—	—	—	—	—	—	—	—	—	—	28	—
110	General governments	1,593	1,592	—	—	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	133	101	4	—	—	—	—	—	—	—	—	—	—	28	—
150	**Off-balance-sheet exposures**	37,940	34,428	3,513	137	—	137	(35)	(13)	(21)	—	—	—		8,873	15
180	Credit institutions	958	954	4	—	—	—	—	—	—	—	—	—		264	—
190	Other financial corporations	4,749	4,425	324	1	—	1	(2)	(1)	(1)	—	—	—		921	1
200	Non-financial corporations	25,735	23,024	2,712	126	—	126	(30)	(10)	(19)	—	—	—		7,656	13
210	Households	6,498	6,025	473	10	—	10	(3)	(2)	(1)	—	—	—		32	1
220	**Total**	139,257	102,110	6,099	730	48	659	(288)	(53)	(234)	(244)	(14)	(230)	—	47,230	233

Table 22: CR1 - Performing and non-performing exposures and related provisions (continued)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount[a]						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - accumulated impairment and provisions			Non-performing exposures - accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	Accumulated partial write-off	On performing exposures	On non-performing exposures
As at 31 December 2022		€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
005	**Cash balances at central banks and other demand deposits**	30,508	30,508	—	—	—	—	—	—	—	—	—	—	—	—	—
010	**Loans and advances**	52,635	33,329	2,138	674	38	610	(267)	(67)	(200)	(274)	(10)	(264)	—	24,640	300
020	Central banks	1,599	159	—	—	—	—	—	—	—	—	—	—	—	1,440	—
030	General governments	2,408	1,234	—	—	—	—	—	—	—	—	—	—	—	925	—
040	Credit institutions	16,890	8,704	18	3	—	3	(1)	(1)	—	(2)	—	(2)	—	8,826	—
050	Other financial corporations	18,863	12,732	42	—	—	—	(2)	(2)	—	—	—	—	—	7,066	—
060	Non-financial corporations	3,360	2,677	677	172	—	172	(46)	(21)	(25)	(46)	—	(46)	—	1,747	87
070	Of which SMEs	—	—	—	2	—	2	—	—	—	(2)	—	(2)	—	—	—
080	Households	9,515	7,823	1,401	499	38	435	(218)	(44)	(174)	(226)	(10)	(216)	—	4,636	213
090	**Debt securities**	111	69	18	—	—	—	—	—	—	—	—	—	—	24	—
110	General governments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	111	69	18	—	—	—	—	—	—	—	—	—	—	24	—
150	**Off-balance-sheet exposures**	37,171	32,244	4,927	60	—	60	(46)	(21)	(25)	—	—	—		8,903	7
180	Credit institutions	1,109	1,063	46	—	—	—	—	—	—	—	—	—		244	—
190	Other financial corporations	3,677	3,469	209	—	—	—	(4)	(4)	—	—	—	—		638	—
200	Non-financial corporations	26,075	21,822	4,252	49	—	49	(42)	(17)	(25)	—	—	—		7,898	6
210	Households	6,310	5,890	420	11	—	11	—	—	—	—	—	—		123	1
220	**Total**	120,425	96,150	7,083	734	38	670	(313)	(88)	(225)	(274)	(10)	(264)	—	33,567	307

Note:
a. Total gross carrying amounts include debt instruments at fair value through equity.

Total exposures increased by €18.8bn to €140.0bn primarily due to on balance sheet increase of €18.0bn driven by an increase in Loans and advances due to settlement balances resulted from higher trading volumes and an increase in reverse repos to cover trading shorts.

Table 23: CQ1- Credit quality of forborne exposures

This table provides an overview of the quality of on- and off- balance sheet forborne exposures. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
			Non-performing forborne						
		Performing forborne	Total	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures	Total	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
As at 30 June 2023		€m	€m	€m	€m	€m	€m	€m	€m
10	**Loans and Advances**	**349**	**212**	**206**	**203**	**(5)**	**(64)**	**195**	**58**
50	Other financial corporations	**17**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
60	Non-financial corporations	**290**	**109**	**109**	**108**	**(3)**	**(28)**	**102**	**2**
70	Households	**42**	**103**	**97**	**95**	**(2)**	**(36)**	**93**	**56**
90	**Loan commitments given**	**357**	**82**	**82**	**82**	**1**	**—**	**22**	**1**
100	**Total**	**706**	**294**	**288**	**285**	**(4)**	**(64)**	**217**	**59**
As at 31 December 2022									
10	**Loans and Advances**	182	218	210	209	(4)	(51)	150	73
50	Other financial corporations	14	—	—	—	—	—	—	—
60	Non-financial corporations	126	94	94	94	(1)	(10)	41	1
70	Households	42	124	116	115	(3)	(41)	109	72
90	**Loan commitments given**	222	3	3	3	1	—	58	2
100	**Total**	404	221	213	212	(3)	(51)	208	75

Total performing forborne exposures increased by €302m to €706m, primarily due to an increase in non-financial corporations and in loan commitments.

Total non-performing forborne exposures increased by €73m to €294m primarily due to an increase in loan commitments and non-financial corporations as a result of single-name counterparties moving into forbearance, partially offset by a decrease in households due to write-offs across Italy Mortgages.

Total collateral received and financial guarantees received on forborne exposures remained stable at at €217m (31 December 2022: €208m).

Table 24: CQ4 - Quality of non-performing exposures by geography

This table shows the credit quality of on- balance sheet and off- balance sheet exposure for loans and advances, debt securities derivatives and equity instruments by geography. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		a	b	c	d	e	f	g
		Gross carrying/nominal amount[a]					Provisions on off-balance-sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which non-performing					
		Total		of which defaulted	of which subject to impairment	Accumulated impairment		
	As at 30 June 2023	€m	€m	€m	€m	€m	€m	€m
10	**On-balance-sheet exposures**	**101,936**	**593**	**557**	**70,842**	**(497)**		**—**
20	Germany	39,775	227	203	38,825	(341)		—
30	United Kingdom	14,832	1	1	8,454	(1)		—
40	France	12,193	68	68	5,486	(18)		—
50	Italy	10,625	287	275	6,983	(110)		—
60	Spain	9,990	—	—	1,196	(1)		—
70	Luxembourg	3,016	5	5	2,303	(6)		—
80	Ireland	1,944	1	1	1,837	(7)		—
90	United States	1,917	—	—	1,917	(3)		—
100	Netherlands	1,508	—	—	1,040	(4)		—
110	Portugal	1,237	—	—	134	—		—
120	Other Countries	4,899	4	4	2,667	(6)		—
130	**Off-Balance-Sheet Exposures**	**38,077**	**137**	**137**			**(35)**	
140	Germany	13,156	117	117			(7)	
150	France	6,788	—	—			(4)	
160	Italy	3,758	8	8			(5)	
170	Spain	2,502	—	—			(5)	
180	Ireland	1,975	—	—			(3)	
190	United States	1,614	—	—			(3)	
200	Luxembourg	1,428	1	1			(2)	
210	United Kingdom	1,120	11	11			(2)	
220	Norway	1,119	—	—			—	
230	Netherlands	1,051	—	—			(2)	
240	Sweden	936	—	—			—	
250	Austria	606	—	—			—	
260	Finland	536	—	—			(1.00)	
270	Other countries	1,488	—	—			(1)	
280	**Total**	**140,013**	**730**	**694**	**70,842**	**(497)**	**(35)**	**—**

Table 24: CQ4 - Quality of non-performing exposures by geography (continued)

		a	b	c	d	e	f	g
		Gross carrying/nominal amount[a]						
			of which non-performing					
		Total		of which defaulted	of which subject to impairment	Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	As at 31 December 2022	€m	€m	€m	€m	€m	€m	€m
010	**On-balance-sheet exposures[b]**	83,933	674	641	66,713	(542)		—
020	Germany	40,362	283	263	39,388	(338)		—
030	United Kingdom	14,722	1	1	9,910	(3)		—
040	France	9,508	21	21	2,561	(26)		—
050	Italy	6,993	354	341	6,225	(141)		—
060	Luxembourg	2,064	5	5	1,797	(7)		—
070	Ireland	1,886	1	1	1,796	(5)		—
080	Sweden	1,508	—	—	499	(2)		—
090	Spain	1,283	—	—	861	(2)		—
100	Netherlands	1,271	—	—	1,169	(6)		—
110	Other countries	4,336	9	9	2,507	(12)		—
120	**Off-Balance-Sheet Exposures**	37,231	60	60			(46)	
130	Germany	12,167	50	50			(4)	
140	France	8,245	—	—			(6)	
150	Italy	3,649	8	8			(7)	
160	Spain	2,411	—	—			(7)	
170	Ireland	1,551	—	—			(7)	
180	United States	1,496	—	—			(3)	
190	United Kingdom	1,351	—	—			(3)	
200	Luxembourg	1,237	2	2			(1)	
210	Norway	1,150	—	—			—	
220	Netherlands	1,026	—	—			(3)	
230	Sweden	816	—	—			(1)	
240	Finland	655	—	—			(1)	
250	Austria	609	—	—			—	
260	Other countries	868	—	—			(3)	
270	**Total**	121,164	734	701	66,713	(542)	(46)	—

Notes:

a Countries that have more than 1% of the total gross exposure are disclosed in the above table and countries with <1% gross exposure are aggregated within 'Other countries'.

b On balance sheet exposures includes derivatives, equity instruments and cash balances at central banks and other demand deposits.

On balance sheet exposures increased by €18.0bn to €101.9bn primarily due to:

- an increase in loans and advances, primarily due to an increase in reverse repos and settlements, partially offset by a decrease in cash at central banks and Fixed Income Financing due to higher netting opportunities;
- an increase in debt securities mainly driven by an increase in the Rates desk which hold long positions in European Government Bonds (mainly in France, Spain and Belgium) and an increase in Fixed Income Financing on back of market making activities; and
- a decrease in derivatives predominately due to mark-to- market decreases of existing Interest Rate Swaps residuals and new trades due to the changes in market volatility.

Table 25: CQ5 - Credit quality of loans and advances to non-financial corporations by industry

This table shows the credit quality of loans and advances on-balance sheet exposure to non-financial corporations by industry types. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

	a	b	c	d	e	f
	Gross carrying amount					
		of which non-performing				
	Total		of which defaulted	of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
As at 30 June 2023	€m	€m	€m	€m	€m	€m
020 Mining and quarrying	**282**	**—**	**—**	**282**	**(1)**	**—**
030 Manufacturing	**778**	**55**	**55**	**778**	**(34)**	**—**
040 Electricity, gas, steam and air conditioning supply	**301**	**—**	**—**	**301**	**—**	**—**
060 Construction	**85**	**1**	**1**	**85**	**(1)**	**—**
070 Wholesale and retail trade	**361**	**—**	**—**	**361**	**(4)**	**—**
080 Transport and storage	**193**	**—**	**—**	**193**	**(2)**	**—**
090 Accommodation and food service activities	**167**	**68**	**68**	**167**	**(8)**	**—**
100 Information and communication	**507**	**—**	**—**	**507**	**(8)**	**—**
120 Real estate activities	**179**	**1**	**1**	**179**	**(1)**	**—**
130 Professional, scientific and technical activities	**83**	**—**	**—**	**83**	**—**	**—**
140 Administrative and support service activities	**223**	**—**	**—**	**223**	**(2)**	**—**
150 Public administration and defence, compulsory social security	**14**	**—**	**—**	**14**	**—**	**—**
170 Human health services and social work activities	**74**	**—**	**—**	**74**	**(2)**	**—**
180 Arts, entertainment and recreation	**44**	**—**	**—**	**44**	**—**	**—**
190 Other services	**4**	**—**	**—**	**4**	**—**	**—**
200 Total	**3,295**	**125**	**125**	**3,295**	**(63)**	**—**
As at 31 December 2022						
020 Mining and quarrying	164	—	—	164	(1)	—
030 Manufacturing	687	56	56	687	(40)	—
040 Electricity, gas, steam and air conditioning supply	282	—	—	282	—	—
060 Construction	118	1	1	118	(1)	—
070 Wholesale and retail trade	509	21	21	509	(18)	—
080 Transport and storage	406	—	—	406	(3)	—
090 Accommodation and food service activities	163	—	—	163	(1)	—
100 Information and communication	473	—	—	473	(12)	—
120 Real estate activities	200	15	15	200	(9)	—
130 Professional, scientific and technical activities	97	—	—	97	(1)	—
140 Administrative and support service activities	330	79	79	330	(2)	—
150 Public administration and defence, compulsory social security	7	—	—	7	—	—
170 Human health services and social work activities	96	—	—	89	(3)	—
180 Arts, entertainment and recreation	—	—	—	—	—	—
190 Other services	—	—	—	—	—	—
200 Total	3,532	172	172	3,525	(91)	—

Total exposures to loans and advances for non-financial corporations remained broadly stable at €3.3bn (31 December 2022: €3.5bn) with various offsetting movements across certain industries.

Table 26: CCR1 - Analysis of CCR exposure by approach

This table provides a comprehensive view of the methods used to calculate Counterparty Credit Risk (CCR) regulatory requirements and the main parameters used within each method. It excludes default fund contribution, post model adjustments and central clearing counterparties (CCPs).

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	Effective expected positive exposure (EEPE)	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA[b]
As at 30 June 2023		€m	€m	€m		€m	€m	€m	€m
1	SA-CCR (for derivatives)	**65**	**533**		**1.4**	**1,880**	**836**	**836**	**677**
2	IMM (for derivatives and SFTs)			**5,998**	**1.55**	**217,204**	**9,322**	**9,296**	**6,229**
2a	Of which securities financing transactions netting sets			**1,510**		**186,627**	**2,340**	**2,340**	**1,593**
2b	Of which derivatives and long settlement transactions netting sets[a]			**4,488**		**30,577**	**6,982**	**6,956**	**4,636**
4	Financial collateral comprehensive method (for SFTs)					**2,405**	**564**	**564**	**372**
6	**Total**					**221,489**	**10,722**	**10,696**	**7,278**
As at 31 December 2022									
1	SA-CCR (for derivatives)	91	182		1.4	1,087	461	461	317
2	IMM (for derivatives and SFTs)			6,102	1.55	179,462	9,487	9,458	6,832
2a	Of which securities financing transactions netting sets			1,084		146,626	1,680	1,680	1,297
2b	Of which derivatives and long settlement transactions netting sets[a]			5,018		32,836	7,807	7,778	5,535
4	Financial collateral comprehensive method (for SFTs)					1,893	458	458	318
6	**Total**					182,441	10,406	10,377	7,468

Notes:
a. CVA losses of €(26m) (31 December 2022: €(29m)) specified in Article 273(6) of the CRR are excluded from the exposure value post CRM above, but are included in the exposure value above.
b. Total RWEA excludes CCP's, CVA and OTC IMM post model adjustments exposures.

Counterparty credit risk RWEA decreased by €0.2bn to €7.3bn, primarily driven by a decrease in trading activities.

Table 27: CCR3 - Standardised approach – CCR exposures by regulatory exposure class and risk weights

This table shows exposure at default, broken down by exposure class and risk weight. This table includes exposures subject to the standardised approach only.

		Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
As at 30 June 2023													
1	Central governments or central banks	**176**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**92**	**—**	**—**	**268**
2	Regional governments or local authorities	**212**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**212**
3	Public sector entities	**248**	**—**	**—**	**—**	**35**	**50**	**—**	**—**	**—**	**—**	**—**	**333**
4	Multilateral development banks	**23**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**23**
5	International organisations	**58**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**58**
6	Institutions	**—**	**1,446**	**—**	**—**	**735**	**2,512**	**—**	**—**	**281**	**—**	**—**	**4,974**
7	Corporates	**—**	**—**	**—**	**—**	**209**	**1,276**	**—**	**—**	**4,784**	**5**	**—**	**6,274**
11	**Total exposure value**	**717**	**1,446**	**—**	**—**	**979**	**3,838**	**—**	**—**	**5,157**	**5**	**—**	**12,142**
As at 31 December 2022													
1	Central governments or central banks	266	—	—	—	—	1	—	—	87	—	—	354
2	Regional governments or local authorities	220	—	—	—	—	—	—	—	—	—	—	220
3	Public sector entities	346	—	—	—	52	38	—	—	—	—	—	436
4	Multilateral development banks	33	—	—	—	—	—	—	—	—	—	—	33
5	International organisations	51	—	—	—	—	—	—	—	—	—	—	51
6	Institutions	—	1,292	—	—	696	1,515	—	—	210	—	—	3,713
7	Corporates	—	—	—	—	237	871	—	—	5,740	14	—	6,862
11	**Total exposure value**	916	1,292	—	—	985	2,425	—	—	6,037	14	—	11,669

CCR exposure at default increased by €0.5bn to €12.1bn, primarily driven by an increase in trading activities with central clearing counterparties.

Table 28: CCR5 - Composition of collateral for CCR exposures

This table shows the types of collateral posted or received, to support or reduce CCR exposures relating to derivative transactions or SFTs, including transactions cleared through a CCP. Segregated collateral is collateral that is held in a bankruptcy-remote manner as defined in Article 300 (1) CRR.

