



Barclays PLC
Pillar 3 Report 2024



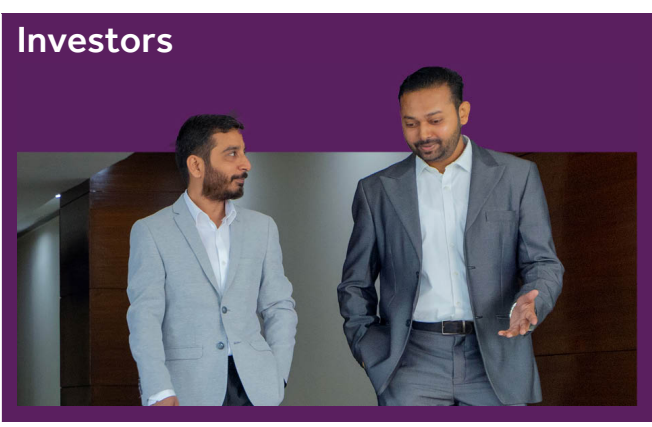
Creating positive outcomes for our stakeholders

Our Purpose Working together for a better financial future

Our Vision The UK-centred leader in global finance

Our Strategy A Simpler, Better and More balanced Barclays

Our Values	Respect We harness the power of diversity and inclusion in our business, trust those we work with, and value everyone's contribution	Integrity We operate with honesty, courage, transparency and fairness in all we do	Service We act with empathy and humility, putting the people and businesses we serve at the centre of what we do	Excellence We set high standards for what we do, championing innovation and using our energy, expertise and resources to make a positive difference	Stewardship We prize sustainability, and are passionate about leaving things better than we found them
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Barclays PLC Pillar 3 report

The terms 'Barclays' or 'Group' refer to Barclays PLC together with its subsidiaries. The abbreviations '£m' and '£bn' represent millions and thousands of millions of Pounds Sterling respectively.

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

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

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays 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 Group (including during management presentations) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, business strategy, income levels, costs, assets and liabilities, impairment charges, provisions, capital leverage and other regulatory ratios, capital distributions (including policy on dividends 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), plans and objectives for future operations, International Financial Reporting Standards ("IFRS") 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, regulations, governmental and regulatory policies, expectations and actions, voluntary codes of practices 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 Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively or navigate inconsistencies and conflicts in the manner in which climate policy is implemented in the regions where the Group operates, including as a result of the adoption of anti-ESG rules; environmental, social and geopolitical risks and incidents and similar events beyond the Group's control; financial crime; the impact of competition in the banking and financial services industry; capital, liquidity, leverage and other regulatory rules and requirements applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions, including inflation; volatility in credit and capital markets; market related risks such as changes in interest rates and foreign exchange rates; reforms to benchmark interest rates and indices; higher or lower asset valuations; changes in credit ratings of any entity within the Group or any securities issued by it; changes in counterparty risk; changes in consumer behaviour; the direct and indirect consequences of the conflicts in Ukraine and the Middle East on European and global macroeconomic conditions, political stability and financial markets; political elections, including the impact of the UK, European and US elections in 2024; developments in the UK's relationship with the European Union ("EU"); the risk of cyber-attacks, information or security breaches, technology failures or operational disruptions and any subsequent impact on the Group's reputation, business or operations; the Group's ability to access funding; and the success of acquisitions (including the acquisition of Tesco Bank completed in November 2024), disposals and other strategic transactions. A number of these factors are beyond the Group's control. As a result, the Group's actual financial position, results, financial and non-financial metrics or performance measures or its ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Group's forward-looking statements. In setting its targets and outlook for the period 2024-2026, Barclays has made certain assumptions about the macroeconomic environment, including, without limitation, inflation, interest and unemployment rates, the different markets and competitive conditions in which Barclays operates, and its ability to grow certain businesses and achieve costs savings and other structural actions. Additional risks and factors which may impact the Group's future financial condition and performance are identified in Barclays PLC's filings with the SEC (including, without limitation, this Barclays PLC Annual Report on Form 20-F for the financial year ended 31 December 2024), which are available on the SEC's website at www.sec.gov.

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

Barclays PLC Pillar 3 report

Our annual disclosures contain extensive information on risk as well as capital management. The Pillar 3 report provides a detailed breakdown of Barclays' regulatory capital adequacy and how this relates to Barclays' risk management.

Capital position and risk management in 2024



Anna Cross

Group Finance Director



Taalib Shaah

Group Chief Risk Officer

The CET1 ratio decreased to 13.6% (December 2023: 13.8%) as RWAs increased by £15.4bn to £358.1bn partially offset by an increase in CET1 capital of £1.3bn to £48.6bn.

The UK leverage ratio decreased to 5.0% (December 2023: 5.2%) due to an increase in exposure of £38.2bn to £1,206.5bn (December 2023: £1,168.3bn). The increase in exposure was largely driven by an increase in derivatives in Global Markets, and the acquisition of Tesco Bank

Summary of risk profile

This section presents a high-level summary of Barclays' risk profile and its interaction with the Group's risk appetite. Please see page 220 for a comprehensive index of all risk disclosures.

The Board makes use of the Risk Appetite Framework to set appetite, and continuously monitors existing and emerging risks. The Group sets its risk appetite in terms of performance metrics as well as a set of mandate and scale limits to monitor risks. The following risk metrics reflect the Group's risk profile:

Common Equity Tier 1 ratio

13.6%

2023: 13.8%
(see page 21)

Common Equity Tier 1 capital

£48.6bn

2023: £47.3bn
(see page 21)

Risk weighted assets (RWA)

£358.1bn

2023: £342.7bn
(see page 21)

UK leverage ratio

5.0%

2023: 5.2%
(see page 22)

Own funds and eligible liabilities ratio as a percentage of RWAs

34.4%

2023: 33.6%
(see page 34)

Liquidity coverage ratio (LCR)

172%

2023: 161%
(see page 22)

Net stable funding ratio (NSFR)

135%

2023: 138%
(see page 22)

Summary of risk profile (continued)


- The reported CET1 ratio decreased by c.20bps to 13.6% (December 2023: 13.8%) as RWAs increased by £15.4bn to £358.1bn partially offset by an increase in CET1 capital of £1.3bn to £48.6bn
- The UK leverage ratio decreased to 5.0% (December 2023: 5.2%) due to an increase in exposure of £38.2bn to £1,206.5bn (December 2023: £1,168.3bn). The increase in exposure was largely driven by an increase in derivatives in Global Markets, and the acquisition of Tesco Bank
- Credit impairment charges increased to £1,982m (2023: £1,881m), driven by the £209m charge on the acquisition of Tesco Bank and the anticipated higher delinquencies in US cards, partially offset by the impact of credit risk management actions and methodology enhancements. Total coverage ratio reduced to 1.2% (December 2023: 1.4%) primarily driven by re-classification of a co-branded card portfolio in US Consumer Bank to assets held for sale
- The liquidity metrics remain well above regulatory requirements, underpinned by well-diversified sources of

funding, a stable global deposit franchise and a highly liquid balance sheet

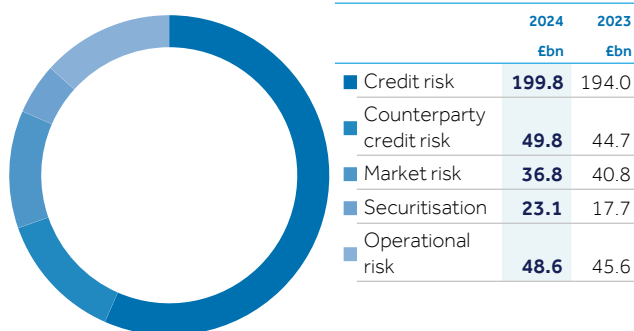
- The liquidity pool was £296.9bn, broadly unchanged from December 2023 (£298.1bn)
- The average¹ Liquidity Coverage Ratio (LCR) increased to 172.4% (December 2023: 161.4%), equivalent to a surplus of £127.6bn (December 2023: £117.7bn) Total deposits increased by £21.8bn to £560.6bn (December 2023: £538.8bn)
- The average² Net Stable Funding Ratio (NSFR) was 134.9% (December 2023: 138.0%), which represents a £162.9bn (December 2023: £167.1bn) surplus above the 100% regulatory requirement

Notes

- 1 Represents average of the last 12 spot month end ratios.
- 2 Represents average of the last four spot quarter end ratios.

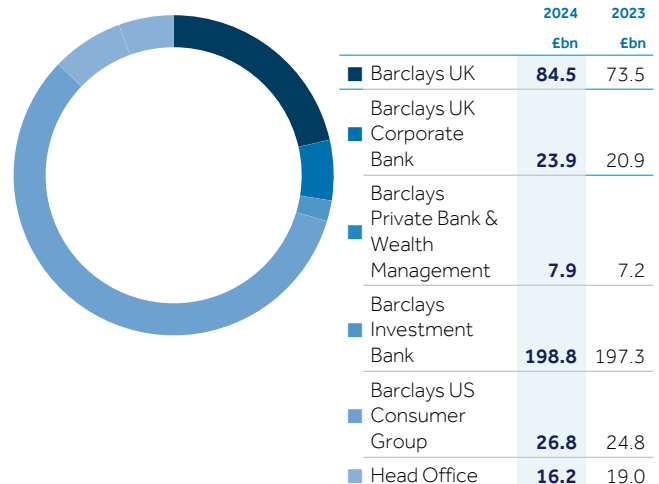
 Please see page 107 for more information on risk appetite, and page 267 of the Annual Report for material and emerging risks

RWAs increased £15.4bn to £358.1bn (December 2023: £342.7bn):



- Credit Risk RWAs increased £5.8bn to £199.8bn primarily due to the acquisition of Tesco Bank's retail banking business and strategic growth in lending within UKCB and Barclays UK
- Counterparty credit risk RWAs increased £5.1bn to £49.8bn primarily driven by increased client derivative activity within Global Markets
- Market risk RWAs decreased £4.0bn to £36.8bn due to trading activity within Global Markets
- Securitisation RWAs increased £5.4bn to £23.1bn primarily driven by an increase in business activities
- Operational risk RWAs increased £3.0bn to £48.6bn primarily driven by the inclusion of higher 2024 income compared to 2021 within the three-year average

For more information refer to credit risk (page 47), counterparty credit risk (page 85), market risk (page 92), securitisation exposures (page 96) and operational risk (page 102).



- Barclays UK RWAs increased to £84.5bn (December 2023: £73.5bn), primarily driven by a c.£7bn increase from the acquisition of Tesco Bank, lending business growth and regulatory driven methodology changes
- Barclays UK Corporate Bank RWAs increased to £23.9bn (December 2023: £20.9bn), reflecting higher client lending limits and strategic growth in lending balances
- Barclays Private Bank & Wealth Management RWAs increased to £7.9bn (December 2023: £7.2bn)
- Barclays Investment Bank RWAs remained broadly stable at £198.8bn (December 2023: £197.3bn) reflecting the commitment to improve productivity whilst not increasing RWAs materially
- Barclays US Consumer Group RWAs increased to £26.8bn (December 2023: £24.8bn), driven by increased receivables
- Head Office RWAs decreased to £16.2bn (December 2023: £19.0bn) mainly from the sale of the Italian retail mortgage portfolios and a decrease in relation to merchant acquiring cash in transit settlement balances

Notes on basis of preparation

Disclosure background

Barclays PLC Pillar 3 disclosures complement the Barclays PLC 2024 Annual Report and provide additional information about Barclays' risk profile, including its regulatory capital, minimum requirements for own funds and eligible liabilities (MREL), RWAs, liquidity and leverage exposures.

The Pillar 3 report is prepared in accordance with the UK Capital Requirements Regulation (UK CRR) and the Prudential Regulation Authority (PRA) Rulebook. In particular, the Disclosure (CRR) Part of the PRA Rulebook specifies the requirements of the Pillar 3 framework.

The terms risk weighted asset (RWA) and risk weighted exposure amount (RWEA) are used interchangeably throughout the document. The disclosures included in this report reflects Barclays PLC's interpretation of the current rules and guidance.

 See 'Application of the Basel framework' on **page 10** for a more detailed description

Future regulatory changes

Following its 12 December 2023 publication of 'Implementation of the Basel 3.1 standards near-final part 1' (PS17/23), covering Credit Valuation Adjustments, Counterparty Credit Risk, Market Risk and Operational Risk, on 12 September 2024 the PRA published its near-final policy statement 'Implementation of the Basel 3.1 standards near-final part 2' (PS9/24) covering the remaining aspects of the Basel 3.1 standards. This covered Credit Risk, Credit Risk Mitigation, the Output Floor, and Reporting and Disclosure requirements. On 17 January 2025 the PRA announced a delay in the implementation of Basel 3.1 in the UK until 1 January 2027.

Notes on basis of preparation (continued)

Presentation of risk data in the Pillar 3 disclosures versus the Annual Report and Accounts

This document discloses Barclays' assets in terms of exposures and capital requirements. For the purposes of this document:

Credit losses

Where credit impairment or losses are disclosed within this document, Barclays has followed the IFRS definitions used in the Annual Report.

Scope of application

Where this document discloses credit exposures or capital requirements, Barclays has followed the scope and application of its Pillar 1 capital adequacy calculations (unless noted otherwise).


Definition of credit exposure

- Credit exposure, or 'Exposure at Default' (EAD) is defined as the estimate of the amount at risk in the event of a default (before any recoveries) or through the decline in value of an asset. This estimate takes account of contractual commitments related to undrawn amounts
- In contrast, an asset on the Group's balance sheet is reported as a drawn balance only. This is one of the reasons why exposure values in the Pillar 3 report differ from asset values as reported in the Annual Report

Table 4 provides a reconciliation between IFRS balances and EAD for credit risk, counterparty credit risk and securitisations.

Policy, validation and sign-off

Barclays is committed to operating within a strong system of internal controls. Throughout the year ended 31 December 2024, and to date, Barclays has operated a framework of controls and procedures to ensure the completeness and accuracy of the Group's Pillar 3 disclosure.

 See **Appendix D** for the reference to Barclays' compliance with the Pillar 3 disclosure requirements

Specific governance committees are responsible for examining the Group's external reports and disclosures to ensure they have been subject to adequate verification and comply with applicable standards and legislation. These committees report their conclusions to the Board Audit Committee (BAC).

This governance process is in place to provide both management and the Board with sufficient opportunity to debate and challenge the Group's disclosures before they are made public.

"We confirm that Barclays' Pillar 3 disclosures, to the best of our knowledge, comply with the updated Pillar 3 framework within the PRA Rulebook and have been prepared in compliance with Barclays' internal control framework".

Anna Cross
Group Finance Director

Taalib Shaah
Chief Risk Officer

Scope and application of Basel framework

This section explains the scope of application of Basel framework in relation to capital adequacy.

Tables 1 and 2

Show the scope of permission of calculation approaches that summarises the various approaches to calculate risk weighted assets, and Barclays' permission to use them.

Tables 3 and 4

Show the mapping of financial statement categories to the regulatory risk types and a reconciliation of financial statement carrying values against regulatory exposures.

Table 5

Shows the entities which have a different method of consolidation between accounting and regulatory balance sheets.

Table 8

Shows how IFRS balances contribute to the regulatory scope of consolidation on a line-by-line basis.

Application of the Basel framework

Overview

Barclays has applied the Basel framework since inception. This is currently implemented in accordance with UK CRR requirements and the PRA Rulebook.

Pillar 1:

covers minimum regulatory capital requirements including the calculation of risk weighted assets for credit risk, counterparty credit risk, market risk and operational risk

Pillar 2:

covers the consideration of whether additional capital is required over and above the Pillar 1 risk calculations. A firm's own internal models and assessments support this process

Pillar 3:

covers external communication of risk and capital information by banks as specified in the Basel framework to promote transparency and good risk management

Pillar 3 requires the disclosure of exposures and associated risk weighted assets for each risk type and approach to calculating capital requirements for Pillar 1.

Distinct regulatory capital approaches are followed for each of the following risk and exposure types:

- credit risk (including certain non-traded equity exposures)
- counterparty credit risk (CCR)
- credit valuation adjustment (CVA)
- market risk
- securitisations
- operational risk

Approaches to calculate capital requirements under UK CRR and the PRA Rulebook

Credit risk

The credit risk RWA calculation is based on an exposure at default (EAD) that typically reflects the value used for accounting purposes where assets are on balance sheet. In addition, where Barclays has the necessary regulatory permissions, it estimates Probability of Default (PD) and Loss Given Default (LGD).

- Standardised approach: assesses capital requirements using standard industry-wide risk weightings based on a detailed classification of asset types, external credit ratings and maturity. For off-balance sheet items a regulatory credit conversion factor is used to estimate the regulatory EAD
- Internal Ratings-Based approach (IRB): assesses capital requirements using the Group's specific data and internal models to calculate risk weightings. As such, internal calculations of PD and LGD are used to model risk weights, and internal calculations of credit conversion factors are used to estimate the regulatory EAD for off-balance sheet commitments

 See [page 47](#) for more details on for credit risk

Counterparty credit risk

CCR applies to derivative and securities financing transaction (SFT) exposures. It differs from credit risk in how the EAD is calculated. CCR arises where a counterparty default may lead to losses of an uncertain nature as the values of any resulting claims are market driven. This uncertainty is factored into the valuation of the Group's credit exposure arising from such transactions. The Group uses three methods under the regulatory framework to calculate CCR exposures:

- The Internal Model Method (IMM), subject to regulatory approval, which allows the use of internal models to calculate an effective expected positive exposure (EEPE), multiplied by a factor stipulated by the regulator called alpha. Barclays uses this approach for certain derivative and SFT exposures and its alpha is currently set at 1.4, which is the regulatory minimum
- The Standardised approach for counterparty credit risk (SA-CCR) used for derivatives, is the sum of replacement cost at a netting set level plus an add-on (dependent on potential future exposure (PFE)) calculated for each asset class within a netting set, multiplied by a factor stipulated by the regulator called alpha, currently set at 1.4. Barclays uses SA-CCR for derivatives under the Leverage Ratio calculations, where model use is not permitted, as well as for a small subset of derivatives not covered by the IMM regulatory permission
- The Financial Collateral Comprehensive Method (FCCM), which is the net position of SFT exposures after the application of volatility adjustments prescribed under UK CRR

 See [page 85](#) for more details on counterparty credit risk exposures

Application of the Basel framework (continued)

Credit valuation adjustment capital charge

The CVA is the capital charge accounting for potential marked to market (MTM) losses due to credit quality deterioration of a counterparty (that does not necessarily default). Two approaches can be used to calculate the adjustment:

- Standardised approach: this approach takes account of the external credit rating of each counterparty, EAD from the calculation of the CCR and the effective maturity
- Advanced approach: Barclays has approval to use the IMM approach for counterparty credit risk as well as permission to use a value at risk (VaR) model for the specific risk of debt instruments for the purposes of estimating potential MTM losses from credit quality deterioration. As a result of these regulatory approvals, Barclays uses the advanced approach for CVA wherever possible. This approach requires the calculation of the charge as: (a) a 10-day 99% VaR measure for the most recent one-year period; and (b) the same measure for a one year stressed period. The sum of the two VaR measures is multiplied with 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

 See [page 91](#) for more details on CVA

Market risk

RWA calculations for market risk assess the losses from market driven movements in the prices of financial assets and liabilities. Two approaches can be used:

- Standardised approach: a calculation is prescribed that depends on the type of contract, the net position at portfolio level, and other inputs that are relevant to the position. For instance, for equity positions a general market risk component captures changes in the market (systematic risk) while specific market risk is calculated based on features of the specific security (idiosyncratic risk)
- Model-based approach: subject to regulatory permission, the Group can use proprietary VaR models to calculate capital requirements. Under UK CRR, stressed VaR, incremental risk charge and all-price risk models must also be used to ensure that sufficient levels of capital are maintained

 See [page 92](#) for more details on capital requirements for market risk

Securitisation exposures

A separate regulatory framework exists for the calculation of securitisation risk weighted assets under UK CRR. The following approaches are used for the calculation:

- Internal ratings based approach (Sec IRBA): uses modelled inputs where a bank has permission to use the IRB approach for the exposures being securitised; this can only be used if at least 95% of the assets would be in scope of the IRB regulatory approval
- Standardised approach (Sec SA): uses standardised inputs where a bank does not have permission to generate its own model parameters for the exposures being securitised, or where more than 5% of the asset pool is not covered by the bank's IRB regulatory approval
- External ratings based approach/internal assessment approach (Sec ERBA/Sec IAA): ERBA maps ratings from approved External Credit Assessment Institutions to capital requirements whereas IAA generates an internal estimate of an external rating and is then mapped to the ERBA risk weights; use of IAA is subject to regulatory approval
- 1250% risk weight if the above approaches are not applicable

In certain cases, for example if a bank has a senior exposure to a securitisation, it is possible to cap the capital requirements arising from any of the above approaches to that of the underlying pool.

 See [page 96](#) for more details on securitisation exposures

Operational risk

Capital set aside for operational risk is deemed to cover the losses or costs resulting from human factors, inadequate or failed internal processes and systems or external events.

To assess capital requirements for operational risk, the standardised approach (TSA) is applied. Under TSA, banks are required to hold regulatory capital for operational risk equal to the annual average, calculated over a rolling three-year period, of the relevant income indicator (across all business lines), multiplied by a percentage factor by business lines as per the regulatory requirement.

 See [page 102](#) for more details on capital requirements for operational risk

Large exposures

An institution shall not incur an exposure, post application of credit risk mitigation, to a client or group of connected clients that exceeds 25% of its Tier 1 capital, subject to certain exemptions.

As at 31 December 2024, Barclays had not exceeded the large exposure limit set in the PRA Rulebook.

Application of the Basel framework (continued)

Regulatory capital, leverage and MREL requirements

Minimum capital requirements

As at 31 December 2024, the Group's Overall Capital Requirement for CET1 remained at 12.0% comprising a 4.5% Pillar 1 minimum, a 1.5% Global Systemically Important Institution (G-SII) buffer, a 2.6% Pillar 2A requirement, a 2.5% capital conservation buffer (CCB) and a 1.0% countercyclical capital buffer (CCyB).

G-SIIs, such as the Group, are subject to a number of additional prudential requirements, including the requirement to hold additional capital buffers above the level required by Basel III standards. The level of the G-SII buffer is set by the Financial Stability Board (FSB) according to a bank's systemic importance and can range from 1% to 3.5% of RWAs. The G-SII buffer must be met with CET1 capital. On 26 November 2024 the FSB published an update to its list of G-SIIs, maintaining the 1.5% G-SII buffer that applied to the Group.

The PRA requires UK firms to hold additional capital to cover risks which the PRA assesses are not fully captured by the Pillar 1 capital requirement. The PRA sets this additional capital requirement (Pillar 2A) at least annually, derived from each firm's individual capital requirement. The Pillar 2A requirement, based on a point in time assessment, has been set as a proportion of RWAs. The Group's Pillar 2A requirement was 4.6% of which at least 56.25% needs to be met with CET1 capital, equating to 2.6% of RWAs.

The Group was also subject to a 'combined buffer requirement' consisting of: (i) a CCB and (ii) a CCyB. The Group's CCyB is based on the buffer rate applicable for each jurisdiction in which the Group has exposures.

The PRA may also impose a confidential 'PRA buffer' to cover risks over a forward looking planning horizon, including with regard to firm-specific stresses or management and governance weaknesses. If the PRA buffer is imposed on a specific firm, it must be met separately to the combined buffer requirement, and must be met fully with CET1 capital.

The Group's CET1 target ratio of 13-14% takes into account minimum capital requirements and applicable buffers. The Group remains above its minimum capital regulatory requirements and applicable buffers.



Please see [page 385](#) of the Annual Report for more information on prudential developments

Minimum leverage requirements

As at 31 December 2024, the Group was subject to a UK leverage ratio requirement of 4.1%. This comprises the 3.25% minimum requirement, a G-SII additional leverage ratio buffer (G-SII ALRB) of 0.53% and a countercyclical leverage ratio buffer (CCLB) of 0.3%. The Group is also required to disclose an average UK leverage ratio which is based on capital on the last day of each month in the quarter and an exposure measure for each day in the quarter.

Minimum requirements for own funds and eligible liabilities (MREL)

As at 31 December 2024, the Group was required to meet the higher of: (i) two times the sum of 8% Pillar 1 and 4.6% Pillar 2A equating to 25.2% of RWAs; and (ii) 6.75% of leverage exposures. In addition, the higher of regulatory capital and leverage buffers apply. CET1 capital cannot be counted towards both MREL and the buffers, meaning that the buffers, including the confidential institution-specific PRA buffer, will effectively be applied above MREL requirements.

Application of the Basel framework (continued)

Scope of consolidation

In this report, Barclays PLC is presented on a consolidated basis. All disclosures are published for Barclays PLC for the year ended 31 December 2024. The consolidation basis used is the same as that used for reporting regulatory capital adequacy to the PRA. This scope of consolidation is similar to that used for the reporting of statutory accounts for most of the Group's activities, except for:

- subsidiaries engaged in non-financial activities such as insurance and securitisation vehicles that are fully consolidated for statutory purposes but are not consolidated for regulatory purposes (exposures to securitisation vehicles are subject to a specific capital treatment)
- subsidiaries, where the nature of consolidation is different between accounting and regulatory consolidation, which are excluded for statutory purposes but included for regulatory purposes
- associates, joint ventures and participations, that are financial in nature and accounted for on an equity basis in the statutory accounts, are consolidated in proportion to Barclays PLC's participation for regulatory purposes
- entities that are not financial in nature, as well as private equity investments treated as associates, are accounted for on an equity basis in the statutory accounts, but are deducted from capital for regulatory purposes



See [page 165](#) for further details on Management of securitisation exposures and [page 19](#) for list of entities that contribute the differences in the scopes of consolidation

Significant subsidiaries

The Group's significant subsidiaries as at 31 December 2024 are Barclays Bank PLC, Barclays Bank UK PLC, Barclays Bank Ireland PLC (BBI) and Barclays Capital Securities Limited (BCSL). Pillar 3 disclosures are published in standalone documents for these entities as 'Barclays Bank PLC Pillar 3 Report', 'Barclays Bank UK PLC Pillar 3 Report', 'Barclays Bank Ireland PLC Pillar 3 Report' and 'Barclays Capital Securities Limited Pillar 3 Report' respectively.

Barclays Bank PLC

Barclays Bank PLC is a wholly-owned subsidiary of Barclays PLC and consists of Barclays Investment Bank, Barclays UK Corporate Bank, Barclays US Consumer Bank, Barclays Private Bank and Wealth Management and Head Office.

Barclays Bank PLC is currently regulated by the PRA on a solo-consolidated basis and comprises Barclays Bank PLC plus certain additional subsidiaries, subject to PRA approval. The disclosures provided in the document for Barclays Bank PLC are based on the above regulatory scope of consolidation. This differs from the accounting disclosures, where Barclays Bank PLC Group relates to Barclays Bank PLC and all its subsidiaries.

On 20 December 2022, the PRA granted permission for leverage minimum requirements to be set at the sub-consolidated level. As a result, the Barclays Bank PLC leverage disclosures are presented on both the Barclays Bank PLC solo-consolidated and Barclays Bank PLC sub-consolidated basis. Refer to the 'Barclays Bank PLC Pillar 3 Report' for further information.

Barclays Bank UK PLC

Barclays Bank UK PLC is the wholly-owned ring-fenced bank of Barclays PLC. The consolidation of the parent entity, Barclays Bank UK PLC and its subsidiaries, is referred to as Barclays Bank UK Group and consists of Personal Banking, Business Banking and Barclaycard Consumer UK businesses. Refer to the 'Barclays Bank UK PLC Pillar 3 Report' for further information.

Barclays Bank Ireland PLC

Barclays Bank Ireland PLC (also referred to as Barclays Europe) is a wholly owned subsidiary of Barclays Bank PLC. Barclays Bank Ireland PLC is licensed as a credit institution by the Central Bank of Ireland (CBI) and is designated as a significant institution, directly supervised via the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB). Refer to the 'Barclays Bank Ireland PLC Pillar 3 Report' for further information.

Barclays Capital Securities Limited

Barclays Capital Securities Limited is a wholly owned subsidiary of Barclays Bank PLC and is a Private Limited Company domiciled and incorporated in the United Kingdom. It is a PRA designated investment firm. Refer to the 'Barclays Capital Securities Limited Pillar 3 Report' for further information.

Scope of permission for calculation approaches

Barclays seeks permission from its regulators to use modelled approaches where possible, to enable risk differentiation.

Barclays PLC has regulatory approval to use its internal credit models in the calculation of the majority of its credit risk and counterparty credit risk exposures. The following table summarises the principal portfolios within Barclays that use the standardised and advanced IRB approaches as at 31 December 2024.

Table 1: The scope of the STD and AIRB approaches for credit and counterparty credit risk excluding CVA

As at 31 December 2024	Credit risk (see Table 10)		Counterparty credit risk excl. CVA (see Table 10)		Advanced Internal Ratings Based (AIRB) approach	Standardised (STD) approach
	RWA		RWA			
	€m		€m			
Business						
Barclays UK	70,817	157	<ul style="list-style-type: none"> UK managed retail and wholesale portfolios UK cards Non UK and Non EEA high quality liquidity pool assets (HQLA) 	<ul style="list-style-type: none"> Minor legacy retail and wholesale portfolios Further Education and Local Authority portfolios HQLA (UK and EEA) Barclays Partner Finance UK Wealth Portfolio Tesco Bank's retail banking business 		
Barclays UK Corporate Bank	19,612	442	<ul style="list-style-type: none"> UK Corporate portfolios 	<ul style="list-style-type: none"> Commercial Payments Certain portfolios typically with low or no defaults, or insufficient historical data 		
Barclays Private Bank & Wealth Management	5,492	149		<ul style="list-style-type: none"> Private Bank and Wealth portfolios 		
Barclays Investment Bank	90,188	46,053	<ul style="list-style-type: none"> UK and Ireland Corporate portfolio Non UK and Non EEA HQLA Most Investment Bank portfolios 	<ul style="list-style-type: none"> HQLA (UK and EEA) Further Education and Local Authority portfolios European Corporate Portfolio Certain portfolios typically with low or no defaults, or insufficient historical data 		
Barclays US Consumer Bank	21,985			<ul style="list-style-type: none"> Mainly US retail credit cards, joint card issuance 		
Head Office	14,742	21	<ul style="list-style-type: none"> Small number of portfolios including the German consumer finance business 	<ul style="list-style-type: none"> Merchant acquiring payments business Small number of portfolios (including Equity exposures) 		
Group Total	222,836	46,822				

Barclays' AIRB roll-out plans are discussed with regulators and updated based on an agreed schedule.

Scope of permission for calculation approaches (continued)

Table 2: Summary of the scope of application of regulatory methodologies for CVA, market and operational risk

As at 31 December 2024

Risk Type	Risk weighted assets £m	Scope
Credit value adjustment	3,019	CVA for all contracts in scope as defined by Article 382 of the UK CRR. Barclays has permission to use an internal model for the specific risk of debt instruments and therefore is allowed to use the advanced method for CVA for such instruments where applicable. The standardised method for CVA is used otherwise.
Market risk	36,843	<p>The risk of loss from changes in the prices of assets in the trading book are captured by a combined RWA calculation for general and specific market risks. The regulatory permission for Barclays to use models considers risk categories and legal entities; see table 11 on page 28 for capital requirements related to each approach and risk category. See page 155 for more information.</p> <p>Barclays has regulatory approval for VaR modelling for general market risk, which is designed to capture the risk of loss arising from changes in market interest rates, along with the risk of losses arising from changes in foreign exchange, commodities and equity market value.</p> <p>The capital charge for specific market risk is designed to protect against losses from adverse movements in the price of an individual security owing to factors related to the individual issuer. Barclays has permission to model specific market risk, including credit spread, migration, and default risks, for certain legal entities and product types. Where the Group does not have permission to use a model (notably in Barclays Capital Inc), the standardised approach is applied.</p>
Operational risk	48,607	The Group applies TSA for operational risk regulatory capital purposes.

Linkage between financial statements and regulatory risk

Table 3: LI1– Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories

This table outlines the differences in the basis of consolidation for accounting and regulatory purposes. It provides an allocation of the balance sheet line items reported under the scope of regulatory consolidation between the different regulatory risk frameworks. Information regarding the market risk valuation methodologies, independent price verifications process and procedures for valuation adjustments or reserves can be found in the Management of market risk section from page 155.