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs[a]			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
As at 30 June 2023		€m	€m	€m	€m	€m	€m	€m	€m
1	Cash – domestic currency	**—**	**15,347**	**—**	**24,554**	**—**	**—**	**—**	**754**
2	Cash – other currencies	**—**	**1,915**	**—**	**984**	**—**	**—**	**—**	**—**
3	Domestic sovereign debt	**3,175**	**2,346**	**8**	**156**	**—**	**51,778**	**—**	**42,566**
4	Other sovereign debt	**264**	**416**	**—**	**13**	**—**	**4,298**	**—**	**4,702**
6	Corporate bonds	**203**	**16**	**—**	**—**	**—**	**14,269**	**—**	**14,560**
7	Equity securities	**597**	**—**	**—**	**—**	**—**	**3,549**	**—**	**4,217**
8	Other collateral	**184**	**—**	**—**	**—**	**—**	**47**	**—**	**92**
9	**Total**	**4,423**	**20,040**	**8**	**25,707**	**—**	**73,941**	**—**	**66,891**
As at 31 December 2022									
1	Cash – domestic currency	—	15,547	—	23,945	—	—	—	531
2	Cash – other currencies	—	1,874	—	887	—	—	—	—
3	Domestic sovereign debt	2,807	2,637	—	248	—	38,884	—	32,535
4	Other sovereign debt	—	271	—	14	—	3,484	—	3,482
6	Corporate bonds	137	54	—	—	—	9,068	—	8,808
7	Equity securities	538	—	—	—	—	4,186	—	4,310
8	Other collateral	797	19	761	—	—	74	—	98
9	Total	4,279	20,402	761	25,094	—	55,696	—	49,764

Note:
a Collateral used in SFT includes the initial margin and variation margin collateral as well as the collateral appearing in the security leg of the SFT.

Derivative collateral posted and received increased by €0.4bn to €50.2bn, mainly due to variation margin driven by mark-to-market volatility.

SFT collateral posted and received increased by €35.4bn to €140.8bn, mainly due to increase in domestic, and other sovereign debt and corporate bonds.

Table 29: CCR6 - Credit derivatives exposures

This table provides a breakdown of exposures to credit derivatives products split into protection bought and sold.

		a	b		
		As at 30 June 2023		As at 31 December 2022	
		Protection bought	Protection sold	Protection bought	Protection sold
		€m	€m	€m	€m
Notionals					
1	Single-name credit default swaps	**12,109**	**10,759**	17,723	17,086
2	Index credit default swaps	**16,281**	**16,186**	24,178	24,439
3	Total return swaps	**78**	**70**	1,349	959
4	Credit options	**2,405**	**2,405**	5,022	5,022
6	**Total notionals**	**30,873**	**29,420**	48,272	47,506
Fair values					
7	Positive fair value (asset)	**190**	**393**	892	546
8	Negative fair value (liability)	**(415)**	**(186)**	(616)	(888)

Credit derivatives notionals decreased by €35.5bn to €60.3bn primarily due to a decrease in trading activities.

Table 30: CCR8 - Exposures to CCPs

This table provides a breakdown of exposures and RWEAs to central clearing counterparties (CCPs).

		a	b		
		As at 30 June 2023		As at 31 December 2022	
		Exposure value	RWEA	Exposure value	RWEA
		€m	€m	€m	€m
1	**Exposures to qualifying central counterparties (QCCPs) (total)**		**83**		51
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	**185**	**4**	253	5
3	(i) OTC derivatives	**185**	**4**	67	1
5	(iii) SFTs	**—**	**—**	186	4
8	Non-segregated initial margin	**1,261**	**25**	1,039	21
9	Prefunded default fund contributions	**193**	**54**	99	25
10	**Unfunded default fund contributions**	**307**	**—**	267	—

RWEAs to CCPs increased primarily due to an increase in prefunded default fund contributions.

Credit value adjustments

The Credit valuation adjustment (CVA) measures the risk from MTM losses due to a deterioration in the credit quality of a counterparty to over-the-counter derivative transactions with BBI. It is a complement to the counterparty credit risk charge that accounts for the risk of outright default of a counterparty.

Table 31: CCR2 - Transactions subject to own funds requirements for CVA risk

Two approaches can be used to calculate the adjustment:

- Standardised approach: takes account of the external credit rating of each counterparty and incorporates the effective maturity and EAD from the calculation of the CCR;
- Advanced approach: requires the calculation of the charge as a) a 10-day 99% Value at Risk (VaR) measure for the most recent one-year period, and b) the same measure for a stressed period. The sum of the two VaR measures is scaled by the relevant multiplication factor, based on the number of market risk back-testing exceptions for the most recent 250 business days, to yield the capital charge.

		a	b		
		As at 30 June 2023		As at 31 December 2022	
		Exposure value	RWEA	Exposure value	RWEA
Credit valuation adjustment (CVA) capital charge		€m	€m	€m	€m
1	Total transactions subject to the Advanced method	**3,004**	**506**	3,101	1,444
2	(i) VaR component (including the 3x multiplier)		**117**		544
3	(ii) Stressed VaR component (including 3x multiplier)		**389**		900
4	Transactions subject to the Standardised method	**615**	**187**	393	157
5	**Total transactions subject to own funds requirements for CVA risk**	**3,619**	**693**	3,494	1,601

CVA RWEAs decreased by €0.9bn to €0.7bn, primarily driven by a decrease in Advanced CVA RWEAs mainly due to an increase of posted collateral for intercompany exposure in December 2022, of which the effect carrying over Q1 2023. This was partially offset by the lapse of exemptions for pension scheme arrangements in June 2023.

Review of market risk regulatory measures

The following disclosures provide details of regulatory measures of market risk.

BBI's market risk capital requirement comprises two elements:

- the market risk of trading book positions in BBI is measured under temporary tolerance by the CBI approved internal models approach, including Regulatory VaR, Stressed Value at Risk (SVaR) and Incremental Risk Charge (IRC).
- the trading book positions that do not meet the conditions for inclusion within the approved internal models approach are calculated using standardised rules.

The table below summarises the regulatory market risk measures, under the internal models approach (IMA). Refer to Table 34 and Table 35 on page 42 for a breakdown of RWEAs by approach.

Table 32: MR3 - Internal model approach (IMA) values for trading portfolios

		a	
		As at 30 June 2023	As at 31 December 2022
VaR (10 day 99%)		€m	€m
1	Maximum value	**53.12**	54.16
2	Average value	**37.37**	29.79
3	Minimum value	**17.80**	11.16
4	Period end	**21.12**	32.30
SVaR (10 day 99%)			
5	Maximum value	**53.51**	64.39
6	Average value	**39.76**	40.08
7	Minimum value	**25.60**	16.93
8	Period end	**41.60**	28.39
IRC (99.9%)			
9	Maximum value	**243.98**	80.37
10	Average value	**93.49**	48.92
11	Minimum value	**44.02**	31.96
12	Period end	**109.27**	36.55

Note:
a 10-day VaR results reported above are based on 1-day VaR multiplied by the square root of 10. For SVaR, a scalar is applied to allow correct capture of the BBI stress period from the parental shown here, and is represented as a PMA. See Table 35: MR2-A for details.

Average Regulatory VaR has been range-bound during H1 2023 between €10m and €14m while spot measures have ranged between €6m and €18m. Recent risk reduction during June has impacted the spot measure more than the average, but the average Regulatory VaR is starting to reflect the path of spot and trend lower. Risk increases earlier in the year and subsequent risk taking in the latter months of the first half are predominantly from Rates trading.

The IRC increased over the first half of the year and has been reflective of increased default risk in the rates and credit trading businesses which occur naturally through client facilitation.

Table 33: Breakdown of the major regulatory risk measures by portfolio

	Macro	Equities	Credit	Banking	Treasury	Cross Markets	Fixed Income Financing
As at 30 June 2023	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**	**€m**
Regulatory VaR- 1 day	**5.95**	**0.06**	**1.75**	**0.02**	**0.05**	**1.77**	**1.20**
Regulatory VaR - 10 day	**18.83**	**0.18**	**5.55**	**0.07**	**0.17**	**5.60**	**3.79**
SVaR- 1 day	**11.50**	**0.09**	**3.21**	**0.22**	**0.10**	**2.61**	**0.59**
SVaR- 10 day	**36.37**	**0.28**	**10.16**	**0.70**	**0.33**	**8.26**	**1.88**
IRC	**96.66**	**—**	**68.41**	**3.94**	**—**	**9.08**	**0.23**
As at 31 December 2022							
Regulatory VaR- 1 day	8.46	0.07	0.64	0.04	0.01	2.36	1.41
Regulatory VaR - 10 day	26.75	0.22	2.01	0.13	0.03	7.46	4.47
SVaR- 1 day	7.66	0.10	1.36	0.06	0.08	3.55	0.70
SVaR- 10 day	24.21	0.32	4.30	0.20	0.24	11.22	2.21
IRC	27.25	—	23.87	0.41	—	16.84	0.05

The table above shows the primary portfolios which are driving the trading businesses' modelled capital requirement as at 30 June 2023. The standalone portfolio results diversify at the total level and are not additive.

Capital requirements for market risk

The table below shows the elements of capital requirements and risk weighted exposure amounts under the market risk framework as defined in the CRR. The Bank is required to hold capital for the market risk exposures arising from regulatory trading books. Inputs for the modelled components include the measures on Table 32, using the higher of the end of period value or an average over the past 60 days (times a multiplier in the case of VaR and SVaR).

Table 34: MR1 - Market risk under the standardised approach

This table shows the RWEAs and capital requirements for standardised market risk split between outright products, options and securitisation. This table includes exposures subject to the Standardised approach only.

		a	
		As at 30 June 2023	As at 31 December 2022
		RWEAs	RWEAs
		€m	€m
Outright products			
1	Interest rate risk (general and specific)	**5**	38
2	Equity risk (general and specific)	**1**	1
9	**Total**	**6**	39

Overall market risk RWEAs under the standardised approach decreased by €33m to €6m driven by specific market risk decrease mainly due to bonds, traded loan and total return swaps.

Table 35: MR2-A - Market risk under the internal model approach (IMA)

This table shows RWEAs and capital requirements under the internal models approach. The table shows the calculation of capital requirements as a function of latest and average values for each component.

		a	b		
		As at 30 June 2023		As at 31 December 2022	
		RWEAs	Own funds requirements	RWEAs	Own funds requirements
		€m	€m	€m	€m
1	VaR (higher of values a and b)	**1,394**	**112**	1,281	103
(a)	Previous day's VaR (VaRt-1)		**16**		29
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		**112**		103
2	SVaR (higher of values a and b)	**3,887**	**311**	3,412	273
(a)	Latest available SVaR (SVaRt-1))		**82**		79
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		**311**		273
3	IRC (higher of values a and b)	**1,374**	**110**	616	49
(a)	Most recent IRC measure		**110**		37
(b)	12 weeks average IRC measure		**86**		49
5	Other	**828**	**66**	873	70
6	**Total**	**7,483**	**599**	6,182	495

Overall modelled market risk RWEAs increased by €1.3bn to €7.5bn, primarily driven by an increase in IRC of €0.8bn and an increase in SVaR of €0.5bn in H1'23, which are a result of increased risk taking activity, mainly from the Rates business.

Regulatory back-testing

Back-testing is the method by which BBI checks and affirms that its procedures for estimating VaR are reasonable and serve its purpose of estimating the potential loss arising from unfavourable market movements. The back-testing process is a regulatory requirement and seeks to estimate the performance of the regulatory VaR model.

Performance is measured by the number of exceptions to the model i.e. actual or hypothetical P&L loss in one trading day is greater than the estimated VaR for the same trading day.

BBI procedures could be underestimating VaR if exceptions occur more frequently than expected (a 99% confidence interval indicates that one exception will occur in 100 days). Back-testing is performed at a legal entity level using BBI's regulatory VaR model.

Regulatory back-testing compares Regulatory VaR at 99% confidence level (one-day holding period equivalent) to actual and hypothetical changes in portfolio value as defined in CRR Article 366.

A back-testing exception is generated when a loss is greater than the daily VaR for any given day. As defined in the CRR, a green status is consistent with a good working VaR model and is achieved for models that have four or fewer back-testing exceptions in a 250-day period. Back-testing counts the number of days when a loss exceeds the corresponding VaR estimate, measured at the 99% regulatory confidence level.

As at the end of June 2023, BBI's regulatory VaR model had two backtesting exceptions against actual P&L and none against hypothetical P&L. These two actual backtesting exceptions both related to H2 2022 and BBI did not pick up any new backtesting exceptions in 2023. For backtesting, the worst count of actual P&L or hypothetical P&L is used to assess the model and this meant the mode was deemed to be green status as at 30 June 2023.

The two actual backtesting exceptions were driven from [a] standard month end adjustments (such as price testing) going through books and records and [b] a loss incurred on a bridge facility remarked at year end.

	Actual P&L		Hypothetical P&L	
Legal Entity	Total Exceptions	Status[a]	Total Exceptions	Status[a]
BBI	2	Green	0	Green

Note:
a. Status is accurate as at half year-end.

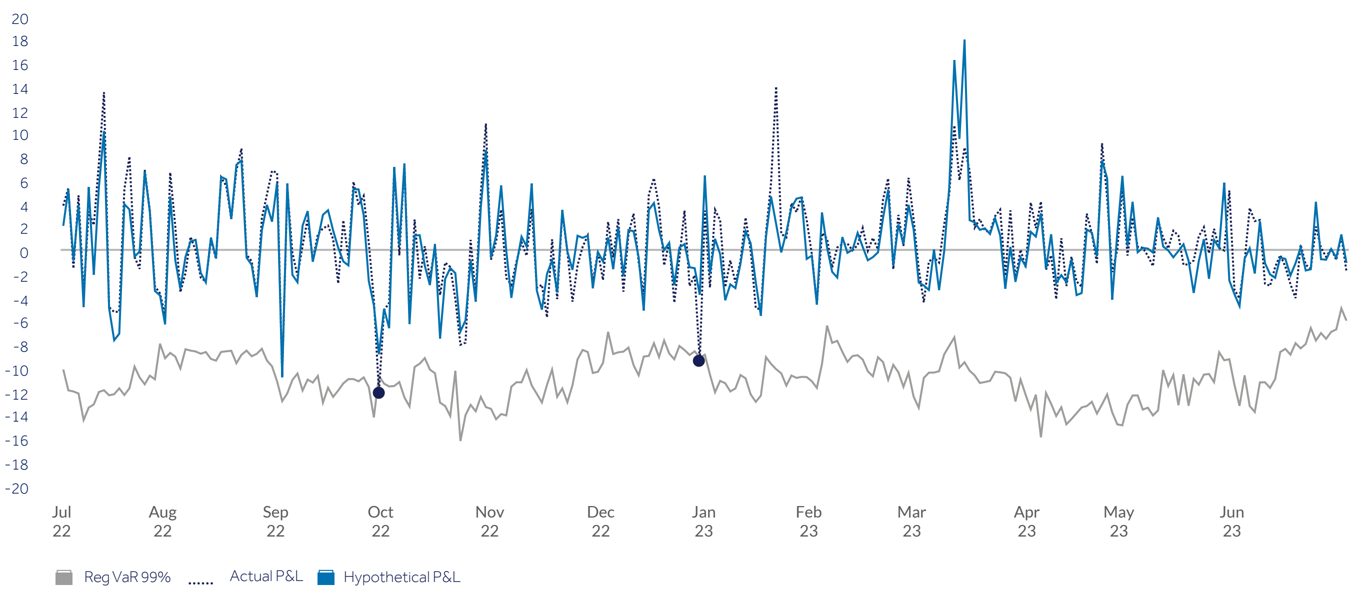
The chart below shows VaR for BBI. The dark blue point on the chart indicates the losses on the day on which actual P&L respectively exceeded the VaR amount.

In addition to being driven by market moves in excess of the 99% confidence level, back testing exceptions can be caused by risks that impact P&L not captured directly in the VaR itself but separately captured as non VaR-type, namely Risks Not in Model Engine (RNIMEs).

Exceptions are reported to internal management and regulators on a regular basis and investigated to evaluate the model performs as expected.

MR4-Comparison of VaR estimates with gains/losses

BBI
(€m)



Analysis of Securitisation exposures

This section provides information on the Bank's securitisation risks. SEC 2 is not presented as the Bank does not have any securitisation exposures in its trading book.

Table 36: SEC1 - Securitisation exposures in the non-trading book

This table shows the non-trading book securitisation exposure split by exposure type and associated regulatory capital requirements, where the Bank acts as originator, sponsor or as investor.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
		Traditional				Synthetic			Traditional				Traditional			
		STS		Non-STS												
			of which SRT		of which SRT		of which SRT	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total
As at 30 June 2023		€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
1	**Total exposures**	**—**	**—**	**1,531**	**171**	**—**	**—**	**1,531**	**—**	**—**	**—**	**—**	**—**	**304**	**—**	**304**
2	Retail (total)	**—**	**—**	**1,518**	**158**	**—**	**—**	**1,518**	**—**	**—**	**—**	**—**	**—**	**146**	**—**	**146**
3	residential mortgage	**—**	**—**	**158**	**158**	**—**	**—**	**158**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
5	other retail exposures	**—**	**—**	**1,360**	**—**	**—**	**—**	**1,360**	**—**	**—**	**—**	**—**	**—**	**146**	**—**	**146**
7	Wholesale (total)	**—**	**—**	**13**	**13**	**—**	**—**	**13**	**—**	**—**	**—**	**—**	**—**	**158**	**—**	**158**
9	commercial mortgage	**—**	**—**	**13**	**13**	**—**	**—**	**13**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
10	lease and receivables	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**158**	**—**	**158**
As at 31 December 2022																
1	**Total exposures**	—	—	1,505	145	—	—	1,505	—	—	—	—	—	284	—	284
2	Retail (total)	—	—	1,492	132	—	—	1,492	—	—	—	—	—	125	—	125
3	residential mortgage	—	—	132	132	—	—	132	—	—	—	—	—	—	—	—
5	other retail exposures	—	—	1,360	—	—	—	1,360	—	—	—	—	—	125	—	125
7	Wholesale (total)	—	—	13	13	—	—	13	—	—	—	—	—	159	—	159
9	commercial mortgage	—	—	13	13	—	—	13	—	—	—	—	—	—	—	—
10	lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—	159	—	159

The Securitisation exposures in the non-trading book remained stable across periods.