	Carrying value of items						Not subject to capital requirements or subject to deduction from own funds
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation ¹	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework ²	Subject to the market risk framework	
As at 31 December 2024	€m	€m	€m	€m	€m	€m	€m
Assets							
Cash and balances at central banks	210,184	210,184	210,184	—	—	—	—
Cash collateral and settlement balances	119,843	119,843	16,701	45,091	—	—	58,051
Loans and advances at amortised cost	414,483	403,352	341,077	—	62,275	—	—
Reverse repurchase agreements and other similar secured lending at amortised cost	4,734	4,734	—	1,557	3,177	—	—
Trading portfolio assets	166,453	166,453	3,746	—	1,429	161,278	—
Financial assets at fair value through the income statement	193,734	194,368	11,557	174,548	4,710	178,101	—
Derivative financial instruments	293,530	293,530	—	293,426	104	284,704	—
Financial assets at fair value through other comprehensive income	78,059	78,122	74,143	—	3,979	—	—
Investments in subsidiaries, associates and joint ventures	891	102	102	—	—	—	—
Goodwill and intangible assets	8,275	8,300	—	—	—	—	8,300
Property, plant and equipment	3,604	3,606	3,606	—	—	—	—
Current tax assets	155	155	155	—	—	—	—
Deferred tax assets	6,321	6,321	6,321	—	—	—	—
Retirement benefit assets	3,263	3,263	—	—	—	—	3,263
Other assets	4,819	5,602	5,602	—	—	—	—
Assets included in disposal groups classified as held for sale	9,854	9,854	9,854	—	—	—	—
Total assets	1,518,202	1,507,789	683,048	514,622	75,674	624,083	69,614
Liabilities³							
Deposits at amortised cost	560,663	560,663	—	—	—	—	560,663
Cash collateral and settlement balances	106,229	106,229	—	74,417	—	—	31,812
Repurchase agreements and other similar	39,415	39,415	—	20,841	—	—	18,574
Debt securities in issue	92,402	79,397	—	—	—	—	79,397
Subordinated liabilities	11,921	11,920	—	—	—	—	11,920
Trading portfolio liabilities	56,908	56,908	—	—	—	55,780	1,128
Financial liabilities designated at fair value	282,224	282,773	—	169,263	—	273,279	9,494
Derivative financial instruments	279,415	279,415	—	278,755	660	273,139	—
Current tax liabilities	566	566	—	—	—	—	566
Deferred tax liabilities	18	18	—	—	—	—	18
Retirement benefit liabilities	240	240	—	—	—	—	240
Other liabilities	10,611	12,613	—	—	—	—	12,613
Provisions	1,383	1,421	—	—	—	—	1,421
Liabilities included in disposal groups classified as held for sale	3,726	3,726	—	—	—	—	3,726
Total Liabilities	1,445,721	1,435,304	—	543,276	660	602,198	731,572

Notes

- The balances shown in column 'Carrying values under the scope of regulatory consolidation' do not equal the sum of those in the columns relating to the regulatory framework, as certain assets can be in scope for more than one regulatory framework.
- The column 'Subject to securitisation framework' includes non-trading book drawn positions for traditional and synthetic. Trading book securitisation positions are included in 'Subject to the market risk framework'.
- For liabilities, balances shown in column 'Not subject to capital requirements or subject to deduction from capital' are residual amount so that 'Carrying values under the scope of regulatory consolidation' equal to the sum of those in the columns relating to the regulatory framework.

Linkage between financial statements and regulatory risk (continued)

Table 4: LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements

This table provides a reconciliation between assets carrying values under the regulatory scope of consolidation as per table 3 and the exposures used for regulatory purposes, split as per the regulatory risk framework.

Off-balance sheet amounts: Under the credit risk framework, these balances principally consist of undrawn credit facilities before the application of CCF. Under the counterparty credit risk framework, the off-balance sheet items principally consist of the exposure due to collateral posted in SFTs.

Difference in netting rules: This reflects the additional benefits allowed per regulatory rules over and above the netting permitted under IFRS.

Differences due to consideration of provisions: The carrying value of assets is net of impairment. The regulatory exposure calculated under the advanced IRB approach adds back the impairment.

Differences due to credit risk mitigation (CRM): Impact of CRM on the regulatory exposure value, such as collateralisation and guarantees.

Differences due to credit conversion factor: Impact of the CCF on the off-balance sheet exposure.

Differences due to securitisation with risk transfer: This reflects the exposures of synthetic securitisation trades which are derecognised as per accounting standards.

Other differences: This reflects the difference between assets carrying values as defined per IFRS and the values defined per regulatory reporting purposes including those arising from the use of IMM for CCR.

Differences due to regulatory add-ons: this reflects regulatory add-ons relevant to the standardised approach to CCR, such as PFE add on and FCCM haircuts.

As at 31 December 2024		Total ¹	Items subject to			Market risk framework
			Credit risk framework	Securitisation framework	CCR framework	
1	Assets carrying value amount under the scope of regulatory consolidation (as per template LI1)	1,273,344	683,048	75,674	514,622	624,083
2	Liabilities carrying value amount under the regulatory scope of consolidation (as per template LI1)	(543,936)	—	(660)	(543,276)	(602,198)
3	Total net amount under the regulatory scope of consolidation	729,408	683,048	75,014	(28,654)	21,885
4	Off-balance sheet amounts	1,535,620	421,291	12,130	1,102,199	
5	<i>Differences in valuations</i>	—	—	—	—	
6	<i>Differences due to different netting rules, other than those already included in row 2</i>	(997,351)	—	—	(997,351)	
7	<i>Differences due to consideration of provisions</i>	1,801	1,801	—	—	
8	<i>Differences due to the use of credit risk mitigation techniques (CRMs)</i>	(21,446)	(20,810)	(636)	—	
9	<i>Differences due to credit conversion factors</i>	(271,223)	(271,223)	—	—	
10	<i>Differences due to Securitisation with risk transfer</i>	29,042	—	29,042	—	
11	<i>Other differences</i>	71,054	(2,216)	1,112	72,158	
11a	<i>Differences due to Regulatory add-ons</i>	19,771	—	—	19,771	
12	Exposure amounts considered for regulatory purposes	1,096,676	811,891	116,662	168,123	

Note

1 Total excludes the amount subject to Market risk framework.

Linkage between financial statements and regulatory risk (continued)

Table 5: LI3 Outline of the differences in the scopes of consolidation (entity by entity)

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation			Neither consolidated nor deducted	Deducted	Description of the entity
		Full consolidation	Proportional consolidation	Equity Method			
Barclays Insurance Services Company Limited ¹	Fully consolidated				Y		Insurance and reinsurance activities
Barclays Insurance Guernsey PCC Limited ¹	Fully consolidated				Y		Insurance and reinsurance activities
Salisbury Receivables Company LLC ¹	Fully consolidated				Y		Financial service activities, except insurance and pension funding
Barclays Insurance US Inc. ¹	Fully consolidated				Y		Insurance and reinsurance activities
Sheffield Receivables Company LLC ¹	Fully consolidated				Y		Financial service activities, except insurance and pension funding
Sunderland Receivables Company LLC ¹	Fully consolidated				Y		Financial service activities, except insurance and pension funding
Sunderland Receivables SA ¹	Fully consolidated				Y		Financial service activities, except insurance and pension funding
EnterCard Group AB	Equity		Y				Financial service activities, except insurance and pension funding
BGF Group PLC	Equity		Y				Financial service activities, except insurance and pension funding
Delamare Cards Holdco Ltd	Fully consolidated				Y		Securitisation
Delamare Cards Funding 1 Ltd	Fully consolidated				Y		Securitisation
Delamare Cards Funding 2 Ltd	Fully consolidated				Y		Securitisation
Delamare Cards Receivables Trustee Ltd	Fully consolidated				Y		Securitisation
Delamare Cards MTN Issuer PLC	Fully consolidated				Y		Securitisation
Barclays Dryrock Issuance Trust Series 2022-1	Fully consolidated				Y		Securitisation
Barclays Dryrock Issuance Trust Series 2023-1	Fully consolidated				Y		Securitisation
Barclays Dryrock Issuance Trust Series 2023-2	Fully consolidated				Y		Securitisation
Duke Global Funding	Fully consolidated				Y		Securitisation
Gracechurch Card Programme Funding, Series 13-3	Fully consolidated				Y		Securitisation
Gracechurch Card Programme Funding, Series 14-2	Fully consolidated				Y		Securitisation
Gracechurch Card Programme Funding, Series 15-1	Fully consolidated				Y		Securitisation
Heta Funding	Fully consolidated				Y		Securitisation
Newfoundland CLO I	Fully consolidated				Y		Securitisation
North Dock No.1	Fully consolidated				Y		Securitisation
Pavillion Mortgages 2022-1	Fully consolidated				Y		Securitisation
Shelby Real Estate Funding	Fully consolidated				Y		Securitisation
Sirius Funding	Fully consolidated				Y		Securitisation

Note

¹ Equity investment into these entities are risk weighted or deducted from capital subject to threshold.

Analysis of treasury and capital risk

This section details Barclays' capital position providing information on capital resources, requirements, leverage and liquidity.

Key Metrics in 2024

Common Equity Tier 1 ratio

13.6%

(see page 21)

Own funds and eligible liabilities ratio as a percentage of RWAs

34.4%

(see page 34)

UK leverage ratio

5.0%

(see page 22)

Liquidity Coverage ratio (LCR)

172%

(see page 22)

Net stable funding ratio (NSFR)

135%

(see page 22)

Analysis of treasury and capital risk (continued)

Table 6: KM1 - Key metrics - Part 1

This table shows key regulatory metrics and ratios as well as related components such as own funds, RWAs, capital ratios, capital buffer requirements, leverage ratio, LCR, NSFR and additional requirements based on Supervisory Review and Evaluation Process (SREP).

KM1 ref		As at	As at	As at	As at	As at
		31.12.24	30.09.24	30.06.24	31.03.24	31.12.23
		£m	£m	£m	£m	£m
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital ¹	48,558	47,030	47,695	47,144	47,304
1a	Fully loaded common Equity Tier 1 (CET1) capital ²	48,420	46,947	47,572	47,007	47,016
2	Tier 1 capital ¹	60,634	58,769	60,654	60,385	60,507
2a	Fully loaded tier 1 capital ²	60,496	58,686	60,531	60,248	60,219
3	Total capital ^{1,3}	70,118	67,716	69,871	68,455	68,882
3a	Fully loaded total capital ^{2,4}	69,712	67,366	69,482	68,051	68,229
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount ¹	358,127	340,401	351,433	349,635	342,717
4a	Fully loaded total risk-weighted exposure amount ²	358,095	340,382	351,405	349,604	342,650
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%) ¹	13.6%	13.8%	13.6%	13.5%	13.8%
5a	Fully loaded common Equity Tier 1 ratio (%) ²	13.5%	13.8%	13.5%	13.4%	13.7%
6	Tier 1 ratio (%) ¹	16.9%	17.3%	17.3%	17.3%	17.7%
6a	Fully loaded tier 1 ratio (%) ²	16.9%	17.2%	17.2%	17.2%	17.6%
7	Total capital ratio (%) ^{1,3}	19.6%	19.9%	19.9%	19.6%	20.1%
7a	Fully loaded total capital ratio (%) ^{2,4}	19.5%	19.8%	19.8%	19.5%	19.9%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a	Additional CET1 SREP requirements (%)	2.6%	2.6%	2.6%	2.6%	2.6%
UK 7b	Additional AT1 SREP requirements (%)	0.9%	0.9%	0.9%	0.9%	0.9%
UK 7c	Additional T2 SREP requirements (%)	1.1%	1.1%	1.1%	1.1%	1.1%
UK 7d	Total SREP own funds requirements (%)	12.6%	12.6%	12.6%	12.6%	12.6%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	1.0%	1.0%	0.9%	0.9%	0.9%
10	Global Systemically Important Institution buffer (%)	1.5%	1.5%	1.5%	1.5%	1.5%
11	Combined buffer requirement (%)	5.0%	5.0%	4.9%	4.9%	4.9%
UK 11a	Overall capital requirements (%)	17.6%	17.5%	17.5%	17.5%	17.5%
12	CET1 available after meeting the total SREP own funds requirements (%)	6.5%	6.7%	6.5%	6.4%	6.7%

Notes

- 1 Transitional capital and RWAs are calculated applying the IFRS 9 transitional arrangements in accordance with UK CRR. Effective from 1 January 2025, the IFRS9 transitional arrangements no longer applied.
- 2 Fully loaded capital and RWAs are calculated without applying the IFRS 9 transitional arrangements in accordance with UK CRR.
- 3 Total capital is calculated applying the grandfathering of UK CRR non-compliant capital instruments included within Tier 2 capital until 28 June 2025.
- 4 Fully loaded total capital is calculated without applying the grandfathering of UK CRR non-compliant capital instruments included within Tier 2 capital.

The reported CET1 ratio decreased by c.20bps to 13.6% (December 2023: 13.8%) as RWAs increased by £15.4bn to £358.1bn partially offset by an increase in CET1 capital of £1.3bn to £48.6bn. Excluding the c.20bps decrease as a result of the acquisition of Tesco Bank's retail banking business, significant movements in the year were:

- c.140bps increase from attributable profit including other inorganic activity
- c.80bps decrease driven by shareholder distributions including the completed share buybacks announced with FY23 and H124 results and an accrual for the FY24 dividend
- c.30bps decrease from other capital movements including decreases in the other qualifying reserves
- c.30bps decrease as a result of an £8.4bn increase in RWAs, including strategic growth in lending within UKCB and Barclays UK and regulatory driven methodology changes

Analysis of treasury and capital risk (continued)

Table 6: KM1 - Key metrics - Part 2

KM1 Ref		As at	As at	As at	As at	As at
		31.12.24	30.09.24	30.06.24	31.03.24	31.12.23
		€m	€m	€m	€m	€m
	Leverage ratio					
13	Total exposure measure excluding claims on central banks ¹	1,206,502	1,197,445	1,222,722	1,226,450	1,168,275
14	Leverage ratio excluding claims on central banks (%) ^{1,4}	5.0%	4.9%	5.0%	4.9%	5.2%
	Additional leverage ratio disclosure requirements					
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%) ²	5.0%	4.9%	5.0%	4.9%	5.2%
UK 14b	Leverage ratio including claims on central banks (%) ¹	4.2%	4.1%	4.1%	4.0%	4.3%
UK 14c	Average leverage ratio excluding claims on central banks (%) ^{1,3}	4.6%	4.6%	4.7%	4.7%	4.8%
UK 14d	Average leverage ratio including claims on central banks (%) ^{1,3}	3.9%	3.9%	3.9%	3.9%	4.0%
UK 14e	Countercyclical leverage ratio buffer (%)	0.3%	0.3%	0.3%	0.3%	0.3%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value)	304,420	306,368	306,983	305,413	310,328
UK 16a	Cash outflows - Total weighted value	312,952	304,205	296,444	286,082	283,268
UK 16b	Cash inflows - Total weighted value	136,092	123,825	112,266	98,464	90,627
16	Total net cash outflows (adjusted value)	176,860	180,381	184,177	187,618	192,641
17	Liquidity coverage ratio (%) ⁵	172.4%	170.1%	167.0%	163.0%	161.0%
	Net Stable Funding Ratio⁶					
18	Total available stable funding	629,580	625,075	622,089	610,739	606,785
19	Total required stable funding	466,652	461,078	456,232	450,337	439,651
20	NSFR ratio (%)	134.9%	135.6%	136.4%	135.7%	138.0%

Notes

- 1 Transitional UK leverage ratios are calculated applying the IFRS 9 transitional arrangements in accordance with UK CRR. Effective from 1 January 2025, the IFRS9 transitional arrangements no longer applied.
- 2 Fully loaded UK leverage ratio is calculated without applying the IFRS9 transitional arrangements in accordance with UK CRR.
- 3 Average UK leverage ratio uses capital based on the last day of each month in the quarter and an exposure measure for each day in the quarter.
- 4 Although the leverage ratio is expressed in terms of T1 capital, the leverage ratio buffers and 75% of the minimum requirement must be covered solely with CET1 capital. The CET1 capital held against the 0.53% G-SII ALRB was €6.3bn and against the 0.3% CCLB was €3.6bn.
- 5 LCR computed as a trailing average of 12 month-end observations to the reporting date.
- 6 NSFR is computed as a trailing average of the last four spot quarter end positions. No prior comparative available.

The UK leverage ratio decreased to 5.0% (December 2023: 5.2%) due to an increase in exposure of €38.2bn to €1,206.5bn (December 2023: €1,168.3bn). The increase in exposure was largely driven by an increase in derivatives in Global Markets, increased investment in Debt securities and the acquisition of Tesco Bank.

The average LCR for the 12 months to 31 December 2024 increased to 172.4% (December 2023: 161%), with a decrease in net cash outflows of €15.8bn driven by an increase in the proportion of corporate deposits treated as operational, and an increase in inflows from secured lending.

As at 31 December 2024, the trailing average NSFR for the last four spot quarter end positions was 134.9% (December 2023: 138.0%), equivalent to a surplus of €162.9bn (December 2023: 167.1bn) above the 100% regulatory requirement.

Analysis of treasury and capital risk (continued)

Table 7: CC1 – Composition of regulatory own funds

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

		As at 31.12.24	As at 31.12.24	As at 31.12.23	As at 31.12.23	
		Transition al Position	Fully Loaded	Transition al Position	Fully Loaded	
	Ref†	€m	€m	€m	€m	
Common Equity Tier 1 (CET1) capital: instruments and reserves						
1	Capital instruments and the related share premium accounts	a	4,186	4,186	4,288	4,288
	<i>of which called up share capital and share premium</i>	a	4,186	4,186	4,288	4,288
2	Retained earnings	b	54,223	54,223	52,935	52,935
3	Accumulated other comprehensive income (and other reserves)	b, c	(3,823)	(3,823)	(3,152)	(3,152)
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	b	4,527	4,527	3,393	3,393
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments		59,113	59,113	57,464	57,464
Common Equity Tier 1 (CET1) capital: regulatory adjustments						
7	Additional value adjustments		(2,051)	(2,051)	(1,901)	(1,901)
8	Intangible assets (net of related tax liability) ¹	d, e, f, g	(8,272)	(8,272)	(7,790)	(7,790)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met)	h	(1,451)	(1,451)	(1,630)	(1,630)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	i	2,930	2,930	3,707	3,707
12	Negative amounts resulting from the calculation of expected loss amounts		(403)	(403)	(296)	(296)
13	Any increase in equity that results from securitised assets	b	(27)	(27)	—	—
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit	b, j	981	981	136	136
15	Defined-benefit pension fund assets ¹	k, g	(2,367)	(2,367)	(2,654)	(2,654)
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments		(33)	(33)	(20)	(20)
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when relevant) ²		138	—	288	—
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)		(10,555)	(10,693)	(10,160)	(10,448)
29	Common Equity Tier 1 (CET1) capital		48,558	48,420	47,304	47,016
Additional Tier 1 (AT1) capital: instruments						
30	Capital instruments and the related share premium accounts	l	12,108	12,108	13,263	13,263
31	<i>of which: classified as equity under applicable accounting standards</i>	l	12,108	12,108	13,263	13,263
36	Additional Tier 1 (AT1) capital before regulatory adjustments		12,108	12,108	13,263	13,263
Additional Tier 1 (AT1) capital: regulatory adjustments						
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments	l	(32)	(32)	(60)	(60)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		(32)	(32)	(60)	(60)
44	Additional Tier 1 (AT1) capital		12,076	12,076	13,203	13,203
45	Tier 1 capital (T1 = CET1 + AT1)		60,634	60,496	60,507	60,219
Tier 2 (T2) capital: instruments						
46	Capital instruments and the related share premium accounts	m	9,150	9,150	7,966	7,966
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in CET1 or AT1 issued by subsidiaries and held by third parties) ³	m, n	367	99	569	205
51	Tier 2 (T2) capital before regulatory adjustments		9,517	9,249	8,535	8,171

Analysis of treasury and capital risk (continued)

Table 7: CC1 – Composition of regulatory own funds – continued

	Ref†	As at	As at	As at	As at
		31.12.24	31.12.24	31.12.23	31.12.23
		Transition al Position	Fully Loaded	Transition al Position	Fully Loaded
		€m	€m	€m	€m
Tier 2 (T2) capital: regulatory adjustments					
52					
	m	(33)	(33)	(160)	(160)
57		(33)	(33)	(160)	(160)
58		9,484	9,216	8,375	8,011
59		70,118	69,712	68,882	68,230
60		358,127	358,095	342,717	342,650
Capital ratios and buffers					
61		13.6%	13.5%	13.8%	13.7%
62		16.9%	16.9%	17.7%	17.6%
63		19.6%	19.5%	20.1%	19.9%
64		12.0%	12.0%	12.0%	12.0%
65		2.5%	2.5%	2.5%	2.5%
66		0.9%	0.9%	0.9%	0.9%
UK-67a		1.5%	1.5%	1.5%	1.5%
68		6.5%	6.4%	6.7%	6.6%
Amounts below the thresholds for deduction (before risk weighting)					
72		4,856	4,842	4,730	4,702
73		244	244	263	263
75		4,081	4,124	3,621	3,709
Applicable caps on the inclusions of provisions in Tier 2					
79		853	853	848	848

Notes

- † The references (a) – (n) identify balance sheet components in Table 8: CC2 – Reconciliation of regulatory capital to balance sheet on page 25 which are used in the calculation of regulatory capital.
- Deferred tax liabilities on intangible assets and pension fund assets are included as either a negative component of the deferred tax asset or a deferred tax liability on the balance sheet depending on the net deferred tax position of the bank at the time of reporting.
 - Other regulatory adjustments to CET1 capital represents IFRS 9 transitional adjustments of which modified £138m.
 - Row 48 includes £529m of T2 instruments issued by subsidiaries and subject to phase out from T2 under Article 494b(2). They are not reported in row UK-47b to avoid double counting with row 48.

Analysis of treasury and capital risk (continued)

Table 8: CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

This table shows the reconciliation between the balance sheet prepared for statutory and regulatory scope of consolidation. The amount shown under the regulatory scope of consolidation is not a RWA measure; it is based on an accounting measure and cannot be directly reconciled to other tables in this report.

As at 31 December 2024	Ref†	Balance sheet as in published financial statements	Under regulatory scope of consolidation
		€m	€m
Assets			
1		210,184	210,184
2		119,843	119,843
3		8,327	8,498
4		337,946	326,644
5		68,210	68,210
6		4,734	4,734
7		166,453	166,453
8		193,734	194,368
9		293,530	293,530
10		78,059	78,122
11	d	891	102
12		8,275	8,300
13	e	4,450	4,474
14	f	3,825	3,826
15		3,604	3,606
16		155	155
17	g, h	6,321	6,321
18	k	3,263	3,263
19		9,854	9,854
20		4,819	5,602
21 Total assets		1,518,202	1,507,789
Liabilities			
1		13,203	13,203
2		547,460	547,460
3		106,229	106,229
4		39,415	39,415
5		92,402	79,397
6	m	11,921	11,920
7		56,908	56,908
8		282,224	282,773
9		279,415	279,415
10		566	566
11	g	18	18
12		240	240
13		1,383	1,421
14		3,726	3,726
15		10,611	12,613
16 Total liabilities		1,445,721	1,435,304
Equity			
1		4,186	4,186
2	a	4,186	4,186
3	l	12,075	12,075
4	c, i, j	(468)	(440)
5	b	56,028	56,004
6 Total equity excluding non-controlling interests		71,821	71,825
7	n	660	660
8 Total equity		72,481	72,485
9 Total liabilities and equity		1,518,202	1,507,789

Note

† The references (a) – (n) identify balance sheet components that are used in the calculation of regulatory capital in Table 7: Composition of regulatory capital on page 23–24.

Analysis of treasury and capital risk (continued)

Table 9: IFRS 9¹ – Comparison of institution's own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs

Barclays Group		As at 31.12.24	As at 30.09.24	As at 30.06.24	As at 31.03.24	As at 31.12.23
		€m	€m	€m	€m	€m
Available capital (amounts)						
1	CET1 capital ²	48,558	47,030	47,695	47,144	47,304
2	CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	48,420	46,947	47,572	47,007	47,016
3	Tier 1 capital ²	60,634	58,769	60,654	60,385	60,507
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	60,496	58,686	60,531	60,248	60,219
5	Total capital ^{2,3}	70,118	67,716	69,871	68,455	68,882
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	69,980	67,633	69,748	68,318	68,594
Risk-weighted assets (amounts)						
7	Total risk-weighted assets ²	358,127	340,401	351,433	349,635	342,717
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	358,095	340,382	351,405	349,604	342,650
Capital ratios						
9	CET1 (as a percentage of risk exposure amount) ²	13.6%	13.8%	13.6%	13.5%	13.8%
10	CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.5%	13.8%	13.5%	13.4%	13.7%
11	Tier 1 (as a percentage of risk exposure amount) ²	16.9%	17.3%	17.3%	17.3%	17.7%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.9%	17.2%	17.2%	17.2%	17.6%
13	Total capital (as a percentage of risk exposure amount) ^{2,3}	19.6%	19.9%	19.9%	19.6%	20.1%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.5%	19.9%	19.8%	19.5%	20.0%
Leverage ratio						
15	Leverage ratio total exposure measure	1,206,502	1,197,445	1,222,722	1,226,450	1,168,275
16	Leverage ratio ²	5.0%	4.9%	5.0%	4.9%	5.2%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5.0%	4.9%	5.0%	4.9%	5.2%

Notes

- From 1 January 2018, Barclays Group 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: 50% applicable for 2023; 25% for 2024 and with no transitional relief from 2025.
- Transitional CET1 capital, RWAs and leverage ratio are calculated applying the IFRS 9 transitional arrangements in accordance with UK CRR.
- Total capital is calculated applying the grandfathering of UK CRR non-compliant capital instruments included within Tier 2 capital until 28 June 2025.

Analysis of treasury and capital risk (continued)

Table 10: RWAs by risk type and business

This table shows RWAs by business and risk type.

	Credit risk		Counterparty credit risk			Market risk			Operational risk	Total RWAs
	Std	AIRB	Std	AIRB	Settlement risk	CVA	Std	IMA		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
As at 31 December 2024										
Barclays UK	15,516	55,301	146	11	—	74	228	—	13,181	84,457
Barclays UK Corporate Bank	3,932	15,680	106	336	—	12	16	548	3,282	23,912
Barclays Private Bank & Wealth Management	5,058	434	118	31	—	16	44	330	1,859	7,890
Barclays Investment Bank	40,957	49,231	21,889	24,094	70	2,913	12,442	23,023	24,164	198,783
Barclays US Consumer Bank	21,019	966	—	—	—	—	—	—	4,864	26,849
Head Office	6,580	8,162	1	20	—	4	—	212	1,257	16,236
Barclays Group	93,062	129,774	22,260	24,492	70	3,019	12,730	24,113	48,607	358,127
As at 31 December 2023										
Barclays UK	10,472	50,761	178	—	—	94	274	—	11,715	73,494
Barclays UK Corporate Bank	3,458	13,415	262	167	—	14	2	541	3,024	20,883
Barclays Private Bank & Wealth Management	4,611	455	182	27	—	30	1	322	1,546	7,174
Barclays Investment Bank	37,749	52,190	18,512	21,873	159	3,248	14,623	24,749	24,179	197,282
Barclays US Consumer Bank	19,824	966	—	—	—	—	—	—	4,051	24,841
Head Office	6,772	10,951	1	21	—	6	1	248	1,043	19,043
Barclays Group	82,886	128,738	19,135	22,088	159	3,392	14,901	25,860	45,558	342,717

Analysis of treasury and capital risk (continued)

Table 11: OV1 – Overview of risk weighted exposure amounts

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

		Risk weighted exposure amounts (RWEAs)			Total own funds requirements		
		As at	As at	As at	As at	As at	As at
		31.12.2024	30.09.2024	31.12.2023	31.12.2024	30.09.2024	31.12.2023
		€m	€m	€m	€m	€m	€m
1	Credit risk (excluding CCR)	199,791	188,293	194,004	15,983	15,063	15,520
2	Of which the standardised approach	82,157	72,050	74,723	6,573	5,764	5,978
4	Of which: slotting approach	4,156	3,867	4,296	332	309	344
5	Of which the advanced IRB (AIRB) approach	113,478	112,376	114,985	9,078	8,990	9,198
6	Counterparty credit risk - CCR	49,739	47,358	44,549	3,979	3,789	3,563
7	Of which the standardised approach	4,856	4,093	3,753	388	327	300
8	Of which internal model method (IMM)	31,186	30,167	26,673	2,495	2,413	2,134
UK 8a	Of which exposures to a CCP	2,261	2,168	1,701	181	173	136
UK 8b	Of which credit valuation adjustment - CVA	3,019	2,542	3,392	242	203	271
9	Of which other CCR	8,417	8,388	9,030	673	673	722
15	Settlement risk	70	118	159	6	9	13
16	Securitisation exposures in the non-trading book (after the cap)	23,077	21,174	17,686	1,846	1,694	1,415
17	Of which SEC-IRBA approach	12,141	11,354	9,460	971	908	757
18	Of which SEC-ERBA (including IAA)	2,426	1,994	2,006	194	160	160
19	Of which SEC-SA approach	8,487	7,789	6,169	679	623	494
UK 19a	Of which 1250%/ deduction	23	37	51	2	3	4
20	Position, foreign exchange and commodities risks (Market risk)	36,843	37,900	40,761	2,947	3,032	3,261
21	Of which the standardised approach	12,730	13,333	14,901	1,018	1,067	1,192
22	Of which IMA	24,113	24,567	25,860	1,929	1,965	2,069
UK 22a	Large exposures	—	—	—	—	—	—
23	Operational risk	48,607	45,558	45,558	3,889	3,645	3,645
UK 23b	Of which standardised approach	48,607	45,558	45,558	3,889	3,645	3,645
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information only)	10,814	10,019	9,708	865	802	777
29	Total	358,127	340,401	342,717	28,650	27,232	27,417

Total RWAs increased by €17.7bn to €358.1bn in the quarter (September 2024: €340.4bn) primarily due to:

- Credit risk RWAs increased by €11.5bn primarily driven by the acquisition of Tesco Bank and foreign exchange movements due to the appreciation of USD against GBP
- Counterparty Credit risk RWAs increased by €2.4bn primarily driven by foreign exchange movements due to the appreciation of USD against GBP
- Securitisation RWAs increased by €1.9bn primarily driven by an increase in business activities and foreign exchange movements due to the appreciation of USD against GBP
- Market risk RWAs decreased by €1.1bn due to trading activity within Global Markets
- Operational risk RWAs increased by €3.0bn primarily driven by the inclusion of higher 2024 income compared to 2021 within the three-year average

Analysis of treasury and capital risk (continued)

Tables 12, 13 and 14 below show a subset of the information included in table 10, focused on positions captured under modelled treatment.

Table 12: CR8 – RWEA flow statements of credit risk exposures under the advanced IRB approach

The total in this table shows the contribution of credit risk RWAs under the AIRB approach excluding Securitisation and non-credit obligation assets and hence will not directly reconcile to the credit risk AIRB RWAs in table 10.

	Three months ended	Twelve months
	31.12.2024	ended 31.12.2024
	€m	€m
1 Risk weighted exposure amount as at the end of the previous reporting period	108,021	109,868
2 Asset size	439	(2,456)
3 Asset quality	389	208
4 Model updates	—	196
5 Methodology and policy	(893)	3,861
6 Acquisitions and disposals	(96)	(2,119)
7 Foreign exchange movements	1,503	(195)
8 Other	—	—
9 Risk weighted exposure amount as at the end of the reporting period	109,363	109,363

Advanced credit risk RWAs increased by €1.3bn to €109.4bn in the quarter (September 2024: €108.0bn) driven by:

- A €1.5bn increase as a result of foreign exchange movements primarily due to the appreciation of USD against GBP

Advanced credit risk RWAs decreased by €0.5bn to €109.4bn in the year (December 2023: €109.9bn) driven by:

- A €2.5bn decrease in asset size primarily driven by securitisation of credit risk assets
- A €3.9bn increase in methodology and policy primarily due to regulatory driven methodology changes
- A €2.1bn decrease in acquisitions and disposals driven by the sale of the Italian mortgage portfolio

Table 13: CCR7– RWEA flow statements of CCR exposures under the IMM

The total in this table shows the contribution of IMM exposures to CCR RWAs (under both STD and AIRB) in table 10. RWEA changes due to IRB models are included in 'Credit quality of counterparties'.

	Three months ended	Twelve months
	31.12.2024	ended 31.12.2024
	€m	€m
1 Risk weighted exposure amount as at the end of the previous reporting period	30,167	26,673
2 Asset size	(201)	3,619
3 Credit quality of counterparties	159	1,294
4 Model updates (IMM only)	—	—
5 Methodology and policy (IMM only)	—	—
6 Acquisitions and disposals	—	—
7 Foreign exchange movements	1,061	(400)
8 Other	—	—
9 Risk weighted exposure amount as at the end of the reporting period	31,186	31,186

IMM RWAs increased by 1.0bn to €31.2bn in the quarter (September 2024: €30.2bn) primarily driven by foreign exchange movements due to the appreciation of USD against GBP.

IMM RWAs increased by €4.5bn to €31.2bn in the year (December 2023: €26.7bn) primarily driven by:

- A €3.6bn increase in asset size primarily driven by increased client trading activity within Global Markets
- A €1.3bn increase in credit quality of counterparties primarily driven by regulatory driven methodology changes

Analysis of treasury and capital risk (continued)

Table 14: MR2-B – RWA flow statements of market risk exposures under the IMA

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

		Three month ended 31.12.2024					Total own funds requirements £m
		VaR	SVaR	IRC	Other	Total RWEAs	
		£m	£m	£m	£m	£m	
1	RWAs at previous period end	3,625	10,976	5,763	4,202	24,566	1,965
1a	Regulatory adjustment ¹	(1,668)	(4,711)	(1,534)	—	(7,913)	(633)
1b	RWAs at the previous quarter-end (end of the day)	1,957	6,265	4,229	4,202	16,653	1,332
2	Movement in risk levels	203	204	821	324	1,552	124
3	Model updates/changes	—	—	—	—	—	—
4	Methodology and policy	—	—	—	—	—	—
5	Acquisitions and disposals	—	—	—	—	—	—
6	Foreign exchange movements	—	—	—	—	—	—
7	Other	—	—	—	—	—	—
8a	RWAs at the end of the reporting period (end of the day)	2,160	6,469	5,050	4,526	18,205	1,456
8b	Regulatory adjustment ²	2,011	3,550	347	—	5,908	473
8	RWAs at the end of the disclosure period	4,171	10,019	5,397	4,526	24,113	1,929

Notes

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

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

Modelled market risk RWAs have remained broadly stable at £24.1bn in the quarter (September 2024: £24.6bn).

		Twelve month ended 31.12.2024					Total own funds requirements £m
		VaR	SVaR	IRC	Other	Total RWEAs	
		£m	£m	£m	£m	£m	
1	RWAs at previous period end	4,244	11,208	6,181	4,227	25,860	2,069
1a	Regulatory adjustment ¹	(2,062)	(3,801)	—	—	(5,863)	(469)
1b	RWAs at the previous quarter-end (end of the day)	2,182	7,407	6,181	4,227	19,997	1,600
2	Movement in risk levels	(22)	(938)	(1,131)	299	(1,792)	(144)
3	Model updates/changes	—	—	—	—	—	—
4	Methodology and policy	—	—	—	—	—	—
5	Acquisitions and disposals	—	—	—	—	—	—
6	Foreign exchange movements	—	—	—	—	—	—
7	Other	—	—	—	—	—	—
8a	RWAs at the end of the reporting period (end of the day)	2,160	6,469	5,050	4,526	18,205	1,456
8b	Regulatory adjustment ²	2,011	3,550	347	—	5,908	473
8	RWAs at the end of the disclosure period	4,171	10,019	5,397	4,526	24,113	1,929

Notes

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

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

Modelled market risk RWAs decreased by £1.7bn to £24.1bn in the year (December 2023: £25.9bn) primarily driven by SVaR and IRC.

Analysis of treasury and capital risk (continued)

Leverage ratio and exposures

The following leverage tables show the components of the leverage ratio using the UK leverage ratio framework (UKLRF) definition for leverage exposure and Tier 1 capital.

Table 15: LR1 - Summary reconciliation of accounting assets and leverage ratio exposures¹

	As at 31st December 2024	As at 31st December 2023
	£m	£m
1 Total assets as per published financial statements	1,518,202	1,477,487
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(10,413)	(9,098)
3 Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference		(129)
4 Adjustment for exemption of exposures to central banks	(225,103)	(239,616)
6 Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(31,124)	(23,726)
8 Adjustments for derivative financial instruments	(129,323)	(110,366)
9 Adjustment for securities financing transactions (SFTs)	26,793	23,908
10 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	131,392	125,730
11 Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	(2,377)	(2,349)
12 Other adjustments	(71,545)	(73,566)
13 Total exposure measure	1,206,502	1,168,275

Notes

¹ Capital and leverage measures are calculated applying the IFRS 9 transitional arrangements in accordance with UK CRR. Effective from 1 January 2025, the IFRS9 transitional arrangements no longer applied.

Analysis of treasury and capital risk (continued)

Table 16: LR2 - Leverage ratio common disclosure¹

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

	As at 31st December 2024	As at 31st December 2023
	€m	€m
On-balance sheet exposures (excluding derivatives and SFTs)		
1 On-balance sheet items (excluding derivatives, SFTs, but including collateral)	998,549	996,518
3 Deductions of receivables assets for cash variation margin provided in derivatives transactions	(34,146)	(34,559)
6 Asset amounts deducted in determining tier 1 capital (leverage)	(14,439)	(14,063)
7 Total on-balance sheet exposures (excluding derivatives and SFTs)	949,964	947,896
Derivative exposures		
8 Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	54,024	47,779
9 Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	120,103	105,172
10 Exempted CCP leg of client-cleared trade exposures (SA-CCR)	(46,287)	(45,301)
11 Adjusted effective notional amount of written credit derivatives	705,878	679,013
12 Adjusted effective notional offsets and add-on deductions for written credit derivatives	(691,618)	(662,520)
13 Total derivatives exposures	142,100	124,143
Securities financing transaction (SFT) exposures		
14 Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	738,056	714,525
15 Netted amounts of cash payables and cash receivables of gross SFT assets	(558,163)	(528,097)
16 Counterparty credit risk exposure for SFT assets	28,582	24,141
18 Total securities financing transaction exposures	208,475	210,569
Other off-balance sheet exposures		
19 Off-balance sheet exposures at gross notional amount	443,639	402,098
20 Adjustments for conversion to credit equivalent amounts	(312,247)	(276,367)
21 General provisions deducted in determining tier 1 capital (leverage) and specific provisions associated with off-balance sheet exposures	(326)	(448)
22 Off-balance sheet exposures	131,066	125,283
Capital and total exposure measure		
23 Tier 1 capital (leverage)	60,634	60,507
24 Total exposure measure including claims on central banks	1,431,605	1,407,891
UK-24a (-) Claims on central banks excluded	(225,103)	(239,616)
UK-24b Total exposure measure excluding claims on central banks	1,206,502	1,168,275
Leverage ratio		
25 Leverage ratio excluding claims on central banks (%)	5.0%	5.2%
UK-25a Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	5.0%	5.2%
UK-25c Leverage ratio including claims on central banks (%)	4.2%	4.3%
26 Regulatory minimum leverage ratio requirement (%)	3.3%	3.3%
Additional leverage ratio disclosure requirements - leverage ratio buffers		
27 Leverage ratio buffer (%)	0.8%	0.8%
UK-27a <i>Of which: G-SII or O-SII additional leverage ratio buffer (%)</i>	0.5%	0.5%
UK-27b <i>Of which: countercyclical leverage ratio buffer (%)</i>	0.3%	0.3%
Additional leverage ratio disclosure requirements - 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	241,644	257,087
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	179,893	186,427
UK-31 Average total exposure measure including claims on central banks	1,547,189	1,522,672
UK-32 Average total exposure measure excluding claims on central banks	1,308,335	1,266,880
UK-33 Average leverage ratio including claims on central banks	3.9%	4.0%
UK-34 Average leverage ratio excluding claims on central banks	4.6%	4.8%

Notes

¹ Capital and leverage measures are calculated applying the IFRS 9 transitional arrangements in accordance with UK CRR. Effective from 1 January 2025, the IFRS9 transitional arrangements no longer applied.

Analysis of treasury and capital risk (continued)

Table 17: LR3 - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)¹

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

		As at 31st December 2024	As at 31st December 2023
		£m	£m
UK-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	710,833	693,393
UK-2	Trading book exposures	173,839	181,036
UK-3	Banking book exposures, of which:	536,994	512,357
UK-4	Covered bonds	1,808	2,192
UK-5	Exposures treated as sovereigns	114,944	104,289
UK-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	5,013	8,980
UK-7	Institutions	13,240	13,875
UK-8	Secured by mortgages of immovable properties	170,265	173,486
UK-9	Retail exposures	60,851	50,881
UK-10	Corporates	69,588	71,696
UK-11	Exposures in default	5,082	4,508
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	96,203	82,450

Note

¹ Leverage measures are calculated applying the IFRS 9 transitional arrangements in accordance with UK CRR. Effective from 1 January 2025, the IFRS9 transitional arrangements no longer applied.

Analysis of treasury and capital risk (continued)

Minimum requirement for own funds and eligible liabilities (MREL)

Table KM2 has been prepared in accordance with UK CRR, using the uniform format set out in the Basel Committee for Banking Supervision (BCBS) Standard on Pillar 3 disclosure requirements.

Table 18: KM2 - Key metrics - TLAC requirements (at resolution group level)¹

This table shows the key metrics for the Group's own funds and eligible liabilities.

	As at 31.12.24	As at 30.09.24	As at 30.06.24	As at 31.03.24	As at 31.12.23
	£m	£m	£m	£m	£m
1 Total Loss Absorbing Capacity (TLAC) available ¹	123,298	118,667	117,785	116,824	115,308
1a Fully loaded ECL accounting model TLAC available	123,155	118,582	117,662	116,683	115,012
2 Total RWA at the level of the resolution group ¹	358,127	340,401	351,433	349,635	342,717
3 TLAC as a percentage of RWA (row 1 / row 2) (%) ¹	34.4%	34.9%	33.5%	33.4%	33.6%
3a Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model RWA (%)	34.4%	34.8%	33.5%	33.4%	33.6%
4 Leverage ratio exposure measure at the level of the resolution group	1,206,502	1,197,465	1,222,722	1,226,450	1,168,275
5 TLAC as a percentage of leverage ratio exposure measure (row 1 / row 4) (%)	10.2%	9.9%	9.6%	9.5%	9.9%
5a Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model Leverage exposure measure (%)	10.2%	9.9%	9.6%	9.5%	9.8%
6a Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6b Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6c If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no cap was applied (%)	N/A	N/A	N/A	N/A	N/A

Notes

¹ Own funds included in TLAC, and RWAs are calculated applying the IFRS9 transitional arrangements in accordance with UK CRR. Effective from 1 January 2025, the IFRS9 transitional arrangements no longer applied.

As at 31 December 2024, Barclays PLC (the Parent company) held £123.3bn (December 2023: £115.3bn) of own funds and eligible liabilities equating to 34.4% of RWAs. This was in excess of the Group's MREL requirement, excluding the PRA buffer, to hold £108.0bn of own funds and eligible liabilities equating to 30.2% of RWAs. The Group remains above its MREL regulatory requirement including the PRA buffer.

Analysis of treasury and capital risk (continued)

Table 19: TLAC 1 - TLAC composition for G-SIBs (at resolution group level)

This table shows the composition of the Group's own funds and eligible liabilities and ratios.

Barclays Group	As at 31 December 2024	As at 31 December 2023
	€m	€m
Regulatory capital elements of TLAC and adjustments		
1 Common Equity Tier 1 capital (CET1) ¹	48,558	47,304
2 Additional Tier 1 capital (AT1) before TLAC adjustment ¹	12,076	13,203
5 AT1 instruments eligible under the TLAC framework ¹	12,076	13,203
6 Tier 2 capital (T2) before TLAC adjustments ^{1,2}	9,484	8,375
7 Amortised portion of T2 instruments where remaining maturity > 1 year	1,589	985
8 T2 capital ineligible as TLAC as issued out of subsidiaries to third parties	(367)	(569)
10 T2 instruments eligible under the TLAC framework	10,706	8,791
11 TLAC arising from regulatory capital	71,340	69,298
Non-regulatory capital elements of TLAC		
12 External TLAC instruments issued directly by the bank and subordinated to excluded liabilities	51,993	46,189
17 TLAC arising from non-regulatory capital instruments before adjustments	51,993	46,189
Non-regulatory capital elements of TLAC: adjustments		
18 TLAC before deductions	123,333	115,487
20 Deduction of investments in own other TLAC liabilities	(34)	(42)
21 Other adjustments to TLAC	(1)	(137)
22 TLAC after deductions	123,298	115,308
Risk-weighted assets and leverage exposure measure for TLAC purposes		
23 Total risk-weighted assets adjusted as permitted under the TLAC regime ¹	358,127	342,717
24 Leverage exposure measure ¹	1,206,502	1,168,275
TLAC ratios and buffers		
25 TLAC (as a percentage of risk-weighted assets adjusted as permitted under the TLAC regime)	34.4%	33.6%
26 TLAC (as a percentage of leverage exposure)	10.2%	9.9%
27 CET1 (as a percentage of risk-weighted assets) available after meeting the resolution group's minimum capital and TLAC requirements	9.1%	9.3%
28 Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus higher loss absorbency requirement, expressed as a percentage of risk-weighted assets)	5.0%	4.9%
29 <i>Of which: capital conservation buffer requirement</i>	2.5%	2.5%
30 <i>Of which: bank specific countercyclical buffer requirement</i>	1.0%	0.9%
31 <i>Of which: higher loss absorbency requirement</i>	1.5%	1.5%

Notes

1 Own funds included in TLAC. Leverage and RWAs are calculated applying the transitional arrangements in accordance with UK CRR. Effective from 1 January 2025, the IFRS9 transitional arrangements no longer applied.

2 Tier 2 capital is calculated applying the grandfathering of UK CRR non-compliant capital instruments included within Tier 2 capital until 28 June 2025.

Analysis of treasury and capital risk (continued)

Table 20: TLAC 3 - Resolution entity - creditor ranking at legal entity level

This table shows the nominal values of Barclays PLC's (the Parent company) capital and liabilities and the position in the creditor hierarchy.

		Creditor ranking				Total
		1	2	3	4	
		Most junior			Most senior	
		€m	€m	€m	€m	€m
As at 31 December 2024						
1	Description of creditor ranking	Ordinary Shares	Perpetual Deeply Subordinated Contingent Convertible Debt	Dated Subordinated Debt	Unsecured and Unsubordinated Debt and other pari passu liabilities	
2	Total capital and liabilities net of credit risk mitigation	3,605	12,150	11,403	57,967	85,125
3	Subset of row 2 that are excluded liabilities	—	—	—	1,232	1,232
4	Total capital and liabilities less excluded liabilities	3,605	12,150	11,403	56,735	83,893
5	Subset of row 4 that are potentially eligible as TLAC	3,605	12,150	11,403	55,140	82,298
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years	—	—	1,635	8,233	9,868
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years	—	—	1,594	20,198	21,792
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	—	—	4,839	17,103	21,942
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities	—	—	3,335	9,606	12,941
10	Subset of row 5 that is perpetual securities	3,605	12,150	—	—	15,755
As at 31 December 2023						
1	Description of creditor ranking	Ordinary Shares	Perpetual Deeply Subordinated Contingent Convertible Debt	Dated Subordinated Debt	Unsecured and Unsubordinated Debt, and other pari passu liabilities	Total
2	Total capital and liabilities net of credit risk mitigation	3,789	13,310	9,974	51,738	78,811
3	Subset of row 2 that are excluded liabilities	—	—	—	1,339	1,339
4	Total capital and liabilities less excluded liabilities	3,789	13,310	9,974	50,399	77,472
5	Subset of row 4 that are potentially eligible as TLAC	3,789	13,310	9,974	48,931	76,004
6	Subset of row 5 with 1 year ≤ residual maturity < 2 years	—	—	—	5,526	5,526
7	Subset of row 5 with 2 years ≤ residual maturity < 5 years	—	—	3,180	20,582	23,762
8	Subset of row 5 with 5 years ≤ residual maturity < 10 years	—	—	3,664	14,527	18,191
9	Subset of row 5 with residual maturity ≥ 10 years, but excluding perpetual securities	—	—	2,748	8,296	11,044
10	Subset of row 5 that is perpetual securities	3,789	13,310	—	—	17,099

Analysis of treasury and capital risk (continued)

Table 21: TLAC 2 - Material subgroup entity - creditor ranking at legal entity level

This table shows the nominal values of Barclays Bank PLC's capital and liabilities and the position in the creditor hierarchy.

		Creditor ranking				Total
		1	2	3	4	
		Most junior			Most senior	
		£m	£m	£m	£m	£m
As at 31 December 2024						
1	Is the resolution entity the creditor/investor?	Yes	Yes	Yes	Yes	
2	Description of creditor ranking	Ordinary Shares	Perpetual Deeply/ Subordinated Contingent Convertible Debt	Dated Subordinated Debt	Dated secondary non-preferential debt	
3	Total capital and liabilities net of credit risk mitigation	2,343	9,700	12,409	31,042	55,494
4	Subset of row 3 that are excluded liabilities	—	—	—	—	—
5	Total capital and liabilities less excluded liabilities	2,343	9,700	12,409	31,042	55,494
6	Subset of row 5 that are eligible as TLAC	2,343	9,700	12,409	30,324	54,776
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years			1,090	5,155	6,245
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years			957	10,262	11,219
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years			6,301	8,820	15,121
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities			4,061	6,087	10,148
11	Subset of row 6 that is perpetual securities	2,343	9,700	—	—	12,043
As at 31 December 2023						
1	Is the resolution entity the creditor/investor?	Yes	Yes	Yes	Yes	
2	Description of creditor ranking	Ordinary Shares	Perpetual Deeply Subordinated Contingent Convertible Debt	Dated Subordinated Debt	Dated secondary non-preferential debt	Total
3	Total capital and liabilities net of credit risk mitigation	2,343	10,860	11,125	26,042	50,370
4	Subset of row 3 that are excluded liabilities	—	—	—	—	—
5	Total capital and liabilities less excluded liabilities	2,343	10,860	11,125	26,042	50,370
6	Subset of row 5 that are eligible as TLAC	2,343	10,860	11,125	25,525	49,853
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	—	—	—	4,012	4,012
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	—	—	2,015	11,883	13,898
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	—	—	4,577	5,047	9,624
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities	—	—	4,533	4,583	9,116
11	Subset of row 6 that is perpetual securities	2,343	10,860	—	—	13,203

Analysis of treasury and capital risk (continued)

Table 22: TLAC 2 - Material subgroup entity - creditor ranking at legal entity level

This table shows the nominal values of Barclays Bank UK PLC Group's capital and liabilities and the position in the creditor hierarchy.

		Creditor ranking				Total
		1	2	3	4	
		Most junior			Most senior	
		€m	€m	€m	€m	€m
As at 31 December 2024						
1	Is the resolution entity the creditor/investor?	Yes	Yes	Yes	Yes	
2	Description of creditor ranking	Ordinary Shares	Perpetual Deeply Subordinated Contingent Convertible Debt	Dated Subordinated Debt	Dated secondary non-preferential debt	
3	Total capital and liabilities net of credit risk mitigation	5	2,450	3,645	10,240	16,340
4	Subset of row 3 that are excluded liabilities	—	—	—	—	—
5	Total capital and liabilities less excluded liabilities	5	2,450	3,645	10,240	16,340
6	Subset of row 5 that are eligible as TLAC	5	2,450	3,645	9,364	15,464
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	—	—	545	1,787	2,332
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	—	—	638	3,653	4,291
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	—	—	1,170	3,166	4,336
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities	—	—	1,292	758	2,050
11	Subset of row 6 that is perpetual securities	5	2,450	—	—	2,455
As at 31 December 2023						
1	Is the resolution entity the creditor/investor?	Yes	Yes	Yes	Yes	
2	Description of creditor ranking	Ordinary Shares	Perpetual Deeply Subordinated Contingent Convertible Debt	Dated Subordinated Debt	Dated secondary non-preferential debt	Total
3	Total capital and liabilities net of credit risk mitigation	5	2,450	3,491	8,370	14,316
4	Subset of row 3 that are excluded liabilities	—	—	—	—	—
5	Total capital and liabilities less excluded liabilities	5	2,450	3,491	8,370	14,316
6	Subset of row 5 that are eligible as TLAC	5	2,450	3,110	8,370	13,935
7	Subset of row 6 with 1 year ≤ residual maturity < 2 years	—	—	—	864	864
8	Subset of row 6 with 2 years ≤ residual maturity < 5 years	—	—	1,165	4,040	5,205
9	Subset of row 6 with 5 years ≤ residual maturity < 10 years	—	—	657	2,767	3,424
10	Subset of row 6 with residual maturity ≥ 10 years, but excluding perpetual securities	—	—	1,288	699	1,987
11	Subset of row 6 that is perpetual securities	5	2,450	—	—	2,455

Analysis of treasury and capital risk (continued)

Table 23: LIQ1 - Liquidity Coverage Ratio

This table shows the level and components of the LCR.

		Total unweighted value (average)				Total weighted value (average)			
		31.12.24	30.09.24	30.06.24	31.03.24	31.12.24	30.09.24	30.06.24	31.03.24
UK1a									
UK1b	Number of data points used in calculation of averages ¹	12	12	12	12	12	12	12	12
High-quality liquid assets		€m	€m	€m	€m	€m	€m	€m	€m
1	Total high-quality liquid assets (HQLA)					304,420	306,368	306,983	305,413
Cash outflows									
2	Retail deposits and deposits from small business customers, of which:	243,986	243,679	246,254	250,096	21,392	21,267	21,437	21,740
3	Stable deposits	120,303	121,151	123,148	125,870	6,015	6,058	6,157	6,293
4	Less stable deposits	112,929	111,687	112,362	113,808	15,017	14,850	14,945	15,152
5	Unsecured wholesale funding, of which:	230,293	231,745	233,478	235,548	103,798	107,392	111,818	115,972
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	95,004	91,513	84,489	77,654	23,438	22,577	20,824	19,117
7	Non-operational deposits (all counterparties) ²	127,053	130,349	137,908	146,064	72,124	74,932	79,913	85,025
8	Unsecured debt	8,236	9,883	11,081	11,830	8,236	9,883	11,081	11,830
9	Secured wholesale funding					84,916	81,949	80,275	76,986
10	Additional requirements, of which:	194,503	191,055	188,291	184,332	64,807	62,459	59,907	57,065
11	Outflows related to derivative exposures and other collateral requirements	31,197	30,097	28,055	26,044	24,930	23,950	22,127	20,662
12	Outflows related to loss of funding on debt products	4,938	4,308	4,166	4,106	4,938	4,308	4,166	4,106
13	Credit and liquidity facilities	158,368	156,650	156,070	154,182	34,939	34,201	33,614	32,297
14	Other contractual funding obligations	31,146	24,701	16,943	8,448	30,268	23,839	16,091	7,606
15	Other contingent funding obligations	219,233	215,964	213,121	209,909	7,771	7,299	6,916	6,713
16	Total cash outflows					312,952	304,205	296,444	286,082
Cash inflows									
17	Secured lending (e.g. reverse repos)	757,711	736,070	710,035	685,403	88,202	84,769	81,866	77,952
18	Inflows from fully performing exposures	15,031	14,357	14,079	13,775	10,917	10,340	10,249	9,912
19	Other cash inflows ³	41,322	33,204	24,653	15,201	36,973	28,716	20,151	10,600
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					—	—	—	—
UK-19b	(Excess inflows from a related specialised credit institution)					—	—	—	—
20	Total cash inflows	814,064	783,631	748,767	714,379	136,092	123,825	112,266	98,464
UK-20a	Fully exempt inflows	—	—	—	—	—	—	—	—
UK-20b	Inflows subject to 90% cap	—	—	—	—	—	—	—	—
UK-20c	Inflows subject to 75% cap	688,223	661,988	630,561	599,259	136,092	123,825	112,266	98,464
UK-21	Liquidity buffer					304,420	306,368	306,983	305,413
22	Total net cash outflows					176,860	180,381	184,177	187,618
23	Liquidity coverage ratio (%)					172.4%	170.1%	167.0%	163.2%

Notes

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

2 Non-operational deposits in row 7 also includes excess operational deposits in accordance with Article 27(4) of the Liquidity Coverage Ratio (LCR) Part of the PRA Rulebook.

3 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.

Analysis of treasury and capital risk (continued)

Table 23: LIQ1 - Liquidity Coverage Ratio - continued

The trailing 12 month-end average LCR to 31 December 2024 increased to 172.4% (Q324: 170.1%). This is driven by an increase in the proportion of corporate deposits treated as operational, and an increase in inflows from secured lending.

The composition of the liquidity pool is subject to limits set by the Board and the independent liquidity risk, credit risk and market risk functions. In addition, the investment of the liquidity pool is monitored for concentration risk by issuer, currency and asset type. Given the returns generated by these highly liquid assets, the risk and reward profile is continuously managed. As at 31 December 2024, 60% (December 2023: 59%) of the liquidity pool was located in Barclays Bank PLC, 23% (December 2023: 22%) in Barclays Bank UK Group and 9% (December 2023: 11%) in Barclays Bank Ireland PLC. The residual portion of the liquidity pool is held outside of these entities, predominantly in the US subsidiaries, to meet entity-specific stress outflows and local regulatory requirements. To the extent the use of this portion of the liquidity pool is restricted due to local regulatory requirements, it is assumed to be unavailable to the rest of the Group in calculating the LCR.

The strong deposit franchises in Barclays Bank PLC and Barclays Bank UK Group are primary funding sources for Barclays Group. The Group expects to continue issuing public wholesale debt from Barclays PLC (the Parent company), in order to maintain compliance with indicative MREL requirements and maintain a stable and diverse funding base by type, currency and market. Barclays Bank PLC continued to issue in the shorter-term markets and maintain active medium-term note programmes. Barclays Bank UK Group continued to issue in the shorter-term markets and maintain active secured funding programmes. This funding capacity enables the respective entities to maintain its stable and diversified funding base.

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

Analysis of treasury and capital risk (continued)

Table 24: LIQ2 - Net Stable Funding Ratio

This table shows the NSFR that the bank requires to maintain a stable balance sheet funding profile.

As at 31 December 2024		Unweighted value by residual maturity				Weighted value
		(in currency amount)	No maturity	< 6 months	6 months to < 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	58,927	4,568	3,374	59,431	120,045
2	Own funds	58,927	1,587	1,069	20,306	79,767
3	Other capital instruments		2,981	2,305	39,125	40,278
4	Retail deposits		250,280	14,176	2,384	247,057
5	Stable deposits		126,137	7,108	1,129	127,712
6	Less stable deposits		124,143	7,068	1,255	119,345
7	Wholesale funding:		543,143	41,790	109,085	262,378
8	Operational deposits		95,212	—	—	47,606
9	Other wholesale funding		447,931	41,790	109,085	214,772
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	5,953	136,703	—	100	100
12	NSFR derivative liabilities	5,953				
13	All other liabilities and capital instruments not included in the above categories		136,703	—	100	100
14	Total available stable funding (ASF)					629,580
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					38,145
UK-15a	Assets encumbered for more than 12m in cover pool	—	3,467	2,311	80,873	71,991
16	Deposits held at other financial institutions for operational purposes		—	—	—	—
17	Performing loans and securities:		209,892	19,996	308,164	273,939
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		7,577	905	6,991	7,446
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		173,521	5,653	43,340	55,493
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		24,864	10,583	101,250	105,838
21	With a risk weight of less than or equal to 35% under the Basel III Standardised Approach for credit risk		9,476	3,705	39,122	40,981
22	Performing residential mortgages, of which:		3,125	2,768	155,825	104,233
23	With a risk weight of less than or equal to 35% under the Basel III Standardised Approach for credit risk		3,125	2,768	155,825	104,233
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		805	87	758	929
25	Interdependent assets		—	—	—	—
26	Other assets:		170,300	1	38,051	72,879
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		35,308	—	—	30,012
29	NSFR derivative assets		—	—	—	—
30	NSFR derivative liabilities before deduction of variation margin posted		75,953	—	—	3,798
31	All other assets not included in the above categories		59,039	1	38,051	39,069
32	Off-balance sheet items		199,981	8	45	9,698
33	Total RSF					466,652
34	Net Stable Funding Ratio (%)¹					134.9%

Analysis of treasury and capital risk (continued)

Table 24: LIQ2 - Net Stable Funding Ratio - continued

As at 31 December 2023		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
(in currency amount)						
Available stable funding (ASF) Items						
1	Capital items and instruments	56,091	5,777	5,275	54,344	113,072
2	Own funds	56,091	1,500	1,790	20,754	77,739
3	Other capital instruments		4,277	3,485	33,590	35,333
4	Retail deposits		254,518	9,422	4,147	248,494
5	Stable deposits		131,674	4,351	2,090	131,313
6	Less stable deposits		122,844	5,071	2,057	117,181
7	Wholesale funding:		542,324	48,022	103,707	245,119
8	Operational deposits		74,569	—	—	37,284
9	Other wholesale funding		467,755	48,022	103,707	207,835
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	3,299	107,096	—	100	100
12	NSFR derivative liabilities	3,299				
13	All other liabilities and capital instruments not included in the above categories		107,096	—	100	100
14	Total available stable funding (ASF)					606,785
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					43,318
UK-15a	Assets encumbered for more than 12m in cover pool	—	55,865	—	—	47,485
16	Deposits held at other financial institutions for operational purposes		—	—	—	—
17	Performing loans and securities:		226,919	23,527	304,923	271,718
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		37,882	255	3,782	3,911
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		154,514	7,997	34,049	46,402
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		30,545	12,291	110,012	115,846
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		9,166	4,216	39,543	39,335
22	Performing residential mortgages, of which:		3,175	2,862	156,400	104,679
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		3,175	2,862	156,400	104,679
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		803	122	680	880
25	Interdependent assets		—	—	—	—
26	Other assets:	—	132,335	—	35,799	67,675
27	Physical traded commodities					—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		32,264	—	—	27,424
29	NSFR derivative assets		—	—	—	0
30	NSFR derivative liabilities before deduction of variation margin posted		78,038	—	—	3,902
31	All other assets not included in the above categories		22,033	—	35,799	36,349
32	Off-balance sheet items		190,892	13	35	9,455
33	Total RSF					439,651
34	Net Stable Funding Ratio (%) ¹					138.0%

Notes

¹ NSFR is computed as a trailing average of the last four spot quarter end positions.

The NSFR metric requires banks to maintain a stable funding profile taking into account both on- and certain off-balance sheet exposures over the medium to long term. The ratio is defined as the Available Stable Funding (ASF) (capital and certain liabilities which are treated as stable sources of funding) relative to the Required Stable Funding (RSF) (a measure of assets on the balance sheet and certain off-balance sheet exposures which may require longer term funding).

As at 31 December 2024, the trailing average NSFR for the last four spot quarter end positions was 134.9% (December 2023: 138.0%), equivalent to a surplus of £162.9bn (December 2023: 167.1bn) above the 100% regulatory requirement. Average RSF increased by £27.0bn driven by increased business funding requirements, whilst the average ASF increased by £22.8bn driven by an increase in > 1yr wholesale funding balances and operational deposits.

Analysis of treasury and capital risk (continued)

Foreign exchange risk

The Group is exposed to two sources of foreign exchange risk:

a) Transactional foreign currency exposure

Transactional foreign currency exposures represent exposure on banking assets and liabilities, denominated in currencies other than the functional currency of the transacting entity.

The Group's risk management policies are designed to prevent the holding of significant open positions in foreign currencies outside the trading portfolio managed by Barclays Investment bank which is monitored through VaR.

Banking book transactional foreign exchange risk outside of Barclays Investment bank is monitored on a daily basis by the market risk function and minimised by the businesses.

b) Translational foreign exchange exposure

The Group's investments in overseas subsidiaries and branches create capital resources denominated in foreign currencies, principally USD and EUR. Changes in the GBP value of the net investments due to foreign currency movements are captured in the currency translation reserve, resulting in a movement in CET1 capital.

The Group's strategy is to minimise the volatility of the capital ratios caused by foreign exchange movements, by matching the CET1 capital movements to the revaluation of the Group's foreign currency RWA exposures.

Table 25: Functional currency of operations

	Foreign currency net investments	Borrowings which hedge the net investments	Derivatives which hedge the net investments	Structural currency exposures pre-economic hedges	Other Equity Instruments	Remaining structural currency exposures
	€m	€m	€m	€m	€m	€m
As at 31 December 2024						
USD	28,012	(6,243)	(2,230)	19,539	(5,846)	13,693
EUR	9,549	(5,655)	—	3,894	(264)	3,630
INR	1,403	—	(992)	411	—	411
JPY	628	(215)	—	413	—	413
Other currencies	2,037	(76)	(792)	1,169	(849)	320
Total	41,629	(12,189)	(4,014)	25,426	(6,959)	18,467
As at 31 December 2023						
USD	26,524	(7,308)	(2,179)	17,037	(7,326)	9,711
EUR	9,868	(5,603)	—	4,265	(276)	3,989
INR	1,287	—	(891)	396	—	396
JPY	646	(174)	—	472	—	472
Other currencies	2,042	(72)	(674)	1,296	(505)	791
Total	40,367	(13,157)	(3,744)	23,466	(8,107)	15,359

Other equity instruments relate to exposures arising on foreign currency denominated preference share and AT1 instruments. These are accounted for at historical cost under IFRS and do not qualify as hedges for accounting purposes. The gain or loss arising from changes in the GBP value of these instruments is recognised on redemption in retained earnings.

During 2024, total structural currency exposure net of hedging instruments increased to €18.5bn (December 2023: €15.4bn). Foreign currency net investments increased to €41.6bn (December 2023: €40.4bn) driven predominantly by a €1.4bn increase in USD and a €0.1bn increase in INR, offset by a €0.3bn decrease in EUR. The hedges associated with these investments decreased to €16.2bn (December 2023: €16.9bn).

Analysis of treasury and capital risk (continued)

Pension risk review

The UK Retirement Fund (UKRF) represents approximately 96% (2023: 96%) of the Group's total retirement benefit obligations globally. As such this risk review section focuses exclusively on the UKRF. The UKRF is closed to new entrants and there is no new final salary benefit being accrued. Existing active members accrue a combination of a cash balance benefit and a defined contribution element. Pension risk arises as the market value of the pension fund assets may decline, investment returns may reduce or the estimated value of the pension liabilities may increase.

Refer to page 177 for more information on how pension risk is managed.

Assets

The Trustee Board of the UKRF defines its overall long-term investment strategy with investments across a broad range of asset classes. This results in a diversified mix of return seeking assets as well as liability matching assets to better match future pension obligations. The two largest risks within the asset portfolio are credit spread and growth assets. The split of scheme assets is shown within Note 32 to the financial statements. The fair value of the UKRF assets was £21.9bn as at 31 December 2024 (2023: £24.2bn).

Liabilities

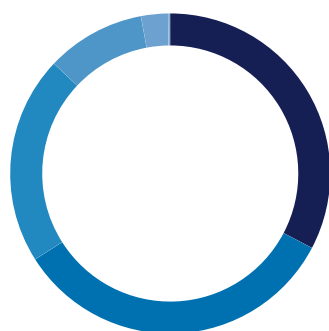
The UKRF retirement benefit obligations are a series of future cash flows with relatively long duration. On an IAS 19 basis these cash flows are sensitive to changes in the expected long-term price inflation rate (RPI) and the discount rate (GBP AA corporate bond yield):

- An increase in long-term expected inflation corresponds to an increase in liabilities;
- A decrease in the discount rate corresponds to an increase in liabilities.