Table 37: SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor

This table shows the non-trading book securitisation exposures, where the Bank acts as originator or as sponsor.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU - p	EU - q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
As at 30 June 2023		€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
1	**Total exposures**	**1**	**—**	**—**	**—**	**—**	**—**	**—**	**1**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
2	Traditional transactions	**1**	**—**	**—**	**—**	**—**	**—**	**—**	**1**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
3	Securitisation	**1**	**—**	**—**	**—**	**—**	**—**	**—**	**1**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
4	Retail	**1**	**—**	**—**	**—**	**—**	**—**	**—**	**1**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
As at 31 December 2022																		
1	**Total exposures**	2	—	—	—	—	—	—	2	—	—	—	—	—	—	—	—	—
2	Traditional transactions	2	—	—	—	—	—	—	2	—	—	—	—	—	—	—	—	—
3	Securitisation	2	—	—	—	—	—	—	2	—	—	—	—	—	—	—	—	—
4	Retail	2	—	—	—	—	—	—	2	—	—	—	—	—	—	—	—	—

The Securitisation exposures in the non-trading book remained stable across periods.

Table 38: SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

This table shows the non-trading book securitisation exposures, where the Bank acts as investor.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU - p	EU - q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250% RW/ deductions
As at 30 June 2023		€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
1	**Total exposures**	**304**	**—**	**—**	**—**	**—**	**—**	**—**	**304**	**—**	**—**	**—**	**46**	**—**	**—**	**—**	**4**	**—**
2	Traditional securitisation	**304**	**—**	**—**	**—**	**—**	**—**	**—**	**304**	**—**	**—**	**—**	**46**	**—**	**—**	**—**	**4**	**—**
3	Securitisation	**304**	**—**	**—**	**—**	**—**	**—**	**—**	**304**	**—**	**—**	**—**	**46**	**—**	**—**	**—**	**4**	**—**
4	Retail underlying	**146**	**—**	**—**	**—**	**—**	**—**	**—**	**146**	**—**	**—**	**—**	**22**	**—**	**—**	**—**	**2**	**—**
6	Wholesale	**158**	**—**	**—**	**—**	**—**	**—**	**—**	**158**	**—**	**—**	**—**	**24**	**—**	**—**	**—**	**2**	**—**
As at 31 December 2022																		
1	**Total exposures**	284	—	—	—	—	—	—	284	—	—	—	43	—	—	—	3	—
2	Traditional securitisation	284	—	—	—	—	—	—	284	—	—	—	43	—	—	—	3	—
3	Securitisation	284	—	—	—	—	—	—	284	—	—	—	43	—	—	—	3	—
4	Retail underlying	125	—	—	—	—	—	—	125	—	—	—	19	—	—	—	1	—
6	Wholesale	159	—	—	—	—	—	—	159	—	—	—	24	—	—	—	2	—

The Securitisation exposures in the non-trading book remained stable across periods.

Table 39: SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

This table shows the outstanding nominal amounts where the Bank acts as originator or as sponsor together with those exposures that are deemed as defaulted, where specific credit risk adjustments have been raised.

		a	b	c
		Exposures securitised by the institution - Institution acts as originator or as sponsor		
		Total outstanding nominal amount		Total amount of specific credit risk adjustments made during the period
			Of which exposures in default	
As at 30 June 2023		€m	€m	€m
1	**Total exposures**	**5,219**	**369**	**—**
2	Retail (total)	**4,965**	**369**	**—**
3	residential mortgage	**3,605**	**318**	**—**
5	other retail exposures	**1,360**	**51**	**—**
7	Wholesale (total)	**254**	**—**	**—**
9	commercial mortgage	**254**	**—**	**—**
As at 31 December 2022				
1	**Total exposures**	4,597	221	—
2	Retail (total)	4,343	221	—
3	residential mortgage	2,983	192	—
5	other retail exposures	1,360	29	—
7	Wholesale (total)	254	—	—
9	commercial mortgage	254	—	—

Exposures securitised by the Bank increased by €0.6bn to €5.2bn due to origination of new securitisations in residential mortgage exposure, which also was the main driver of €148m to €369m increase in exposures in default.

Table 40: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

This table provides a breakdown of the assets more exposed to risks from the transition to a low-carbon and climate-resilient economy. It includes information on exposures to non-financial corporations and financial corporations that operate in sectors that contribute highly to climate change and in carbon-related sectors, and on the staging and credit quality, as well as related impairment provisions of those exposures.

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	Gross carrying amount[c]					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Greenhouse Gas (GHG) financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[a]	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
	As at 30 June 2023	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	years
1	**Exposures towards sectors that highly contribute to climate change[b]**	**2,338**	**285**		**453**	**125**	**(51)**	**(14)**	**(30)**				**2,219**	**91**	**28**	**—**	**2.3**
3	B - Mining and quarrying	282	118		29	—	(1)	—	—				282	—	—	—	0.5
5	B.06 - Extraction of crude petroleum and natural gas	118	118		—	—	—	—	—				118	—	—	—	0.2
6	B.07 - Mining of metal ores	13	—		13	—	—	—	—				13	—	—	—	3.4
7	B.08 - Other mining and quarrying	8	—		—	—	—	—	—				8	—	—	—	—
8	B.09 - Mining support service activities	143	—		16	—	(1)	—	—				143	—	—	—	0.4
9	C - Manufacturing	773	28		92	55	(34)	(9)	(21)				710	35	28	—	3.0
10	C.10 - Manufacture of food products	59	—		13	—	(1)	—	—				59	—	—	—	1.7
11	C.11 - Manufacture of beverages	19	—		—	—	—	—	—				19	—	—	—	—
12	C.12 - Manufacture of tobacco products	—	—		—	—	—	—	—				—	—	—	—	—
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	8	—		—	—	—	—	—				8	—	—	—	3.8
17	C.17 - Manufacture of pulp, paper and paperboard	2	—		—	—	—	—	—				2	—	—	—	4.3
20	C.20 - Production of chemicals	80	28		11	1	(2)	—	—				52	—	28	—	7.1
21	C.21 - Manufacture of pharmaceutical preparations	31	—		—	—	(1)	—	—				31	—	—	—	3.3

Table 40: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (continued)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	Gross carrying amount[c]					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Greenhouse Gas (GHG) financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[a]	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
As at 30 June 2023		€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	years
22	C.22 - Manufacture of rubber products	120	—		12	—	(1)	(1)	—				120	—	—	—	2.5
23	C.23 - Manufacture of other non-metallic mineral products	20	—		13	—	(1)	(1)	—				7	13	—	—	3.7
24	C.24 - Manufacture of basic metals	17	—		—	—	—	—	—				17	—	—	—	4.1
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	2	—		2	—	(1)	(1)	—				2	—	—	—	3.0
26	C.26 - Manufacture of computer, electronic and optical products	10	—		—	—	—	—	—				10	—	—	—	—
27	C.27 - Manufacture of electrical equipment	122	—		—	—	—	—	—				122	—	—	—	2.3
28	C.28 - Manufacture of machinery and equipment n.e.c.	89	—		7	45	(14)	(1)	(14)				67	22	—	—	3.4
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	132	—		—	9	(8)	—	(7)				132	—	—	—	2.5
30	C.30 - Manufacture of other transport equipment	23	—		—	—	—	—	—				23	—	—	—	3.1
31	C.31 - Manufacture of furniture	5	—		—	—	—	—	—				5	—	—	—	4.5
32	C.32 - Other manufacturing	34	—		34	—	(5)	(5)	—				34	—	—	—	2.5
34	D - Electricity, gas, steam and air conditioning supply	299	139		—	—	—	—	—				271	28	—	—	2.2
35	D35.1 - Electric power generation, transmission and distribution	212	139		—	—	—	—	—				184	28	—	—	1.7
36	D35.11 - Production of electricity	66	52		—	—	—	—	—				66	—	—	—	—

Table 40: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (continued)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	Gross carrying amount[c]					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Greenhouse Gas (GHG) financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[a]	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
	As at 30 June 2023	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	years
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	87	—		—	—	—	—	—				87	—	—	—	3.5
40	F - Construction	85	—		—	1	(1)	—	(1)				57	28	—	—	5.0
41	F.41 - Construction of buildings	77	—		—	1	(1)	—	(1)				49	28	—	—	5.3
42	F.42 - Civil engineering	8	—		—	—	—	—	—				8	—	—	—	3.3
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	361	—		135	—	(4)	(3)	—				361	—	—	—	2.4
45	H - Transportation and storage	193	—		40	—	(2)	(2)	—				193	—	—	—	2.6
46	H.49 - Land transport and transport via pipelines	1	—		—	—	—	—	—				1	—	—	—	1.5
48	H.51 - Air transport	59	—		—	—	—	—	—				59	—	—	—	4.8
49	H.52 - Warehousing and support activities for transportation	132	—		40	—	(2)	(2)	—				132	—	—	—	1.7
50	H.53 - Postal and courier activities	1	—		—	—	—	—	—				1	—	—	—	2.6
51	I - Accommodation and food service activities	167	—		100	68	(8)	—	(7)				167	—	—	—	1.7
52	L - Real estate activities	178	—		57	1	(1)	—	(1)				178	—	—	—	1.8
53	**Exposures towards sectors other than those that highly contribute to climate change[b]**	**16,100**	**—**		**458**	**3**	**(17)**	**(10)**	**(2)**				**15,814**	**17**	**51**	**218**	**1.1**
54	K - Financial and insurance activities	15,183	—		187	2	(5)	—	(2)				14,955	10	—	218	1.0
55	Exposures to other sectors (NACE codes J, M - U)	917	—		271	1	(12)	(10)	—				859	7	51	—	2.3
56	**Total**	**18,438**	**285**		**911**	**128**	**(68)**	**(24)**	**(32)**				**18,033**	**108**	**79**	**218**	**1.2**

Table 40: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (continued)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	Gross carrying amount[c]					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Greenhouse Gas (GHG) financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[a]	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
	As at 31 December 2022 - as restated *	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	years
1	**Exposures towards sectors that highly contribute to climate change[b]**	**2,312**	**85**		**508**	**92**	**(74)**	**(13)**	**(45)**				**2,159**	**153**	**—**	**—**	**2.3**
3	B - Mining and quarrying	164	5		19	—	(1)	(1)	—				158	6	—	—	0.9
5	B.06 - Extraction of crude petroleum and natural gas	6	5		—	—	—	—	—				6	—	—	—	—
6	B.07 - Mining of metal ores	14	—		—	—	—	—	—				14	—	—	—	3.8
7	B.08 - Other mining and quarrying	8	—		—	—	—	—	—				2	6	—	—	4.1
8	B.09 - Mining support service activities	136	—		19	—	(1)	(1)	—				136	—	—	—	0.5
9	C - Manufacturing	686	—		95	56	(40)	(7)	(24)				615	71	—	—	3.0
10	C.10 - Manufacture of food products	52	—		6	—	—	—	—				52	—	—	—	1.8
11	C.11 - Manufacture of beverages	51	—		4	—	(1)	—	—				46	5	—	—	3.0
12	C.12 - Manufacture of tobacco products	68	—		—	—	—	—	—				68	—	—	—	2.5
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	8	—		4	—	(1)	—	—				8	—	—	—	4.0
17	C.17 - Manufacture of pulp, paper and paperboard	3	—		—	—	—	—	—				3	—	—	—	4.7
20	C.20 - Production of chemicals	17	—		—	—	—	—	—				17	—	—	—	3.1

Table 40: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (continued)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	Gross carrying amount[c]					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Greenhouse Gas (GHG) financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[a]	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
	As at 31 December 2022 - as restated *	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	years
21	C.21 - Manufacture of pharmaceutical preparations	30	—		—	—	(1)	—	—				30	—	—	—	3.9
22	C.22 - Manufacture of rubber products	100	—		56	—	(3)	(4)	—				62	38	—	—	3.9
23	C.23 - Manufacture of other non-metallic mineral products	19	—		—	—	—	—	—				6	13	—	—	4.4
24	C.24 - Manufacture of basic metals	46	—		—	—	—	—	—				46	—	—	—	4.6
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	35	—		—	—	—	—	—				35	—	—	—	2.6
26	C.26 - Manufacture of computer, electronic and optical products	21	—		—	11	(8)	—	(7)				15	6	—	—	2.6
27	C.27 - Manufacture of electrical equipment	—	—		—	—	—	—	—				—	—	—	—	—
28	C.28 - Manufacture of machinery and equipment n.e.c.	84	—		4	45	(22)	(1)	(17)				79	5	—	—	1.9
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	98	—		—	—	(1)	—	—				98	—	—	—	2.4
30	C.30 - Manufacture of other transport equipment	24	—		—	—	—	—	—				24	—	—	—	3.5
31	C.31 - Manufacture of furniture	—	—		—	—	—	—	—				—	—	—	—	—
32	C.32 - Other manufacturing	30	—		21	—	(3)	(2)	—				26	4	—	—	3.7
34	D - Electricity, gas, steam and air conditioning supply	283	80		1	—	—	—	—				254	29	—	—	1.9

Table 40: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (continued)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Sector/subsector	Gross carrying amount[c]					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Greenhouse Gas (GHG) financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[a]	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
	As at 31 December 2022 - as restated *	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	years
35	D35.1 - Electric power generation, transmission and distribution	244	41		1	—	—	—	—				215	29	—	—	1.8
36	D35.11 - Production of electricity	128	41		—	—	—	—	—				99	29	—	—	1.7
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	39	39		—	—	—	—	—				39	—	—	—	2.4
40	F - Construction	73	—		—	1	(1)	—	(1)				43	30	—	—	5.7
41	F.41 - Construction of buildings	58	—		—	1	(1)	—	(1)				28	30	—	—	6.2
42	F.42 - Civil engineering	15	—		—	—	—	—	—				15	—	—	—	3.7
44	G - Wholesale and retail trade; repair of motor vehicles and	507	—		157	20	(18)	(2)	(12)				490	17	—	—	2.2
45	H - Transportation and storage	236	—		—	—	(3)	—	—				236	—	—	—	2.0
46	H.49 - Land transport and transport via pipelines	2	—		—	—	—	—	—				2	—	—	—	2.0
48	H.51 - Air transport	108	—		—	—	(2)	—	—				108	—	—	—	2.1
49	H.52 - Warehousing and support activities for	125	—		—	—	(1)	—	—				125	—	—	—	2.0
50	H.53 - Postal and courier activities	1	—		—	—	—	—	—				1	—	—	—	3.1
51	I - Accommodation and food service activities	163	—		163	—	(2)	(2)	—				163	—	—	—	2.2
52	L - Real estate activities	200	—		73	15	(9)	(1)	(8)				200	—	—	—	2.1
53	**Exposures towards sectors other than those that highly contribute to climate change[b]**	**15,204**	**—**		**248**	**83**	**(22)**	**(13)**	**(3)**				**14,931**	**20**	**35**	**218**	**1.2**

Table 40: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity (continued)

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
Sector/subsector	Gross carrying amount[c]					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Greenhouse Gas (GHG) financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks[a]	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
As at 31 December 2022 - as restated *	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	years
54 K - Financial and insurance activities	14,214	—		79	3	(5)	(1)	(2)				13,988	8	—	218	1.1
55 Exposures to other sectors (NACE codes J, M - U)	990	—		169	80	(17)	(12)	(1)				943	12	35	—	2.3
56 Total	**17,516**	**85**		**756**	**175**	**(96)**	**(26)**	**(48)**				**17,090**	**173**	**35**	**218**	**1.3**

* Pursuant to the EBA Q&A 2022_6600 published on 17 Feb 2023, exposures towards financial corporations are now reported within 'K - Financial and insurance activities'. The 31 December 2022 table has been updated accordingly, increasing the total Gross carrying amount reported by €13,999m, from €3,517m to €17,516m. In addition, the amounts reported at 31 December 2022 in the 'F - Construction' and 'H - Transportation and storage' sectors have been restated as part of our ongoing review of sector classification of client exposures, reducing exposures to these sectors by €45m and €170m respectively, increasing 'K - Financial and insurance activities' by €215m accordingly.

Notes:

a. In accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of the Climate Benchmark Standards Regulation. The identification of exposures to counterparties excluded from the EU Paris-aligned benchmarks (Article 12(1), points (d) to (g) and Article 12(2) of Delegated Regulation (EU) 2020/1818) was carried out by assessing exposures towards companies in the following NACE sectors: Mining & Quarrying, Electricity & Gas, Manufacturing, and Transport (of oil or fuels). Each company's segmented revenue percentages were assessed to determine if they breach the thresholds outlined by the regulation Article 12(1) (d)-(f), above. For power generation companies, reported scope 1 and 2 emission intensity was used to determine alignment with Paris benchmark threshold.

b. In accordance with the Commission delegated regulation (EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and the EU Paris-aligned benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.

c. 12 rows with zero gross carrying amounts were excluded from the table above.

In order to determine the counterparty Nomenclature of Economic Activities (NACE) codes (at NACE L1), we have utilised the internal Barclays Industry Classification used for other reporting such as Financial Reporting (FINREP). Additional data has been collected from Moody's for more granular NACE activity (at NACE L2-4). We consider the information is of good quality where available; however, in such instances where it is not available, a manual exercise was undertaken to gather the missing information. Data reported in this template is based on the specific definitions under Article 449a of Regulation (EU) 575/20131 (1) (CRR) on ESG and may differ from definitions provided by other sources used for reporting other external reports published due to subjectivity surrounding NACE codes.

Banking book assets considered in-scope are loans and advances, debt securities and equity instruments, including cash collateral and settlement balances, to non-financial corporations and financial corporations. Exposures to sovereigns and local governments are excluded, as are household exposures and assets held for trading.