Pension risk is generated through the Group's defined benefit schemes and this risk is set to reduce over time as the main defined benefit scheme is closed to new entrants. The chart below outlines the shape of the UKRF's liability cash flow profile as at 31 December 2024 that takes account of the future inflation indexing of payments to beneficiaries. The majority of the cash flows (approximately 97%) fall between 0 and 40 years, peaking between 11 and 20 years and reducing thereafter. The shape may vary depending on changes to inflation and longevity expectations and any members who elect to transfer out. Transfers out will bring forward the liability cash flows.

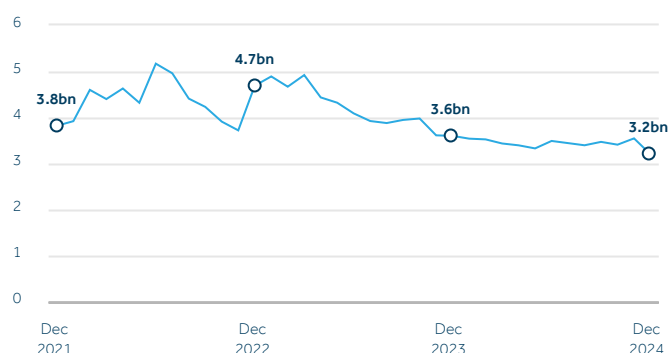
For more detail on the UKRF's financial and demographic assumptions, see Note 32 to the financial statements.

Proportion of liability cash flows (%)



0-10 years	32.7
11-20 years	33.3
21-30 years	21.1
31-40 years	10
41-50 years	2.7
51+ years	0.2

Net IAS 19 position (£bn)



The graph above shows the evolution of the UKRF's net IAS 19 position over the last four years. During 2024 the decrease in the UKRF surplus was driven by changes in market conditions, primarily due to the high rates environment.

Analysis of treasury and capital risk (continued)

Risk measurement

In line with Barclays' risk management framework, the assets and liabilities of the UKRF are modelled within a VaR framework to show the volatility of the pension position at a total portfolio level. This enables the risks, diversification and liability matching characteristics of the UKRF obligations and investments to be adequately captured. VaR is measured and monitored on a quarterly basis. Risks are reviewed and reported regularly at the Pensions Executive Board. The VaR model takes into account the valuation of the liabilities on an IAS 19 basis (see Note 32 to the financial statements). The Trustee receives quarterly VaR measures on a funding basis.

The pension liability is also sensitive to post-retirement mortality assumptions which are reviewed regularly (See Note 32 to the financial statements). To mitigate part of this risk the UKRF has entered into longevity reinsurance contracts approximately 70% of current pensioner liabilities.

In addition, the impact of pension risk to the Group is taken into account as part of the stress testing process. Stress testing is performed internally on at least an annual basis. The UKRF exposure is also included as part of regulatory stress tests.

Barclays defined benefit pension schemes affects capital in two ways:

- An IAS 19 deficit is treated as a liability on the Group's balance sheet. Movement in a deficit due to remeasurements, including actuarial losses, are recognised immediately through Other Comprehensive Income and as such reduces shareholders' equity and CET1 capital. An IAS 19 surplus is treated as an asset on the balance sheet and increases shareholders' equity; however, it is deducted for the purposes of determining CET1 capital.
- In the Group's statutory balance sheet an IAS 19 surplus or deficit is partially offset by a deferred tax liability or asset respectively. These may or may not be recognised for calculating CET1 capital depending on the overall deferred tax position of the Group at the particular time.

Pension risk is taken into account in the Pillar 2A capital assessment undertaken by the PRA at least annually. The Pillar 2A requirement forms part of the overall capital requirement for the Group.

Interest rate risk in the banking book

The table below shows the impact on the Barclays PLC's Economic Value of Equity (EVE) from the six interest rate shock scenarios defined by rule 9.7 of the PRA Rulebook: CRR Firms: Internal Capital Adequacy Assessment.

For Net Interest Income (NII) there are two prescribed parallel shocks. An immediate parallel shock of +/-250bps is applied to GBP, and +/-200bps to USD and EUR. Other currencies are shocked as per regulatory guidelines (prescribed by rule 9.11). This metric is a risk evaluation of the Barclays PLC balance sheet and does not factor in the impact of management and mitigating actions expected in the respective interest rate environments.

Table 26: IRRBB1 - Quantitative information on IRRBB

In reporting currency		ΔEVE		ΔNII		Tier 1 capital	
Period		31.12.24	30.06.24	31.12.24	30.06.24	31.12.24	30.06.24
10	Parallel shock up	(4,314)	(4,174)	181	103		
20	Parallel shock down	2,109	1,599	(463)	(510)		
30	Steeper shock	(979)	(957)				
40	Flattener shock	(173)	(194)				
50	Short rates shock up	(1,665)	(1,582)				
60	Short rates shock down	657	559				
70	Maximum	(4,314)	(4,174)	(463)	(510)		
80	Tier 1 capital					60,634	60,654

The maximum EVE loss under the six scenarios was -£4,314m (June 2024: -£4,174) under the parallel up scenario as of 31 December 2024. The material driver of the parallel up scenario is the sensitivity of the Bank's structural hedging of its equity position and the fixed interest rate positions held within the liquidity pool.

The maximum one-year loss in NII was -£463m (June 2024: -£510m) as of 31 December 2024. The loss is primarily driven by reinvestment of structural hedging positions in the lower interest rate environment combined with the timing of pricing changes to deposits across the Retail, Corporate and Private Bank.

The average repricing maturity assigned to non-maturing deposits is 17 months, with the longest repricing maturity assigned to any portfolio of non-maturing deposits being 120 months. This is calculated using a simple weighted average maturity including all non-maturing deposits, regardless of hedging treatment.

Analysis of treasury and capital risk (continued)

Table 27: PV1 - Prudent valuation adjustments (PVA)

This table provides a granular breakdown of the Prudent Valuation Adjustment (PVA). PVA is a Common Equity Tier 1 capital deduction. UK CRR Articles 34 & 105 define regulatory principles that are applied to all fair valued assets and liabilities in order to determine a prudent valuation. PVA is the difference between the financial statement fair valuation and the prudent valuation.

		Risk category					Category level AVA - Valuation uncertainty		Total category level post-diversification ²	Of which: Total core approach in the trading book ¹	Of which: Total core approach in the banking book ¹
		Equity	Interest Rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA			
		€m	€m	€m	€m	€m	€m	€m			
As at 31 December 2024											
1	Market price uncertainty	669	369	93	1,160	—	58	54	1,202	770	432
2	Set not applicable in the UK	—	—	—	—	—	—	—	—	—	—
3	Close-out cost	126	134	12	69	—	5	—	173	140	33
4	Concentrated positions	123	22	5	28	—	—	—	178	178	—
5	Early termination	—	—	—	—	—	—	—	—	—	—
6	Model risk	64	64	6	8	—	248	4	197	193	4
7	Operational risk	39	30	4	64	—	—	—	137	91	46
10	Future administrative costs	37	91	5	32	—	—	—	164	164	—
12	Total Additional Valuation Adjustments (AVAs)	1,058	710	125	1,361	—	311	58	2,051	1,536	515
As at 31 December 2023											
1	Market price uncertainty	578	395	71	942	—	101	204	1,145	710	435
2	Set not applicable in the UK	—	—	—	—	—	—	—	—	—	—
3	Close-out cost	162	112	14	61	—	11	1	181	150	31
4	Concentrated positions	51	30	7	9	—	—	—	97	97	—
5	Early termination	—	—	—	—	—	—	—	—	—	—
6	Model risk	77	63	2	15	—	206	3	182	175	7
7	Operational risk	41	33	4	55	—	—	—	133	88	45
10	Future administrative costs	37	87	4	35	—	—	—	163	162	1
12	Total Additional Valuation Adjustments (AVAs)	946	720	102	1,117	—	318	208	1,901	1,382	519

Notes

1 Significant contributors to PVA include trading book derivative portfolios, equity investments and loans held at fair value. Banking book PVA include loans made to Education, Social Housing and Local Authority counterparties and certain Equity investments.

2 A diversification reduction factor of 50% is applied to uncertainty after all regulatory exclusions and offsets, where permitted by UK CRR.

PVA increased by €0.2bn to €2.1bn (December 2023: €1.9bn) primarily driven by changes in exposure and market moves.

Analysis of credit risk

This section details Barclays' credit risk profile, focusing on regulatory measures such as exposure at default and risk weighted assets. The risk profile is analysed by country and industry concentrations, residual maturities, probabilities of default and actual losses.

Key Metrics

Total RWAs

£199.8bn

(2023: £194.0bn)

Analysis of credit risk

Analysis of capital requirements and exposures for credit risk

Table 28: CR4 - Standardised approach - Credit risk exposure and CRM effects

This table shows the impact of CRM and CCF on exposure values, broken down by regulatory exposure class. This table includes exposures subject to the standardised approach only.

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

	Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density		
	On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density	
	€m	€m	€m	€m	€m	%	
As at 31 December 2024							
1	Central governments or central banks	228,403	43,350	239,652	54,848	10,423	4%
2	Regional governments or local authorities	3,729	266	4,835	13	666	14%
3	Public sector entities	9,607	204	476	2	112	23%
4	Multilateral development banks	8,498	239	8,499	5	3	0%
5	International organisations	1,507	—	1,507	—	—	0%
6	Institutions	2,431	1,903	2,646	685	992	30%
7	Corporates ¹	29,279	84,156	19,723	10,134	27,847	93%
8	Retail	42,746	130,300	40,176	70	30,072	75%
9	Secured by mortgages on immovable property	14,198	642	14,197	93	5,777	40%
10	Exposures in default	2,368	698	2,010	162	2,533	117%
11	Exposures associated with particularly high risk	1,810	14	1,810	14	2,736	150%
12	Covered bonds	1,425	—	1,425	—	143	10%
13	Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—
14	Collective investment undertakings	—	—	—	—	—	—
15	Equity	240	46	240	46	715	250%
16	Other items	138	—	138	—	138	100%
17	Total	346,379	261,818	337,334	66,072	82,157	20%
As at 31 December 2023							
1	Central governments or central banks	251,687	36,730	263,131	46,153	9,268	3%
2	Regional governments or local authorities	5,191	222	5,874	13	788	13%
3	Public sector entities	7,383	366	579	55	127	20%
4	Multilateral development banks	5,975	—	5,975	—	—	0%
5	International organisations	1,055	—	1,055	—	—	0%
6	Institutions	5,914	1,851	5,859	747	1,651	25%
7	Corporates	28,894	45,335	19,862	10,435	27,897	92%
8	Retail	35,787	115,814	31,922	59	23,858	75%
9	Secured by mortgages on immovable property	12,578	345	12,550	88	4,966	39%
10	Exposures in default	2,292	571	1,615	147	2,107	120%
11	Exposures associated with particularly high risk	1,975	16	1,975	8	2,975	150%
12	Covered bonds	1,169	—	1,169	—	123	11%
13	Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—
14	Collective investment undertakings	—	—	—	—	—	—
15	Equity	260	20	260	10	675	250%
16	Other items	288	—	288	—	288	100%
17	Total	360,448	201,270	352,114	57,715	74,723	18%

Note

1. Includes unconditionally cancellable exposures with certain SPVs that are subject to a 0% CCF.

Standardised credit risk RWAs increased by €7.5bn to €82.2bn (December 2023: €74.7 bn) primarily driven by:

- Central governments or central banks RWAs increased by €1.1bn to €10.4bn primarily due to an increase in deferred tax assets
- Retail RWAs increased by €6.2bn to €30.1bn primarily due to the acquisition of Tesco Bank's retail banking business

Analysis of credit risk (continued)

Table 29: 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

As at 31 December 2024		Risk weight														Total	Of which unrated	
		0 %	2 %	4 %	10 %	20 %	35 %	50 %	70 %	75 %	100 %	150 %	250 %	370 %	1250 %			Others
1	Central governments or central banks	290,198	—	—	—	—	—	—	—	—	221	—	4,081	—	—	—	294,500	4,301
2	Regional government or local authorities	1,547	—	—	—	3,294	—	—	—	—	6	—	—	—	—	—	4,847	3,301
3	Public sector entities	—	—	—	—	457	—	1	—	—	20	—	—	—	—	—	478	413
4	Multilateral development banks	8,499	—	—	—	—	—	5	—	—	—	—	—	—	—	—	8,504	—
5	International organisations	1,507	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,507	—
6	Institutions	—	—	—	—	2,395	—	850	—	—	85	—	—	—	—	—	3,330	424
7	Corporates	—	—	—	—	1,547	—	1,685	—	—	26,351	262	—	—	14	—	29,859	25,188
8	Retail	—	—	—	—	—	—	—	—	40,246	—	—	—	—	—	—	40,246	40,246
9	Secured by mortgages on immovable property	—	—	—	—	—	13,030	—	—	79	1,181	—	—	—	—	—	14,290	14,290
10	Exposures in default	—	—	—	—	—	—	—	—	—	1,450	722	—	—	—	—	2,172	2,172
11	Exposures associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	1,824	—	—	—	—	1,824	1,824
12	Covered bonds	—	—	—	1,425	—	—	—	—	—	—	—	—	—	—	—	1,425	—
13	Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Unit or shares in collective investment undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity	—	—	—	—	—	—	—	—	—	—	—	286	—	—	—	286	286
16	Other items	—	—	—	—	—	—	—	—	—	138	—	—	—	—	—	138	138
17	Total	301,751	—	—	1,425	7,693	13,030	2,541	—	40,325	29,452	2,808	4,367	—	14	—	403,406	92,583

Analysis of credit risk (continued)

Table 29: CR5 – Standardised approach - continued

As at 31 December 2023	Risk weight															Total	Of which unrat
	0 %	2 %	4 %	10 %	20 %	35 %	50 %	70 %	75 %	100 %	150 %	250 %	370 %	1250 %	Others		
1 Central governments or central banks	305,450	—	—	—	—	—	—	—	—	213	—	3,621	—	—	—	309,284	3,899
2 Regional government or local authorities	1,950	—	—	—	3,937	—	—	—	—	—	—	—	—	—	—	5,887	3,922
3 Public sector entities	—	—	—	—	633	—	1	—	—	—	—	—	—	—	—	634	531
4 Multilateral development banks	5,975	—	—	—	—	—	—	—	—	—	—	—	—	—	—	5,975	—
5 International organisations	1,055	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1,055	—
6 Institutions	—	—	—	—	5,660	—	853	—	—	93	—	—	—	—	—	6,606	430
7 Corporates	—	—	—	—	2,048	—	1,435	—	—	26,563	249	—	—	2	—	30,297	25,444
8 Retail	—	—	—	—	—	—	—	—	31,981	—	—	—	—	—	—	31,981	31,981
9 Secured by mortgages on immovable property	—	—	—	—	—	11,741	—	—	32	865	—	—	—	—	—	12,638	12,638
10 Exposures in default	—	—	—	—	—	—	—	—	—	1,072	690	—	—	—	—	1,762	1,762
11 Exposures associated with particularly high risk	—	—	—	—	—	—	—	—	—	—	1,983	—	—	—	—	1,983	1,983
12 Covered bonds	—	—	—	1,107	62	—	—	—	—	—	—	—	—	—	—	1,169	—
13 Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14 Unit or shares in collective investment undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15 Equity	—	—	—	—	—	—	—	—	—	—	—	270	—	—	—	270	270
16 Other items	—	—	—	—	—	—	—	—	—	288	—	—	—	—	—	288	288
17 Total	314,430	—	—	1,107	12,340	11,741	2,289	—	32,013	29,094	2,922	3,891	—	2	—	409,829	83,148

Standardised Credit Risk Exposure Post-CCF and CRM decreased by €6.4bn to €403.4n (December 2023: €409.8bn) primarily due to:

- Central governments or central banks RWAs decreased by €14.8bn to €294.5bn primarily due to a reduction in the liquidity pool
- Retail RWAs increased by €8.3bn to €40.2bn primarily due to the acquisition of Tesco Bank's retail banking business

Analysis of credit risk (continued)

Table 30: CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques

This table shows the effect of credit derivatives on the AIRB credit risk approach and will not directly reconcile to the CR AIRB RWAs in table 10.

	Pre-credit derivatives risk weighted exposure amount			
	Actual risk weighted exposure amount		Actual risk weighted exposure amount	
	As at 31 December	As at 31 December	As at 31 December	As at 31 December
	2024	2023	2024	2023
	€m	€m	€m	€m
5 Exposures under AIRB	105,207	105,576	105,206	105,572
6 Central governments and central banks	5,356	4,202	5,356	4,202
7 Institutions	3,467	4,138	3,467	4,138
8 Corporates ¹	48,961	50,554	48,960	50,550
8.1 of Corporates - which SMEs	6,110	7,728	6,110	7,728
8.2 of which Corporates - Specialised lending	—	—	—	—
9 Retail	47,423	46,682	47,423	46,682
9.1 of which Retail – SMEs - Secured by immovable property collateral	—	—	—	—
9.2 of which Retail – non-SMEs - Secured by immovable property collateral	26,744	26,223	26,744	26,223
9.3 of which Retail – Qualifying revolving	13,557	14,074	13,557	14,074
9.4 of which Retail – SMEs - Other	3,310	2,883	3,310	2,883
9.5 of which Retail – Non-SMEs - Other	3,812	3,502	3,812	3,502
10 Total	105,207	105,576	105,206	105,572

Note

¹ Corporate specialised lending exposures under the slotting approach are excluded from this table and disclosed separately in CR10.

Analysis of credit risk (continued)

Table 31: CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques

This table shows the extent of the use of CRM techniques broken down by exposure classes under the IRB approach. The exposure classes capture both secured and unsecured balances, resulting in the CRM coverage percentages being calculated on an aggregate basis.

A-IRB	Credit risk Mitigation techniques												Credit risk Mitigation methods in the calculation of RWEAs	
	Total exposures	Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)		RWEA post all CRM assigned to the obligor exposure class	RWEA with substitution effects
		Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Other funded credit protection	Part of exposures covered by Cash on deposit	Part of exposures covered by Life insurance policies	Part of exposures covered by Instruments held by a third party	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives		
As at 31 December 2024	£m	%	%	%	%	%	%	%	%	%	%	%	£m	£m
1 Central governments and central banks	90,475	0.0%	—	—	—	—	—	—	—	—	—	—	5,356	5,356
2 Institutions	16,570	2.6%	0.6%	0.2%	—	0.5%	2.2%	2.2%	—	—	—	—	3,467	3,467
3 Corporates	76,928	4.5%	18.1%	15.9%	0.3%	1.9%	—	—	—	—	2.3%	—	48,960	48,960
3.1 Of which Corporates – SMEs	7,879	1.8%	79.4%	78.0%	1.1%	0.4%	—	—	—	—	1.3%	—	6,110	6,110
3.2 Of which Corporates – Specialised lending	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3.3 Of which Corporates – Other	69,049	4.8%	11.1%	8.8%	0.2%	2.0%	—	—	—	—	2.4%	—	42,850	42,850
4 Retail	211,440	0.0%	205.6%	205.6%	—	0.0%	—	—	—	—	0.1%	—	47,423	47,423
4.1 Of which Retail – Immovable property SMEs	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.2 Of which Retail – Immovable property non-SMEs	166,186	—	259.6%	259.6%	—	—	—	—	—	—	0.1%	—	26,744	26,744
4.3 Of which Retail – Qualifying revolving	34,886	—	—	—	—	—	—	—	—	—	—	—	13,557	13,557
4.4 Of which Retail – Other SMEs	6,382	0.0%	53.0%	52.9%	—	0.1%	—	—	—	—	0.1%	—	3,310	3,310
4.5 Of which Retail – Other non-SMEs	3,986	—	—	—	—	—	—	—	—	—	—	—	3,812	3,812
5 Total	395,413	1.0%	113.5%	113.1%	0.1%	0.4%	0.1%	0.1%	—	—	0.5%	—	105,206	105,206

Analysis of credit risk (continued)

Table 31: CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques - continued

A-IRB	Credit risk Mitigation techniques												Credit risk Mitigation methods in the calculation of RWEAs	
	Total exposures	Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)		RWEA post all CRM assigned to the obligor exposure class	RWEA with substitution effects
		Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Other funded credit protection	Part of exposures covered by Cash on deposit	Part of exposures covered by Life insurance policies	Part of exposures covered by Instruments held by a third party	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives		
As at 31 December 2023	£m	%	%	%	%	%	%	%	%	%	%	£m	£m	
1	Central governments and central banks	75,757	0.1%	—	—	—	—	—	—	—	—	—	4,202	4,202
2	Institutions	18,103	0.6%	1.0%	0.3%	—	0.7%	1.5%	1.5%	—	—	1.9%	4,138	4,138
3	Corporates	79,036	5.7%	19.1%	15.1%	0.6%	3.4%	—	—	—	—	2.4%	50,550	50,550
3.1	<i>Of which Corporates – SMEs</i>	9,109	2.2%	75.9%	73.4%	2.0%	0.6%	—	—	—	—	1.6%	7,728	7,728
3.2	<i>Of which Corporates – Specialised lending</i>	—	—	—	—	—	—	—	—	—	—	—	—	—
3.3	<i>Of which Corporates – Other</i>	69,927	6.2%	11.7%	7.5%	0.4%	3.8%	—	—	—	—	2.5%	42,822	42,822
4	Retail	211,990	0.0%	206.1%	206.1%	—	0.0%	—	—	—	—	1.1%	46,682	46,682
4.1	<i>Of which Retail – Immovable property SMEs</i>	—	—	—	—	—	—	—	—	—	—	—	—	—
4.2	<i>Of which Retail – Immovable property non-SMEs</i>	169,208	—	256.1%	256.1%	—	—	—	—	—	—	1.3%	26,223	26,223
4.3	<i>Of which Retail – Qualifying revolving</i>	32,333	—	—	—	—	—	—	—	—	—	—	14,074	14,074
4.4	<i>Of which Retail – Other SMEs</i>	6,817	0.0%	53.4%	53.4%	—	0.1%	—	—	—	—	0.2%	2,883	2,883
4.5	<i>Of which Retail – Other non-SMEs</i>	3,632	—	—	—	—	—	—	—	—	—	—	3,502	3,502
5	Total	384,886	1.2%	117.5%	116.6%	0.1%	0.7%	0.1%	0.1%	—	—	1.2%	105,572	105,572

Analysis of credit risk (continued)

Credit quality analysis of standardised exposures

Credit rating agencies

Under the standardised approach, ratings assigned by External Credit Assessment Institutions (ECAIs) are used in the calculation of RWAs. Ratings from an ECAI may be used where the ECAI is a rating agency that:

- Has been recognised as an ECAI per the list published by the Financial Conduct Authority (FCA); and
- Has been nominated for use by Barclays

Barclays uses ratings assigned by the following agencies for credit risk calculations:

- Standard & Poor's
- Moody's
- Fitch
- DBRS
- Kroll Bond Rating Agency

These ratings are used in the calculation of risk weights for the central governments and central banks, institutions, corporate and securitisation exposure classes¹.

Rated and unrated counterparties

The following section summarises the rules governing standardised calculations for non-securitised exposures.

Each exposure must be assigned to one of six credit quality steps if a rating is available, as per PRA Banking & Resolution index, detailed in the table below. After being assigned to a specific quality step, exposure class and maturity are then used to determine the risk weight percentage. The following tables are simplified version of the risk weight allocation process.

Table 32: Relationship of long-term external credit ratings to credit quality steps under the standardised approach for non-securitised exposures

Credit Quality Step	Standard and Poor's	Moody's	Fitch
Credit Quality Step 1	AAA+ to AA-	Aaa1 to Aa3	AAA+ to AA-
Credit Quality Step 2	A+ to A-	A1 to A3	A+ to A-
Credit Quality Step 3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-
Credit Quality Step 4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-
Credit Quality Step 5	B+ to B-	B1 to B3	B+ to B-
Credit Quality Step 6	CCC+ and below	Caa1 and below	CCC+ and below

Table 33: Credit quality steps and risk weights under the standardised approach

This table shows the prescribed risk weights associated with credit quality steps.

Credit Quality Step	Institutions (includes banks)				
	Corporates	Sovereign method	Credit assessment method		Central governments or central banks
		Sovereign method	Maturity > 3 months	Maturity 3 months or less	
Credit Quality Step 1	20%	20%	20%	20%	0%
Credit Quality Step 2	50%	50%	50%	20%	20%
Credit Quality Step 3	100%	100%	50%	20%	50%
Credit Quality Step 4	100%	100%	100%	50%	100%
Credit Quality Step 5	150%	100%	100%	50%	100%
Credit Quality Step 6	150%	150%	150%	150%	150%

Exposures to international organisations are assigned a 0% risk weight.

Exposures fully and completely secured by residential property (which considers, among the other criteria, the size of the loan relative to the value of the property) are generally assigned a risk weight of 35%. Other retail exposures are assigned a risk weight of 75%.

The unsecured portion of a past due exposure is assigned a risk weight of either 150% or 100%, depending on the specific credit risk adjustments recognised.

High risk items are assigned a risk weight of 150%.

Note

¹ DBRS and Kroll Bond Rating Agency are used to calculate risk weights for securitisation exposures only. Please see page 164 for further details.

Analysis of credit risk (continued)

Credit quality analysis of IRB exposures

The following section provides a breakdown of inputs for the calculation of risk weighted assets. Please note, there may be more volatility in risk weights and risk factors at a granular level, especially in minimum exposure categories often due to the addition or removal of relatively large exposures when the risk factor deviates from the category average. This happens in the normal course of business, following new lending, repayments, or syndications. For more information on IRB models see page 135.

Table 34: Internal default grade probabilities and mapping to external ratings

The table below illustrates the approximate relationship between external rating agency grades and the PD bands for wholesale exposures. The internal Default Grade (DG) bands are based on Through the Cycle (TTC) PD. Note that this relationship is dynamic, and therefore, varies over time, region and industry.

PD Range %	Internal DG Band	Default Probability			Financial statements description	Moody's	Standard and Poor's	
		>=Min	Mid	<Max				
0.00 to < 0.15	1	0.00%	0.01%	0.02%	Strong	Aaa, Aa1, Aa2	AAA, AA+, AA, AA-	
	2	0.02%	0.03%	0.03%		Aa3	AA-	
	3	0.03%	0.04%	0.05%		A1, A2, A3	A+, A	
	4	0.05%	0.08%	0.10%		A1, A2, A3	A-	
	5	0.10%	0.13%	0.15%		Baa1	BBB+	
0.15 to < 0.25	6	0.15%	0.18%	0.20%	Strong	Baa2	BBB	
	7	0.20%	0.23%	0.25%		Baa2	BBB-	
0.25 to < 0.50	8	0.25%	0.28%	0.30%	Strong	Baa3	BBB-	
	9	0.30%	0.35%	0.40%		Baa3	BB+	
	10	0.40%	0.45%	0.50%		Ba1	BB+	
0.50 to < 0.75	11	0.50%	0.55%	0.60%	Strong	Ba1	BB	
	12	0.60%	0.68%	0.75%		Satisfactory	Ba2	BB, BB-
0.75 to < 2.50	12	0.75%	0.98%	1.20%	Satisfactory	Ba2	BB, BB-	
	13	1.20%	1.38%	1.55%		Ba3	BB-	
	14	1.55%	1.85%	2.15%		Ba3	B+	
	15	2.15%	2.33%	2.50%		B1	B+	
2.50 to < 10.00	15	2.50%	2.78%	3.05%	Satisfactory	B1	B+	
	16	3.05%	3.75%	4.45%		B2	B	
	17	4.45%	5.40%	6.35%		B3, Caa1	B	
	18	6.35%	7.50%	8.65%		B3, Caa1	B-	
	19	8.65%	9.32%	10.00%		Caa2	B-	
10.00 to < 100.00	19	10.00%	10.67%	11.35%	Satisfactory	Caa2	B-	
	20	11.35%	15.00%	18.65%		Higher Risk	Caa2	CCC+
	21	18.65%	30.00%	99.99%		Caa3, Ca, C	CCC, CCC-, CC+, CC, C	
100.00 (Default)	22	100 %	100 %	100 %	Credit Impaired	D	D	

Analysis of credit risk (continued)

Table 35: CR6-A – Scope of the use of IRB and SA approaches

The table below shows exposure and percentages covered by the IRB and standardised approaches, as well as exposure subject to the permanent partial use and to a roll out plan.

		Exposure value as defined in Article 166 CRR for exposures subject to IRB approach	Total exposure value for exposures subject to the Standardised approach and to the IRB approach	Percentage of total exposure value subject to the permanent partial use of the SA	Percentage of total exposure value subject to IRB Approach	Percentage of total exposure value subject to a roll-out plan
		£m	£m	%	%	%
31 December 2024						
1	Central governments or central banks	90,475	386,297	72.2%	23.4%	4.4%
1.1	Of which Regional governments or local authorities		6,485	54.6%	38.3%	7.2%
1.2	Of which Public sector entities		9,820	93.0%	—	7.1%
2	Institutions	21,888	27,651	—	79.2%	20.8%
3	Corporates	126,875	246,098	—	51.6%	48.5%
3.1	Of which Corporates - Specialised lending, excluding slotting approach		—	—	—	—
3.2	Of which Corporates - Specialised lending under slotting approach		6,948	—	100.0%	—
4	Retail	234,778	424,044	0.3%	55.4%	44.3%
4.1	of which Retail – Secured by real estate SMEs		—	—	—	—
4.2	of which Retail – Secured by real estate non-SMEs		179,760	0.7%	93.6%	5.7%
4.3	of which Retail – Qualifying revolving		222,322	—	25.5%	74.5%
4.4	of which Retail – Other SMEs		8,489	—	69.3%	30.7%
4.5	of which Retail – Other non-SMEs		13,473	—	29.6%	70.4%
5	Equity	—	2,110	—	—	100.0%
6	Other non-credit obligation assets	9,744	9,882	—	98.6%	1.4%
7	Total	483,760	1,096,082	25.6%	44.1%	30.3%
31 December 2023						
1	Central governments or central banks	75,796	384,452	73.3%	19.7%	7.0%
1.1	Of which Regional governments or local authorities		7,771	54.1%	30.2%	15.7%
1.2	Of which Public sector entities		7,762	88.9%	—	11.1%
2	Institutions	24,144	33,013	—	73.1%	26.9%
3	Corporates	121,797	201,241	—	60.5%	39.5%
3.1	Of which Corporates - Specialised lending, excluding slotting approach		—	—	—	—
3.2	Of which Corporates - Specialised lending under slotting approach		6,842	—	100.0%	—
4	Retail	233,356	399,506	—	58.4%	41.6%
4.1	of which Retail – Secured by real estate SMEs		0	—	—	—
4.2	of which Retail – Secured by real estate non-SMEs		180,888	—	94.4%	5.6%
4.3	of which Retail – Qualifying revolving		198,880	—	26.5%	73.5%
4.4	of which Retail – Other SMEs		10,082	—	61.7%	38.3%
4.5	of which Retail – Other non-SMEs		9,656	—	37.6%	62.4%
5	Equity	—	2,272	—	—	100.0%
6	Other non-credit obligation assets	10,629	10,917	—	97.4%	2.6%
7	Total	465,722	1,031,401	27.3%	45.2%	27.5%

Analysis of credit risk (continued)

AIRB obligor grade disclosure

The following tables show credit risk exposure at default post-CRM for the advanced IRB approach for portfolios within the banking book. Separate tables are provided for the following credit exposure classes: central governments and central banks (table 37), institutions (table 38), corporates (table 39), corporates SME (table 40), retail SME (table 41), secured retail (table 42), revolving retail (table 43) and other retail (table 44).

Barclays' Model Risk Management group reviews and approves the application of post model adjustments to models that do not fully reflect the risk of the underlying exposures.

Table 36: CR6 – IRB approach – Total Portfolios

	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%		£m	%	£m	£m
As at 31 December 2024												
Total (all exposure classes)	320,688	146,379	50.2%	392,420		24,644,665		2	105,206	26.8%	2,393	(2,143)
As at 31 December 2023												
Total (all exposure classes)	313,509	134,742	51.8%	380,448		24,028,888		2	105,572	27.7%	2,867	(2,705)

Further information on the key drivers for the RWA density are provided in table 37 - table 44.

Analysis of credit risk (continued)

Table 37: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for central governments and central banks

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%		£m	%	£m	£m
As at 31 December 2024												
0.00 to <0.15	90,084	—	—	90,084	0.0%	22	45.0%	2	5,059	5.6%	4	0
0.00 to <0.10	90,084	—	—	90,084	0.0%	22	45.0%	2	5,059	5.6%	4	0
0.10 to <0.15	—	—	—	—	—	—	—	—	—	—	—	—
0.15 to <0.25	—	—	—	—	—	—	—	—	—	—	—	—
0.25 to <0.50	391	—	—	391	0.4%	3	45.0%	3	297	75.8%	1	0
0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	—
0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	—
0.75 to <1.75	—	—	—	—	—	—	—	—	—	—	—	—
1.75 to <2.5	—	—	—	—	—	—	—	—	—	—	—	—
2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	—
2.5 to <5	—	—	—	—	—	—	—	—	—	—	—	—
5 to <10	—	—	—	—	—	—	—	—	—	—	—	—
10.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
10 to <20	—	—	—	—	—	—	—	—	—	—	—	—
20 to <30	—	—	—	—	—	—	—	—	—	—	—	—
30.00 to <100.00	—	—	—	—	—	—	—	—	—	—	—	—
100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal (exposure class)	90,475	—	—	90,475	0.0%	25	45.0%	2	5,356	5.9%	5	0

Analysis of credit risk (continued)

Table 37: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for central governments and central banks - continued

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%		£m	%	£m	£m
As at 31 December 2023												
0.00 to <0.15	75,081	97	60.0%	75,030	0.0%	26	45.0%	2	3,667	4.9%	3	0
0.00 to <0.10	75,081	97	60.0%	75,030	0.0%	26	45.0%	2	3,667	4.9%	3	0
0.10 to <0.15	—	—	—	—	—	—	—	—	—	—	—	—
0.15 to <0.25	11	—	—	11	—	2	45.0%	1	4	37.8%	0	—
0.25 to <0.50	590	—	—	590	0.4%	3	45.0%	3	432	73.3%	1	—
0.50 to <0.75	—	—	—	—	—	—	—	—	—	—	—	0
0.75 to <2.50	—	—	—	—	—	—	—	—	—	—	—	—
0.75 to <1.75	—	—	—	—	—	—	—	—	—	—	—	—
1.75 to <2.5	—	—	—	—	—	—	—	—	—	—	—	—
2.50 to <10.00	—	—	—	—	—	—	—	—	—	—	—	—
2.5 to <5	—	—	—	—	—	—	—	—	—	—	—	—
5 to <10	—	—	—	—	—	—	—	—	—	—	—	—
10.00 to <100.00	17	—	—	17	31.6%	1	78.0%	5	98	582.3 %	4	—
10 to <20	—	—	—	—	—	—	—	—	—	—	—	—
20 to <30	—	—	—	—	—	—	—	—	—	—	—	—
30.00 to <100.00	17	—	—	17	31.6%	1	78.0%	5	98	582.3 %	4	—
100.00 (Default)	—	—	—	—	—	—	—	—	—	—	—	—
Subtotal (exposure class)	75,699	97	60.0%	75,648	0.0%	32	45.0%	2	4,201	5.6%	8	—

The RWA density associated with central governments and central banks remained broadly stable at 5.9% (December 2023: 5.6%).

Analysis of credit risk (continued)

Table 38: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for institutions

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF ¹	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%		£m	%	£m	£m
As at 31 December 2024												
0.00 to <0.15	10,717	8,683	49.2%	14,983	0.0%	268	42.0%	2	2,700	18.0%	2	(5)
0.00 to <0.10	10,690	8,454	49.2%	14,848	0.0%	256	42.0%	2	2,630	17.7%	2	(5)
0.10 to <0.15	27	229	47.1%	135	0.1%	12	47.9%	4	70	51.8%	0	0
0.15 to <0.25	29	22	99.8%	51	0.2%	17	51.5%	1	30	59.0%	0	0
0.25 to <0.50	352	689	20.5%	494	0.3%	25	34.6%	1	225	45.6%	1	0
0.50 to <0.75	1	5	64.5%	5	0.7%	18	65.4%	2	6	135.1%	0	0
0.75 to <2.50	817	391	28.9%	931	1.5%	68	17.0%	2	429	46.2%	3	(2)
0.75 to <1.75	774	91	62.9%	832	1.5%	41	12.6%	2	280	33.7%	2	(1)
1.75 to <2.5	43	300	18.6%	99	2.1%	27	53.2%	1	149	150.6%	1	(1)
2.50 to <10.00	14	140	47.4%	81	3.6%	14	16.9%	3	52	65.1%	0	(2)
2.5 to <5	2	114	45.6%	54	2.7%	4	10.5%	2	18	33.9%	0	0
5 to <10	12	26	55.0%	27	5.6%	10	29.9%	3	34	128.7%	0	(2)
10.00 to <100.00	1	5	48.0%	3	22.4%	6	38.6%	2	9	238.9%	0	(1)
10 to <20	1	0	232.6%	1	16.0%	3	25.3%	4	1	123.8%	0	0
20 to <30	0	5	45.4%	2	22.4%	2	43.2%	2	7	279.1%	0	(1)
30.00 to <100.00	0	0	1360.0%	0	35.6%	1	35.6%	4	1	204.9%	0	0
100.00 (Default)	22	0	52.1%	22	100.0%	2	8.8%	1	16	71.1%	0	0
Subtotal (exposure class)	11,953	9,935	46.5%	16,570	0.3%	418	40.2%	2	3,467	20.9%	6	(10)

Analysis of credit risk (continued)

Table 38: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for institutions - continued

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF ¹	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%	%	£m	%	£m	£m
As at 31 December 2023												
0.00 to <0.15	12,068	9,497	49.3%	16,762	0.1%	412	40.4%	2	3,145	18.8%	3	(11)
0.00 to <0.10	11,052	9,457	49.3%	15,728	0.0%	401	40.8%	2	2,925	18.6%	3	(10)
0.10 to <0.15	1,016	40	45.6%	1,034	0.1%	11	33.8%	1	220	21.3%	0	(1)
0.15 to <0.25	51	127	54.9%	121	0.2%	32	52.9%	1	73	60.3%	0	0
0.25 to <0.50	102	57	53.4%	133	0.3%	40	50.5%	2	96	71.8%	0	0
0.50 to <0.75	23	1,040	16.8%	198	0.6%	56	40.2%	1	122	61.5%	1	0
0.75 to <2.50	121	437	35.2%	274	1.7%	239	41.9%	2	316	115.7%	2	(1)
0.75 to <1.75	27	70	87.2%	88	1.1%	169	33.9%	1	69	79.0%	0	0
1.75 to <2.5	94	367	25.3%	186	1.9%	70	45.7%	2	247	133.1%	2	(1)
2.50 to <10.00	371	168	48.8%	453	3.4%	96	20.2%	1	307	68.0%	3	(3)
2.5 to <5	355	133	47.6%	418	3.1%	65	18.0%	1	231	55.3%	2	(1)
5 to <10	16	35	53.3%	35	7.1%	31	46.7%	2	76	220.7%	1	(2)
10.00 to <100.00	25	34	73.4%	50	14.7%	17	20.6%	3	62	123.3%	1	(2)
10 to <20	24	34	73.3%	49	14.3%	14	20.5%	3	61	123.5%	1	(2)
20 to <30	0	—	—	0	23.4%	1	77.7%	1	0	420.6%	0	0
30.00 to <100.00	1	0	415.0%	1	44.8%	2	20.2%	3	1	98.0%	0	0
100.00 (Default)	22	1	49.2%	23	100.0%	6	28.2%	1	17	74.1%	0	0
Subtotal (exposure class)	12,783	11,361	46.7%	18,014	0.3%	898	40.0%	2	4,138	23.0%	10	(17)

Note

¹ CCF is calculated on a weighted average basis and also reflects where the modelled EAD is higher than the on- and off-balance sheet exposures pre CCF.

The RWA density associated with institutions decreased by 2.1% to 20.9% (December 2023: 23%) primarily due to movements across PD buckets.

Analysis of credit risk (continued)

Table 39: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for corporates - other

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%		£m	%	£m	£m
As at 31 December 2024												
0.00 to <0.15	14,124	47,311	46.6%	34,919	0.1%	1,865	41.4%	3	9,277	26.6%	10	(9)
0.00 to <0.10	11,550	40,550	46.6%	29,671	0.1%	1,445	42.3%	3	7,138	24.1%	7	(5)
0.10 to <0.15	2,574	6,761	46.2%	5,248	0.1%	420	36.3%	3	2,139	40.7%	3	(4)
0.15 to <0.25	3,864	7,750	50.6%	7,555	0.2%	593	37.0%	3	3,319	43.9%	6	(7)
0.25 to <0.50	4,461	6,546	48.4%	7,173	0.4%	1,375	41.6%	3	4,912	68.5%	12	(12)
0.50 to <0.75	1,204	3,413	48.0%	2,697	0.6%	2,519	35.0%	3	2,025	75.1%	7	(6)
0.75 to <2.50	2,537	5,405	43.5%	4,558	1.4%	13,136	33.4%	3	4,313	94.6%	25	(42)
0.75 to <1.75	1,561	4,121	41.6%	3,201	1.2%	9,523	33.0%	3	2,821	88.1%	14	(16)
1.75 to <2.5	976	1,284	49.9%	1,357	2.0%	3,613	34.3%	2	1,492	109.9%	11	(26)
2.50 to <10.00	1,230	5,024	45.5%	3,353	5.4%	7,982	33.3%	3	4,769	142.2%	63	(137)
2.5 to <5	501	1,887	48.9%	1,382	3.4%	5,996	34.3%	3	1,768	127.9%	17	(28)
5 to <10	729	3,137	43.5%	1,971	6.8%	1,986	32.6%	3	3,001	152.2%	46	(109)
10.00 to <100.00	3,445	2,995	50.6%	4,908	18.9%	1,039	37.0%	3	12,110	246.8%	343	(258)
10 to <20	2,976	2,492	48.4%	4,151	17.1%	663	39.0%	4	10,747	258.9%	278	(163)
20 to <30	197	415	63.5%	460	23.6%	104	18.9%	2	584	127.2%	22	(85)
30.00 to <100.00	272	88	50.2%	297	36.9%	272	38.0%	2	779	262.6%	43	(10)
100.00 (Default)	1,116	364	45.5%	1,267	100.0%	312	33.9%	3	2,125	167.8%	206	(236)
Subtotal (exposure class)	31,981	78,808	47.0%	66,430	3.8%	28,821	39.2%	3	42,850	64.5%	672	(707)

Analysis of credit risk (continued)

Table 39: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for corporates - other - continued

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
As at 31 December 2023	£m	£m	%	£m	%		%		£m	%	£m	£m
0.00 to <0.15	12,440	41,274	48.5%	31,316	0.1%	1,755	41.2%	3	8,397	26.8%	8	(11)
<i>0.00 to <0.10</i>	10,799	36,333	48.3%	27,410	0.1%	1,335	41.4%	3	6,872	25.1%	6	(6)
<i>0.10 to <0.15</i>	1,641	4,941	49.7%	3,906	0.1%	420	39.4%	3	1,525	39.1%	2	(5)
0.15 to <0.25	6,114	7,099	57.8%	9,204	0.2%	582	34.1%	2	3,708	40.3%	7	(9)
0.25 to <0.50	4,955	5,754	54.6%	7,899	0.3%	1,072	44.4%	3	5,380	68.1%	12	(11)
0.50 to <0.75	1,115	2,603	49.6%	2,338	0.6%	1,664	36.8%	2	1,771	75.7%	6	(6)
0.75 to <2.50	2,356	4,363	52.9%	4,440	1.4%	7,369	33.9%	3	4,124	92.9%	23	(41)
<i>0.75 to <1.75</i>	1,672	3,124	52.6%	3,256	1.2%	5,345	33.7%	3	2,901	89.1%	14	(22)
<i>1.75 to <2.5</i>	684	1,239	53.5%	1,184	2.0%	2,024	34.5%	2	1,223	103.4%	9	(19)
2.50 to <10.00	2,563	6,312	50.8%	5,408	5.9%	6,082	27.2%	3	6,182	114.3%	91	(202)
<i>2.5 to <5</i>	880	2,516	48.9%	1,867	3.4%	4,349	25.9%	2	1,644	88.1%	17	(48)
<i>5 to <10</i>	1,683	3,796	52.0%	3,541	7.2%	1,733	27.9%	3	4,538	128.1%	74	(154)
10.00 to <100.00	3,630	3,537	48.6%	5,224	18.9%	892	37.2%	4	12,668	242.5%	371	(296)
<i>10 to <20</i>	3,192	3,001	48.7%	4,530	16.6%	626	37.5%	4	11,024	243.3%	288	(210)
<i>20 to <30</i>	63	352	48.3%	233	24.0%	65	29.8%	2	458	196.6%	16	(58)
<i>30.00 to <100.00</i>	375	184	47.6%	461	38.8%	201	37.8%	2	1,186	257.1%	67	(28)
100.00 (Default)	357	153	60.8%	433	100.0%	185	33.2%	2	592	136.7%	87	(110)
Subtotal (exposure class)	33,530	71,095	50.6%	66,262	2.8%	19,601	38.4%	3	42,822	64.6%	605	(686)

The RWA density associated with corporates - other remained broadly stable at 64.5% (December 2023: 64.6%).

Analysis of credit risk (continued)

Table 40: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for corporates - SME

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%		£m	%	£m	£m
As at 31 December 2024												
0.00 to <0.15	755	765	60.7%	1,218	0.1%	272	21.7%	4	249	20.4%	0	0
<i>0.00 to <0.10</i>	584	710	61.2%	1,018	0.1%	193	21.9%	3	179	17.6%	0	0
<i>0.10 to <0.15</i>	171	55	53.1%	200	0.1%	79	20.5%	4	70	34.9%	0	0
0.15 to <0.25	76	74	44.5%	108	0.2%	89	29.7%	3	35	32.6%	0	0
0.25 to <0.50	763	297	36.8%	842	0.4%	849	23.0%	3	280	33.3%	1	(1)
0.50 to <0.75	819	341	41.7%	945	0.6%	1,387	24.1%	3	352	37.3%	2	(3)
0.75 to <2.50	2,380	546	40.0%	2,533	1.4%	4,786	25.8%	3	1,866	73.6%	28	(16)
<i>0.75 to <1.75</i>	1,686	418	40.6%	1,814	1.2%	3,572	25.3%	3	1,225	67.4%	16	(9)
<i>1.75 to <2.5</i>	694	128	38.1%	719	2.0%	1,214	26.9%	3	641	89.1%	12	(7)
2.50 to <10.00	1,185	272	43.6%	1,277	4.7%	1,839	32.1%	3	1,813	142.1%	79	(37)
<i>2.5 to <5</i>	734	196	45.8%	808	3.4%	1,286	32.9%	3	1,072	132.8%	35	(18)
<i>5 to <10</i>	451	76	37.9%	469	6.9%	553	30.9%	3	741	158.2%	44	(19)
10.00 to <100.00	282	33	32.5%	284	19.4%	295	32.1%	3	493	173.6%	66	(45)
<i>10 to <20</i>	208	28	31.8%	212	14.4%	195	31.9%	3	315	148.4%	23	(16)
<i>20 to <30</i>	24	2	43.4%	24	24.9%	44	36.2%	3	33	138.9%	2	(27)
<i>30.00 to <100.00</i>	50	3	30.8%	48	38.8%	56	30.9%	3	145	302.3%	41	(2)
100.00 (Default)	503	47	14.3%	500	100.0%	219	15.9%	3	1,022	204.4%	139	(10)
Subtotal (exposure class)	6,763	2,375	46.4%	7,707	8.6%	9,736	25.3%	3	6,110	79.3%	315	(112)

Analysis of credit risk (continued)

Table 40: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for corporates - SME - continued

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%		£m	%	£m	£m
As at 31 December 2023												
0.00 to <0.15	1,004	557	64.1%	1,314	0.1%	377	22.4%	4	350	26.7%	0	(29)
0.00 to <0.10	723	463	65.2%	1,029	0.1%	262	18.8%	4	237	23.1%	0	(21)
0.10 to <0.15	281	94	58.8%	285	0.1%	115	35.2%	4	113	39.6%	0	(8)
0.15 to <0.25	246	91	54.0%	298	0.2%	118	33.9%	4	133	44.7%	0	(7)
0.25 to <0.50	859	311	39.6%	953	0.4%	1,193	29.5%	3	371	39.0%	2	(1)
0.50 to <0.75	952	338	41.0%	1,057	0.6%	2,478	26.7%	3	434	41.1%	3	(1)
0.75 to <2.50	2,775	561	45.2%	2,909	1.4%	9,397	26.5%	3	2,322	79.8%	38	(17)
0.75 to <1.75	1,996	438	44.4%	2,109	1.2%	7,295	25.9%	3	1,549	73.4%	22	(6)
1.75 to <2.5	779	123	48.1%	800	2.0%	2,102	28.1%	3	773	96.7%	16	(11)
2.50 to <10.00	1,170	232	50.5%	1,203	4.5%	3,419	31.3%	3	1,982	164.7%	102	(55)
2.5 to <5	742	148	52.6%	758	3.4%	2,384	32.1%	3	1,166	153.8%	43	(14)
5 to <10	428	84	46.8%	445	6.6%	1,035	29.9%	3	816	183.3%	59	(41)
10.00 to <100.00	386	36	35.5%	388	20.1%	541	28.3%	3	608	157.3%	89	(18)
10 to <20	278	25	36.7%	278	14.1%	371	28.6%	3	370	133.3%	31	(12)
20 to <30	47	5	14.8%	47	24.0%	62	29.3%	2	51	109.2%	3	(3)
30.00 to <100.00	61	6	47.5%	63	43.6%	108	26.5%	3	187	299.3%	55	(3)
100.00 (Default)	741	68	13.0%	725	100.0%	409	14.7%	2	1,526	210.6%	183	(36)
Subtotal (exposure class)	8,133	2,194	48.6%	8,847	10.3%	17,932	26.2%	3	7,726	87.4%	417	(164)

The RWA density associated with corporates SME decreased by 8.1% to 79.3% (December 2023:87.4%) primarily due to regulatory driven methodology changes.

Analysis of credit risk (continued)

Table 41: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for retail - SME

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF ¹	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
As at 31 December 2024	£m	£m	%	£m	%		%	£m	%	£m	£m
0.00 to <0.15	8	1	10,775.4%	197	0.1%	129,841	47.4%	20	10.0%	0	0
0.00 to <0.10	4	0	30,036.5%	151	0.1%	104,904	46.1%	13	8.5%	0	0
0.10 to <0.15	4	1	3,319.2%	46	0.1%	24,937	51.7%	7	15.1%	0	0
0.15 to <0.25	16	9	323.2%	44	0.2%	14,075	39.8%	7	16.2%	0	0
0.25 to <0.50	138	91	117.8%	242	0.4%	49,436	32.2%	50	20.9%	0	0
0.50 to <0.75	318	150	122.1%	489	0.6%	86,082	32.5%	120	24.5%	1	0
0.75 to <2.50	1,697	681	122.4%	2,456	1.5%	407,955	38.1%	1,041	42.4%	14	(7)
0.75 to <1.75	1,086	477	131.8%	1,662	1.2%	308,118	37.9%	662	39.9%	8	(3)
1.75 to <2.5	611	204	100.5%	794	2.1%	99,837	38.7%	379	47.7%	6	(4)
2.50 to <10.00	1,415	355	122.6%	1,820	4.7%	217,844	40.6%	1,083	59.5%	35	(17)
2.5 to <5	916	267	112.2%	1,193	3.5%	144,081	40.4%	679	56.8%	17	(9)
5 to <10	499	88	154.0%	627	6.9%	73,763	40.9%	404	64.4%	18	(8)
10.00 to <100.00	371	46	128.1%	426	22.6%	50,437	35.1%	296	69.4%	34	(11)
10 to <20	206	22	196.9%	246	13.6%	31,805	37.2%	159	64.4%	12	(4)
20 to <30	58	8	63.7%	63	24.1%	5,949	31.7%	39	62.9%	5	(2)
30.00 to <100.00	107	16	68.3%	117	41.0%	12,683	32.5%	98	83.3%	17	(5)
100.00 (Default)	559	24	18.8%	506	100.0%	59,872	25.0%	693	137.1%	79	(212)
Subtotal (exposure class)	4,522	1,357	135.6%	6,180	11.8%	1,015,542	37.2%	3,310	53.6%	163	(247)

Analysis of credit risk (continued)

Table 41: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for retail - SME - continued

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF ¹	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
As at 31 December 2023	£m	£m	%	£m	%		%	£m	%	£m	£m
0.00 to <0.15	10	1	19,097.6%	227	0.1%	140,101	47.1%	21	9.0%	0	0
0.00 to <0.10	4	0	109,611.5%	171	0.1%	110,367	45.8%	13	7.5%	0	0
0.10 to <0.15	6	1	5,113.4%	56	0.1%	29,734	51.1%	8	13.4%	0	0
0.15 to <0.25	15	6	555.8%	46	0.2%	15,122	41.7%	7	15.1%	0	0
0.25 to <0.50	167	92	136.0%	288	0.4%	55,354	32.2%	54	18.8%	0	0
0.50 to <0.75	378	153	145.5%	576	0.6%	94,053	33.0%	139	24.2%	1	0
0.75 to <2.50	1,940	730	117.3%	2,659	1.5%	405,670	36.8%	954	35.9%	15	(9)
0.75 to <1.75	1,248	507	129.5%	1,808	1.2%	306,624	36.7%	616	34.1%	8	(4)
1.75 to <2.5	692	223	89.7%	851	2.1%	99,046	37.0%	338	39.7%	7	(5)
2.50 to <10.00	1,430	355	123.1%	1,801	4.6%	216,478	39.8%	882	49.0%	33	(19)
2.5 to <5	960	276	106.9%	1,204	3.5%	141,579	38.5%	554	46.0%	16	(11)
5 to <10	470	79	179.4%	597	6.9%	74,899	42.3%	328	55.0%	17	(8)
10.00 to <100.00	359	30	236.6%	422	23.9%	48,083	35.3%	257	60.8%	33	(10)
10 to <20	187	13	386.6%	235	13.6%	31,472	40.5%	148	63.0%	13	(4)
20 to <30	49	4	231.8%	56	24.2%	6,255	30.6%	35	61.3%	4	(1)
30.00 to <100.00	123	13	87.5%	131	42.1%	10,356	28.0%	74	56.5%	16	(5)
100.00 (Default)	528	31	31.9%	486	100.0%	52,545	23.8%	569	117.2%	70	(220)
Subtotal (exposure class)	4,827	1,398	141.0%	6,505	11.0%	1,027,406	36.4%	2,883	44.3%	152	(258)

Note

¹ CCF is calculated on a weighted average basis and also reflects where the modelled EAD is higher than the on- and off-balance sheet exposures pre CCF.

The RWA density associated with retail SMEs increased by 9.3% to 53.6% (December 2023:44.3%) primarily due to changes in risk parameters.

Analysis of credit risk (continued)

Table 42: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for secured retail - non SME

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
As at 31 December 2024	£m	£m	%	£m	%		%	£m	%	£m	£m
0.00 to <0.15	17,231	1,969	79.7%	18,952	0.1%	62,621	8.7%	456	2.4%	2	0
0.00 to <0.10	12,382	1,317	79.6%	13,541	0.1%	41,457	7.9%	215	1.6%	1	0
0.10 to <0.15	4,849	652	79.7%	5,411	0.1%	21,164	10.7%	241	4.4%	1	0
0.15 to <0.25	6,746	970	74.2%	7,525	0.2%	35,114	12.3%	439	5.8%	2	0
0.25 to <0.50	40,144	3,231	59.5%	42,348	0.4%	253,940	9.0%	2,781	6.6%	15	(2)
0.50 to <0.75	41,441	1,806	64.4%	42,894	0.6%	239,620	10.6%	4,433	10.3%	28	(6)
0.75 to <2.50	36,312	2,208	79.1%	38,362	1.3%	212,377	14.4%	9,273	24.2%	73	(17)
0.75 to <1.75	31,476	1,911	78.7%	33,229	1.2%	182,968	14.0%	7,307	22.0%	55	(12)
1.75 to <2.5	4,836	297	81.4%	5,133	2.0%	29,409	17.0%	1,966	38.3%	18	(5)
2.50 to <10.00	8,920	479	83.3%	9,414	4.6%	97,297	16.3%	4,995	53.1%	69	(22)
2.5 to <5	5,794	416	82.9%	6,202	3.4%	33,967	17.2%	3,165	51.0%	36	(12)
5 to <10	3,126	63	86.3%	3,212	7.1%	63,330	14.7%	1,830	57.0%	33	(10)
10.00 to <100.00	5,353	168	60.5%	5,506	27.8%	29,146	9.9%	3,114	56.5%	145	(31)
10 to <20	2,951	69	61.9%	3,017	14.0%	15,228	9.9%	1,717	56.9%	42	(10)
20 to <30	928	39	66.6%	963	25.3%	5,340	11.1%	659	68.4%	27	(7)
30.00 to <100.00	1,474	60	54.9%	1,526	56.7%	8,578	9.2%	738	48.4%	76	(14)
100.00 (Default)	1,184	1	—	1,185	100.0%	7,791	11.8%	1,253	105.8%	80	(51)
Subtotal (exposure class)	157,331	10,832	70.4%	166,186	2.5%	937,906	11.3%	26,744	16.1%	414	(129)

Analysis of credit risk (continued)

Table 42: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for secured retail - non SME - continued

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
As at 31 December 2023	£m	£m	%	£m	%		%	£m	%	£m	£m
0.00 to <0.15	22,194	1,530	80.7%	23,596	0.1%	100,436	9.8%	1,569	6.7%	23	(13)
<i>0.00 to <0.10</i>	15,039	1,002	80.7%	15,957	0.1%	51,636	8.4%	483	3.0%	6	(3)
<i>0.10 to <0.15</i>	7,155	528	80.8%	7,639	0.1%	48,800	12.8%	1,086	14.2%	17	(10)
0.15 to <0.25	9,528	991	61.9%	10,208	0.2%	64,359	11.6%	888	8.7%	10	(6)
0.25 to <0.50	44,502	2,731	52.4%	46,188	0.4%	278,550	8.9%	3,038	6.6%	20	(7)
0.50 to <0.75	36,956	1,085	63.4%	37,913	0.6%	212,274	11.3%	4,152	11.0%	28	(11)
0.75 to <2.50	34,699	1,244	76.9%	35,933	1.3%	205,071	14.8%	8,369	23.3%	70	(28)
<i>0.75 to <1.75</i>	29,161	1,079	75.7%	30,200	1.1%	171,865	14.8%	6,551	21.7%	52	(20)
<i>1.75 to <2.5</i>	5,538	165	84.9%	5,733	2.1%	33,206	14.5%	1,818	31.7%	18	(8)
2.50 to <10.00	7,916	177	84.4%	8,168	4.8%	44,180	14.4%	4,004	49.0%	58	(28)
<i>2.5 to <5</i>	4,848	134	87.5%	5,027	3.5%	27,639	15.2%	2,266	45.1%	28	(13)
<i>5 to <10</i>	3,068	43	74.7%	3,141	7.0%	16,541	13.2%	1,738	55.4%	30	(15)
10.00 to <100.00	5,256	191	59.5%	5,424	28.9%	30,891	10.2%	3,066	56.5%	156	(50)
<i>10 to <20</i>	2,622	86	62.3%	2,697	13.3%	15,018	10.4%	1,548	57.4%	39	(16)
<i>20 to <30</i>	916	34	74.0%	951	24.3%	5,960	11.2%	665	69.9%	27	(10)
<i>30.00 to <100.00</i>	1,718	71	49.1%	1,776	55.2%	9,913	9.3%	853	48.0%	90	(24)
100.00 (Default)	1,772	2	—	1,778	100.0%	15,802	17.5%	1,135	63.8%	421	(393)
Subtotal (exposure class)	162,823	7,951	65.2%	169,208	2.7%	951,563	11.3%	26,221	15.5%	786	(536)

The RWA density associated with secured retail non SMEs remained broadly stable at 16.1% (December 2023: 15.5%) as an increase from regulatory driven methodology changes was partially offset by the sale of the performing Italian Mortgage portfolio.

Analysis of credit risk (continued)

Table 43: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for revolving retail

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF ¹	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
As at 31 December 2024	£m	£m	%	£m	%		%	£m	%	£m	£m
0.00 to <0.15	1,356	17,103	63.4%	12,203	0.1%	13,839,258	74.0%	567	4.6%	8	(5)
0.00 to <0.10	840	12,453	71.5%	9,740	0.1%	11,984,187	73.3%	396	4.1%	5	(4)
0.10 to <0.15	516	4,650	41.9%	2,463	0.1%	1,855,071	76.5%	171	6.9%	3	(1)
0.15 to <0.25	1,037	6,363	36.9%	3,383	0.2%	1,831,847	77.5%	358	10.6%	6	(7)
0.25 to <0.50	1,996	7,534	36.4%	4,739	0.4%	1,918,311	78.7%	880	18.6%	16	(20)
0.50 to <0.75	1,172	3,218	36.0%	2,329	0.6%	848,516	80.0%	587	25.2%	12	(17)
0.75 to <2.50	4,182	6,459	37.3%	6,592	1.4%	2,025,327	81.4%	3,404	51.6%	85	(104)
0.75 to <1.75	3,130	5,288	36.3%	5,049	1.1%	1,570,318	81.3%	2,354	46.6%	55	(64)
1.75 to <2.5	1,052	1,171	42.0%	1,543	2.1%	455,009	82.1%	1,050	68.0%	30	(40)
2.50 to <10.00	3,035	2,147	71.6%	4,573	4.5%	1,266,829	81.9%	5,115	111.9%	190	(268)
2.5 to <5	1,954	1,819	66.2%	3,159	3.4%	865,601	81.6%	2,849	90.2%	97	(122)
5 to <10	1,081	328	101.4%	1,414	6.9%	401,228	82.4%	2,266	160.3%	93	(146)
10.00 to <100.00	599	83	202.0%	767	22.6%	275,962	81.4%	1,788	233.3%	160	(167)
10 to <20	381	59	198.1%	498	13.4%	171,904	81.8%	1,032	207.3%	60	(93)
20 to <30	93	12	217.3%	120	24.0%	45,957	81.1%	303	252.5%	24	(31)
30.00 to <100.00	125	12	205.6%	149	52.1%	58,101	80.4%	453	304.7%	76	(43)
100.00 (Default)	300	164	—	300	100.0%	170,519	69.8%	858	286.0%	186	(213)
Subtotal (exposure class)	13,677	43,071	49.2%	34,886	2.3%	22,176,569	77.9%	13,557	38.9%	663	(801)

Analysis of credit risk (continued)

Table 43: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for revolving retail - continued

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF ¹	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
As at 31 December 2023	£m	£m	%	£m	%		%	£m	%	£m	£m
0.00 to <0.15	1,190	16,767	64.2%	11,959	0.1%	13,829,098	74.7%	572	4.8%	9	(7)
0.00 to <0.10	756	12,504	71.7%	9,723	0.0%	12,112,500	73.9%	405	4.2%	6	(5)
0.10 to <0.15	434	4,263	42.3%	2,236	0.1%	1,716,598	77.9%	167	7.4%	3	(2)
0.15 to <0.25	850	5,611	36.2%	2,883	0.2%	1,584,075	78.6%	326	11.3%	6	(5)
0.25 to <0.50	1,632	6,701	36.7%	4,092	0.4%	1,739,887	79.6%	818	20.0%	16	(16)
0.50 to <0.75	963	3,007	35.8%	2,039	0.6%	792,642	80.6%	533	26.2%	12	(13)
0.75 to <2.50	3,662	6,228	37.1%	5,970	1.4%	1,926,087	82.3%	3,272	54.8%	87	(119)
0.75 to <1.75	2,714	5,061	36.1%	4,539	1.1%	1,488,446	82.0%	2,241	49.4%	56	(70)
1.75 to <2.5	948	1,167	41.4%	1,431	2.1%	437,641	83.2%	1,031	72.1%	31	(49)
2.50 to <10.00	2,854	2,042	70.1%	4,285	4.6%	1,209,646	83.8%	5,309	123.9%	204	(303)
2.5 to <5	1,775	1,678	65.1%	2,868	3.5%	814,430	83.4%	2,820	98.3%	97	(149)
5 to <10	1,079	364	93.0%	1,417	6.8%	395,216	84.5%	2,489	175.6%	107	(154)
10.00 to <100.00	598	96	176.8%	769	23.1%	269,209	84.5%	1,925	250.5%	181	(230)
10 to <20	375	67	174.6%	493	13.4%	166,711	84.6%	1,092	221.5%	64	(105)
20 to <30	90	14	188.0%	116	24.0%	43,336	84.4%	301	260.2%	24	(33)
30.00 to <100.00	133	15	176.3%	160	52.2%	59,162	84.4%	532	333.2%	93	(92)
100.00 (Default)	336	190	—	336	100.0%	177,992	68.0%	1,320	392.9%	224	(228)
Subtotal (exposure class)	12,085	40,642	49.8%	32,333	2.6%	21,528,636	78.8%	14,075	43.5%	739	(921)

Note

¹ CCF is calculated on a weighted average basis and also reflects where the modelled EAD is higher than the on- and off-balance sheet exposures pre CCF.

The RWA density associated with revolving retail decreased by 4.6% to 38.9% (December 2023:43.5%) primarily due to regulatory driven methodology changes and changes in risk parameters.