Reporting of emissions (Scope 1 to 3) is voluntary until June 2024 and has not been reported for 30 June 2023. Although Barclays currently calculates financed emissions, this reporting is only disclosed at a Barclays Group level. The Barclays Group financed emission accounting has been included in the year end 2022 Barclays Annual Report and Barclays is continuing to extend the capability to estimate financed emissions with the aim of covering four more sectors (Commercial Real Estate, Agriculture, Aviation and Shipping) aligned to our commitment under the Net-Zero Banking Alliance (NZBA). This is in addition to Energy, Power, Cement, Steel, Autos and Retail Mortgages sectors which are already completed. Barclays is also focusing on extending coverage to the remaining in-scope balance sheet for financed emissions in line with the Partnership for Carbon Accounting Financials (PCAF) methodology. Further reporting for financed emissions is also being developed for inclusion in future Pillar 3 reports.

Average maturity is defined as exposure-weighted average contractual maturity. It is calculated as the sum of gross exposure multiplied by the residual maturity of each counterparty and divided by the total exposure of the sector or sub-sector. Where the maturity date has passed the reporting date i.e. overdue, but the exposure continues to appear on the balance sheet, or where the exposure does not have a contractual maturity date (e.g. on demand), this has been reported with a maturity of 1 year.

Information on objectives of Climate Change Mitigation (CCM) is only required from 31 December 2023, and will be disclosed in line with the requirements of the EU Taxonomy.

Gross exposure to sectors that highly contribute to climate change at 30 June 2023 of €2.3bn was similar to that at 31 December 2022, with a reduction in exposure to 'wholesale and retail' (€147m) and 'transportation and storage' (€43m), largely offset by an increase in exposure to 'mining and quarrying' (€118m) and manufacturing (€87m).

Gross exposure to sectors other than those that highly contribute to climate change increased by €0.9bn to €16.1bn, primarily due to increase in exposure to Other Financial corporations.

Gross exposures towards companies excluded from EU Paris-aligned Benchmark increased by €200m to €285m, due to increase in exposure to Mining and quarrying (€113m), Electricity, gas, steam and air conditioning supply (€60m) and Manufacturing (€28m).

Gross exposure to Non-performing loans increased by €32m to €124m primarily due to increase in exposure to 'Accommodation and food service activities' (€66m), offsetting by a reduction in exposure to 'Wholesale and retail trade' (€21m) and 'Real estate activities' (€14m).

Table 41: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

This table provides a breakdown of BBI's climate change transition risk on loans collateralised by commercial and residential real estate properties, and on collateral repossessed, which is based on the energy efficiency of the collateral, including energy consumption and an Energy Performance Certificate (EPC) label.

		a	o	p			
		As at 30 June 2023			As at 31 December 2022		
		Total gross carrying amount			Total gross carrying amount		
			Without EPC label of collateral			Without EPC label of collateral	
	Counterparty sector			Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated			Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
		€m	€m	€m	€m	€m	€m
1	**Total EU area**	**4,795**	**4,795**	**—**	**5,132**	**5,132**	**—**
2	Of which Loans collateralised by commercial immovable property	76	76	—	170	170	—
3	Of which Loans collateralised by residential immovable property	4,719	4,719	—	4,962	4,962	—
6	**Total non-EU area**	**—**	**—**	**—**	**—**	**—**	**—**

The gross carrying amounts cover all counterparty sectors for banking book exposure to loans collateralised by commercial and residential immovable property, and of repossessed real estate collateral, including loans to financial corporations, non-financial corporations and households. As this is a historic portfolio, EPC data is unavailable. Additionally, energy declarations are not mandatory in many EU countries. Where there is no EPC label, these have been left blank, in line with EBA guidelines that no estimates of EPC labels should be made.

Loans collateralised by commercial and residential immovable property decreased by €0.3bn to €4.8bn, primarily due to repayments and portfolio run off in the Bank's Italian mortgage portfolio as at 30 June 2023 compared to 31 December 2022.

Table 42: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

This table provides a breakdown of BBI's drawn exposures towards the top 20 carbon-intensive companies in the world. It is complementary to the sectoral approach applied in the previous templates. It includes information on the average maturity of the exposures, providing some insight on how these exposures may be impacted by longer-term climate change transition risks.

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate) for counterparties among the top 20 carbon emitting companies in the world	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
	€m	%	€m	years	
As at 30 June 2023	—	—		—	—
As at 31 December 2022	36	0.06 %		2.6	1

The Carbon Disclosure Project (CDP) data based on reported and modelled GHG emissions for 2021 was used to identify the top 20 carbon-intensive firms in the world. BBI does not have any direct exposure to these firms, but where BBI has exposure to related parties of the top 20 carbon-intensive firms (e.g. parent entity or subsidiaries), this has been reported. Therefore, there may be counterparties that have fallen into the top 20 carbon-emitting companies list but are not top 20 carbon emitters in their own right.

The gross carrying amount of exposure is given as a proportion of the total gross carrying amount of the assets in the banking book.

At the end of June 2023, BBI did not have drawn exposures (direct or through related parties e.g. subsidiaries) to the top 20 global carbon-intensive firms.

Table 43: Banking book - Climate change physical risk: Exposures subject to physical risk - Europe

This table provides a breakdown of BBI's exposures in the banking book (including loans and advances, debt securities and equity instruments not held for trading and not held for sale) towards non-financial corporates, on loans collateralized with immovable property and on repossessed real estate collateral that are exposed to chronic and acute climate-related hazards, with a breakdown by sector activity and by geography of location of the activity of the counterparty or the collateral.

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events												
Geographical area: Europe		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
As at 30 June 2023	€m	€m	€m	€m	€m	years	€m	€m	€m	€m	€m	€m	€m	€m
2 B - Mining and quarrying	269	61	—	—	—	0.3	50	10	1	4	—	—	—	—
3 C - Manufacturing	724	84	5	3	—	3.0	51	39	2	9	9	(5)	(1)	(3)
4 D - Electricity, gas, steam and air conditioning supply	257	42	14	—	—	2.6	23	20	13	—	—	—	—	—
6 F - Construction	85	8	4	—	—	4.9	4	6	2	—	—	—	—	—
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	289	36	—	—	—	2.4	13	21	2	12	—	—	—	—
8 H - Transportation and storage	152	33	—	—	—	3.1	14	17	2	—	—	—	—	—
9 L - Real estate activities	178	41	—	—	—	1.9	11	19	11	11	—	—	—	—
10 Loans collateralised by residential immovable property	4,719	136	98	406	66	12.6	471	201	34	100	27	(12)	(4)	(8)
11 Loans collateralised by commercial immovable property	76	25	—	—	—	2.0	5	13	7	18	1	(1)	—	(1)

Table 43: Banking book - Climate change physical risk: Exposures subject to physical risk - Non-Europe

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Geographical area: Non-Europe [a]	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
As at 30 June 2023	€m	€m	€m	€m	€m	years	€m	€m	€m	€m	€m	€m	€m	€m
2 B - Mining and quarrying	13	4	—	—	—	3.4	4	—	—	4	—	—	—	—
3 C - Manufacturing	49	13	—	—	—	4.1	9	4	—	—	—	—	—	—
4 D - Electricity, gas, steam and air conditioning supply	42	12	—	—	—	4.7	11	1	—	—	—	—	—	—
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	72	24	—	—	—	1.0	22	2	—	3	—	—	—	—
8 H - Transportation and storage	41	8	—	—	—	2.4	7	1	—	8	—	—	—	—
9 L - Real estate activities	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Table 43: Banking book - Climate change physical risk: Exposures subject to physical risk - Europe

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
Geographical area: Europe	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
As at 31 December 2022 - as restated *	€m	€m	€m	€m	€m	years	€m	€m	€m	€m	€m	€m	€m	€m
2 B - Mining and quarrying	150	32	1	—	—	0.8	26	6	—	3	—	—	—	—
3 C - Manufacturing	606	73	8	—	—	2.3	46	32	3	12	7	(5)	(1)	(3)
4 D - Electricity, gas, steam and air conditioning supply	283	55	6	—	—	1.9	27	21	13	—	—	—	—	—
6 F - Construction	73	8	5	—	—	4.7	6	5	2	—	—	—	—	—
7 G - Wholesale and retail trade; repair of	405	47	2	—	—	1.1	21	26	2	15	2	(2)	(1)	(1)
8 H - Transportation and storage	200	40	—	—	—	0.7	15	22	3	—	—	(1)	—	—

Table 43: Banking book - Climate change physical risk: Exposures subject to physical risk - Europe

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events												
Geographical area: Europe		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
As at 31 December 2022 - as restated *	€m	€m	€m	€m	€m	years	€m	€m	€m	€m	€m	€m	€m	€m
9 L - Real estate activities	198	46	—	—	—	0.5	13	21	12	17	3	(2)	—	(2)
10 Loans collateralised by residential immovable property	4,962	64	108	453	74	14.2	504	181	14	37	38	(16)	(5)	(11)
11 Loans collateralised by commercial immovable property	170	56	—	—	—	2.5	10	29	17	19	1	(1)	—	(1)

Table 43: Banking book - Climate change physical risk: Exposures subject to physical risk - Non-Europe

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events												
Geographical area: Non-Europe [a]		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
As at 31 December 2022 - as restated *	€m	€m	€m	€m	€m	years	€m	€m	€m	€m	€m	€m	€m	€m
2 B - Mining and quarrying	14	5	—	—	—	0.1	4	—	—	1	—	—	—	—
3 C - Manufacturing	79	22	3	—	—	0.7	22	2	1	3	2	(1)	—	(1)
4 D - Electricity, gas, steam and air conditioning supply	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7 G - Wholesale and retail trade; repair of motor vehicles and motorcycles	102	46	1	—	—	1.1	45	2	—	15	2	(2)	—	(1)
8 H - Transportation and storage	36	7	—	—	—	0.1	6	1	—	—	—	—	—	—
9 L - Real estate activities	2	—	—	—	—	—	—	—	—	—	—	—	—	—

a. Non-European exposure is primarily North American

* The amounts reported at 31 December 2022 in the "F - Construction" and "H - Transportation and storage" sectors have been restated as part of our ongoing review of sector classification of client exposures, reducing exposures to these sectors by €45m and €170m respectively, increasing "K - Financial and insurance activities" by €215m accordingly.

This template covers all geographic areas and regions and includes exposure to non-financial corporations in those sectors prescribed in the CRR.

The gross exposures in table 43 are less than the exposure in table 40 as sectors like 'Accommodation and food service activities', 'K - Financial and insurance activities' and 'other sectors (NACE codes J, M - U)' are not included in table 43, as prescribed by CRR.

Exposures to households are included above within loans collateralised by residential immovable property and are to European counterparties. While it is expected that the effects of physical risk to the Bank's portfolio is significantly decreased by mitigating factors such as flooding or sea erosion barriers, or sewage upgrades, these have not been taken into consideration.

Moody's Four Twenty Seven Methodology has been used to identify exposures subject to physical climate risks. Moody's leverage several public and private databases to generate over 25 underlying risk indicators, which are chosen based on known pathways of business risk that emerge from changes in the physical environment. The data sourced from the application covers several aspects of chronic and acute physical risks listed in Appendix A of the delegated Climate Act, 2021/2139 (EU).

Moody's provides Physical Risk Scores for counterparties scored from 1 (low risk) to 100 (high risk) for physical risk due to flooding, hurricanes and wildfires (acute climate change events) and sea level rise, heat stress and water stress (chronic climate change events). The Physical Risk Score data rates each hazard for a given location as either no risk, low, medium, high, or red flag.

A climate risk rating red flag is assumed to imply that all the assets in that location are sensitive to physical climate risk and we do not expect significant damage to assets from the risk intensity threshold below red flag. Physical climate risks are assessed by sector, along with specific location, given that physical assets will be affected differently by climate hazards based on their activities. For example, a manufacturing plant that has heavy water and energy inputs will be more sensitive to heat stress and water stress than an office in the same location. Exposures sensitive to the impact of climate change events, reported in gross amounts, have been assessed by aggregating site-level climate hazard exposure across all of their known facilities with no assessment made regarding mitigating actions such as insurance or actions taken by counterparties or local/national government.

BBI expect the methodology, availability and quality of data to evolve over time and have observed an inconsistency in approach to the tables from other financial institutions. This will lead to inconsistencies when comparing the data presented in the current table to both other financial institutions, and to data reported in future years.
At 30 June 2023, no material changes were observed to the exposure values that are sensitive to climate change events as compared to 31 December 2022.

Table 44: Other climate change mitigating actions that are not covered in the EU Taxonomy

This table provides a breakdown of other mitigating actions put in place by BBI to mitigate climate-change-related risks.

	a		b	c	d	e	f
	Type of financial instrument		Type of counterparty	Gross carrying amount	Type of risk mitigated	Type of risk mitigated	Qualitative information on the nature of the mitigating actions
	As at 30 June 2023			€m	Climate change transition risk	Climate change physical risk	
1	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)		Financial corporations	—	—	—	—
2			Non-financial corporations	—	—	—	—
4			Households	—	—	—	—
8	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)		Financial corporations	132	Yes	—	Sustainability-linked loans with KPIs related to Green house gases (GHG) emission reductions
9			Non-financial corporations	182	Yes	—	Loans directed towards green buildings & clean transportation and sustainability-linked loans with key performance indicators related to GHG emission reductions
10			Of which Loans collateralised by commercial immovable property	2	Yes	—	
11			Households	—	—	—	—

Table 44: Other climate change mitigating actions that are not covered in the EU Taxonomy (continued)

	a	b	c	d	e	f
	Type of financial instrument	Type of counterparty	Gross carrying amount	Type of risk mitigated	Type of risk mitigated	Qualitative information on the nature of the mitigating actions
As at 31 December 2022			€m	Climate change transition risk	Climate change physical risk	
1	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	—	—	—	—
2		Non-financial corporations	—	—	—	—
4		Households	—	—	—	—
8	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	75	Yes	—	Sustainability-linked facilities which incentivise borrower to achieve pre-determined sustainability performance targets (SPTs) by linking them to the pricing mechanism of the facility
9		Non-financial corporations	258	Yes	—	
10		Of which Loans collateralised by commercial immovable property	22	Yes	—	
11		Households	—	—	—	—

At this time, we are not assessing EU Taxonomy alignment, therefore this table currently includes all loans that support climate change mitigation. Eventually, some of these exposures could move to Template 7 (first disclosure reference date: 31st December 2023) as a part of the Green Asset Ratio.

Climate change mitigation includes financing directed towards GHG emission reduction, energy efficiency, green buildings, clean transportation and renewable energy. The identification and classification of green loans and sustainability-linked financing is based on Barclays group's sustainable finance framework.

The majority of exposures included in the table consist of sustainability-linked loans. Sustainability-linked loans are facilities which incentivise the borrower to achieve pre-determined sustainability performance targets (SPTs) by linking them to the pricing mechanism of the facility. For these facilities, at least one SPT is linked to climate mitigation objectives listed above.

The decrease in sustainability linked loans by €19m to €314m as compared to 31 December 2022, is primarily due to the net repayment of loans (non financial corporations decreased by €76m while financial corporations increased by €57m).

Supplementary disclosure on ESG risks

This section provides an overview of the disclosures on Environmental, Social and Governance (ESG) risks across categories such as business strategy and processes, governance and risk management in accordance with Article 449a (CRR).

ESG risk is the risk of losses arising from any negative financial impact on the Bank stemming from the current or prospective impacts of environmental, social or governance factors on the Bank's counterparties or invested assets.

In preparing the ESG information in this report the Bank has:

- used ESG and climate data, models and methodologies that it considers to be appropriate and suitable for these purposes as at the date on which they were deployed. However, these data, models and methodologies are subject to future risks and uncertainties and may change over time. They are not of the same standard as those available in the context of other financial information, nor subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. There is an inability to rely on historical data as a strong indicator of future trajectories, in the case of climate change and its evolution. Outputs of models, processed data and methodologies will also be affected by underlying data quality which can be hard to assess or challenges in accessing data on a timely basis;
- continued (and will continue) to review and develop its approach to data, models and methodologies in line with market principles and standards as this subject area matures. The data, models and methodologies used and the judgements, estimates or assumptions made are rapidly evolving and this may directly or indirectly affect the metrics, data points and targets contained in this report. Further development of accounting and/or reporting standards could also impact (potentially materially) the performance metrics, data points and targets (as applicable) contained in this report. In future reports, presentations or documents the Bank may present some or all of the information for this reporting period using updated or more granular data or improved models, methodologies, market practices or standards or recalibrated performance against such targets on the basis of updated data. Such re-presented, recalibrated or updated information may result in different outcomes than those included in this report. It is important for readers and users of this report to be aware that direct like-for-like comparisons of each piece of information disclosed may not always be possible from one reporting period to another. Where information is re-presented, recalibrated or updated, from time to time, the Bank's principles-based approach to reporting financed emissions data sets out when information in respect of a prior year will be identified and explained (see page 87 of https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2022/AR/Barclays-PLC-Annual-Report-2022.pdf).

Environmental risk

Business strategy and processes

a) BBI business strategy, aligned with Barclays Group, is to integrate and take into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning.

Climate strategy:

Barclays has a three-part climate strategy, underpinned by assessment and management approach on climate-related risk, the ambition to be a net zero bank by 2050 and related actions. All entities in Barclays, including BBI, are aligned to this three-part strategy. The strategy includes:

- Achieving net zero operations – working to reduce our Scope 1, Scope 2 and Scope 3 operational emissions[a] consistent with a 1.5°C aligned pathway and counterbalance any residual emissions;
- Reducing our financed emissions – aligning our financing with the goals and timelines of the Paris Agreement, consistent with limiting the increase in global temperatures to 1.5°C; and
- Financing the transition – helping to provide the green and sustainable finance required to transform the economies, customers and clients we serve.