Analysis of credit risk (continued)

Table 44: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for other retail - non SME

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
	£m	£m	%	£m	%		%	£m	%	£m	£m
As at 31 December 2024											
0.00 to <0.15	249	1	2.1%	249	0.1%	44,207	74.2%	56	22.6%	0	0
<i>0.00 to <0.10</i>	117	1	2.0%	117	0.1%	24,030	73.5%	21	18.0%	0	0
<i>0.10 to <0.15</i>	132	0	2.3%	132	0.1%	20,177	74.8%	35	26.7%	0	0
0.15 to <0.25	316	—	—	316	0.2%	43,604	74.7%	113	35.9%	1	0
0.25 to <0.50	630	0	17.7%	630	0.4%	75,219	75.7%	345	54.8%	2	(2)
0.50 to <0.75	440	—	—	440	0.6%	49,283	76.2%	389	88.5%	3	(3)
0.75 to <2.50	1,169	—	—	1,169	1.4%	125,437	76.8%	1,194	101.9%	14	(14)
<i>0.75 to <1.75</i>	887	—	—	887	1.2%	95,730	76.7%	853	95.9%	9	(9)
<i>1.75 to <2.5</i>	282	—	—	282	2.1%	29,707	77.2%	341	120.8%	5	(5)
2.50 to <10.00	812	0	0.7%	812	4.7%	83,382	77.9%	1,096	135.1%	33	(32)
<i>2.5 to <5</i>	549	—	—	549	3.5%	56,253	77.7%	722	131.5%	17	(17)
<i>5 to <10</i>	263	0	23.4%	263	7.0%	27,129	78.2%	374	142.6%	16	(15)
10.00 to <100.00	312	—	—	312	25.8%	35,768	78.4%	567	182.4%	69	(50)
<i>10 to <20</i>	195	—	—	195	13.5%	21,739	78.4%	366	188.0%	27	(21)
<i>20 to <30</i>	49	—	—	49	23.9%	5,674	78.6%	96	197.8%	9	(8)
<i>30.00 to <100.00</i>	68	—	—	68	62.4%	8,355	78.1%	105	155.5%	33	(21)
100.00 (Default)	58	—	—	58	100.0%	18,748	76.9%	52	88.8%	33	(35)
Subtotal (exposure class)	3,986	1	5.7%	3,986	5.0%	475,648	76.5%	3,812	95.6%	155	(136)

Analysis of credit risk (continued)

Table 44: CR6 – IRB approach – Credit risk exposures by exposure class and PD range for other retail - non SME - continued

PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CCF and post CRM	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
As at 31 December 2023	£m	£m	%	£m	%		%	£m	%	£m	£m
0.00 to <0.15	186	1	2.4%	186	0.1%	42,038	73.5%	41	22.3%	0	0
<i>0.00 to <0.10</i>	67	1	2.4%	67	0.1%	21,684	72.0%	11	16.4%	0	0
<i>0.10 to <0.15</i>	119	—	—	119	0.1%	20,354	74.3%	30	25.6%	0	0
0.15 to <0.25	273	0	2.0%	273	0.2%	43,294	74.5%	97	35.6%	0	0
0.25 to <0.50	554	—	—	554	0.4%	74,530	75.3%	301	54.2%	2	(1)
0.50 to <0.75	395	0	23.5%	395	0.6%	49,124	75.8%	342	86.6%	2	(2)
0.75 to <2.50	1,134	—	—	1,134	1.4%	131,873	76.5%	1,147	101.1%	13	(13)
<i>0.75 to <1.75</i>	860	—	—	860	1.2%	100,655	76.4%	820	95.3%	8	(8)
<i>1.75 to <2.5</i>	274	—	—	274	2.1%	31,218	76.9%	327	119.2%	5	(5)
2.50 to <10.00	732	—	—	732	4.7%	83,639	77.4%	977	133.4%	28	(27)
<i>2.5 to <5</i>	487	—	—	487	3.5%	55,293	77.2%	633	129.9%	14	(14)
<i>5 to <10</i>	245	—	—	245	7.0%	28,346	77.7%	344	140.4%	14	(13)
10.00 to <100.00	297	—	—	297	27.2%	37,118	77.7%	536	180.6%	67	(45)
<i>10 to <20</i>	177	—	—	177	13.6%	21,631	77.9%	331	186.6%	23	(18)
<i>20 to <30</i>	46	—	—	46	24.2%	5,633	77.9%	90	197.0%	9	(6)
<i>30.00 to <100.00</i>	74	—	—	74	61.9%	9,854	77.2%	115	155.8%	35	(21)
100.00 (Default)	60	—	—	60	100.0%	21,270	76.6%	62	102.2%	35	(35)
Subtotal (exposure class)	3,631	1	2.5%	3,631	5.4%	482,886	76.2%	3,503	96.4%	147	(123)

The RWA density associated with other retail-non SME remained broadly stable at 95.6% (December 2023: 96.4%).

Analysis of credit risk (continued)

Table 45: CR10 – Specialised lending and equity exposures under the simple risk weighted approach

Slotting, also known as specialised lending, is an approach that is applied to financing of individual projects where the repayment is highly dependent on the performance of the underlying pool or collateral. It uses a standard set of rules for the calculation of RWAs, based upon an assessment of factors such as the financial strength of the counterparty. The requirements for the application of the Slotting approach are detailed in Article 153 of UK CRR. The table below also includes specialised lending CCR exposures.

Specialised lending : Income-producing real estate and high volatility commercial real estate (Slotting approach)							
Regulatory categories	Remaining maturity	On-balance sheet exposure	Off-balance sheet exposure	Risk weight	Exposure value	Risk weighted exposure amount	Expected loss amount
As at 31 December 2024		£m	£m		£m	£m	£m
Category 1	Less than 2.5 years	1,882	693	50%	2,162	994	—
	Equal to or more than 2.5 years	1,657	417	70%	1,902	1,244	8
Category 2	Less than 2.5 years	929	74	70%	959	638	4
	Equal to or more than 2.5 years	463	7	90%	469	373	4
Category 3	Less than 2.5 years	429	4	115%	429	478	11
	Equal to or more than 2.5 years	180	—	115%	180	203	5
Category 4	Less than 2.5 years	58	—	250%	58	143	5
	Equal to or more than 2.5 years	49	—	250%	49	119	4
Category 5	Less than 2.5 years	97	1	—	97	—	49
	Equal to or more than 2.5 years	36	—	—	37	—	18
Total	Less than 2.5 years	3,395	772		3,705	2,253	69
	Equal to or more than 2.5 years	2,385	424		2,637	1,939	39
As at 31 December 2023							
Category 1	Less than 2.5 years	1,646	694	50%	2,031	937	—
	Equal to or more than 2.5 years	1,043	258	70%	1,265	827	5
Category 2	Less than 2.5 years	1,080	164	70%	1,174	778	5
	Equal to or more than 2.5 years	782	84	90%	867	718	7
Category 3	Less than 2.5 years	434	150	115%	511	576	15
	Equal to or more than 2.5 years	338	—	115%	338	377	9
Category 4	Less than 2.5 years	20	—	250%	20	49	2
	Equal to or more than 2.5 years	50	—	250%	50	121	4
Category 5	Less than 2.5 years	137	1	—	138	—	69
	Equal to or more than 2.5 years	36	2	—	37	—	19
Total	Less than 2.5 years	3,317	1,009		3,874	2,340	91
	Equal to or more than 2.5 years	2,249	344		2,557	2,043	44

Analysis of credit risk (continued)

Table 46: CR1 - Performing and non-performing exposures and related provisions¹

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.

	Gross carrying amount/nominal						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			Accumulated partial write-off	On performing exposures	On non-performing exposures	
	Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3 ²		Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3					
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	
As at 31 December 2024																
005 Cash balances at central banks and other demand deposits	209,127	209,127	—	—	—	—	—	—	—	—	—	—	—	—	—	—
010 Loans and advances	647,556	423,218	37,405	7,627	12	7,597	(2,736)	(959)	(1,777)	(2,492)	—	(2,492)	(145)	426,180	3,638	
020 Central banks	22,543	18,285	—	—	—	—	—	—	—	—	—	—	—	4,245	—	
030 General governments	6,480	5,610	56	1	—	1	(14)	(1)	(13)	—	—	—	—	4,182	—	
040 Credit institutions	47,321	24,936	2	31	—	31	—	—	—	(31)	—	(31)	—	23,049	—	
050 Other financial corporations	276,795	123,296	1,649	116	—	116	(55)	(45)	(10)	(33)	—	(33)	(1)	183,346	60	
060 Non-financial corporations	73,714	58,307	9,633	3,071	—	3,071	(482)	(171)	(311)	(591)	—	(591)	(144)	40,336	1,548	
070 Of which SMEs	12,636	9,376	3,045	1,486	—	1,486	(205)	(76)	(129)	(259)	—	(259)	—	9,419	1,047	
080 Households	220,703	192,784	26,065	4,408	12	4,378	(2,185)	(742)	(1,443)	(1,837)	—	(1,837)	—	171,022	2,030	
090 Debt securities	146,283	138,692	4,386	—	—	—	(33)	(19)	(14)	—	—	—	—	1,150	—	
100 Central banks	2,027	2,027	—	—	—	—	—	—	—	—	—	—	—	—	—	
110 General governments	98,106	94,350	2,874	—	—	—	(17)	(7)	(10)	—	—	—	—	—	—	
120 Credit institutions	12,860	12,820	40	—	—	—	(1)	(1)	—	—	—	—	—	41	—	
130 Other financial corporations	27,995	25,627	1,472	—	—	—	(10)	(6)	(4)	—	—	—	—	1,069	—	
140 Non-financial corporations	5,295	3,868	—	—	—	—	(5)	(5)	—	—	—	—	—	40	—	
150 Off-balance-sheet exposures³	458,480	439,745	18,735	1,174	—	1,174	(413)	(163)	(250)	(25)	—	(25)		48,372	68	
160 Central banks	711	711	—	—	—	—	—	—	—	—	—	—	—	—	—	
170 General governments	2,159	2,032	127	—	—	—	(1)	—	(1)	—	—	—	—	—	—	
180 Credit institutions	2,787	2,573	214	—	—	—	(2)	(2)	—	—	—	—	—	3	—	
190 Other financial corporations	91,175	89,347	1,828	398	—	398	(31)	(20)	(11)	(12)	—	(12)	—	26,553	14	
200 Non-financial corporations	176,393	163,126	13,267	619	—	619	(307)	(93)	(214)	(13)	—	(13)	—	17,984	49	
210 Households	185,255	181,956	3,299	157	—	157	(72)	(48)	(24)	—	—	—	—	3,832	5	
220 Total	1,461,446	1,210,782	60,526	8,801	12	8,771	(3,182)	(1,141)	(2,041)	(2,517)	—	(2,517)	(145)	475,702	3,706	

Analysis of credit risk (continued)

Table 46: CR1 - Performing and non-performing exposures and related provisions - continued

	Gross carrying amount/nominal						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				Accumulated partial write-off	On performing exposures	On non-performing exposures	
	Of which Stage 1	Of which Stage 2	Of which Stage 2	Of which Stage 3	Of which Stage 1	Of which Stage 2	Of which Stage 2	Of which Stage 3								
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	
As at 31 December 2023																
005 Cash balances at central banks and other demand deposits	223,949	223,949	—	—	—	—	—	—	—	—	—	—	—	—	—	—
010 Loans and advances	640,659	404,960	39,773	7,455	40	7,367	(3,241)	(947)	(2,294)	(2,638)	(2)	(2,636)	(22)	427,575	3,965	
020 <i>Central banks</i>	23,251	17,889	—	—	—	—	—	—	—	—	—	—	—	5,362	—	
030 <i>General governments</i>	6,204	5,057	57	1	—	1	(15)	(4)	(11)	—	—	—	—	4,642	—	
040 <i>Credit institutions</i>	49,476	22,946	2	41	—	41	(1)	(1)	—	(36)	—	(36)	—	26,731	—	
050 <i>Other financial corporations</i>	264,445	107,524	1,622	148	—	148	(55)	(43)	(12)	(36)	—	(36)	(6)	176,494	55	
060 <i>Non-financial corporations</i>	77,861	59,756	11,663	2,535	—	2,535	(644)	(251)	(393)	(551)	—	(551)	(16)	40,760	1,673	
070 <i>Of which SMEs</i>	14,698	10,458	4,240	1,346	—	1,346	(258)	(118)	(140)	(273)	—	(273)	—	10,994	492	
080 <i>Households</i>	219,422	191,788	26,429	4,730	40	4,642	(2,526)	(648)	(1,878)	(2,015)	(2)	(2,013)	—	173,586	2,237	
090 Debt securities	130,551	123,264	4,513	—	—	—	(35)	(17)	(18)	—	—	—	—	1,346	—	
100 <i>Central banks</i>	1,762	1,762	—	—	—	—	—	—	—	—	—	—	—	—	—	
110 <i>General governments</i>	89,702	86,441	2,727	—	—	—	(16)	(7)	(9)	—	—	—	—	24	—	
120 <i>Credit institutions</i>	13,088	12,252	836	—	—	—	(2)	(1)	(1)	—	—	—	—	354	—	
130 <i>Other financial corporations</i>	19,188	17,465	950	—	—	—	(12)	(4)	(8)	—	—	—	—	678	—	
140 <i>Non-financial corporations</i>	6,811	5,344	—	—	—	—	(5)	(5)	—	—	—	—	—	290	—	
150 Off-balance-sheet exposures ³	425,184	400,969	24,215	1,037	—	1,037	(460)	(173)	(287)	(44)	—	(44)		35,637	69	
160 <i>Central banks</i>	665	665	—	—	—	—	—	—	—	—	—	—	—	—	—	
170 <i>General governments</i>	1,798	1,771	27	15	—	15	—	—	—	—	—	—	—	—	—	
180 <i>Credit institutions</i>	3,207	2,976	231	—	—	—	(2)	(1)	(1)	—	—	—	—	10	—	
190 <i>Other financial corporations</i>	80,290	77,773	2,517	543	—	543	(33)	(20)	(13)	(19)	—	(19)	—	18,476	9	
200 <i>Non-financial corporations</i>	174,273	156,628	17,645	287	—	287	(303)	(93)	(210)	(25)	—	(25)	—	12,716	41	
210 <i>Households</i>	164,951	161,156	3,795	192	—	192	(122)	(59)	(63)	—	—	—	—	4,435	19	
220 Total	1,420,343	1,153,142	68,501	8,492	40	8,404	(3,736)	(1,137)	(2,599)	(2,682)	(2)	(2,680)	(22)	464,558	4,034	

Notes

1. Loans at fair value through profit and loss are included in the total performing and non-performing exposures but no staging analysis is provided as these instruments are not eligible for staging.

2. Stage 3 includes POCI (Purchased or originated credit impaired) balances.

3. Off-Balance sheet exposures include exposures relating to financial assets classified as assets held for sale.

Cash balances at central banks and other demand deposits decreased by €14.8bn to €209.1bn (December 2023: €223.9bn) driven by overall decrease in deposits and group liquidity pool.

Performing Loans and advances increased by €6.8bn to €647.6bn (December 2023: €640.7bn) primarily due to new lending.

Debt securities increased by €15.7bn to €146.3bn (December 2023: €130.6bn) driven by increased investment in debt securities.

Performing Off-Balance sheet exposures increased by €33.3bn to €458.5bn (December 2023: €425.2bn) primarily due to increase in commitments.

Analysis of credit risk (continued)

Table 47: CR1-A - Maturity of exposures

This table shows the on- and off-balance sheet net credit risk exposures by residual contractual maturity, split by either loans and advances or debt securities. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		Net Exposure Value					Total
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	
As at 31 December 2024		£m	£m	£m	£m	£m	£m
1	Loans and advances	551,996	251,133	102,940	203,102	—	1,109,171
2	Debt securities	—	10,851	70,721	64,678	—	146,250
3	Total	551,996	261,984	173,661	267,780	—	1,255,421
As at 31 December 2023							
1	Loans and advances	482,517	283,695	93,296	208,444	—	1,067,952
2	Debt securities	—	23,818	59,162	47,536	—	130,516
3	Total	482,517	307,513	152,458	255,980	—	1,198,468

Loans and advances increased £41.2bn to £1,109bn (December 2023: £1,068bn) driven by increased off-balance sheet commitments and settlement balances.

Debt securities increased £15.7bn to £146.3bn (December 2023: £130.5bn) driven by increased investment in debt securities.

Table 48: 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.

		Gross carrying amount
As at 31 December 2024		£m
010	Initial stock of non-performing loans and advances	7,455
020	Inflows to non-performing portfolios	5,559
030	Outflows from non-performing portfolios	(966)
040	Outflows due to write-offs	(1,569)
050	Outflow due to other situations ¹	(2,852)
060	Final stock of non-performing loans and advances	7,627

Note

¹ Other situations include repayments, disposals and net increase in existing loans and debt securities.

Analysis of credit risk (continued)

Table 49: 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
		£m	£m	£m	£m	£m
As at 31 December 2024						
1	Loans and advances	434,492	429,818	418,354	11,464	278
2	Debt securities	145,133	1,150	814	336	
3	Total	579,625	430,968	419,168	11,800	278
4	<i>Of which non-performing exposures</i>	3,989	3,638	3,219	419	
5	<i>Of which defaulted</i>	3,989	3,634			
As at 31 December 2023						
1	Loans and advances	440,523	431,540	420,950	10,590	—
2	Debt securities	129,205	1,346	992	354	
3	Total	569,728	432,886	421,942	10,944	—
4	<i>Of which non-performing exposures</i>	3,490	3,965	3,391	574	—
5	<i>Of which defaulted</i>	3,476	3,955			

Unsecured loans and advances have decreased by £6bn to £434.5bn (December 2023: £440.5bn) driven by overall decrease in lending. Unsecured debt securities have increased by £15.9bn to £145.1bn (December 2023: £129.2bn) driven by increased investment in debt securities.

Analysis of credit risk (continued)

Table 50: CQ1 - Credit quality of forbore exposures

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

	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 forbore exposures		
	Non-performing forbore				On performing forbore exposures	On non-performing forbore exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures	
	Performing forbore		Of which defaulted	Of which impaired					
	£m	£m	£m	£m	£m	£m	£m	£m	
As at 31 December 2024									
5	Cash balances at central banks and other demand deposits								
	—	—	—	—	—	—	—	—	—
10	Loans and Advances								
	1,650	1,996	1,862	1,855	(155)	(435)	1,602	911	
20	Central banks								
	—	—	—	—	—	—	—	—	
30	General governments								
	—	1	1	1	—	—	—	—	
40	Credit institutions								
	—	—	—	—	—	—	—	—	
50	Other financial corporations								
	—	28	28	28	—	(20)	1	1	
60	Non-financial corporations								
	1,199	1,062	999	998	(33)	(165)	1,037	491	
70	Households								
	451	905	834	828	(122)	(250)	564	419	
80	Debt securities								
	—	—	—	—	—	—	—	—	
90	Loan commitments given								
	851	321	316	314	(5)	—	30	6	
100	Total								
	2,501	2,317	2,178	2,169	(160)	(435)	1,632	917	
As at 31 December 2023									
5	Cash balances at central banks and other demand deposits								
	—	—	—	—	—	—	—	—	
10	Loans and Advances								
	2,044	1,765	1,555	1,529	(165)	(340)	1,799	993	
20	Central banks								
	—	—	—	—	—	—	—	—	
30	General governments								
	—	1	1	1	—	—	—	—	
40	Credit institutions								
	—	—	—	—	—	—	—	—	
50	Other financial corporations								
	42	69	68	68	(1)	(14)	4	2	
60	Non-financial corporations								
	1,529	981	829	829	(49)	(141)	1,268	648	
70	Households								
	473	714	657	631	(115)	(185)	527	343	
80	Debt securities								
	—	—	—	—	—	—	—	—	
90	Loan commitments given								
	689	154	150	149	(7)	—	67	6	
100	Total								
	2,733	1,919	1,705	1,678	(172)	(340)	1,866	999	

Forbearance balances remained broadly stable at £ 4.8bn (December 2023 £4.7bn).

Analysis of credit risk (continued)

Table 51: CQ3 - Credit quality of performing and non-performing exposures by past due days

This table provides an overview of the credit quality of performing and non-performing exposures by past due days. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		Gross carrying amount/nominal amount											
		Performing exposures				Non-performing exposures							
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 year ≤ 5 years	Past due > 5 year ≤ 7 years	Past due > 7 years	Of which defaulted		
As at 31 December 2024		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
005	Cash balances at central banks and other demand deposits	209,127	209,127	—	—	—	—	—	—	—	—		
010	Loans and advances	647,556	646,159	1,397	7,627	3,155	1,327	1,831	426	745	48	95	7,623
020	Central banks	22,543	22,543	—	—	—	—	—	—	—	—	—	—
030	General governments	6,480	6,480	—	1	—	—	1	—	—	—	—	1
040	Credit institutions	47,321	47,321	—	31	—	—	22	9	—	—	—	31
050	Other financial corporations	276,795	276,784	11	116	91	6	6	3	10	—	—	116
060	Non-financial corporations	73,714	73,522	192	3,071	1,430	551	563	162	321	21	23	3,071
070	Of which SMEs	12,636	12,624	12	1,486	193	537	484	111	124	21	16	1,486
080	Households	220,703	219,509	1,194	4,408	1,634	770	1,261	239	405	27	72	4,404
090	Debt securities	146,283	146,283	—	—	—	—	—	—	—	—	—	—
100	Central banks	2,027	2,027	—	—	—	—	—	—	—	—	—	—
110	General governments	98,106	98,106	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	12,860	12,860	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	27,995	27,995	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	5,295	5,295	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	458,480			1,174								1,174
160	Central banks	711			—								—
170	General governments	2,159			—								—
180	Credit institutions	2,787			—								—
190	Other financial corporations	91,175			398								398
200	Non-financial corporations	176,393			619								619
210	Households	185,255			157								157
220	Total	1,461,446	1,001,569	1,397	8,801	3,155	1,327	1,831	426	745	48	95,000,000	8,797

Analysis of credit risk (continued)

Table 51: CQ3 - Credit quality of performing and non-performing exposures by past due days - continued

	Gross carrying amount/nominal amount											
	Performing exposures				Non-performing exposures							
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 year ≤ 5 years	Past due > 5 year ≤ 7 years	Past due > 7 years	Of which defaulted	
As at 31 December 2023	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
005 Cash balances at central banks and other demand deposits	223,949	223,949	—	—	—	—	—	—	—	—	—	—
010 Loans and advances	640,659	639,390	1,269	7,455	2,664	1,129	1,603	708	856	103	392	7,430
020 <i>Central banks</i>	23,251	23,251	—	—	—	—	—	—	—	—	—	—
030 <i>General governments</i>	6,204	6,204	—	1	1	—	—	—	—	—	—	1
040 <i>Credit institutions</i>	49,476	49,476	—	41	—	23	—	18	—	—	—	41
050 <i>Other financial corporations</i>	264,445	264,434	11	148	119	3	6	5	15	—	—	148
060 <i>Non-financial corporations</i>	77,861	77,707	154	2,535	1,005	327	357	407	359	33	47	2,535
070 <i>Of which SMEs</i>	14,698	14,685	13	1,346	270	249	273	261	220	33	40	1,346
080 <i>Households</i>	219,422	218,318	1,104	4,730	1,539	776	1,240	278	482	70	345	4,705
090 Debt securities	130,551	130,551	—	—	—	—	—	—	—	—	—	—
100 <i>Central banks</i>	1,762	1,762	—	—	—	—	—	—	—	—	—	—
110 <i>General governments</i>	89,702	89,702	—	—	—	—	—	—	—	—	—	—
120 <i>Credit institutions</i>	13,088	13,088	—	—	—	—	—	—	—	—	—	—
130 <i>Other financial corporations</i>	19,188	19,188	—	—	—	—	—	—	—	—	—	—
140 <i>Non-financial corporations</i>	6,811	6,811	—	—	—	—	—	—	—	—	—	—
150 Off-balance-sheet exposures	425,184			1,037								1,037
160 <i>Central banks</i>	665			—								—
170 <i>General governments</i>	1,798			15								15
180 <i>Credit institutions</i>	3,207			—								—
190 <i>Other financial corporations</i>	80,290			543								543
200 <i>Non-financial corporations</i>	174,273			287								287
210 <i>Households</i>	164,951			192								192
220 Total	1,420,344	993,890	1,269	8,492	2,664	1,129	1,603	708	856	103	392	8,467

Analysis of credit risk (continued)

Table 52: 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.

As at 31 December 2024	Gross carrying/Nominal amount				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
	of which: non-performing			of which: subject to impairment			
	£m	£m	£m				
On-balance sheet exposures	1,017,346	7,627	7,623	820,436	(5,261)		—
UNITED KINGDOM	445,500	4,313	4,313	416,639	(2,026)		—
UNITED STATES	294,155	2,172	2,172	187,303	(2,797)		—
FRANCE	63,293	268	268	60,137	(53)		—
GERMANY	38,469	8	8	36,699	(12)		—
JAPAN	20,693	0	0	13,965	(1)		—
SINGAPORE	13,975	17	17	5,828	(5)		—
ITALY	12,319	74	70	8,423	(35)		—
Other Countries ¹	128,942	775	775	91,442	(332)		—
Off-balance sheet exposures	459,654	1,174	1,174			(438)	
UNITED STATES	268,539	282	282			(263)	
UNITED KINGDOM	118,551	345	345			(107)	
GERMANY	11,856	32	32			(9)	
FRANCE	6,516	55	55			(7)	
LUXEMBOURG	6,414	1	1			(8)	
IRELAND	4,766	—	—			(3)	
Other Countries ¹	43,012	459	459			(41)	
Total	1,477,000	8,801	8,797	820,436	(5,261)	(438)	—
As at 31 December 2023							
On balance sheet exposures	1,012,349	7,455	7,431	803,867	(5,914)		—
UNITED KINGDOM	463,122	3,767	3,766	424,466	(1,979)		—
UNITED STATES	276,090	1,951	1,951	170,184	(3,113)		—
FRANCE	58,395	226	226	51,418	(63)		—
GERMANY	49,089	15	15	46,373	(15)		—
JAPAN	27,817	0	0	19,345	(1)		—
CANADA	12,622	2	2	7,857	(6)		—
ITALY	11,906	619	596	8,557	(369)		—
Other Countries	113,308	875	875	75,667	(368)		—
Off-balance sheet exposures	426,221	1,037	1,037			(504)	
UNITED STATES	248,788	118	118			(296)	
UNITED KINGDOM	100,194	315	315			(117)	
GERMANY	11,950	35	35			(7)	
FRANCE	6,567	1	1			(6)	
LUXEMBOURG	6,507	3	3			(7)	
IRELAND	6,136	2	2			(4)	
SWITZERLAND	4,385	3	3			(2)	
Other Countries	41,694	560	560			(65)	
Total	1,438,570	8,492	8,468	803,867	(5,914)	(504)	—

Notes

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

Analysis of credit risk (continued)

Table 53: 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 corporation by industry types. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures	
	of which: non-performing			of which: loans and advances subject to impairment			
	£m	£m	£m				£m
As at 31 December 2024							
010	Agriculture, forestry and fishing	3,521	484	484	3,518	(88)	—
020	Mining and quarrying	1,496	1	1	1,483	(8)	—
030	Manufacturing	7,054	246	246	6,691	(143)	—
040	Electricity, gas, steam and air conditioning	2,469	3	3	2,454	(11)	—
050	Water supply	979	331	331	821	(78)	—
060	Construction	2,650	83	83	2,597	(59)	—
070	Wholesale and retail trade	7,011	172	172	6,560	(108)	—
080	Transport and storage	1,649	105	105	1,639	(26)	—
090	Accommodation and food service activities	3,466	184	184	3,368	(64)	—
100	Information and communication	5,421	369	369	5,087	(94)	—
110	Financial and insurance activities	556	10	10	544	(4)	—
120	Real estate activities	22,674	489	489	20,039	(126)	—
130	Professional, scientific and technical	2,271	81	81	2,165	(42)	—
140	Administrative and support service activities	4,109	86	86	3,799	(56)	—
150	Public administration and defense, compulsory social security	403	—	—	210	—	—
160	Education	2,392	49	49	1,527	(12)	—
170	Human health services and social work	3,006	98	98	2,872	(40)	—
180	Arts, entertainment and recreation	1,219	48	48	1,219	(25)	—
190	Other services	4,439	232	232	4,418	(89)	—
200	Total	76,785	3,071	3,071	71,011	(1,073)	—
As at 31 December 2023							
010	Agriculture, forestry and fishing	3,709	319	319	3,707	(105)	—
020	Mining and quarrying	1,992	4	4	1,760	(13)	—
030	Manufacturing	8,272	235	235	7,193	(152)	—
040	Electricity, gas, steam and air conditioning	2,986	2	2	2,971	(8)	—
050	Water supply	946	7	7	946	(5)	—
060	Construction	3,156	96	96	3,121	(65)	—
070	Wholesale and retail trade	6,330	172	172	6,236	(125)	—
080	Transport and storage	1,826	58	58	1,786	(49)	—
090	Accommodation and food service activities	3,738	245	245	3,635	(53)	—
100	Information and communication	5,304	114	114	5,121	(121)	—
110	Financial and insurance activities	580	11	11	578	(6)	—
120	Real estate activities	22,531	645	645	19,290	(200)	—
130	Professional, scientific and technical	2,547	76	76	2,547	(44)	—
140	Administrative and support service activities	4,732	89	89	4,467	(69)	—
150	Public administration and defense, compulsory social security	489	—	—	439	—	—
160	Education	2,783	38	38	1,796	(16)	—
170	Human health services and social work	3,097	90	90	2,992	(58)	—
180	Arts, entertainment and recreation	1,228	47	47	1,228	(21)	—
190	Other services	4,150	287	287	4,141	(85)	—
200	Total	80,396	2,535	2,535	73,954	(1,195)	—

Total gross carrying amount decreased by £3.6bn to £76.8bn (December 2023: £80.4bn) primarily due to repayments.

Analysis of credit risk (continued)

Table 54: CQ7 - Collateral obtained by taking possession and execution processes

This table provides an overview of foreclosed assets obtained from non-performing exposures. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
		€m	€m
As at 31 December 2024			
010	Property, plant and equipment (PP&E)	—	—
020	Other than PP&E	15	(2)
030	Residential immovable property	9	—
040	Commercial Immovable property	—	—
050	Movable property (auto, shipping, etc.)	—	—
060	Equity and debt instruments	—	—
070	Other collateral	6	(2)
080	Total	15	(2)
As at 31 December 2023			
010	Property, plant and equipment (PP&E)	—	—
020	Other than PP&E	8	(2)
030	Residential immovable property	3	—
040	Commercial Immovable property	—	—
050	Movable property (auto, shipping, etc.)	—	—
060	Equity and debt instruments	—	—
070	Other collateral	5	(2)
080	Total	8	(2)

Analysis of counterparty credit risk

This section details Barclays' counterparty credit risk profile, focusing on regulatory measures such as exposure at default and risk weighted assets. The risk profile is analysed by financial contract type, approach and notional value.

CCR RWAs are primarily generated by the following IFRS account classifications: financial assets designated at fair value; derivative financial instruments; reverse repurchase agreements and other similar secured lending.

CVA has been included as part of the CCR RWAs disclosures.

Key Metrics

Total RWAs

£49.8bn

(2023: £44.7bn)

Analysis of counterparty credit risk

Table 55: 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 (excluding central clearing counterparties) and the main parameters used within each method.

	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
As at 31 December 2024	€m	€m	€m		€m	€m	€m	€m
1 SA-CCR (for derivatives)	1,670	4,854		1.4	18,473	9,132	9,132	4,856
2 IMM (for derivatives and SFTs)			74,761	1.4	135,617	104,666	104,470	31,186
2a Of which securities financing transactions netting sets			36,722			51,411	51,411	8,089
2b Of which derivatives and long settlement transactions netting			38,039		135,617	53,255	53,059	23,097
4 Financial collateral comprehensive method (for SFTs)					76,988	20,129	20,129	8,417
6 Total					231,078	133,927	133,731	44,459
As at 31 December 2023								
1 SA-CCR (for derivatives)	1,810	3,493		1.4	14,722	7,421	7,421	3,753
2 IMM (for derivatives and SFTs)			67,251	1.4	122,913	94,384	94,152	26,673
2a Of which securities financing transactions netting sets			34,270			47,979	47,979	6,271
2b Of which derivatives and long settlement transactions netting			32,981		122,913	46,405	46,173	20,402
4 Financial collateral comprehensive method (for SFTs)					71,265	18,624	18,624	9,030
6 Total					208,900	120,429	120,197	39,456

CCR RWAs increased by £5.0bn to £44.5bn (December 2023: £39.5bn) primarily due to increased client trading activity within Global Markets.

Analysis of counterparty credit risk (continued)

Table 56: 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.

Exposure classes		Risk weight											Total exposure value
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	others	
As at 31 December 2024		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1	Central governments or central banks	1,829	—	—	—	—	4	—	—	27	—	—	1,859
2	Regional government or local authorities	242	—	—	—	2	—	—	—	—	—	—	245
3	Public sector entities	—	—	—	—	420	—	—	—	58	—	—	479
4	Multilateral development banks	443	—	—	—	27	1	—	—	—	—	—	470
5	International organisations	1,030	—	—	—	—	—	—	—	—	—	—	1,030
6	Institutions	—	27,771	—	—	1,967	2,171	—	—	18	—	—	31,927
7	Corporates	—	—	—	—	154	400	—	—	18,133	2	—	18,690
8	Retail	—	—	—	—	—	—	—	—	—	—	—	—
9	Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—
10	Other items	—	—	—	—	—	—	—	—	—	3	—	3
11	Total exposure value	3,544	27,771	—	—	2,570	2,576	—	—	18,236	5	—	54,702
As at 31 December 2023													
1	Central governments or central banks	2,938	—	—	—	—	2	—	—	65	—	—	3,005
2	Regional government or local authorities	375	—	—	—	2	—	—	—	1	—	—	378
3	Public sector entities	—	—	—	—	201	1	—	—	—	—	—	202
4	Multilateral development banks	436	—	—	—	13	—	—	—	—	—	—	449
5	International organisations	831	—	—	—	—	—	—	—	—	—	—	831
6	Institutions	—	24,764	—	—	844	548	—	—	12	—	—	26,168
7	Corporates	—	—	—	—	60	282	—	—	16,653	7	—	17,002
8	Retail	—	—	—	—	—	—	—	—	—	—	—	—
9	Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—
10	Other items	—	—	—	—	—	—	—	—	—	7	—	7
11	Total exposure value	4,580	24,764	—	—	1,120	833	—	—	16,731	14	—	48,042

CCR EAD increased by £6.7 bn to £54.7bn (December 2023: £48.0bn) primarily driven by increased client trading activity.

Analysis of counterparty credit risk (continued)

IRB obligor grade disclosure

The following tables show counterparty credit risk exposure at default post-CRM for the IRB approach for portfolios within both the trading and banking books. Separate tables are provided for the following exposure classes: central governments and central banks (table 57), institutions (table 58), corporates (table 59).

Table 57: CCR4 – IRB approach – CCR exposures by portfolio and PD range for central governments and central banks

PD scale	Exposure value	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
As at 31 December 2024	€m	%		%		€m	%
1 0.00 to <0.15	11,175	0.0%	46	52.0%	1	704	6.3%
2 0.15 to <0.25	13	0.2%	2	45.0%	1	3	25.7%
3 0.25 to <0.50	612	0.3%	9	48.6%	1	224	36.6%
4 0.50 to <0.75	1	0.7	1	45.0	1	—	70.2%
5 0.75 to <2.50	257	1.1%	3	45.0%	1	197	76.7%
6 2.50 to <10.00	23	7.0%	3	52.3%	1	48	208.7%
7 10.00 to <100.00	1	18.1%	2	59.2%	1	2	345.2%
8 100.00 (Default)	—	—	—	—	—	—	—
Total	12,082	0.1%	66	51.7%	1	1,178	9.7%
As at 31 December 2023							
1 0.00 to <0.15	13,166	0.0%	48	49.7%	1	862	6.5%
2 0.15 to <0.25	312	0.2%	3	45.1%	1	111	35.7%
3 0.25 to <0.50	251	0.3%	6	51.3%	1	99	39.4%
4 0.50 to <0.75	—	—	—	—	—	—	—
5 0.75 to <2.50	72	1.5%	4	45.1%	1	64	88.3%
6 2.50 to <10.00	1	5.4%	2	45.1%	1	2	159.9%
7 10.00 to <100.00	—	19.8%	2	61.6%	1	1	361.5%
8 100.00 (Default)	—	—	—	—	—	—	—
Total	13,802	—	65	49.6%	1	1,139	8.3%

The RWA density associated with central government and central banks increased by 1.4% to 9.7% (December 2023: 8.3%) primarily driven by increase in trading activities within mid PD bands.

Table 58: CCR4 – IRB approach – CCR exposures by portfolio and PD range for institutions

PD scale	Exposure value	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
As at 31 December 2024	€m	%		%		€m	%
1 0.00 to <0.15	25,122	0.0%	564	46.7%	1	4,586	18.3%
2 0.15 to <0.25	904	0.2%	66	46.4%	1	387	42.8%
3 0.25 to <0.50	1,721	0.3%	83	47.8%	1	941	54.7%
4 0.50 to <0.75	31	0.6%	14	43.2%	1	20	65.1%
5 0.75 to <2.50	917	1.7%	92	47.6%	1	723	78.9%
6 2.50 to <10.00	49	3.1%	30	46.8%	1	65	132.2%
7 10.00 to <100.00	11	17.1%	15	33.6%	1	16	141.5%
8 100.00 (Default)	—	100.0 %	1	55.4 %	1	—	692.2%
Total	28,755	0.1%	865	46.7%	1	6,738	23.4%
As at 31 December 2023							
1 0.00 to <0.15	23,572	0.1%	575	46.8%	1	4,587	19.5%
2 0.15 to <0.25	980	0.2%	82	45.5%	2	442	45.1%
3 0.25 to <0.50	953	0.3%	84	48.9%	1	579	60.8%
4 0.50 to <0.75	861	0.6%	24	45.1%	1	472	54.8%
5 0.75 to <2.50	609	1.8%	82	48.2%	1	431	70.7%
6 2.50 to <10.00	138	8.0%	44	45.8%	1	243	176.2%
7 10.00 to <100.00	7	18.0%	17	35.2%	1	11	153.8%
8 100.00 (Default)	—	100.0%	2	47.9%	3	—	228.1%
Total	27,120	0.2%	910	46.8%	1	6,765	24.9%

The RWA density associated with institutions decreased by 1.5% to 23.4% (December 2023: 24.9%) driven by increased trading activity within lower PD bands.

Analysis of counterparty credit risk (continued)

Table 59: CCR4 – IRB approach – CCR exposures by portfolio and PD range for corporates

PD scale	Exposure value	Exposure weighted average PD	Number of obligors	Exposure weighted average LGD	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount	
	£m	%		%		£m	%	
As at 31 December 2024								
1	0.00 to <0.15	53,407	0.1%	5,568	44.7%	1	7,801	14.6%
2	0.15 to <0.25	6,418	0.2%	757	44.9%	2	2,708	42.2%
3	0.25 to <0.50	2,948	0.3%	437	48.3%	2	1,939	65.8%
4	0.50 to <0.75	352	0.6%	114	46.3%	2	289	82.1%
5	0.75 to <2.50	1,203	1.3%	354	46.0%	1	1,129	93.8%
6	2.50 to <10.00	1,380	5.7%	296	35.7%	2	2,021	146.4%
7	10.00 to <100.00	167	20.9%	147	42.4%	2	337	201.4%
8	100.00 (Default)	138	100.0%	25	27.6%	5	316	229.6%
Total	66,013	0.5%	7,698	44.7%	1	16,540	25.1%	
As at 31 December 2023								
1	0.00 to <0.15	45,727	0.1%	5,844	45.7%	1	7,017	15.3%
2	0.15 to <0.25	4,280	0.2%	572	35.2%	2	1,428	33.4%
3	0.25 to <0.50	1,870	0.3%	371	38.0%	2	1,051	56.2%
4	0.50 to <0.75	818	0.6%	177	42.0%	2	630	77.0%
5	0.75 to <2.50	1,932	1.3%	352	35.6%	2	1,696	87.8%
6	2.50 to <10.00	1,112	5.2%	310	40.8%	2	1,843	165.8%
7	10.00 to <100.00	204	16.7%	168	39.4%	2	426	208.2%
8	100.00 (Default)	1	100.0%	12	52.0%	3	6	528.3%
Total	55,944	0.3%	7,806	44.1%	1	14,097	25.2%	

The RWA density associated with corporates remained broadly stable at 25.1% (December 2023: 25.2%).

Table 60: 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 (Central Counterparty or Central Clearing Counterparties).

	Collateral used in derivative transactions				Collateral used in SFTs		
	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received	Fair value of posted collateral	
	Segregated	Unsegregated	Segregated	Unsegregated			
	£m	£m	£m	£m	£m	£m	
As at 31 December 2024							
1	Cash ¹	—	75,325	—	38,545	—	1,681
2	Debt	26,344	21,868	14,599	8,056	830,163	820,054
3	Equity	6,895	—	3,484	—	290,846	264,012
4	Others	707	1,053	373	542	41,761	15,000
5	Total	33,946	98,246	18,456	47,143	1,162,770	1,100,747
As at 31 December 2023							
1	Cash	—	90,471	—	85,415	—	3,501
2	Debt	15,930	20,063	3,404	4,635	847,208	854,893
3	Equity	5,372	1	2,954	—	235,214	231,815
4	Others	130	1,053	—	97	21,423	12,119
5	Total	21,432	111,588	6,358	90,147	1,103,845	1,102,328

Note

¹ December 2024 reflects lower collateral due to the exclusion of settled collateral (and the associated MTM) on Settled-to-Market derivative transactions.

Analysis of counterparty credit risk (continued)

Table 61: CCR6 - Credit derivatives exposures

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

	Protection bought		Protection sold	
	As at 31 December 2024	As at 31 December 2023	As at 31 December 2024	As at 31 December 2023
	£m	£m	£m	£m
Notionals				
1 Single-name credit default swaps	186,708	172,362	204,991	189,798
2 Index credit default swaps	389,812	355,391	339,389	311,363
3 Total return swaps	6,082	4,564	2,938	5,245
4 Credit options	52,878	65,155	27,960	53,514
5 Other credit derivatives	—	—	—	—
6 Total notionals	635,480	597,472	575,278	559,920
Fair value				
7 Positive fair value (asset)	4,792	3,172	11,073	11,918
8 Negative fair value (liability)	(14,881)	(14,041)	(1,441)	(1,770)

Table 62: CCR8 - Exposures to CCPs

This table provides a breakdown of exposures and RWAs to CCPs.

	As at 31 December 2024		As at 31 December 2023	
	Exposure value	RWEA	Exposure value	RWEA
	£m	£m	£m	£m
1 Exposures to QCCPs (total)		2,183		1,678
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	17,679	354	10,067	201
3 (i) OTC derivatives	7,384	148	3,526	71
4 (ii) Exchange-traded derivatives	7,606	152	4,672	93
5 (iii) SFTs	2,689	54	1,869	37
6 (iv) Netting sets where cross-product netting has been approved	—	—	—	—
7 Segregated initial margin	680	—	1,150	—
8 Non-segregated initial margin	10,092	202	14,697	294
9 Prefunded default fund contributions	6,543	1,627	4,880	1,183
10 Unfunded default fund contributions	13,774	—	12,045	—
11 Exposures to non-QCCPs (total)	—	79	—	23
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	71	71	23	23
13 (i) OTC derivatives	39	39	—	—
14 (ii) Exchange-traded derivatives	—	—	—	—
15 (iii) SFTs	32	32	23	23
16 (iv) Netting sets where cross-product netting has been approved	—	—	—	—
17 Segregated initial margin	—	—	—	—
18 Non-segregated initial margin	8	8	—	—
19 Prefunded default fund contributions	—	—	—	—
20 Unfunded default fund contributions	—	—	—	—

Analysis of counterparty credit risk (continued)

Table 63: CCR2 - Transactions subject to own funds requirements for CVA risk

Credit valuation adjustment (CVA) capital charge		Exposure Value	RWEA
		£m	£m
As at 31 December 2024			
1	Total transactions subject to the Advanced method	27,187	2,260
2	(i) VaR component (including the 3× multiplier)		484
3	(ii) stressed VaR component (including the 3× multiplier)		1,776
4	Transactions subject to the Standardised method	3,131	759
5	Total transactions subject to own funds requirements for CVA risk	30,318	3,019
As at 31 December 2023			
1	Total transactions subject to the Advanced method	19,287	2,753
2	(i) VaR component (including the 3× multiplier)		686
3	(ii) stressed VaR component (including the 3× multiplier)		2,067
4	Transactions subject to the Standardised method	1,962	640
5	Total transactions subject to own funds requirements for CVA risk	21,249	3,393

Analysis of market risk

This section contains key disclosures describing Barclays' market risk profile, including regulatory as well as management measures. This includes risk weighted assets by major business lines, as well as Value at Risk measures.

Market risk RWAs are primarily generated by the following IFRS account classifications: Trading portfolio assets and liabilities; and derivative financial instruments.

Key Metrics

Total RWAs

£36.8bn

(2023: £40.8bn)

Analysis of market risk (continued)

Business scenario stresses

As part of the Group's risk management framework, on a regular basis, the performance of the trading business in hypothetical scenarios characterised by severe macroeconomic conditions is modelled. Up to seven global scenarios are modelled on a regular basis, for example, a sharp deterioration in liquidity, a slowdown in the global economy, global recession, and a sharp increase in economic growth.

In 2024, the scenario analyses showed that the largest market risk related impacts would be due to a severe deterioration in financial liquidity and an associated global recession.

Review of regulatory measures

The following disclosures provide details of the regulatory measures of market risk. Refer to pages 158 and 159 of this report for more detail on regulatory measures and the differences when compared to management measures.

Barclays Group's market risk capital requirement comprises of two elements:

- the market risk of trading book positions booked to legal entities are measured under a PRA approved internal models approach, including Regulatory VaR, SVaR, IRC and CRM as required; and
- 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. Refer to Table 67 'MR2-A Market risk under the internal Model Approach' on page 95 for a breakdown of capital requirements by approach.

Table 64: MR3 - IMA values for trading portfolios

	Period-end	Avg.	Max	Min
	£m	£m	£m	£m
As at 31 December 2024				
Regulatory VaR- 1 day	40	35	59	24
Regulatory VaR- 10 day ¹	125	109	185	75
SVaR - 1 day	116	95	119	66
SVaR - 10 day ¹	366	299	377	209
IRC	386	480	655	315
As at 31 December 2023				
Regulatory VaR- 1 day	37	46	63	29
Regulatory VaR- 10 day ¹	118	146	200	93
SVaR - 1 day	113	88	117	63
SVaR - 10 day ¹	359	278	369	199
IRC	430	297	452	184

Note

¹ 10-day VaR results reported above are based on 1-day VaR multiplied by the square root of 10.

Average Regulatory VaR decreased principally due to lower volatility and credit spread levels in 2024, as inflation continued to decline and central banks continued to cut rates.

Average SVaR has remained stable over the period.

IRC: The increase in IRC is due to higher default exposure in the Credit business during the period.

Analysis of market risk (continued)

Table 65: Breakdown of the major regulatory risk measures by portfolio¹

	Macro	Equities	Credit	Securitised Products	Cross Markets	Fixed Income Financing	Banking	Barclays Group Treasury
As at 31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m
Regulatory VaR- 1 day	21	25	18	4	5	2	2	16
Regulatory VaR - 10 day ²	65	80	58	12	17	7	7	52
SVaR- 1 day	71	56	36	9	9	5	2	41
SVaR- 10 day	223	179	112	28	28	16	5	131
IRC	152	25	431	11	79	3	0	4
As at 31 December 2023								
Regulatory VaR- 1 day	32	13	14	5	9	3	—	10
Regulatory VaR - 10 day ²	100	40	43	17	28	8	1	31
SVaR- 1 day	43	51	22	11	17	11	1	31
SVaR- 10 day	136	161	70	36	54	34	3	96
IRC	162	134	417	60	111	1	1	2

Notes

- The table above shows the primary portfolios which are driving the trading businesses' modelled capital requirement as at 2024 year-end. The standalone portfolio results diversify at the total level and are not additive. Regulatory VaR, SVaR and IRC in the prior table show the diversified results at a Group level.
- 10-day VaR results reported above are based on 1-day VaR multiplied by the square root of 10.

Analysis of market risk (continued)

Table 66: MR1 – Market risk under the standardised approach

This table shows the RWAs and capital requirements for standardised market risk split between outright products, options and securitisation.

	As at 31 December 2024		As at 31 December 2023	
	RWEAs		RWEAs	
	€m		€m	
Outright products				
1 Interest rate risk (general and specific)		5,859		7,380
2 Equity risk (general and specific)		2,875		3,494
3 Foreign exchange risk		1,294		1,217
4 Commodity risk		—		—
Options				
5 Simplified approach		—		—
6 Delta-plus approach		1,358		900
7 Scenario approach		337		286
8 Securitisation (specific risk)		1,007		1,624
9 Total		12,730		14,901

Standardised market risk RWAs decreased by €2.2bn to €12.7bn (December 2023: €14.9bn) due to trading activity.

Table 67: MR2-A – Market risk under the internal Model Approach (IMA)

This table shows RWAs 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.

	As at 31 December 2024		As at 31 December 2023	
	Own funds requirements		Own funds requirements	
	€m		€m	
1 VaR (higher of values a and b)	4,171	334	4,244	340
(a) Previous day's VaR (VaRt-1)		173		175
(b) Multiplication factor (mc) x average of previous 60 working days (VaRavg)		334		340
2 SVaR (higher of values a and b)	10,019	802	11,208	897
(a) Latest available SVaR (SVaRt-1)		518		593
(b) Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		802		897
3 IRC (higher of values a and b)	5,397	432	6,181	494
(a) Most recent IRC measure		404		494
(b) 12 weeks average IRC measure		432		427
4 Comprehensive risk measure (higher of values a, b and c)	—	—	—	—
(a) Most recent risk measure of comprehensive risk measure		—		—
(b) 12 weeks average of comprehensive risk measure		—		—
(c) Comprehensive risk measure Floor		—		—
5 Other	4,526	361	4,227	338
6 Total	24,113	1,929	25,860	2,069

Modelled market risk RWAs decreased by €1.7bn to €24.1bn (December 2023: €25.9bn) primarily due to SVaR and IRC.

Analysis of securitisation exposures

This section shows the credit and counterparty credit risks arising from securitisation positions.

Securitisation positions are subject to a distinct regulatory framework and are therefore disclosed separately.

Key Metrics

Total RWAs

£23.1bn

(2023: £17.7bn)

Analysis of securitisation exposures

Table 68: 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.

	Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
	Traditional		Synthetic				Traditional				Traditional				
	STS	Non-STS					STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total	
	of which SRT	of which SRT ¹	of which SRT	Sub-total	of which SRT	Sub-total	STS	Non-STS	Synthetic	Sub-total	STS	Non-STS	Synthetic	Sub-total	
As at 31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 Total exposures	3,178	—	43,768	528	48,381	48,381	95,327	115	11,053	—	11,168	3,631	48,064	—	51,695
2 Retail (total)	3,178	—	16,503	493	—	—	19,681	115	11,053	—	11,168	3,631	12,440	—	16,071
3 Residential mortgage	140	—	9,219	483	—	—	9,359	115	1,160	—	1,275	3,431	8,057	—	11,488
4 Credit card	1,950	—	7,274	—	—	—	9,224	—	—	—	—	—	18	—	18
5 Other retail exposures	1,088	—	10	10	—	—	1,098	—	9,893	—	9,893	200	4,365	—	4,565
6 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7 Wholesale (total)	—	—	27,265	35	48,381	48,381	75,646	—	—	—	—	—	35,624	—	35,624
8 Loans to corporates	—	—	23,933	—	45,945	45,945	69,878	—	—	—	—	—	23,248	—	23,248
9 Commercial mortgage	—	—	3,257	35	—	—	3,257	—	—	—	—	—	8,851	—	8,851
10 Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—	346	—	346
11 Other wholesale	—	—	75	—	2,436	2,436	2,511	—	—	—	—	—	3,179	—	3,179
12 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
As at 31 December 2023															
1 Total exposures	482	—	43,594	4,266	47,441	47,441	91,517	5	9,024	—	9,029	2,168	34,488	—	36,656
2 Retail (total)	482	—	17,084	4,214	—	—	17,566	5	9,024	—	9,029	2,168	8,532	—	10,700
3 Residential mortgage	482	—	7,678	4,135	—	—	8,160	5	1,112	—	1,117	1,968	5,533	—	7,501
4 Credit card	—	—	8,147	—	—	—	8,147	—	—	—	—	—	—	—	—
5 Other retail exposures	—	—	1,259	79	—	—	1,259	—	7,912	—	7,912	200	2,999	—	3,199
6 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7 Wholesale (total)	—	—	26,510	52	47,441	47,441	73,951	—	—	—	—	—	25,956	—	25,956
8 Loans to corporates	—	—	23,438	—	44,867	44,867	68,305	—	—	—	—	—	16,615	—	16,615
9 Commercial mortgage	—	—	3,072	52	—	—	3,072	—	—	—	—	—	5,655	—	5,655
10 Lease and receivables	—	—	—	—	—	—	—	—	—	—	—	—	1,625	—	1,625
11 Other wholesale	—	—	—	—	2,574	2,574	2,592	—	—	—	—	—	2,061	—	2,061
12 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

The total securitisation exposures in the banking book, where the Group is the Originator has increased by £3.8bn to £95.3bn (December 2023: £91.5bn) primarily driven by traditional securitisations of retail exposures and synthetic securitisations of corporate loans where Barclays retained the notes.

The total securitisation exposures in the banking book, where the Group is the Sponsor has increased by £2.1bn to £11.2bn (December 2023: £9bn) primarily due to an increase in business activity.

The total securitisation exposures in the banking book, where the Group is the Investor has increased by £15.0bn to £51.7bn (December 2023: £36.7bn) primarily due to an increase in senior lending.

Analysis of securitisation exposures (continued)

Table 70: 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 institution acts as originator or as sponsor.

	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%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions		
	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m		
As at 31 December 2024																			
1 Total exposures	49,062	13,602	1,992	226	26	51,163	10,390	3,356	—	11,209	2,160	615	—	897	173	19	—		
2 Traditional transactions	12,827	3,414	353	119	0	2,990	10,390	3,333	—	833	2,160	609	—	67	173	19	—		
3 Securitisation	12,827	3,414	353	119	0	2,990	10,390	3,333	—	833	2,160	609	—	67	173	19	—		
4 Retail underlying	10,612	2,444	258	76	—	2,990	7,501	2,898	—	833	1,465	534	—	67	117	13	—		
5 <i>Of which STS</i>	243	—	—	—	—	—	115	128	—	—	11	13	—	—	1	1	—		
6 Wholesale	2,215	970	95	43	—	—	2,889	435	—	—	695	75	—	—	56	6	—		
7 <i>Of which STS</i>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
8 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
9 Synthetic transactions	36,235	10,188	1,639	107	26	48,173	—	23	—	10,376	—	6	—	830	—	—	—		
10 Securitisation	36,235	10,188	1,639	107	26	48,173	—	23	—	10,376	—	6	—	830	—	—	—		
11 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
12 Wholesale	36,235	10,188	1,639	107	26	48,173	—	23	—	10,376	—	6	—	830	—	—	—		
13 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
As at 31 December 2023																			
1 Total exposures	58,284	1,148	749	246	—	47,512	8,313	4,602	—	8,850	1,829	797	—	708	146	64	—		
2 Traditional transactions	11,712	600	629	121	—	147	8,313	4,602	—	22	1,829	797	—	2	146	64	—		
3 Securitisation	11,712	600	629	121	—	147	8,313	4,602	—	22	1,829	797	—	2	146	64	—		
4 Retail underlying	9,784	186	323	105	—	147	6,139	4,112	—	22	1,253	724	—	2	100	58	—		
5 <i>Of which STS</i>	459	—	—	—	—	—	5	454	—	—	—	45	—	—	—	4	—		
6 Wholesale	1,928	414	306	16	—	—	2,174	490	—	—	576	73	—	—	46	6	—		
7 <i>Of which STS</i>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
8 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
9 Synthetic transactions	46,572	548	120	125	—	47,365	—	—	—	8,828	—	—	—	706	—	—	—		
10 Securitisation	46,572	548	120	125	—	47,365	—	—	—	8,828	—	—	—	706	—	—	—		
11 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
12 Wholesale	46,572	548	120	125	—	47,365	—	—	—	8,828	—	—	—	706	—	—	—		
13 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		

The total securitisation exposures in the banking book, where the Group is the Originator or as Sponsor has increased by €4.5bn to €64.9bn (December 2023: €60.4bn) and RWA increased by €2.5bn to €14.0bn (December 2023: €11.5bn) primarily driven by securitisation of originated assets where Barclays retained the senior notes.

Analysis of securitisation exposures (continued)

Table 71: 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 institution acts as investor.

	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%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m		
As at 31 December 2024																			
1 Total exposures	46,147	4,370	1,062	114	1	3,747	1,345	46,601	1	932	257	7,861	10	75	21	623	1		
2 Traditional transactions	46,147	4,370	1,062	114	1	3,747	1,345	46,601	1	932	257	7,861	10	75	21	623	1		
3 Securitisation	46,147	4,370	1,062	114	1	3,747	1,345	46,601	1	932	257	7,861	10	75	21	623	1		
4 Retail underlying	14,666	935	319	12	1	—	1,180	14,753	1	—	219	2,433	9	—	18	189	1		
5 <i>Of which STS</i>	3,631	—	—	—	—	—	200	3,431	—	—	20	343	—	—	2	27	—		
6 Wholesale	31,481	3,435	743	102	—	3,747	165	31,848	0	932	38	5,428	1	75	3	434	0		
7 <i>Of which STS</i>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
8 Re-securitisation	—	—	—	—	0	—	—	—	0	—	—	—	0	—	—	—	0		
9 Synthetic transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
10 Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
11 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
12 Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
13 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
As at 31 December 2023																			
1 Total exposures	34,285	1,935	327	108	—	1,523	902	34,230	—	611	167	5,365	1	49	13	429	—		
2 Traditional transactions	34,285	1,935	327	108	—	1,523	902	34,230	—	611	167	5,365	1	49	13	429	—		
3 Securitisation	34,285	1,935	327	108	—	1,523	902	34,230	—	611	167	5,365	1	49	13	429	—		
4 Retail underlying	9,893	802	4	—	—	—	525	10,175	—	—	88	1,572	1	—	7	126	—		
5 <i>Of which STS</i>	2,168	—	—	—	—	—	200	1,968	—	—	20	197	—	—	2	16	—		
6 Wholesale	24,392	1,133	323	108	—	1,523	377	24,055	—	611	79	3,793	—	49	6	303	—		
7 <i>Of which STS</i>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
8 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
9 Synthetic transactions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
10 Securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
11 Retail underlying	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
12 Wholesale	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
13 Re-securitisation	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		

The total securitisation exposures in the banking book, where the Group is the Investor has increased by £15.0bn to £51.7bn (December 2023: £36.7bn) primarily due to an increase in investments.

Analysis of securitisation exposures(continued)

Table 72: SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

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

As at 31 December 2024		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
		€m	€m	
1	Total exposures	163,353	3,056	107
2	Retail (total)	53,562	1,583	107
3	residential mortgage	29,584	1,479	—
4	credit card	11,275	25	107
5	other retail exposures	11,288	76	—
6	re-securitisation	1,415	3	—
7	Wholesale (total)	109,791	1,473	—
8	loans to corporates	74,925	217	—
9	commercial mortgage	31,795	1,150	—
10	lease and receivables	—	—	—
11	other wholesale	3,071	106	—
12	re-securitisation	—	—	—
As at 31 December 2023				
1	Total exposures	154,468	2,846	—
2	Retail (total)	48,063	1,943	—
3	residential mortgage	28,999	1,747	—
4	credit card	8,147	45	—
5	other retail exposures	9,418	148	—
6	re-securitisation	1,499	3	—
7	Wholesale (total)	106,405	903	—
8	loans to corporates	73,427	209	—
9	commercial mortgage	29,847	524	—
10	lease and receivables	—	—	—
11	other wholesale	3,131	170	—
12	re-securitisation	—	—	—

The total exposures of securitised assets, where the Group acts as either originator or sponsor, increased by £8.9bn to £163.3bn (December 2023: £154.5bn) primarily driven by traditional securitisations of retail exposures and synthetic securitisations of corporate loans.

Analysis of operational risk

This section contains details of capital requirements for operational risk, expressed as RWAs, and an analysis of the Group's operational risk profile, including events which have had a significant impact in 2024.

Barclays group applies TSA for operational risk regulatory capital purposes

Total RWAs

£48.6bn

(2023: £45.6bn)

Summary of performance in the period

During 2024, total operational risk losses reduced to £124m (2023: £141m) while the number of recorded events for 2024 (2,395) decreased from the level for 2023 (2,925). The total operational risk losses for the year were mainly driven by events falling within the Execution, Delivery & Process Management and External Fraud categories, which tend to be high volume but low impact events.

Key Metrics in 2024

86%

of Barclays Group's net reportable operational risk events had a loss value of £50,000 or less

35%

of losses are from events aligned to Execution, Delivery and Process Management

84%

of events by number are due to External Fraud

44%

of losses are from events aligned to External Fraud

Analysis of operational risk

Table 73: OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

The following table details the Group's operational risk RWAs. Barclays has approval from the PRA to calculate its operational risk capital requirement using TSA.

See pages 180 to 185 for information on operational risk management.

		Relevant indicator			Own funds requirements	Risk weighted exposure amount
		Year-3	Year-2	Last year		
		£m	£m	£m	£m	£m
As at 31 December 2024						
Banking activities						
1	Banking activities subject to basic indicator approach (BIA)	—	—	—	—	—
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	25,733	26,492	27,167	3,889	48,607
3	Subject to TSA:	25,733	26,492	27,167		
4	Subject to ASA:	—	—	—		
5	Banking activities subject to advanced measurement approaches AMA	—	—	—	—	—
As at 31 December 2023						
1	Banking activities subject to basic indicator approach (BIA)	—	—	—	—	—
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	22,353	25,237	25,930	3,645	45,558
3	Subject to TSA:	22,353	25,237	25,930		
4	Subject to ASA:	—	—	—		
5	Banking activities subject to advanced measurement approaches AMA	—	—	—	—	—

Operational risk RWAs increased by €3.0bn to €48.6bn (December 2023: €45.6bn) primarily driven by the inclusion of higher 2024 USCB and Barclays UK income compared to 2021 and the acquisition of Tesco Bank.

Capital set aside for operational risk is intended to cover the losses resulting from human errors, inadequate or failed internal processes and systems or external events. To assess minimum capital requirements for operational risk, the standardised approach (TSA) is applied. Under TSA, banks are required to hold regulatory capital for operational risk equal to the annual average, calculated over a rolling three-year period, of the relevant income indicator, multiplied by a conversion percentage factor specific to business lines in accordance with the regulatory requirements.

Analysis of operational risk (continued)

Operational risk profile

Within operational risk, there are a large number of smaller value risk events. In 2024, 86% (2023: 83%) of the Group's reportable operational risk events by volume had a value of less than £50,000 each. Cumulatively, events under this £50,000 threshold accounted for only 31% (2023: 34%) of the Group's total net operational risk losses. A small proportion of operational risk events have a material impact on the financial results of the Group.

Operational risk events by BASEL event category¹

The analysis below presents the Group's operational risk events by Basel event category:



Note

¹ The data disclosed includes operational risk losses for reportable events having net impact of > £10,000 and excludes events that are compliance or legal risk, aggregate and boundary events. A boundary event is an operational risk event that results in a credit risk impact. Due to the nature of risk events that keep evolving, prior year losses have been updated.

- External Fraud remains the category with the highest frequency of events at 84% of total events in 2024 (2023: 85%). Impacts from events arising from External Fraud increased slightly in 2024 to £54m (2023: £82m) and accounted for 44% of total 2024 losses (2023: 58%). In this category, high volume, low value events are driven by transactional fraud often related to debit and credit card usage. Note: total External Fraud losses in 2024 including those from events with impact <£10,000 amounted to £171m (2023: £189m)
- Execution, Delivery and Process Management impacts decreased to £44m (2023: £55m) and accounted for 35% (2023: 39%) of total operational risk losses. The events in this category are typical of the banking industry as a whole where high volumes of transactions are processed on a daily basis, mapping mainly to Barclays Transaction Operations risk type. The overall frequency of events in this category remained stable at 16% of total events by volume (2023: 14%)
- Damage to physical assets increased to 21% of losses by value in 2024 (2023 1%) primarily as a result of Barclays branches being targeted by protesters

Investment continues to be made in improving the control environment across the Group. Specific areas of focus include new and enhanced fraud prevention systems and tools to combat the increasing level of fraud attempts being made whilst minimising disruption to genuine transactions. Fraud remains an industry wide threat and the Group continues to work closely with external partners on various prevention initiatives. Additionally, the Group continues to invest in its processing infrastructure to manage the risk of processing errors as well as ensuring scalability of operations.

Operational Resilience remains a key area of focus for the Group, having been reinforced in recent years due to potential operational disruption from the COVID-19 pandemic. The Group continues to strengthen its resilience approach across its most important business services to improve recoverability and assurance thereof by reviewing scenarios based on current global climates.

Operational risk associated with cybersecurity remains a top focus for the Group. The sophistication of threat actors continues to grow as noted by multiple external risk events observed throughout the year. Ransomware attacks across the global Barclays supplier base were observed and we worked closely with the affected suppliers to manage potential impacts to the Group and its clients and customers. The Group's cybersecurity events were managed within its risk tolerances and there were no material loss events associated with cybersecurity recorded within the event categories above.

For further information, refer to the operational risk management section.

Risk management strategy, governance and risk culture

In this section we describe the approaches and strategies for managing risks at Barclays Group. It contains information on how risk management functions are organised, how they maintain their independence and foster a sound risk culture throughout the Barclays Group. Detail on the Enterprise Risk Management Framework (ERMF) and the roles and responsibilities in the management of risk explain how management systems are suitably robust with regard to the Group's profile and strategy.

The Enterprise Risk Management Framework (ERMF) sets out the tools, techniques and organisational arrangements to enable material risks to be identified and understood, see pages 106 to 107

A discussion of how our risk management strategy is designed to foster a sound risk culture is contained on pages 109 to 111

A governance structure, encompassing the organisation of the function as well as executive and Board committees, supports the continued application of the ERMF. This is discussed in pages 108 to 109

Page 111 describe group-wide risk management tools that support risk management, the Barclays Group ExCo and the Board in discharging their responsibilities, and how they are applied in the strategic planning cycle

Risk management strategy, governance and risk culture

Barclays Group's risk management strategy

This section introduces the Barclays Group's approach to managing and identifying risks, and for fostering a sound risk culture.

Enterprise Risk Management Framework (ERMF)

The ERMF governs the way in which the Group identifies and manages its risks. It outlines the highest level arrangements for risk management by setting out standards, objectives and key responsibilities of different groups of employees of the Group. It is approved by the Barclays PLC Board on recommendation of the Group Board Risk Committee and Group Chief Risk Officer.