For each of our three strategy pillars, Barclays has set targets and milestones at the Group level, driven by considerations of all relevant risks, as well as our Purpose, to deploy finance responsibly to support people and businesses.

Note:

a Barclays Group defines:

Scope 1 : emissions from our corporate vehicles'exhaust, natural gas from our building boilers and the generators we might run;

Scope 2: emissions from the energy sources we use to power our data centres, branches, campuses and offices;

Scope 3: emissions from our upstream and downstream activities such as purchase of products and services, waste generated and air travel.

Nature and Biodiversity Strategy

The Bank also recognises the important role of stewarding responsible finance towards a nature-positive future. The Bank continues to work to build an understanding of the ways in which its financing activities impact nature as well as the ways in which the Bank and its clients depend on nature. This includes engaging with industry groups and its membership, as a BPLC Group of the Taskforce on Nature-related Financial Disclosure Forum (TNFD). We also continue to review the ways in which the Bank's financing activities can help to facilitate a nature positive future. Nature and biodiversity is a growing area of focus for the Bank. Therefore the updated Forestry & Agricultural Commodities Statement from April 2023 expands the Bank´s requirements for producers of soy, palm oil and timber to their full supply chain and introduces provisions for companies producing or processing beef in High Deforestation Risk Countries in South America.

Risk management

Environmental and Social risks are governed and managed through our Enterprise Risk Management Framework (ERMF).

The Bank's assessment of Environmental and Social risks not only helps safeguard its reputation, which supports longevity of the business, but also informs its wholesale credit risk management and enhances its ability to serve the Bank's clients and support them in improving their own sustainability practices and disclosures.

Environmental Risk is regarded as a credit risk driver, and is considered within our credit risk assessment process. The Environmental Risk team is responsible for advising on the environmental and climate-related credit risks to Barclays associated with particular transactions. Environmental risks in credit are governed under the Bank's Client Assessment Standard.

Business model and financial planning

The Group's financial planning process includes a review of its strategy and its implementation, as well as an initial view of climate-related risks and opportunities, which aligns with how Barclays manage other risks. The implementation of our strategy is not only impacting our products and services, but also our operations. Barclays continue to develop new processes and capabilities, and are embedding them into our operations.

The latest financial plan leverages the three pillars of the Group's climate strategy to estimate the future impact of climate on our financial performance. Barclays assessed the financial impact of embedding the individual parts of our climate strategy, new initiatives and targets across our Group businesses, including the wholesale credit book, sustainable financing and sustainable lending in the Corporate and Investment Bank.

The Barclays' Group strategy, of which the Bank is part, will continue to evolve and adapt to reflect the broader business environment and external factors affecting the shape and timing of the transition to a low-carbon economy, similar to those impacting clients' transitions.

Barclays' Group and the Bank keep policies, targets and progress under review in light of the rapidly changing external environment and the need to support governments and clients in delivering an orderly energy transition and providing energy security. The trajectory for clients' transition to a low-carbon economy is influenced by a number of external factors, including market developments, technological advancement, the public policy environment, geopolitical developments and regional variations, behavioural change in society and the scale of change needed to adapt their business models. Client transition pathways will vary, even within the same sectors and geographies.

b) Objectives, targets and limits to assess and address Environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes.

Supplementary disclosure on ESG risks (continued)

Climate strategy targets:

For each of the three pillars of our climate strategy, Barclays has set targets and milestones at the Group level, and reports progress against those targets annually as part of the Barclays Group Annual Report. Our targets are aligned with the goals and timelines of the Paris Climate Agreement, consistent with limiting the increase in global temperatures to 1.5°C. Barclays Group discloses details of these targets, including the risk management approach that underpins them, and the impact on the business model and products and services, as part of our Task Force on Climate-Related Financial Disclosures (TCFD) disclosures which, for 2022, were embedded into the Group Annual Report. The Consumer Bank Europe portfolio (Germany) has a mandate that tracks monthly the balance concentration in regions historically prone to flood impact. Performance has been stable and is within the forecast levels.
In addition to targets, the Bank also restricts certain financing activities as set out in our restrictive policies in respect of certain sensitive energy sub-sectors (thermal coal mining, coal-fired power generation, mountain-top coal removal, oil sands, Arctic oil and gas and hydraulic fracturing (fracking)). See section (d) below for further details.

On behalf of the BBI Board, the BBI Board Risk Committee (BRC) reviews and approves the Bank's approach to managing the financial and operational risks associated with climate change.

Climate risk as Principal Risk:

Climate risk became a Principal Risk within the Barclays Enterprise Risk Management Framework from January 2022. Barclays define climate risk as the impact on Financial and Operational Risks arising from climate change through physical risks, risks associated with transitioning to a lower carbon economy and connected risks arising as a result of second order impacts of these two drivers on portfolios.

As part of establishing Climate risk as a principal risk, Barclays defined a risk appetite statement and constraint for climate risk. BBI embedded the qualitative risk appetite statement into its own documents in 2022. Barclays has appetite to manage climate risk in line with its climate ambition and to reduce financed emissions in line with disclosed targets. Group targets to 2025 are set for Energy and Power. Group targets to 2030 are set for Energy, Power, Cement, Steel and Automotive Manufacturing.

An assessment of progress to reduce financed emissions against the disclosed targets is made annually. It is noted that reaching even the lower emissions reduction in the disclosed ranges may prove challenging and that a clearer forward plan may be defined to set out the range of management actions that could be taken to meet the disclosed target ranges, including a more detailed understanding of client transition expectations and the external dependencies and variables beyond Barclays' control that may determine the pace of transition. Work has commenced on a Client Transition Framework which will support our evaluation of our corporate clients' current and expected future progress as they transition to a low-carbon business model and we are continuing to invest in developing tools that will enhance the quality of our forecasting and better understand the potential volatility in our progress over the remaining target period.

Nature-related risk:

Barclays include financing restrictions that seek to address nature-related risk within Barclays Group position statements on Forestry and Agricultural Commodities, World Heritage Sites and Ramsar Wetlands and Climate Change Sensitive Sectors. Barclays continues to review and monitor the ways in which it can strengthen its approach. Barclays continues to enhance its position regarding nature-related risk, for example notably in the updated Forestry & Agricultural Commodities Statement from April 2023.

For further details on our restrictive policies please see section (d).

Barclays has continued to develop its understanding and ability to evaluate nature-related risk in financing, building on the work started in 2021. This included working with an external expert on a materiality exercise to produce an initial portfolio heatmap to analyse nature-related risk by sector and exposure across our lending portfolio. This involved a qualitative review of sector impacts and dependencies across a number of key risk drivers representing both physical and transition risks, to determine where in the portfolio were the likely areas of highest risk.

The Barclays Group has been part of a TNFD pilot group led by the United Nations Environment Programme Finance Initiative (UNEP FI) to test the draft TNFD risk management and disclosure framework for organisations to report and act on evolving nature-related risks. As part of the pilot, Barclays has tested a number of nature and climate scenarios on our European Agriculture and Food portfolio. This involved assessing our clients' locations in terms of production and sales and applying a number of biodiversity metrics to each location to determine where key impacts and risks may arise. A number of different scenarios were also used to stress the portfolio and individual counterparties, to see whether material financial impact could arise as a result of nature-related transition and physical risks.

The Bank recognises the need for continuous improvement with regard to the available data and technologies, in particular noting the complexity and challenge given the number of nature attributes and their associated metrics. We will therefore continue to support the development of methodologies which seek to better evaluate risk impacts and dependencies at a portfolio level. For further details please refer to Barclays PLC – Annual Report – 2022 (page120, https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2022/AR/Barclays-PLC-Annual-Report-2022.pdf)

c) Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities.

Barclays Group is helping to provide the green and sustainable financing required to transform the economies it serves. It surpassed its 2018 target to deliver £150bn of social, environmental and sustainability-linked financing by 2025, and is well on track to meet its goal to deliver £100bn of green financing well ahead of 2030.

Barclays Group's environmental financing consists of labelled use of proceeds and general purpose financing in environmental categories.

After a strategic review, Barclays Group announced two new targets in December 2022:

- Facilitate $1trn of Sustainable and Transition Financing between 2023 and the end of 2030.
- Increase investment into global climate tech start-ups to £500m through the Sustainable Impact Capital portfolio by the end of 2027.

Barclays Group sustainable financing is tracked using the methodology set out in the Barclays Sustainable Finance Framework. (https://home.barclays/content/dam/home-barclays/documents/citizenship/ESG/2022/Barclays-Sustainable-Finance-Framework.pdf).

As the requirements of the EU Taxonomy are still being phased in and because data from non-financial corporates on taxonomy-aligned activities is very limited at the moment, the Bank is not in a position to fully utilise taxonomy alignment in product design and processes, or engagement with counterparties. However, the Bank is considering how to incorporate it into its ESG frameworks.

Within the Markets business, Barclays has developed an ESG framework for the governance, product constructions and suitability assessment of our current and future ESG product suite. In line with the Sustainable Financing Disclosures Regulation and Markets in Financial Instruments Directive (MiFID) ESG Regulations Directive, Barclays has defined a set of principles for an ESG Index utilised on our structured products, derivative and investment solutions businesses which broadly aligns with the principles of the EU Taxonomy. We are also working with clients and partners to create products and services that align to the principles of the EU Taxonomy to address their sustainability preferences in structured products investments, where applicable to the client.

Barclays aims to create sustainable value for all those we serve, through the economic cycle. We think about our core stakeholders as belonging to four groups: customers and clients, colleagues, society, and investors. Details of how we engage with our stakeholders are set out in the 'Listening and responding to our stakeholders' section of the Barclays PLC Annual Report 2022. We seek to understand and address the material ESG issues for our stakeholders, including our customers and clients, our colleagues, society and investors. We therefore perform a materiality assessment annually. You can find our materiality matrix in the GRI Content Index on the Barclays ESG Resource Hub.

We have developed our BlueTrackTM methodology which is also applicable for BBI to measure and track our financed emissions at a portfolio level against the goals and timelines of the Paris Agreement. BlueTrackTM builds on existing industry approaches to cover lending as well as capital markets financing, reflecting the breadth of our support for corporate clients through our Investment Bank. Please see for further information Barclays PLC Annual Report 2022 page 87.

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (SDGs), which are a call for action by all countries - developed and developing - in a global partnership. Barclays is pleased to play its part, working in partnership with our stakeholders to support the delivery of the SDGs. Since 2018, we have tracked our annual contribution to the SDGs, through our financing activities.

Our financing covers a range of financing activities including debt and equity capital markets, corporate lending, trade finance and consumer lending. It helps to generate positive social and environmental outcomes through financing of activities such as, but not limited to, energy efficiency, renewable energy, affordable housing, basic infrastructure and services. Financing of activities set out in the Barclays Sustainable Finance Framework (SFF) in turn supports progress towards achieving the SDGs. For a full list of eligible social and environmental activities see the Barclays Sustainable Finance Framework, which shows how eligible social and environmental activities contribute to individual SDGs, supported through an analysis of underlying SDG targets.

d) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks.

Our Climate Change Statement sets out our approach in relation to our climate change ambition and to managing the impact of our climate-related activities, including setting restrictive policies in respect of certain sensitive energy sub-sectors (thermal coal-mining, coal-fired power generation, mountain-top coal removal, oil sands, Arctic oil and gas and hydraulic fracturing). Barclays has also established positions on Forestry and Agricultural Commodities, World Heritage and Ramsar Wetlands. The Barclays Climate Change Statement was updated in February 2023 and sets out our revised position and approach to sensitive sectors including updates to our thermal coal policy and position on oil sands. The Barclays Forestry and Agricultural Commodities Statement was also updated in April 2023 and takes effect from 1 July 2023.

In addition, we have developed internal standards for each of these which reflects these positions in more detail. These standards which sit under the management of Reputation risk in the ERMF, determine our approach to climate change and relevant sensitive sectors and are considered as part of our existing transaction origination, review and approval process.

Our standards include an enhanced due diligence approach for certain clients operating in energy sub-sectors and clients in-scope of our Forestry and Agricultural Commodities, World Heritage and Ramsar Wetlands standards.

All in-scope clients in these sub-sectors must be assessed annually via a detailed due diligence questionnaire which is used to evaluate their performance on a range of environmental and social issues, and may be supplemented by a review of client policies / procedures, further client engagement and adverse media checks as appropriate. This annual review either generates an Environmental and Social impact (ESI) risk rating (low, medium, high). Typically, high and certain medium ESI rated clients require further risk assessment prior to execution of transactions with those clients.

For matters relating to sensitive energy sub-sectors, where client relationships or transactions are assessed as higher-risk following an enhanced due diligence review, or the front office business team or the Sustainability and ESG team deem it necessary, they are then considered for escalation to the Climate Transaction Review Committee (CTRC) for consideration and a decision on whether to proceed if transaction related. CTRC includes representation from the Group Executive Committee.

For matters relating to the other environmental standards, should the front office business team or the Sustainability and ESG team believe the issues are sufficiently material, these would be escalated to the Transaction Review Committee (TRC) or Group Reputation Risk Committee (GRRC) for more senior consideration and decision. This committee includes representation from the Group Executive Committee.

Barclays Group is also developing a Client Transition Framework, a methodology that allows us to evaluate our corporate clients' current and expected future progress in transitioning to a low-carbon economy. The framework comprises both a quantitative and qualitative component to assess clients' trajectory against our targets and benchmarks, and the ambition and achievability of their plans, allowing us to engage with them at a more granular level for their transition financing needs. As part of the roll-out of the framework, we will begin climate-specific engagement for those clients with the lowest scores. This will ensure we are directing efforts towards the clients that are most at risk of failing to transition in line with our targets and our approach to climate risk. We will work with them to understand any unique challenges they may face in pursuing their transition.

Governance

e) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels.

The BBI PLC Board is responsible for the overall leadership of the Bank including establishing its purpose, values and strategy, and assessing and monitoring that these and its culture are aligned. As part of this, the BBI Board and, as appropriate, its Committees, are responsible for the oversight of environmental matters, including climate-related risks and opportunities.

The Board discusses updates received from the BBI CRO, CFO and Head of Climate Risk, including key, climate and reputation risk. This includes approving the BBI PLC Annual Report, which has specific disclosures on Climate Change Risk.

On behalf of the BBI Board, the BBI BRC reviews and approves the Bank's approach to managing the financial and operational risks associated with climate change. Broader sustainability matters and other reputation risk issues associated with climate change are coordinated by the Group Sustainability Team.

BBI has appointed Head of Climate Risk responsible for management of Climate Risk, reporting into the Deputy CRO. The Head of Climate Risk is the Climate Principal Risk owner, accountable for the management and oversight of the Climate risk profile. To support the oversight of Barclays's Climate risk profile, regular monitoring is provided by the BBI Risk Committee (BBI RC). BBI RC is the delegated committee of BBI BRC where climate risk is reviewed. BBI has a representative on the Barclays Group Climate Risk Committee (CRC). To support the oversight of Barclays Group climate risk profile, a CRC has been established, as a sub-committee of GRC. The authority of the CRC is delegated by the Group Risk Committee (GRC).

The GRC is the most senior executive body responsible for review and challenge of risk practices and risk profile, for climate risk and other principal risk types. CRC has reviewed and approved a range of updates including refreshed Climate Risk Vision, updates from each of the financial and operational risks and from the material legal entities of the firm, along with key regulatory, policy and legal themes, the risk register, appetite statement & constraint and reviewed the control environment. BBI has a representative on the Climate Risk Control Forum (CRCF), which was established in July 2022 and escalates to GRC via the Group Controls Committee. The purpose of the CRCF is to oversee the consistent and effective implementation and operation of the Barclays Controls Framework relating to Climate Risk. It reviews the control environment relating to Climate Risk, including risk events, policy and issues management. Climate Risk assurance groups have been established and are responsible for performing Climate Risk specific reviews to ensure we are continually improving and addressing identified issues in our risk practices.

Barclays Group established the Board Sustainability Committee (BSC) in 2023 to support the Board's ongoing analysis and oversight of Barclays' approach to sustainability matters and the implementation of its climate strategy . This will include oversight of:

• The Group's policies

• The setting of science-based targets

• The implementation of the Client Transition Framework

• The Group's client engagement strategy with respect to transition finance

Pursuant to its Terms of Reference, the BSC shall meet around four times annually and otherwise as required.

Barclays also established the Group Sustainability Committee (GSC), a sub-committee of the Group Executive Committee, in 2023.

This Subcommittee was convened to:

• Recommend the overall Group Sustainability strategy for approval by Group ExCo;

• Enable alignment of business unit strategies to the overall strategy;

• Determine, recommend, or agree position statements, frameworks, targets, advocacy areas necessary to support strategy delivery;

• Determine the strategic change priorities to support overall sustainability strategy including investment governance and delivery oversight

• BBI has a representative on GSC.

f) Management body's integration of short, medium and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions.

Environmental and social risks are governed and managed through our ERMF.

The ERMF sets out:

- principal risks faced by BBI, which guide the organisation of risk management processes;
- risk appetite requirements. This helps define the level of risk the Bank is willing to undertake in our business;
- risk management and segregation of duties. The ERMF defines a Three Lines of Defence model; and
- roles and responsibilities for key risk management and governance. The accountabilities of the BBI PLC CEO, CRO and other senior managers, as well as an overview of Barclays Bank Ireland PLC committees.

Environmental risk is regarded primarily as a credit risk driver, and is considered in the Barclays credit risk assessment process through our Environmental Risk Standard.

Supplementary disclosure on ESG risks (continued)

Environmental risks in credit are governed under the Client Assessment and Aggregation Policy and related Standards, which are embedded within the Wholesale Credit Risk Control Framework.

Climate/ESG competency was added to the Board skills matrix on 8th December 2022 following self-assessment by the members. Furthermore two training sessions were delivered on Climate Risk at the Board meetings in the March 2023 (by external auditor, topic: EU ESG regulation and implications for Barclays Europe) and May 2023 (by Head of Climate Risk, topic: Barclays Europe' Framework for Managing Climate Risk) meetings.

g) Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels.

The BBI PLC Board is responsible for the overall leadership of BBI PLC, including establishing its purpose, values and strategy and assessing and monitoring that these and its culture are aligned. As part of this, the Board and, as appropriate, its committees are responsible for the oversight of social and environmental matters, including climate-related risks and opportunities.

The BBI Board receives regular climate-related updates from the BBI Head of Climate Risk.

In addition to these Board briefings, the CEO, CFO, CRO and Head of Climate Risk engaged with Barclays Bank Ireland PLC Board members on matters relating to the Bank's climate strategy. The Board also receives updates from the businesses, either directly or through the reports of the Board Risk Committee, regarding their climate strategy.

The Board is supported in its work by its Committees (including in respect of climate-related matters), each of which has its own Committee Terms of Reference clearly setting out its remit and decision-making powers.

BBI Board Risk Committee (BRC)

The BRC monitors and recommends the risk appetite for BBI's Principal Risks, including risks associated with climate change. It considers and reports on key financial and non-financial risk issues, and oversees conduct and compliance. It also monitors BBI's Financial, Operational, Conduct and Legal risk profile.

Climate risk was elevated to a Principal Risk within our ERMF from 1 January 2022. Following a detailed training session on the financial and operational risks of climate change delivered to the BRC at the beginning of 2022, the BRC received quarterly Climate risk updates from the Head of Climate Risk and also received reports from the businesses on their climate strategy, with a focus on ensuring Climate risk is adequately considered as part of business-planning activities across the Bank.

As part of the updates provided by the Head of Climate Risk, the BRC received and considered updates in relation to:

- areas of elevated climate risk and progress against sector targets, received in the form of a Climate Risk Dashboard;
- stakeholder views on climate risk;
- the impact of the war in Ukraine on the transition towards a low-carbon economy;
- heightened regulatory focus on 'greenwashing' activities in the financial services sector; and
- physical risks associated with climate, including the impact of heatwaves and droughts.

As part of the Group's strategic planning process, the BRC recommended to the Board for approval the Barclays Risk Appetite Statement, which covers all Principal Risks, including Climate risk. The Board expresses risk appetite through setting an acceptable level of deterioration for a set of key financial parameters under a severe but plausible stress scenario i.e. the Internal Stress Test (IST). Risk appetite sets an outer limit of the aggregate level and types of risk that the Bank is willing to assume to achieve its strategic objectives, including Climate/Environmental risk. The BRC also reviewed the ERMF and recommended the same to the Board for its approval, and reviewed each of the Principal Risk frameworks, including the Climate Risk Framework.

h) Lines of reporting and frequency of reporting relating to environmental risk.

Chief Risk Officer

The BBI CRO is accountable for the approach to managing climate-related financial and operational risks to Barclays. This encompasses the measurement, monitoring and limit setting for Climate risk and the supporting governance. BBI CRO receives Climate Risk reports on a frequent (at least monthly) basis.

Group Head of Public Policy & Corporate Responsibility (PPCR)

The Group Head of PPCR leads the Bank's overall sustainability and citizenship agendas. Specifically, the role is responsible for leading Barclays' efforts in tackling climate change, and for integrating our ambition to help embed the transition towards a low-carbon economy into the business.

Group Head of Sustainability

The Group Head of Sustainability leads the Sustainability and ESG team, and the strategic direction and execution of Barclays' policies and practices across a broad range of sustainability and ESG matters, including climate change. The role also oversees the development of standards and metrics to advance green and sustainable finance and to steward early innovation in sustainable product and service development. This role is responsible for Reputation risk issues arising from climate change, although the Group Board has overall responsibility for reputation matters generally. The Group Head of Sustainability reports directly to the Group Head of PPCR.

Group Head of Climate Risk

The Group Head of Climate Risk was appointed in July 2020 and is the Principal Risk Lead for Climate Risk. Being the Head of the Climate risk team, the role encompasses the development of Climate risk governance, including ownership of the Group's Climate Risk Framework, and making recommendations on risk appetite, constraints and exclusions to Group BRC, informed by Barclays' net zero ambition. Further responsibilities include leading the development of Climate risk methodologies and our approach to carbon modelling, including the BlueTrack™ model. The Head of Climate Risk reports directly to the Group CRO, and is the Chair of CRC

(Climate Risk Committee). CRC meeting frequency is monthly. At BBI a Head of Climate Risk was appointed in the course of 2021 to drive the Climate risk governance within the European entity, reporting to the deputy CRO.

i) Alignment of the remuneration policy with the institution's environmental risk-related objectives.

Barclays' remuneration philosophy

Remuneration decisions for Barclays employees result from the application of Barclays' remuneration philosophy, which applies to all employees globally. The objectives of the remuneration philosophy include the following:

- Barclays remuneration should reward sustainable performance. Sustainable performance means making a positive and enduring difference to investors, customers and communities, taking pride in leaving things better than we found them and playing a valuable role in society.
- Barclays remuneration should align with risk appetite, risk exposure and conduct expectations. Our remuneration approach is designed to reward employees for achieving results in line with the Group's risk appetite and conduct expectations.

Incentive pool funding

Performance against non-financial measures (including environmental metrics) is a consideration when setting incentive funding levels. In 2022, non-financial performance was assessed against strategic non-financial measures organised around three main categories: Customers & Clients, Colleagues and Climate & Sustainability. These categories cover a wide range of factors and, in respect of climate, included Barclays Group's performance against its targets for green financing, reducing emissions financing, reducing its carbon footprint and increasing its use of renewable energy. The incentive pool is also adjusted to take account of an assessment of a wide range of future risks, including consideration of ESG risks.

Barclays PLC Executive Director remuneration

Barclays PLC Executive Director bonus and Long Term Incentive Plan (LTIP) outcomes are assessed against a framework of measures, set by the Barclays PLC Board Remuneration Committee. A proportion of both bonus and LTIP is driven by non-financial performance measures, including measures relating to climate and sustainability. 10% of each of the 2023 bonus and 2023-25 LTIP awards will be based on an assessment of measures aligned to our climate and sustainability objectives (including reducing operational emissions; progress towards our sustainability and transition financing target; and reducing our financed emissions). This reflects our ambition to be net zero by 2050, including our commitment to align our financing with the goals of the Paris Climate Agreement.

Risk management

j) Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework.

Environmental and social risks are governed and managed through our ERMF.

Barclays' approach to Environmental and climate risk management is guided by the Banks's strategy as well as by the policy and regulatory requirements of the regions in which Barclays and its affiliates operate.

Climate Risk has been established as a Principal Risk covering the Financial & Operational Risks of Climate Change. When considering climate-related risks, Barclays has categorised the following timescales: Short term (S) – 0-1 year; Medium term (M) – 1-5 years; Long term (L) – 5-30 years. Climate change, being a unique phenomenon and a driver of risks, may lead to economic and operational impacts and may increase the likelihood or severity of other risks, for example:

- cyclical: amplifying economic cycles, including deeper troughs;
- structural: macroeconomic shifts as economies transition to a low-carbon economy; and
- potential for tail risks and tipping points, for example from chronic physical risks that are not currently clearly understood. This might include impacts from lack of access to clean water, mass human migration due to inhospitable conditions, biodiversity and ecosystem services loss, second order impacts on food chain, or conflict resulting from competition for environmental resources.

k) Definitions, methodologies and international standards on which the environmental risk management framework is based.

Barclays operates in a number of regulatory jurisdictions and aims to comply with all applicable regulations. A dedicated Sustainability team considers how the Group approaches wider sustainability and ESG matters, working closely with the Environmental Risk Management team within Risk.

Barclays is an active participant in the majority of the industry standard setting bodies. It contributes to and takes direction from these bodies (including, but not limited to Non-financial Reporting Directive (NFRD), Task Force on Climate-Related Financial Disclosures (TCFD), United Nations Environment Programme Finance Initiative (UNEP FI), Global Reporting Initiative (GRI), Sustainability Reporting Standards (SRSs), the United Nations' Principles for Responsible Investment (UNPRI)), Sustainability Accounting Standards Board (SASB) and Carbon Disclosure Projects (CDP).

The elevation of climate risk to Principal Risk included establishment of governance elements, including:

• A Climate Risk Framework that defines climate risk and summarises the approach to identification, measurement, monitoring and reporting of climate risk.

• Climate Risk Appetite and constraint at the Group level established in line with the Group's risk appetite approach and informed by scenario analysis. BBI has embedded the qualitative risk appetite statement into its own documents, reflecting alignment with the Barclays Group in achieving its ambition of reducing emissions to net zero by 2050.

• Climate Risk Stress Testing, such as the ECB Climate Risk Stress Test exercise BBI participated in during 2022. This was an exploratory exercise designed to test climate stress testing capabilities and assess the financial resilience of participating banks.

The exercise was split across four defined scenarios, including paths for Physical and Transition risk events, spanning between 1 and 30 year time horizons. The exercise was limited in scope to only cover a proportion of BBI portfolios. Overall, all climate risk stress impacts were considered manageable on an absolute basis, with the largest loss observed in the Drought and Heat scenario from Wholesale Credit Risk positions. ECB have since provided general feedback with respect to Banks' stress testing capabilities and an expectation that further developments will be made in the coming years. More information on the ECB exercise has been detailed on page 69 of Barclays Group 2022 Annual Report.

• Climate Risk Register is used to inform risk appetite. This includes a breakdown of key risk drivers for physical and transition risks, and materiality ratings which are inferred from the results of the 2022 EBA Stress test, 2020 climate Internal Stress Test and 2021 Bank of England's Climate Biennial Exploratory Scenario (CBES). The Climate Risk Register continues to align with the Group's Risk Register Taxonomy.

• Barclays has been performing a Group-wide climate scenario analysis exercise in 2023, to test the impact to Barclays' portfolios from a severe but plausible climate scenario. This exercise is split across four phases over a five-year time horizon, including paths for Physical, Connected and Transition risk events. The exercise will be used as part of Barclays' ongoing climate risk management, to better quantify the impacts of climate change on the Bank's portfolios and balance sheet. This will enable Barclays including the Bank, to improve its understanding of how climate risks interact with macroeconomic stresses and to support Barclays' resilience to climate risk.

For additional information such as risk appetite, Enterprise Risk Management Framework (ERMF) and Climate-related Risk Management Processes refer to pages 49 and 50 of BBI PLC Annual Report as at 31 December 2022. Please also refer to our BPLC statement on our approach to Environmental Risk in lending (30 May 2022) for further information on our approach to environmental credit risk management.

l) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels.

Environmental and social risks are governed and managed through our ERMF.

The ERMF sets out:

- principal risks faced by the Group, which guide the organisation of risk management processes;
- risk appetite requirements; this helps define the level of risk Barclays is willing to undertake in our business;
- risk management and segregation of duties: the ERMF defines a Three Lines of Defence model; and
- roles and responsibilities for key risk management and governance: the accountabilities of the Group CEO, Group CRO and other senior managers, as well as an overview of Barclays PLC committees.

Environmental risk is regarded as a credit risk driver, and is considered in the Barclays credit risk assessment process through our Environmental Risk Standard. The Environmental Risk team is responsible for advising on the environmental and climate-related credits to Barclays associated with particular transactions. Environmental risks in credit are governed under the Client Assessment Standard. These standards are part of the overall Enterprise Risk Management Framework.

Restrictive Policies

In addition to setting sector-specific emission reduction targets, consistent with our Purpose and considering relevant risks and other factors, Barclays has set explicit restrictions to curtail or prohibit financing of certain activities in sensitive sectors. This includes clear restrictions on thermal coal mining and coal-fired power generation, Arctic oil and gas, oil sands and hydraulic fracturing (fracking). Barclays also has restrictive policies on Forestry and Agricultural Commodities including forestry, pulp and paper, palm oil and soy – this was updated in April 2023 and takes effect from 1 July 2023. Further details can be found on page 16 of the BBI PLC Annual Report 2022. Our restrictive policies are regularly reviewed and updated based on a number of internal and external factors. In light of this Barclays has aligned our thermal coal power phase-out date for all EU and Organisation for Economic Co-operation and Development (OECD) countries to 2030.

Monitoring

As part of our management of Environmental and Social risks, the Bank may require further client engagement in relation to the specific Environmental and Social risks that it has identified as part of its enhanced due diligence process. We have used this engagement as an opportunity to gain a more detailed understanding of the risks and challenges that the client is facing and to better understand any climate transition plan that they may have.

For further details on the enhanced due diligence process, please refer to section d) under Environmental Risk, Business strategy and process.

m) Activities, commitments and exposures contributing to mitigate environmental risks.

Risk mitigation measures are part of a standard business case. These are driven by Barclays ambition to become a net zero Group by 2050 and its commitment to align all its financing activities with the goals and timelines of the Paris Agreement.

Barclays has published details of the strategy to measure and manage the alignment of our client portfolios to the goals and timelines of the Paris Agreement. Our approach is underpinned by BlueTrack™, a methodology Barclays has developed to measure and track our financed carbon emissions at a portfolio level against the goals of the Paris Agreement.

Environmental risks in credit are governed under the Client Assessment and Aggregation Policy and related Standards, which are embedded within the Wholesale Credit Risk Control Framework.

A qualitative scorecard (Climate Lens) is used to identify and assess the impact of physical and transition risks for wholesale clients operating in elevated sectors. In 2022, Climate Lens was integrated into the credit sanctioning workflow system to further support climate risk assessment.

n) Implementation of tools for identification, measurement and management of environmental risks.

There are a number of activities underway in Barclays related to Environmental risk, including risk referral to the environmental risk team for higher risk financing activity. The Bank includes financing restrictions that seek to address nature-related risk within our position statements on Forestry and Agriculture Commodities, World Heritage Sites and Ramsar Wetlands and Climate Change. We continue to review and monitor the ways in which we can strengthen our approach.

Barclays has continued to develop its understanding and ability to evaluate nature-related risk in financing, building on the work started in 2021. This included working with an external expert on a materiality exercise to produce an initial portfolio heatmap to analyse nature-related risk by sector and exposure across our lending portfolio. This involved a qualitative review of sector impacts and dependencies across a number of key risk drivers representing both physical and transition risks, to determine where in the portfolio were the likely areas of highest risk.

Barclays has been part of a TNFD pilot group led by UNEP FI to test the draft TNFD Framework. As part of the pilot, we looked specifically at agriculture and food in Europe. We recognise the need for continuous improvement with regard to available data and technologies, in particular noting the complexity and challenge given the number of nature attributes and their associated metrics. The Bank will therefore continue to support the development of methodologies which seek to better evaluate risk impacts and dependencies at a portfolio level. For example, we have trailed an emerging modelling methodology in order to support our participation with the UNEP FI work, which draws upon a wide range of available data and also adopts assumptions where there are gaps.

Risk identification and measurement

Barclays has adopted Climate Risk as a Principal Risk in from January 2022 and implemented a number of tools to identify and assess climate risks. They include:

- Horizon scanning and research: Evaluating the potential impact of physical and transition risk in the underlying portfolios across different time horizons, through qualitative judgement and review of the external research papers. This has led to the identification of industry sectors, countries and U.S States that are considered as elevated risk and identifying emerging trends through horizon scanning activities;
- Climate change risk register: Continues to align with the risk register taxonomy;
- Climate lens: is a qualitative scorecard used to identify and assess the impact of physical and transition risks for clients operating in wholesale elevated sectors. In 2022, a climate lens was integrated into the credit sanctioning workflow system to further support climate risk assessment;
- Scenario analysis and stress testing: These are primary tools to support the assessment and quantification of the impact of climate risks. The tools provide insight on the effects of transition and physical risks in the underlying portfolios under a range of climate scenarios, which will increasingly be used to inform business strategy, financial planning, risk appetite and management; and
- BlueTrack™: The emissions resulting from the activities of customers and clients to whom financing is provided, is measured using Barclays' bespoke model BlueTrack™. The methodology and coverage of the BlueTrack™ is expanded each year, with the aim of covering Barclays' entire financed portfolio. Currently, BlueTrack™ covers six segments: energy, power, cement, steel and automotive and residential real estate business.

For those segments of Barclays portfolio where the concentrations of elevated Climate risk have been identified, risk measures have been defined. These measures are appropriate to the risk and may be quantitative or qualitative. The measures range from quantum of financing exposures to more sophisticated measures such as risk sensitivities or stress loss measures, as appropriate.

In 2020, Climate risk considerations were integrated into Mandate and Scale annual credit portfolio reviews for elevated risk sectors, see page 57 of Barclays Bank Ireland PLC Annual Report. Portfolios are monitored through regular reporting of climate metrics and are assessed against mandates and limits where appropriate Clients in elevated risk sectors above a threshold exposure will have their credit risk exposure to Climate Risk qualitatively assessed through the Credit Climate Lens questionnaire. Future exposure to Climate Risk as a driver to Credit Risk is quantified through scenario analysis and stress testing exercises. In addition to the Credit Climate Lens questionnaire, Sovereign Credit Reviews are also carried out for Sovereigns above a threshold exposure to assess their susceptibility to Climate risks.

In 2021, the Mandate and Scale reviews were enhanced to include learnings from risk assessments and scenario analysis and key industry developments, including regulatory, policy, technology, industry commitments and shareholder action. BBI has established quantitative Market and Credit Risk limits at entity level.

Further to this, as a result of ECB Climate Risk Stress Test exercises, a climate risk dashboard has been developed to monitor risks identified and to inform Barclays Bank Ireland Board Risk Committee.

o) Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile.

As mentioned in point n) above, Barclays has adopted Climate Risk as a Principal Risk along with a number of supporting risk identification and management processes including stress testing.Capital and liquidity stress testing processes have been enhanced to develop the capability to assess potential impact of climate risk on the bank's capital and liquidity positions.The approach to Environmental risk is under review in consultation with appropriate stakeholders, to define the overall group approach and align the legal entities accordingly.

Climate risk was first considered from a qualitative perspective in the April 2020 ICAAP. The approach to capitalisation has evolved regarding the nature of climate risk and by incorporating into the capital assessment learnings from the work on risk management and portfolio alignment.

The approach to quantify capital for climate risk is still being developed across the industry. Barclays has adopted stress testing and reverse stress testing processes to inform whether it is holding sufficient capital for climate risks. Stress testing approaches have been significantly enhanced over the years, with expansion of methodologies, evidenced through the ECB Climate Risk stress test.

p) Data availability, quality and accuracy, and efforts to improve these aspects.

Barclays continues to build its data requirements and uses external providers to cover its business and risk requirements.

To manage the data availability, quality and accuracy challenges, Barclays has implemented an end-to-end architecture to source external and internal data into a central Climate Data Repository (CDR).

This architecture has enabled Barclays to execute models and produce the output back into CDR for downstream consumption, including climate reporting. The architecture is scalable to enable seamless integration of future sectors.

q) Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits.

Barclays continues to assess the approach to Environmental Risk, including limits, which will reflect the goals set within the framework to be defined as we progress our understanding and establishment of Environmental risk.

BBI Market risk has established a market risk stress loss limit for transition risk. Discussions are in progress to establish BBI specific limits or thresholds for other in-scope risk types.

BBI CBE (Consumer Bank Europe) has established a limit for balance of our portfolio related to flood prone regions.

Barclays is focused on quantifying Climate Risk appetite and as the understanding of Climate risk continues to evolve, and where Climate risk exposures are assessed as being material, further limits and mandates will be set at an appropriate level to adequately control Barclays' Climate risk exposures.

r) Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework.

Barclays continues to assess the approach to environmental risk identification and management across principal risk types within the overall framework to be defined as we progress our understanding and establishment of Environmental risk. Environmental risk has been embedded within Barclays processes for over thirty years, and it continues to evolve under the reputational risk framework. Risk identification of environmental risks across the financial principal risks has started to develop.

Credit Risk identification is driven by assessing portfolios' sensitivity and susceptibility to the financial and operational risks of climate change. Sectors are categorised into elevated, moderate and low risk. These sectors have been identified through the analysis of Barclays Industrial Classifications by portfolio, informed by results of scenario analysis exercises.

Across corporate and industrial sectors, elevated risk sectors are those with high exposure to both physical and transition risks of climate change. This assessment is updated on an annual basis.

Each climate-related risk in elevated sectors is assessed by risk drivers and impacts. Risk drivers and impacts were designed internally and are based on rating agencies' climate change assessments

Liquidity Risk: Barclays proactively reviews its approach to managing Funding and Liquidity Risks that may arise from certain physical risks such as extreme weather events, or transition risks such as a move to a low-carbon economy. An enhanced risk assessment has been performed during 2022 to explore the potential vulnerabilities to certain industries and asset classes that may be subject to a lack of available liquidity under a climate stress scenario. Additional scenario analysis has been carried out during 2022 to further explore specific climate related liquidity risks.

Market Risk arising from climate change is measured by applying a range of stress scenarios, that stress the core risks susceptible to climate change over long and short-term horizons to individual risk factors.

A Climate Stress Test has been run in 2023 to further enhance understanding of climate risks. Market Risk has performed an assessment of the impact of a disorderly transition to a low-carbon economy on the market risk portfolios across Barclays Group.

In addition to the main Markets portfolios, Cross Markets and Commodities portfolios were also included. This risk assessment was enabled by enhancements in system technology allowing the exploration of Climate Change impact on less-climate risk exposed sectors.

Market Risk continues to run a Climate-IST scenario every quarter, and enhances the existing sector/country taxonomy to reflect the climate risk sensitivity. Moreover, although Market Risk was out of scope of the 2021 Bank of England Climate Biennial Exploratory Scenario (CBES), the existing Market Risk scenario analysis has been more closely aligned to the CBES scenarios.

Operational Risk identifies, manages and measures climate risk as part of the existing operational risk profile through its business as usual activities. These activities include working with Premises and Operational Recovery Planning Horizontal Owners to identify and respond to any new emerging climate risk related impacts or regulatory requirements, and consideration of changes to approach or taxonomy in line with regulatory requirements.

Quantifying operational risk through existing structured scenarios would allow us to better examine and size the potential incremental impact arising from climate risks. However, the challenge of determining scenarios that are business orientated, sourcing available and relevant information to support the effort, and connecting the given scenario to the idiosyncrasies of operational risk, remains a factor under consideration.

In 2022, an external agency was engaged to conduct two climate risk analyses on our operational assets. The first to model climate risks to our portfolio and the second, to identify asset-specific risks and create asset risk scorecards for key assets. The results of the two analyses have been synthesised to identify risks and opportunities.

Additionally, Barclays has a portfolio of structured scenarios at Group level and for certain legal entities for which Operational Risk coordinates the process (including BBI). These scenarios, which are applicable to BBI as well, map to the operational risk and conduct risk taxonomies and cover a range of risks where climate implications could be an incremental factor. The effect of climate change has been considered in the latest scenario assessment, where Climate has been found not to be an immediate factor impacting most scenarios.

'Greenwashing' at product level, and disclosures about our green credentials, are two areas of concern subject to further analysis.

Social risk

Business strategy and processes

a) Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning.

Environmental and social risks are governed and managed through our ERMF, setting our strategic approach to risk management by defining standards, objectives and responsibilities for all areas of Barclays. The ERMF is complemented by a number of other frameworks, policies and standards, all of which are aligned to individual Principal Risks.

Our assessment of Environmental and Social risks not only helps safeguard our reputation, which supports longevity of the business, but also enhances our ability to serve our clients and support them in improving their own sustainability practices and disclosures.

Barclays Group recognises the importance of supporting a just transition, considering the social risks and opportunities of the transition to a low-carbon economy, and seeking to ensure effective dialogue with affected stakeholders.

b) Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes.

Barclays Group knows that our success over the long term is based not just on how well we run the organisation commercially, but also on how well we manage it to protect the environment, support positive social progress, and make responsible, well governed decisions. Barclays are focused on the areas where it can have the greatest long-term impact: making growth 'green', sustainable and inclusive; managing the environmental and social impacts of our business; running a responsible business; and investing in our communities.

Human Rights

Barclays is committed to operating in accordance with the International Bill of Human Rights and takes account of other internationally accepted human rights standards, including the United Nations Guiding Principles (UNGPs) on Business and Human Rights and the Organisation for OECD Guidelines for Multinational Enterprises. We take steps to ensure we are respecting human rights in our own operations through our employment policies, in our supply chain through screening and engagement, and through the responsible provision of our products and services.

Barclays continues to progress its efforts to identify salient human rights risks associated with our client financing portfolio and on our plan to review our approach to managing these risks. We seek to proactively monitor issues and developments globally that may present new or elevated human rights risks and work to investigate our potential exposure to these and consider our responsibilities to seek to mitigate these risks.

We recognise interlinkages across environmental and social themes, in particular key crossovers with our approaches to climate change and human rights. Given these interdependencies, it is important for banks to consider nature-related considerations alongside other ESG factors, such as climate change and social considerations. Our position statements and related due diligence approach for clients operating in certain sectors with elevated environmental and social impacts, seek to include consideration of human rights impacts. For example, we include specific due diligence questions around respect for Indigenous Peoples' rights, health and safety and provision of security in our due diligence questionnaires for clients in energy sub-sectors such as fracking and oil sands, which are covered under our Climate Change Statement.

Climate Change and Social Impact

The Bank aims to enhance its understanding of the interdependencies between climate action, nature and biodiversity and the social aspects of the transition to net zero. This is in line with the increasing support of international policy frameworks to address just transition as part of climate strategies, as well as the new Global Biodiversity Framework, adopted at COP15, which references the impacts of climate action and social dimensions related to nature. This also aligns with ongoing work in the development of the TNFD. Barclays recognises the need for financial institutions to integrate social considerations into their net zero plans and targets, and in their contributions to nature-positive goals.

For further details on other aspects of social risk, see point (c) below.

c) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities.

Position statements

Barclays position statements and related due diligence approach for clients operating in certain sectors with elevated environmental and social impacts seek to include consideration of human rights impacts. For example, Barclays include specific due diligence questions around respect for Indigenous Peoples' rights, health and safety, and provision of security in our due diligence questionnaires for clients in energy sub-sectors such as fracking and oil sands which are covered under our Climate Change Statement.

We have also established position statements covering our relationships with clients in certain sensitive sectors that may present significant adverse impacts on people or the environment. These statements detail our expectations for in-scope clients and require them to comply with applicable international standards and legislation and show a clear commitment to robust environmental and social risk management.

In terms of our suppliers, regardless of the industry or geography in which they operate, Barclays require them to comply with applicable laws and regulations. Barclays' standard approach to new supplier onboarding and renewal begins by assessing the services that are being provided and ascertaining the level of risk. Suppliers that are assessed as being at a heightened risk of exposure from a business risk perspective are subject to Barclays' Supplier Control Obligations. Assessment of suppliers against these controls may include, but is not limited to, reviewing copies of employment and health and safety policies and requesting suppliers to attest to supporting our expectations defined in the Third Party Code of Conduct (TPCoC). Further details on Barclays Supplier Control Obligations can be found at: home.barclays/who-we-are/our-suppliers/our-requirements-of-external-suppliers/external-supplier-control-obligations/.

Barclays also continues to include modern slavery and sustainability-related considerations during the sourcing processes for key products or services in categories identified as presenting with an elevated inherent risk of modern slavery, such as the renewal of our major IT services contract, purchase of large IT hardware and printing solutions.

Modern Slavery Statement

Barclays recognise that the nature of our business means we may be exposed to modern slavery risks across our operations, supply chain and customer and client relationships. We are conscious of the links between human rights abuse, labour exploitation, human trafficking and other forms of modern slavery. Therefore Barclays is focusing its efforts on the delivery of actions specifically designed to seek to identify and try to address modern slavery and other exploitative practices in business with retail customers and corporate clients as well as in investments and in our supply chain, in collaboration with environmental experts. Details with regard to identifying, assessing and addressing modern slavery risks and continuous actions within the Barclays Group can be found in our Group Statement of Modern Slavery (https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2022/Barclays-Statement-on-Modern-Slavery.pdf)

Climate transition framework

Barclays Group has launched a pilot assessment, which is ongoing, to evaluate whether our clients are seeking to decarbonise in line with a just transition for their stakeholders, considering the social risks and opportunities of the transition and ensuring effective dialogue with affected stakeholders. Relevant stakeholders include workers, communities, consumers and suppliers impacted by the client's decarbonisation strategy.

The Bank is assessing whether its clients' approach to a just transition includes consideration of:

- Adverse impacts on stakeholder groups from their activity (e.g. job loss, loss of tax revenue);
- Actions to address identified impacts (e.g. upskilling, remuneration, psychological support); and
- Engagement with impacted stakeholder groups in decision-making that affects them.

Governance

d) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:

(i) Activities towards the community and society

(ii) Employee relationships and labour standards

(iii) Customer protection and product responsibility

(iv) Human rights

The Barclays PLC Board receives regular updates on public policy and corporate responsibility matters, including ESG and Reputation risk. The Board is presented with the Group Reputation Risk Report twice a year in order to consider the most significant live and emerging Reputation risks for the Group, which may cover human rights matters. In addition, the Board may be notified, or asked to consider, specific Reputation risk matters from across the Group, aligned with the escalation protocols set out in the Reputation Risk Management Framework.

Management of social risks associated with corporate clients, including human rights and modern slavery risks, is governed as part of Barclays' Reputation Risk Management Framework and processes, which apply to all Barclays corporate client relationships.

e) Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body.

The BBI Board is responsible for the overall leadership of the Bank, including establishing its purpose, values and strategy, and assessing and monitoring that these and its culture are aligned. As part of this, the Board and, as appropriate, its Committees are responsible for the oversight of social and environmental matters, including climate-related risks and opportunities.

Barclays has continued to progress its efforts to identify salient human rights risks associated with its client financing portfolio, and on our plan to review our approach to managing these risks. We seek to proactively monitor issues and developments globally that may present new or elevated human rights risks and work to investigate our potential exposure to these and consider our responsibilities to seek to mitigate these risks.

Barclays position statements and related due diligence approach for clients operating in certain sectors with elevated environmental and social impacts seek to include consideration of human rights impacts. For example, the Bank includes specific due diligence questions around respect for Indigenous Peoples' rights, health and safety, and provision of security in our due diligence questionnaires for clients in energy sub-sectors such as fracking and oil sands which are covered under our Climate Change Statement.

For further details, please see point (c) above.

f) Lines of reporting and frequency of reporting relating to social risk.

Barclays' governance structure consists of the Board, Board Committees, Executive and Management Committees across both business and legal entity lines.

The Barclays PLC Board sets the strategic direction and risk appetite of the Group and is the ultimate decision-making body for matters of Group-wide strategic, financial, regulatory or reputational significance. The Group Board is also responsible for the oversight of social and environmental matters, including climate-related risks and opportunities.

Group Head of PPCR

The Group Head of PPCR leads the Bank's overall sustainability and citizenship agendas. Specifically, the role is responsible for leading Barclays' efforts in tackling climate change, and for integrating our ambition and commitments to help embed the transition towards a low-carbon economy into the business.

Group Head of Sustainability

During 2021, Barclays appointed a Group Head of Sustainability who leads the Sustainability and ESG team, and the strategic direction and execution of Barclays' policies and practices across a broad range of sustainability and ESG matters, including climate change. The role also oversees the development of standards and metrics to advance green and sustainable finance and to steward early innovation in sustainable product and service development. This role is responsible for reputation risk issues arising from climate change, although the Board has overall responsibility for reputation matters generally.

The Group Head of Sustainability reports directly to the Group Head of PPCR.

g) Alignment of the remuneration policy in line with institution's social risk-related objectives.

Barclays' remuneration philosophy

Remuneration decisions for Barclays employees result from the application of Barclays' remuneration philosophy, which applies to all employees globally. The objectives of the remuneration philosophy include the following:

- Barclays remuneration should reward sustainable performance. Sustainable performance means making a positive and enduring difference to investors, customers and communities, taking pride in leaving things better than we found them and playing a valuable role in society.
- Barclays remuneration should align with risk appetite, risk exposure and conduct expectations. Our remuneration approach is designed to reward employees for achieving results in line with the Group's risk appetite and conduct expectations.

Incentive pool funding

Performance against non-financial measures (including ESG metrics) is a consideration when setting incentive funding levels. In 2022, non-financial performance was assessed against the strategic non-financial measures from the Performance Measurement Framework, which were organised around three main categories: Customers & Clients, Colleagues and Climate & Sustainability. These categories cover a wide range of factors and, in respect of sustainability, included specific consideration of how Barclays is investing in our communities through our LifeSkills programmes (including number of people upskilled and placed into work compared against our targets). The incentive pool is also adjusted to take account of an assessment of a wide range of future risks, including consideration of ESG risks.

Barclays PLC Executive Director remuneration

Barclays PLC Executive Director bonus and Long Term Incentive Plan (LTIP) outcomes are assessed against a framework of measures, set by the Barclays PLC Board Remuneration Committee. A proportion of both bonus and LTIP is driven by non-financial performance measures, including performance against diversity and inclusion metrics, cultural indicators and supporting our communities. 10% of each of the 2023 bonus and 2023-25 LTIP awards will be based on an assessment of measures aligned to our climate and sustainability objectives (including progress towards our sustainability and transition financing target; and supporting our communities). Additionally, 7.5% of the bonus and 5% of the LTIP will be determined on Colleague measures, including diversity, inclusion and engagement.

Risk management

h) Definitions, methodologies and international standards on which the social risk management framework is based.

Human Rights

Barclays is committed to operating in accordance with the International Bill of Human Rights and takes account of other internationally accepted human rights, standards and frameworks, including the UNGPs and the OECD Guidelines for Multinational Enterprises. The Bank takes steps to ensure it is respecting human rights in its own operations through its employment policies, in its screening and engagement within its supply chain and through the responsible provision of its products and services.

Barclays has continued to progress its efforts to identify salient human rights risks associated with its client financing portfolio and on its plan to review its approach to managing these risks. The Bank seeks to proactively monitor issues and developments globally that may present new or elevated human rights risks and work to investigate our potential exposure to these and consider our responsibilities to seek to mitigate these risks.

Barclays position statements and related due diligence approach for clients operating in certain sectors with elevated environmental and social impacts seek to include consideration of human rights impacts. For example, Barclays include specific due diligence questions around respect for Indigenous Peoples' rights, health and safety, and provision of security in our due diligence questionnaires for clients in energy sub-sectors such as fracking and oil sands which are covered under our Climate Change Statement.

Modern Slavery in our supply chain

Barclays recognise that the nature of our business means it may be exposed to modern slavery risks across our operations, supply chain, and customer and client relationships. We are conscious of the links between human rights abuse, labour exploitation, human trafficking and environmentally destructive practices. Therefore, the Bank is focusing its efforts on the delivery of actions specifically designed to seek to identify and try to address modern slavery and other exploitative practices in our supply chain, in collaboration with its environmental experts.

Regardless of the industry or geography in which our suppliers operate, Barclays require of them to comply with applicable laws and regulations. Barclays standard approach to new supplier onboarding and renewal begins by assessing the services that are being provided and ascertaining the level of risk. Suppliers that are assessed as being at a heightened risk of exposure from a business risk perspective are subject to Barclays' Supplier Controls.

Assessment of suppliers against these controls may include, but is not limited to, reviewing copies of employment and health and safety policies and requesting suppliers to attest to supporting our expectations defined in the TPCoC.

Our people policies

Our people policies are designed to recruit the best people, provide equal opportunities and create an inclusive culture, in line with our Purpose, Values and Mindset, and in support of our long-term success. They also reflect relevant employment law, including the provisions of the Universal Declaration of Human Rights and the ILO Declaration on Fundamental Principles and Rights at Work.

i) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels.

Management of social risks associated with corporate clients, including human rights and modern slavery risks, is governed as part of Barclays' reputation risk management framework and processes, which apply to all Barclays corporate client relationships.

Barclays has general client due diligence processes in place, including adverse media screening, which can identify the risk of clients being associated with modern slavery by banking and Know Your Customer (KYC) teams during client onboarding and relationship reviews.

Where this due diligence leads to the identification of a potential human rights risk associated with a client or transaction, these are referred for further review to the Group Sustainability & ESG and/or Financial Crime teams, depending on the nature of the concern.

Barclays has continued to progress its efforts to identify salient human rights risks associated with its client financing portfolio and on its plan to review its approach to managing these risks. The Bank seeks to proactively monitor issues and developments globally that may present new or elevated human rights risks and work to investigate our potential exposure to these and consider our responsibilities to seek to mitigate these risks.

j) Activities, commitments and assets contributing to mitigate social risk.

See point (i) above.

k) Implementation of tools for identification and management of social risk.

See point (i) above relating to the human rights saliency exercise and due diligence processes.

We have also established position statements covering our relationships with clients in certain sensitive sectors that may present significant adverse impacts on people or the environment. These statements detail our expectations for in scope clients and require them to comply with applicable international standards and legislation and show a clear commitment to robust Environmental and Social risk management.

In sectors where we identify modern slavery as a salient risk, over time we aim to include specific requirements for clients involved in these sectors. For example, our Forestry and Agricultural Commodities Statement includes provisions around the prohibition of forced and child labour, modern slavery and human trafficking for companies involved in forestry and palm oil production activities, as these are widely recognised as salient risks in certain countries.

Barclays require that these companies have a time bound commitment to achieve certification against internationally recognised certification schemes such as the Forest Stewardship Council (FSC) and Roundtable on Sustainable Palm Oil (RSPO), which include further detailed requirements and verification of company practices in relation to the prevention of forced and child labour, amongst other criteria.

Barclays seeks to proactively monitor issues and developments globally that may present new or elevated human rights risks, and work to investigate our potential exposure to these and consider our responsibilities to seek to mitigate these risks. For more detailed information on our approach to managing human rights and other Social or Environmental risks associated with clients, please see BBI PLC Annual Report 2022 and Statements and Policy Positions section of our website.

l) Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits.

See point (d) on due diligence escalation routes.

m) Description of the link (transmission channels) between social risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework.

Environmental and Social risks are governed and managed through our ERMF, setting our strategic approach to risk management by defining standards, objectives and responsibilities for all areas of Barclays.

The ERMF is complemented by a number of other frameworks, policies and standards, all of which are aligned to individual Principal Risks.

Governance risk

Governance

a) Institution's integration of counterparties governance performance in their governance arrangements, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics.

Management of social risks associated with corporate clients, including human rights and modern risks, is governed as part of Barclays' Reputation Risk Management Framework and processes, which apply to all Barclays corporate client relationships.

Barclays has general client due diligence processes in place, including adverse media screening, which can identify the risk of clients being associated with modern slavery by banking and Know Your Customer (KYC) teams during client onboarding and relationship reviews.

Where this due diligence leads to the identification of a potential human rights risk associated with a client or transaction, these are referred for further review to the Group Sustainability & ESG and/or Financial Crime teams depending on the nature of the concern.

The Barclays has also established position statements covering its relationships with clients in certain sensitive sectors that may present significant adverse impacts on people or the environment. These statements detail our expectations for in-scope clients and require them to comply with applicable international standards and legislation and show a clear commitment to robust Environmental and Social risk management (home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/).

All clients deemed within the scope of our Climate Change position statement are reviewed on a case by case basis and subject to enhanced due diligence. These clients are analysed against specific Environmental and Social risk considerations which include, but are not limited to:

a. the client's adherence to the Equator Principles (if a project finance or credit transaction is deemed to be in scope) and relevant International Finance Corporation (IFC) performance standards;
b. the client's adherence to local and national environmental regulation and standards and industry best practice;
c. the client's management and implementation of procedures which minimise direct environmental impacts in the context of their operations;
d. the client's transparent corporate governance and oversight of climate change issues and associated corporate risks, including disclosure against principles such as the Financial Stability Board (FSB) Taskforce on Climate-related Financial Disclosures and appropriate transition plans;
e. the client's approach to, and track record in, protecting the health and safety of the workforce and local communities;
f. the client's approach to stakeholder engagement and consultation, including its commitment and adherence to the principles of Free Prior Informed Consent (FPIC) where indigenous peoples may be impacted by their operations;
g. the client's approach to managing its human rights impacts, including its commitment and adherence to United Nations Voluntary Principles on Security and Human Rights where the client uses security personnel.

In sectors where we identify modern slavery as a salient risk, over time we aim to include specific requirements for clients involved in these sectors.

b) Institution's accounting of the counterparty's highest governance body's role in non-financial reporting.

See (a) above.

c) Institution's integration in governance arrangements of the governance performance of their counterparties including:

(i) Ethical considerations

(ii) Strategy and risk management

(iii) Inclusiveness

(iv) Transparency

(v) Management of conflicts of interest

(vi) Internal communication of critical concerns

See (a) above.

Risk management

d) Institution's integration in risk management arrangements and the governance performance of their counterparties considering:

(i) Ethical considerations

(ii) Strategy and risk management

(iii) Inclusiveness

(iv) Transparency

(v) Management of conflicts of interest

(vi) Internal communication of critical concerns

See (a) above.

Escalation and decision

Where client relationships or transactions are assessed as higher-risk (high or medium ESI risk rating) or outside appetite (in the case of Defence and Security) following an enhanced due diligence review, they are then considered for escalation to the appropriate business unit review committee (e.g. Transaction Review Committee) or for BBI clients in scope of our Climate Change standard, the Group CTRC, for consideration and a decision on whether to proceed with the transaction. Business unit review committees comprise Business management and representatives from the control functions, including Reputation risk, whereas the CTRC includes representation from the Group Executive Committee. Should the front office business team, the Sustainability and ESG team and / or Climate risk team believe the issues are sufficiently material, these clients/ relationships would be escalated to the Group Reputation Risk Committee for more senior consideration and decision.

Table 45: CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

The below table shows the geographical distribution of credit exposures relevant to the calculation of the countercyclical buffer in line with CRR Article 440.

Note that exposures in the below table are prepared in accordance with CRD, Article 140 and hence exclude exposures to central governments/banks, regional governments, local authorities, public sector entities, multilateral development banks, international organisations and institutions, and as such the exposure values differ to those found in the analysis of credit risk section on page 25.

		a	b	c	d	e	f	g	h	i	j	k	l	m
As at 30 June 2023		General Credit Exposures		Relevant credit exposures – Market risk				Own Funds requirements						
		Exposure Value for SA	Exposure Value for IRB	Sum of long and short positions for trading book exposures for SA	Value of trading book exposures for internal models	Securitisations exposure value for non-trading book	Total exposure value	Of which: Relevant credit risk exposures - Credit risk	Of which: Relevant credit exposures – Market risk	Of which: Relevant credit exposures – Securitisation positions in the non-trading book	Total	RWEAs	Own Funds Requirements weights	Counter-cyclical capital buffer rate
10	**Breakdown by Country**	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	%	%
	Norway	594	–	–	14	–	608	31	–	–	31	387	1.75 %	2.50 %
	Denmark	362	–	–	9	–	371	29	1	–	29	368	1.66 %	2.50 %
	Czech Republic	4	–	–	9	–	13	–	1	–	1	9	0.04 %	2.50 %
	Sweden	586	–	–	5	87	677	36	1	1	39	482	2.17 %	2.00 %
	Iceland	–	–	–	–	–	–	–	–	–	–	1	0.01 %	2.00 %
	Bulgaria	–	–	–	–	–	–	–	–	–	–	–	–	1.50 %
	Netherlands	1,433	–	1	161	–	1,595	99	3	–	102	1,281	5.78 %	1.00 %
	United Kingdom	960	–	–	7	47	1,014	69	2	1	71	887	4.00 %	1.00 %
	Australia	36	–	–	40	–	76	2	–	–	2	20	0.09 %	1.00 %
	Estonia	6	–	–	–	–	6	1	–	–	1	7	0.03 %	1.00 %
	Hong Kong	2	–	–	1	–	3	–	–	–	–	2	0.01 %	1.00 %
	Slovakia	–	–	–	–	–	–	–	–	–	–	–	–	1.00 %
	Germany	7,660	–	1	204	–	7,866	485	2	–	487	6,102	27.52 %	0.75 %
	France	3,895	–	–	68	158	4,122	244	6	2	251	3,139	14.16 %	0.50 %
	Luxembourg	1,942	–	–	3	–	1,945	155	–	–	156	1,945	8.78 %	0.50 %
	Ireland	1,282	–	–	14	1	1,297	94	–	–	94	1,173	5.29 %	0.50 %
	Romania	–	–	–	–	–	–	–	–	–	–	–	–	0.50 %
	Croatia	–	–	–	–	–	–	–	–	–	–	–	–	0.50 %
	Total (countries with existing CCyB rate)	18,762	–	2	535	293	19,593	1,245	16	4	1,264	15,803	71.29 %	
	Italy	5,958	–	–	25	–	5,983	254	3	–	258	3,227	14.56 %	n/a
	Spain	1,028	–	–	18	12	1,058	82	2	–	84	1,044	4.71 %	n/a
	United States	973	–	1	6	–	980	66	3	–	69	864	3.90 %	n/a
	Belgium	215	–	–	50	–	265	17	7	–	23	286	1.29 %	n/a
	Total (countries with own funds requirements weights 1% or above)	8,174	–	1	99	12	8,286	419	15	–	434	5,421	24.46 %	
	Total (rest of the world less than 1% requirement)	1,019	–	15	120	–	1,154	70	5	–	75	942	4.25 %	n/a
20	**Total**	27,955	–	18	754	305	29,033	1,734	36	4	1,773	22,166	100.00 %	

Table 45: CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (continued)

		a	b	c	d	e	f	g	h	i	j	k	l	m
As at 31 December 2022		General Credit Exposures		Relevant credit exposures – Market risk				Own Funds requirements						
		Exposure Value for SA	Exposure Value for IRB	Sum of long and short positions for trading book exposures for SA	Value of trading book exposures for internal models	Securitisations exposure value for non-trading book	Total exposure value	Of which: Relevant credit risk exposures - Credit risk	Of which: Relevant credit exposures – Market risk	Of which: Relevant credit exposures – Securitisation positions in the non-trading book	Total	RWA	Own Funds Requirements weights	Counter-cyclical capital buffer rate
10	**Breakdown by Country**	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	%	%
	Norway	584	–	–	23	–	607	31	–	–	31	384	1.73 %	2.00 %
	Denmark	190	–	–	2	–	192	15	–	–	15	191	0.86 %	2.00 %
	Iceland	–	–	–	7	–	7	–	1	–	1	7	0.03 %	2.00 %
	Czech Republic	4	–	–	10	–	14	–	2	–	2	23	0.10 %	1.50 %
	United Kingdom	818	–	–	15	55	888	57	1	1	59	736	3.31 %	1.00 %
	Sweden	569	–	–	6	71	647	33	1	1	34	430	1.94 %	1.00 %
	Estonia	7	–	–	–	–	7	1	–	–	1	7	0.03 %	1.00 %
	Hong Kong	3	–	–	–	–	3	–	–	–	–	3	0.01 %	1.00 %
	Slovakia	–	–	–	–	–	–	–	–	–	–	–	– %	1.00 %
	Bulgaria	–	–	–	–	–	–	–	–	–	–	–	– %	1.00 %
	Luxembourg	2,344	–	–	15	–	2,359	188	–	–	188	2,350	10.57 %	0.50 %
	Romania	–	–	–	–	–	–	–	–	–	–	–	– %	0.50 %
	Total (countries with existing CCyB rate)	4,519	–	–	79	126	4,725	324	5	2	330	4,131	18.58 %	
	Germany	7,362	–	–	223	–	7,585	484	4	–	488	6,093	27.41 %	n/a
	France	4,449	–	1	212	148	4,809	276	2	1	280	3,496	15.73 %	n/a
	Italy	5,807	–	9	22	–	5,838	228	2	–	229	2,868	12.90 %	n/a
	Netherlands	1,599	–	9	171	–	1,779	118	2	–	120	1,500	6.75 %	n/a
	Ireland	1,357	–	–	2	2	1,361	99	1	–	100	1,252	5.63 %	n/a
	Spain	947	–	–	88	9	1,044	75	–	–	76	947	4.26 %	n/a
	United States	1,131	–	–	29	–	1,160	69	1	–	70	875	3.93 %	n/a
	Finland	281	–	–	2	–	282	22	–	–	22	276	1.24 %	n/a
	Total (countries with own funds requirements weights 1% or above)	22,932	–	19	748	159	23,858	1,371	12	1	1,385	17,305	77.84 %	
	Total (rest of the world less than 1% requirement)	861	–	24	177	–	1,062	56	7	–	64	796	3.58 %	n/a
20	**Total**	28,312	–	43	1,004	285	29,645	1,751	24	3	1,779	22,232	100.00 %	

Countercyclical Capital Buffer (continued)

Table 46: CCyB2 - Amount of institution-specific countercyclical capital buffer

This table shows an overview of institution specific countercyclical exposure and buffer requirements.

		a	
		As at 30 June 2023	As at 31 December 2022
1	Total risk exposure amount (€m)	**35,457**	**35,216**
2	Institution specific countercyclical buffer rate (%)	**0.58 %**	**0.16 %**
3	Institution specific countercyclical buffer requirement (€m)	**204**	**56**

Disclosures that are not included in this report

Frequency	Template/Table	Name of template/table	Rationale for exclusion
Quarterly	EU KM2	Key metrics - MREL and, where applicable, G-SII Requirement for own funds and eligible liabilities	BBI is not a G-SII.
Semi annual	EU TLAC1	Composition - MREL and, where applicable, the G-SII Requirement for own funds and eligible liabilities	BBI is not a G-SII.
Semi annual	EU TLAC3	Creditor ranking - resolution entity	BBI is not a resolution entity.
Semi annual	CR7	Effect on RWEAs of credit derivatives used as CRM techniques (IRB)	BBI has no permission to use IRB models.
Semi annual	CR7-A	Disclosure of the extent of the use of CRM techniques (IRB)	BBI has no permission to use IRB models.
Annual	CR6-A	Scope of the use of IRB and SA approaches (IRB)	BBI has no permission to use IRB models.
Quarterly	CR8	RWEA flow statements of credit risk exposures under the advanced IRB approach	BBI has no permission to use IRB models.
Semi annual	CR6-B	Credit risk exposures by exposure class and PD range (IRB)	BBI has no permission to use IRB models.
Semi annual	CR10	Specialised lending and equity exposures under the simple risk-weighted approach	BBI has no permission to use IRB models.
Semi annual	CR2-A	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	This table is not required as BBI has not breached the 5% NPL ratio for two consecutive quarters.
Semi annual	CQ2	Quality of forbearance	This table is not required as BBI has not breached the 5% NPL ratio for two consecutive quarters.
Semi annual	CQ6	Collateral valuation - loans and advances	This table is not required as BBI has not breached the 5% NPL ratio for two consecutive quarters.
Semi annual	CQ7	Collateral obtained by taking possession and execution processes	There was no collateral obtained by taking possession and execution processes.
Semi annual	CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	This table is not required as BBI has not breached the 5% NPL ratio for two consecutive quarters.
Semi annual	CCR4	Counterparty credit risk exposures by portfolio and PD range	BBI has no permission to use IRB models.
Semi annual	SEC2	Securitisation exposures in the trading book	BBI does not have securitised exposures in the trading book.
Annual	CR9/CR9.1	Back-testing of PD per exposure class (fixed PD scale) (IRB)	BBI has no permission to use IRB models.
Semi annual	Template 3 (ESG)	Banking book - Climate change transition risk: Alignment metrics	This table is not required as BBI does not yet estimate its sectoral alignment.

Notes

The terms 'Bank', 'BBI' or 'Company' refer to Barclays Bank Ireland PLC. The abbreviations '€m' and '€bn' represent millions and thousands of millions of Euros 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 that can be accessed at home.barclays/investor-relations/reports-and-events/latest-financial-results.

Forward-looking statements

This document contains certain forward-looking statements with respect to the Bank.

The Bank 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 Bank (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 Bank'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 Bank'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 Bank's control; the impact of competition; capital, leverage and other regulatory rules applicable to past, current and future periods; 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 the Bank 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, the EU and globally; the risk of cyber-attacks, information or security breaches or technology failures on the Bank's reputation, business or operations; the Bank's ability to access funding; and the success of acquisitions, disposals and other strategic transactions. A number of these factors are beyond the Bank's control. As a result, the Bank'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 Bank's forward-looking statements. Additional risks and factors which may impact the Bank's future financial condition and performance are identified in the description of material existing and emerging risks on pages 34 to 45 of the Bank's 2022 Annual Report and 2023 Interim Results Announcement which are available on Barclays' website at https://home.barclays/investor-relations/.

Subject to Barclays Bank Ireland PLC's obligations under the applicable laws and regulations of any relevant jurisdiction (including, without limitation, Ireland), 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.