The ERMF sets out:

- principal risks faced by the Group, which guides the organisation of risk management processes
- risk appetite requirements: This helps define the level of risk we are willing to undertake in our business
- risk management and segregation of duties: The ERMF clearly defines a Three Lines of Defence model
- roles and responsibilities for key risk management and governance structure: The accountabilities of the Group CEO, Group CRO, General Counsel and other senior managers, as well as overview of Barclays PLC committees

The ERMF is complemented by frameworks, policies and standards that are mainly aligned to individual principal risks:

- frameworks cover high level principles guiding the management of principal risks, and set out details of which policies are needed, and high level governance arrangements
- policies set out the control objectives and high level requirements to address the key principles articulated in their associated frameworks. Policies state what those within scope are required to do
- standards set out the detail of the control requirements to ensure the control objectives set by the policies are met

Segregation of duties - the 'Three Lines of Defence' model

The ERMF sets out clear lines of defence model. All colleagues are responsible for understanding and managing risks within the context of their individual roles and responsibilities, as set out below

- The first line comprises all employees engaged in the revenue generating and client facing areas of the Group and all associated support functions, including Finance, Operations, Treasury, Human Resources, etc. The first line is responsible for identifying and managing the risks in which they are engaged, operating within applicable limits, and escalating risk events or issues as appropriate. Employees in the first line have primary responsibility for their risks and their activities are subject to oversight from the relevant parts of the second and third lines
- The second line comprises the Risk and Compliance functions. The role of the second line is to establish the limits, rules and constraints, and the frameworks, policies and standards under which all activities shall be performed, consistent with the risk appetite of the Group, and to oversee the performance of the Group against these limits, rules and constraints. Controls for first line activities, will ordinarily be established by the control officers operating within the control framework of the firm. These will remain subject to oversight by the second line
- The third line of defence is Internal Audit, and is responsible for providing independent assurance over the effectiveness of governance, risk management and controls over current, systemic and evolving risks
- The Legal function provides support to all areas of the bank and is not formally part of any of the three lines of defence. The Legal function is responsible for proactively identifying, communicating and providing legal advice on applicable laws, rules and regulations. Except in relation to the legal advice it provides or procures, it is subject to second line oversight with respect to its own operational and compliance risks, as well as with respect to the legal risk to which the bank is exposed

Tesco Bank acquisition

On 1 November 2024, the Group completed the acquisition of Tesco Bank which includes credit cards, unsecured personal loans, deposits and the operating infrastructure. Following the acquisition, the acquired Tesco Bank business continues to operate largely within its own risk framework, with dispensations in place for material divergences from existing Group policy requirements. Any subsequent changes to the Tesco Bank approach will be part of integration planning activity.

Risk management strategy, governance and risk culture (continued)

Principal risks

The ERMF identifies ten principal risks, namely: credit risk, market risk, treasury and capital risk, climate risk, operational risk, model risk, compliance risk, financial crime risk, reputation risk and legal risk. In 2024, financial crime risk was elevated to a principal risk, effective from 1 January 2025. Previously, financial crime risk was managed as part of compliance risk. Recognising the increased external threat of financial crime, this change will enhance transparency and visibility of financial crime risk within the Group and reinforce independent assessment, management and oversight of financial crime risk. Refer page 294 in Barclays PLC Annual Report for more information on financial crime risk.

Each of the principal risks is overseen by an accountable executive within the Group who is responsible for overseeing and/or assigning responsibilities for the framework, policies and standards that set out associated responsibilities and expectations, and detail the related requirements around risk management. In addition, certain risks span across more than one principal risk.

The following table summarises the principal risks and their definitions.

Principal Risks

- **Credit Risk:** The risk of loss to the Group from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to the Group, including the whole and timely payment of principal, interest, collateral and other receivables.
- **Market Risk:** The risk of loss arising from potential adverse changes in the value of the Group's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.
- **Treasury and Capital Risk:**
 - **Liquidity Risk:** The risk that the Group is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.
 - **Capital Risk:** The risk that the Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments or stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This also includes the risk from the Group's pension plans.
 - **Interest Rate Risk in the Banking Book:** The risk that the Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities. This also includes Credit Spread Risk in the Banking Book (CSRBB); the risk that the firm is exposed to capital or income volatility because of changes in credit spreads on its (non-traded) assets and liabilities.
- **Climate Risk:** The risk of financial losses arising from climate change through physical risks and risks associated with transitioning to a lower carbon economy.
- **Operational Risk:** The risk of loss to the Group from inadequate or failed processes or systems, human factors or due to external events where the root cause is not due to Credit or Market risks.
- **Model Risk:** The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.
- **Compliance Risk:** The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the firm's products and services (also known as 'Conduct Risk') and the risk to Barclays, its clients, customers or markets from a failure to comply with the laws, rules and regulations applicable to the firm (also known as Laws, Rules and Regulations Risk 'LRR Risk').
- **Financial Crime Risk:** The risk that the firm and its associated persons (employees or third parties) commit or facilitate financial crime, and/or the firm's products and services are used to facilitate financial crime. Financial Crime undermines market integrity and may result in:
 - Harm to clients, customers, counterparties or employees;
 - Diminished confidence in financial products and services;
 - Damage to the firm's reputation;
 - Regulatory breaches; and/or financial penalties.
- **Reputation Risk:** The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the firm's integrity and/or competence.
- **Legal Risk:** The risk of loss or imposition of penalties, damages or fines from the failure of the firm to meet applicable laws, rules and regulations or contractual requirements or to assert or defend its intellectual property rights.

Risk appetite

Risk appetite is defined as the level of risk which the Group is prepared to accept in carrying out its activities. It provides a basis for ongoing dialogue between management and Board with respect to the Group's current and evolving risk profile, allowing strategic and financial decisions to be made on an informed basis.

Risk appetite is approved by the Barclays PLC Board in aggregate and disseminated across legal entities and businesses, supported by limits to enable and control specific exposures and activities that have material concentration risk implications.

Risk management strategy, governance and risk culture (continued)

Roles and responsibilities in the management of risk

Certain roles within the Group carry specific responsibilities and accountabilities with respect to risk management and the ERMF. These include the following:

- **Group Chief Executive Officer (CEO):** The Group CEO is accountable for leading the development of the Group's strategy and business plans that align to the Group's Purpose, Values and Mindset within the approved Risk Appetite. The CEO also leads, manages and organises the Executive Management to execute the strategy and business plans, and manages the Group's financial and operational performance within the approved Risk Appetite. Importantly, the Group CEO appoints senior risk owners including the Group Chief Risk Officer, the Group Chief Compliance Officer, the Group General Counsel, and relevant members of Executive Management
- **Group Chief Risk Officer (CRO):** The Group CRO leads the Risk Function across Barclays Group. In addition to developing and maintaining the ERMF, specific accountabilities of the Group CRO include:
 - management of the risk appetite setting processes including preparing and recommending to the Barclays PLC Board Risk Committee the Group risk appetite, and its allocation to the trading entities (Barclays Bank UK PLC and Barclays Bank PLC)
 - development, operation and maintenance of a comprehensive risk management framework to monitor and manage the risk profile against the approved Risk Appetite. This includes oversight of the following principal risks: Credit Risk, Market Risk Operational Risk, Climate Risk, Model Risk and Operational Risk
 - use mandate to identify and assign actions to be taken by management to comply with the ERMF and remain within Risk Appetite. This extends to suspending or stopping decisions as necessary
 - provision of accurate, transparent and timely reporting of the risk profile of Barclays.
 - bringing a risk perspective to compensation decisions
 - final approval of lending or investing decisions either directly or via delegated authority
- **Group Chief Compliance Officer:** The Group Chief Compliance Officer is accountable to the Group CEO to lead the Compliance Function. Specific accountabilities include:
 - leadership and oversight of the Compliance function for the Group
 - overseeing that the Group's compliance, financial crime and reputation risks are effectively managed and escalated to the Board where appropriate
 - ownership of, and monitoring compliance with, the Reputation Risk Management Framework (RRMF), Financial Crime Risk Management Framework (FCRMF) and Compliance Risk Management Framework (CRMF) within the Bank;
 - inputting into compensation structures, objectives and performance management of employees who can expose the Group to significant risk;
 - oversight of the whistleblowing process within the Group; and
 - using mandate to access any part of the legal entity and any information, bringing to the attention of line and senior management or the Board, as appropriate, any situation that is of concern from a compliance or reputation risk management perspective that could materially violate the approved risk appetite guidelines
- **Group General Counsel:** The Group General Counsel receives delegated authority from the Group CEO and is required to:
 - develop and maintain the Legal Risk Management Framework, define legal Risk Policies, and develop the Group-wide risk appetite for legal risk
 - oversee that the Legal function discharges its responsibilities under other Risk Frameworks, including its responsibility to proactively identify, communicate and provide legal advice on applicable laws, rules and regulations
 - escalate any unresolved Legal Risk concerns directly to the Group CEO, and/or Chair of appropriate Board Committees
- **Group Chief Controls Officer:** The Chief Controls Office, led by the Group Chief Controls Officer, sits in the first line of defence and is responsible for overseeing the practical implementation of operational, compliance and reputation risk controls and methodologies across the Group. To that end the Chief Controls Officer defines a control framework and oversees its execution. The control framework directs businesses to manage risk exposure within approved operational risk appetites, to record risk events and issues, and to complete risk and control self-assessments

Senior Managers Regime

A number of members of the Barclays PLC Board, the majority of the Group Executive Committee and a limited number of specified senior individuals are also subject to additional rules included within the Senior Managers Regime (SMR), which clarifies their accountability and responsibilities. Those designated with a Senior Manager Function under the SMR are held to four specific rules of conduct in which they must:

- take reasonable steps to establish that the business of the Group for which they are responsible is controlled effectively
- take reasonable steps to establish that the business of the Group for which they are responsible complies with relevant regulatory requirements and standards of the regulatory system
- take reasonable steps to make certain that any delegation of their responsibilities is to an appropriate individual and that they oversee the discharge of the delegated responsibilities effectively
- disclose appropriately any information to the FCA or PRA, of which they would reasonably expect notice

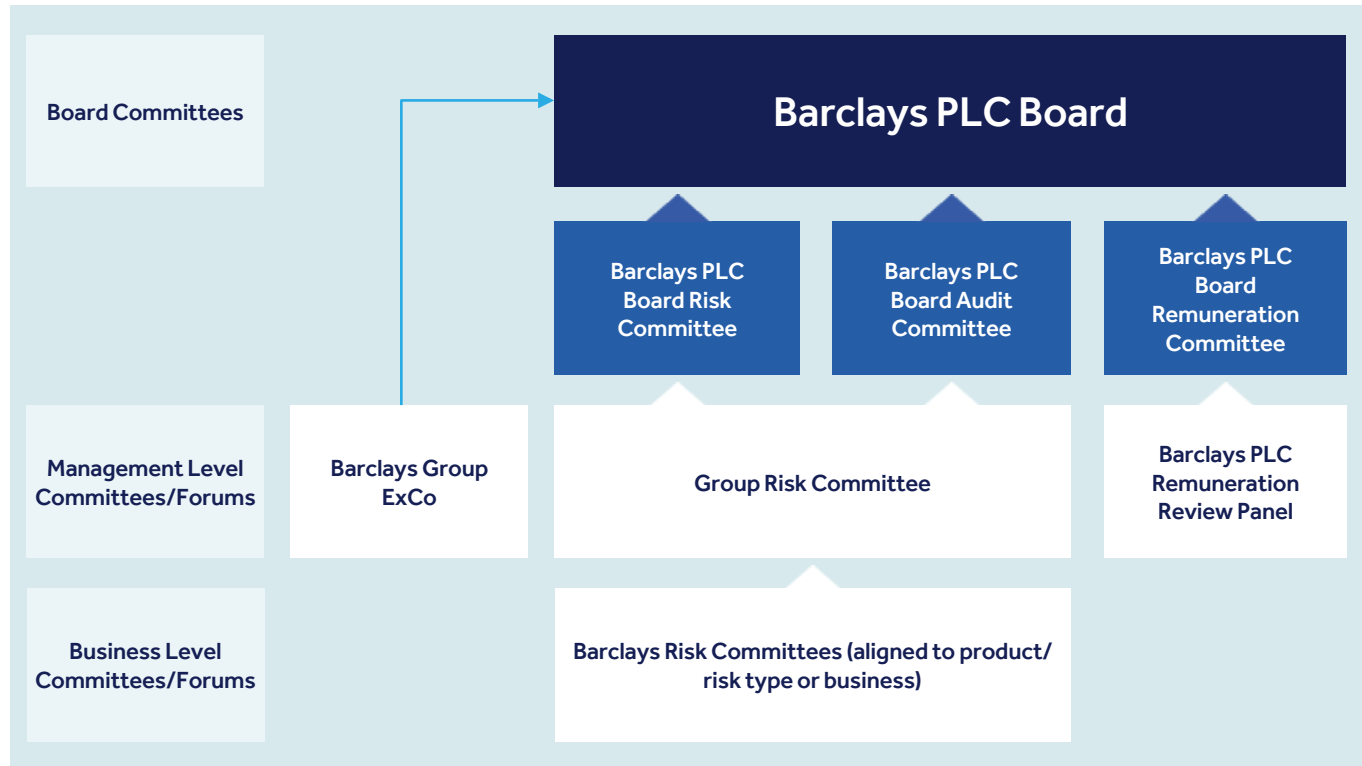
Risk management strategy, governance and risk culture (continued)

Risk committees

Various committees also fulfil important roles and responsibilities. Barclays' various risk committees consider risk matters relevant to their business, and escalate as required to the Group Risk Committee (GRC), whose Chair, in turn, escalates to the Barclays PLC Board Risk Committee and the Barclays PLC Board.

The Barclays PLC Board receives regular information on the risk profile of the bank, and has ultimate responsibility for risk appetite and capital plans.

In addition to setting the risk appetite of the Group, the Board is responsible for approving the ERMF, and reviewing reputation risk matters.



Further, there are two Board-level committees which oversee the application of the ERMF and implementation of key aspects, the Barclays PLC Board Risk Committee (BRC) and the Barclays PLC Board Audit Committee (BAC). Membership of these committees is comprised solely of non-executive directors providing independent oversight and challenge. Additionally, the Barclays PLC Board Remuneration Committee oversees pay practices focusing on aligning pay to sustainable performance.

- The Barclays PLC Board Risk Committee (BRC): The BRC monitors the Group's risk profile against the agreed appetite. Where actual performance differs from expectations, the actions taken by management are reviewed to ascertain that the BRC is comfortable with them. The BRC also reviews certain key risk methodologies, the effectiveness of risk management, and the Group's risk profile, including the material issues affecting each business portfolio and forward risk trends. The committee also commissions in-depth analyses of significant risk topics, which are presented by the Group CRO or senior risk managers
- The Barclays PLC Board Audit Committee (BAC): The BAC receives regular reports on the effectiveness of internal control systems, quarterly reports on material control issues of significance, and quarterly papers on accounting judgements, including a review of the adequacy of impairment allowances
- The Barclays PLC Board Remuneration Committee (RemCo): The RemCo receives proposals on ex-ante and ex-post risk adjustments to variable remuneration based on risk management performance including events, issues and the wider risk profile. These inputs are considered in the setting of performance incentives

The terms of reference and additional details on membership and activities for each of the principal Board committees are available from the corporate governance section of the Barclays website at: [//home.barclays/who-we-are/our-governance/board-committees/](https://home.barclays/who-we-are/our-governance/board-committees/)

The GRC is the most senior executive body responsible for reviewing and monitoring the risk profile of the Group. This includes coverage of all principal risks (with the exception of reputation risk matters), and any other material risks, to which the Group is exposed. The GRC reviews and recommends the proposed risk appetite and associated limits to the BRC. The committee covers all business units and legal entities with the Group and incorporates specific coverage of Barclays Bank PLC Group.

Risk management strategy, governance and risk culture (continued)

Coverage of risk reports to executive and Board risk committees

Chairs of Risk Committees at executive and Board levels specify the information they require to discharge their duties. Advance committee calendars are agreed with the committee chair. Topics that are regularly covered include:

- risk profile, across types
- risk appetite, results of stress tests and perspective on medium-term plans and strategy
- political and economic developments, and their potential impacts on Barclays and its customers
- impacts of key market developments on the risk profile of the Group
- risk management approaches and their effectiveness

Reports are presented by appropriate members of senior management, including CROs and heads of businesses. Occasionally subject matter experts are delegated to present specific topics of interest. Report presenters are responsible for following processes for creating reports that include appropriate controls and that these controls are operated effectively.

Frameworks, policies and standards

Frameworks, policies and standards set out the governance around Barclays' activities:

- frameworks cover high level principles guiding the management of principal risks, and set out details of what policies are needed, and high level governance arrangements
- policies set out the control objectives and high level requirements to address the key principles articulated within their associated frameworks. Policies state 'what' those within scope are required to do
- standards set out the detail of the control requirements to ensure the control objectives set by the policies are met

The Barclays Group CRO is accountable for the development and implementation of frameworks, policies and associated standards for credit, market, treasury and capital, climate, operational and model risks. The Group Chief Compliance Officer is likewise accountable for compliance risk and reputation risk, and the Group General Counsel for legal risk in relation to the relevant frameworks, policies and associated standards. The Group CRO and Group Chief Compliance Officer have the right to require amendments to any frameworks, policies or standards in the Group, for any reason.

Frameworks, policies and standards are subject to annual review, and challenge by the relevant functions.

Assurance

Assurance is undertaken to assess the control environment. The Controls Assurance and Controls Testing Standard defines the requirements for controls assurance and controls testing.

The Risk function carries out conformance reviews to assess the implementation of, and adherence to, principal risk framework and component policies. Similar activities are undertaken in the first line by the Chief Controls Office in respect of certain policies, standards, controls, or processes.

Internal Audit is responsible for the independent review of risk management and the control environment. Its objective is to provide reliable, valued and timely assurance to the Board and executive management over the effectiveness of controls, mitigating current and evolving material risks and thus enhancing the control culture within the Group. The Board Audit Committee reviews and approves Internal Audit's plans and resources, and evaluates the effectiveness of Internal Audit. An assessment by independent external advisers is also carried out periodically.

Learning from our mistakes

Learning from mistakes is central to Barclays' values and mindset, demonstrating a commitment to excellence and taking accountability for failure as well as success. The Group seeks to learn lessons on a continuous basis to support achievement of strategic objectives, increase operational excellence and to meet commitments to stakeholders, including colleagues, customers, shareholders and regulators.

Barclays has implemented a lessons learned process, setting out requirements for the completion of lessons learned assessments in response to internal and external risk events. The approach is aligned to the Three Lines of Defence model (see page 106), with businesses and functions accountable for undertaking lessons learned assessments; the second line providing oversight and challenge; and independent review by Internal Audit.

Core components of the lessons learned approach include:

- defined triggers for when lessons learned assessments must be completed
- requirements and guidance for the completion of root cause analysis to identify the causes of risk events impacting the Group
- standardised templates to report conclusions consistently to relevant management forums and committees
- use of a central system to record completed lessons learned assessments and to facilitate sharing across the Group

Risk management strategy, governance and risk culture (continued)

Barclays' risk culture

Risk culture can be defined as the norms, attitudes and behaviours related to risk awareness, risk taking and risk management. This is reflected in how the Group identifies, escalates and manages risk matters.

Barclays is committed to maintaining a robust risk culture in which:

- management expect, model and reward the right behaviours from a risk and control perspective; and
- colleagues identify, manage and escalate risk and control matters, and meet their responsibilities around risk management.

The Group CEO works with the Executive Management to embed a sound risk culture within the firm, with particular regard to the identification, escalation and management of risk matters, in accordance with the ERMF. This is supported by our Purpose, Values and Mindset, as well as by setting a standard of consistent excellence. Specifically, all employees regardless of their positions, functions or locations must play their part in the Group's risk management. Employees are required to be familiar with risk management policies which are relevant to their responsibilities, know how to escalate actual or potential risk issues, and have a role-appropriate level of awareness of the risk management process as defined by the ERMF.

Our Code of Conduct – the Barclays Way

Globally, all colleagues must attest to the 'Barclays Way', our Code of Conduct, and comply with all frameworks, policies and standards applicable to their roles. The Code of Conduct outlines the Purpose, Values and Mindset which govern our 'Barclays Way' of working across our business globally. It constitutes a reference point covering all aspects of colleagues' working relationships, and provides guidance on working with other Barclays employees, customers and clients, governments and regulators, business partners, suppliers, competitors and the broader community. See <://home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/> for more details.

Group-wide risk management tools

To support Group-wide management of risks, the Board uses risk appetite, mandate and scale, and stress testing as key inputs in the annual planning cycle, including setting of the Group's strategy. The following describes in further detail Group-wide risk management tools used as part of this process.

Risk appetite

Risk appetite is defined as the level of risk which the Group is prepared to accept in carrying out its activities.

Risk appetite provides a basis for ongoing dialogue between management and Board with respect to the Group's current and evolving risk profile and enables strategic and financial decisions to be made on an informed basis.

Thus, the risk appetite setting process aims to consider the material risks Barclays is exposed to under its business plans.

The risk appetite aims to:

- specify the level of risk we are willing to take to enable specific risk taking activities;
- consider all principal risks individually and, where appropriate, in aggregate; and
- consistently communicate the acceptable level of risk for different risk types.

Risk appetite is approved by the Board and must be formally reviewed at least annually in conjunction with the Medium Term Planning (MTP) process.

Risk appetite is formally expressed by the Board as the acceptable level of deterioration in a set of key financial parameters under a severe but plausible stress scenario defined as the internal stress test. For 2024, the key financial parameters are listed below.

Measure relevant to strategy and risk	Link between strategy and risk profile
Profit after tax	Avoids short term performance that could impact confidence of regulators, liquidity providers, investors and other stakeholders.
Common Equity Tier 1 (CET1)	Monitors capital adequacy in relation to capital plan, targets and regulatory hurdle rates.
Liquidity Constraint	Monitors and protects the liquidity position of the bank and its ability to meet financial obligations under normal conditions and in a stress.

Based on the specified risk appetite, the Group develops both stress loss and mandate & scale limits to control specific activities.

Climate risk became a principal risk in 2022 and therefore Barclays' strategic plans and risk appetite must support Barclays' ambition to reduce emissions to net zero by 2050.

Measure relevant to strategy and risk	Link between strategy and risk profile
Climate Risk	Protects the long term climate ambitions of the bank and its ability to meet disclosed targets.

Stress loss limits

Stress loss limits are derived from the results of the internal stress test. Limits are a reflection of the losses absorbed by the stressed capital plans within risk appetite and provide a crucial link between the strategic planning process and risk appetite. Stress loss limits are conservatively assumed to be additive but in practice stresses may not happen at the same time. Risk management may over-allocate stress loss limits where they deem it unlikely all businesses will require full limit utilisation at the same time. Aggregate utilisation across all risk types is monitored against both the aggregate of stress loss limits and losses absorbed by the stressed capital plan. It is the role of Risk to manage the over-allocation within capital constraints.

Risk management strategy, governance and risk culture (continued)

Mandate and scale

Mandate and scale exposure controls is a risk management approach that seeks to formally review and control business activities to make sure that they are within mandate (i.e. aligned with expectations), and are of an appropriate scale (relative to the risk and reward of the underlying activities) based on an appropriately detailed system of controls. The use of controls (e.g. limits and triggers) helps mitigate the risk of concentrations that could be out of line with expectations, and which may lead to unexpected losses of a scale detrimental to the stability of the relevant business line or the Group.

For example, for leveraged finance and commercial property finance portfolios, there are series of limits in place to control exposure within each business and geographic sector. To further align limits to the underlying risk characteristics, the mandate and scale limits differentiate between types of exposure. There are, for example, individual limits for property investment and property development.

The most material stress loss and mandate and scale limits are designated as A-level (Board level) and B-Level (Group level). All B-level and lower limits are set by the Risk function. Business limits are approved by the relevant business risk teams and are reportable to the relevant risk committee. Unapproved excesses of limits may result in performance management and disciplinary consequences. All limits are subject to escalation and governance requirements.

There is explicit identification of the exposures that are captured by limits and any material exclusion must be agreed. Limits are reviewed at least annually. The factors taken into consideration when setting the limit include:

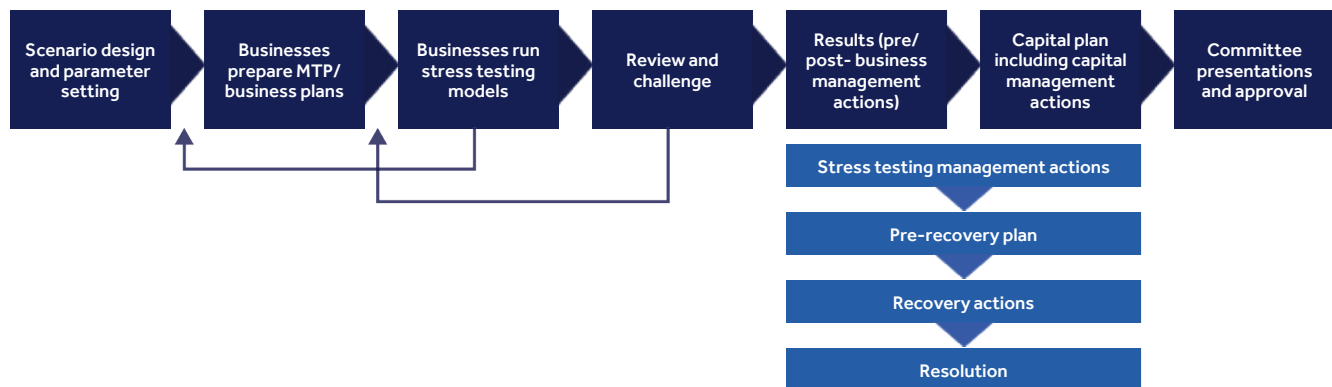
- the Group risk appetite
- current exposure/MTP forecasts
- risk return considerations
- senior risk management judgement

Internal stress testing

Group-wide stress tests are integrated within the MTP process and annual review of risk appetite. They aim to check that the Group's financial position and risk profile provide sufficient resilience to withstand the impact of severe economic stress, allowing the Group to make changes to plans as necessary. The Group-wide stress testing process is supported by a Capital Stress Testing Standard which sets out the minimum control requirements and defines clear roles and responsibilities across businesses and central functions. The results also feed into the Group's internal capital adequacy assessment process (ICAAP).

The following diagram outlines the key steps in the Group-wide stress testing process.

Stress Testing Process



The Group-wide stress testing process begins with a detailed scenario setting process, with the GRC and BRC agreeing the scenario themes to be tested. The scenarios are designed to be severe but plausible, and relevant to the business. A wide range of macroeconomic parameters are defined (such as GDP, unemployment, house prices, FX and interest rates), which allows the impact of the scenarios across the wide range of products and portfolios to be assessed across the Group.

Businesses prepare detailed MTP business plans which form the baseline for the stress test assessment. The stress test process aims to support this level of complexity, using bottom-up analysis across all of our businesses including both on- and off-balance sheet positions, and combines running statistical models with expert judgement. An overview of the stress testing approach by Principal Risk is provided in the following section. As part of their stress test assessments, businesses are also required to identify potential management actions that could be taken to mitigate the impact of stress and document these within their results.

The governance process in place includes a detailed review of stress testing methodology, assumptions, judgements, results and management actions within each business (including sign-off by business CROs and CFOs) and by central functions.

The businesses stress test results are consolidated to form a Group view which is used to assess the stress impact on the Group's capital plans. For the latter, capital management actions such as reducing dividends or redeeming certain capital instruments may be considered. The Group also maintains recovery plans which take into consideration actions to facilitate recovery from severe stress or an orderly resolution. These actions are additional to those included in Group-wide stress testing results.

The overall stress testing results are reviewed and signed off by the Board, following review by the Stress Testing Steering Committee, the GRC and the BRC.

Summary of methodologies for Group-wide stress testing by risk type is shown below.

Risk management strategy, governance and risk culture (continued)

Risk Type	Stress testing approach
Credit risk	<ul style="list-style-type: none"> ▪ Credit risk impairment: Retail portfolios businesses primarily use statistical models to establish a relationship between IFRS 9 impairment loss levels and key macroeconomic parameters such as GDP, HPI and unemployment, incorporating credit quality migration analysis to estimate stressed levels. In addition, house price reductions (for mortgages), increased customer drawdowns (for revolving facilities) and higher interest rates impacting customer affordability lead to higher losses which also contribute to increased impairment levels. Wholesale portfolios also use statistical models to establish the stress shocks on IFRS9 credit risk drivers (PDs, LGDs and EADs) and are primarily calibrated using historical and expected relationships with key macro-economic parameters such as GDP, CPPI and oil prices. Additionally key consideration are given to high risk sectors such as leverage lending • Credit risk weighted assets: The impact of the scenarios is calculated via a combination of business volumes, SRTs and using similar factors to impairment drivers above, as well as the regulatory calculation and the level of pro-cyclicality of underlying regulatory credit risk models. Additionally, upcoming regulatory changes are included in the calculation
Counterparty Credit risk	<ul style="list-style-type: none"> • Counterparty credit risk losses: The scenarios include market risk shocks that are applied to determine the market value (Stressed Exposure) under stress of contracts that give rise to counterparty credit risk (CCR). Counterparty losses, including from changes to the Credit Valuation Adjustment and from idiosyncratic defaults, are modelled based on the impact of these shocks as well as using stressed credit risk drivers (PDs and LGDs). The same approach is used to stress the market value of assets held as available for sale or at fair value in the banking book • Counterparty Credit Risk RWA: The scenario market risk shocks are applied to determine the market value (Stressed Exposure) of contracts under stress in line with the losses process and the credit risk MEVs (Market Economic Variables) and models are used to determine the underlying PDs and LGDs. This combination of stressed metrics are applied to the regulatory calculations alongside any regulatory changes
Market risk	<ul style="list-style-type: none"> ▪ Trading book losses: Market risk factors on the balance sheet are stressed using specific market risk shocks (same as used for the CCR analysis, above). The severity of the shocks applied are dependent on the liquidity of the market under stress, e.g. illiquid less liquid positions are assumed to have a longer holding period than positions in liquid markets
Risk Type	Stress testing approach
Income and Costs	<p>The stress projections for income and cost apply projection methodologies utilising either modelled or judgement based approaches</p> <ul style="list-style-type: none"> • Impact on net interest income is driven by stressed margins, which depend on the level of interest rates under stress as well as funding costs, and on stressed balance sheet volumes. This can be partly mitigated by management actions that may include repricing of variable rate products, taking into account interbank lending rates under stress • Net Trading Income (NTI) stress impacts consist of two key components. The modelled impact of various risk stresses on trading book activity will directly impact the NTI account. Additionally change in client activity is also modelled for each business area which has a corresponding impact on revenue earned on intermediation and liquid financing flows that will be reported in NTI. This can be further impacted by management actions whereby select types of client activity may be reduced to conserve capital deployed with a corresponding impact on reducing NTI • Non-interest income stress impacts are primarily driven by lower projected business volumes and hence lower income from fees and commissions • The impact on costs is mainly driven by business volumes, exchange rates, and inflation with management actions to partly offset profit reductions (due to impairment increases and decreases in income) such as headcount reductions and lower performance costs

Risk management strategy, governance and risk culture (continued)

Risk Type	Stress testing approach
Capital and Management Actions	<ul style="list-style-type: none"> The stress testing methodology for Capital Risk considers all modelled risk impacts as part of the stress scenario. The scenario includes various management actions in response to the worsening economic and commercial position. These actions consider the trigger framework that forms part of the Management Actions Standard. Scenario outputs enable an assessment of key capital and leverage flightpaths, including CET1. The results are considered against internally agreed risk appetite levels, regulatory minima and perceived market expectations. The MTP can only be agreed by the Board if it is within agreed risk appetite levels under stress
Pension Risk	<ul style="list-style-type: none"> Pension risk is the risk of earnings or capital being reduced due to Defined Benefit Obligations (DBOs) increasing or the value of the assets backing these DBOs decreasing due to changes in both the level and the volatility of prices The IAS19 position of pension funds is also stressed as part of the capital risk assessment, taking into account key economic drivers impacting future obligations (e.g. long-term inflation and interest rates) and the impact of the scenarios on the value of fund assets
Liquidity Risk	<p>Liquidity Risk: liquidity risk is assessed through internal liquidity stress testing (Internal Liquidity Stress Test (ILST)) and regulatory stress testing (Barclays' Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR)). The Bank analyses specific liquidity risk drivers such as wholesale funding and contingent funding needs based on the below scenarios:</p> <ul style="list-style-type: none"> Barclays idiosyncratic scenario: Barclays faces a loss of market confidence while the market overall is not impacted Market wide scenario: Market-wide stress leading to increased market volatility and loss of confidence not specific to Barclays Combined scenario: A simultaneous Barclays idiosyncratic and Market wide liquidity stress scenario 12-month scenario: All financial institutions are impacted by a market-wide stress. Liquidity Coverage Ratio: Regulatory prescribed 30-day liquidity metric Net Stable Funding Ratio: Regulatory prescribed stable funding metric
Interest Rate Risk in Banking Book (IRRBB)	<p>Interest Rate Risk in the Banking Book (IRRBB): Risk assessment for interest rate risk on the banking books is driven by the economic risk of the underlying positions but also considers the accounting treatment:</p> <ul style="list-style-type: none"> earnings based measures are used to assess risk to net interest income from positions in customer banking books, hedging portfolios (held to mitigate those risks), and Treasury investment and funding activities value based measures are used to assess risk to the fair value of assets held as part of investments in the liquid asset portfolio and associated risk management portfolios <p>Risk under stress is assessed by considering:</p> <ul style="list-style-type: none"> the impact on net interest income resulting from stressed product margins and volumes, which are dependent on the level of interest rates and funding costs under stress conditions. This can be partly mitigated by management actions, which may include repricing of variable rate products taking into account interbank lending rates under stress securities in the liquid asset portfolio are subject to market risk stresses designed to estimate potential losses in various scenarios. This includes, but is not limited to, an annual internal stress test, regulatory stress tests as well as various ad hoc exploratory exercises
Operational risk	<ul style="list-style-type: none"> Operational risk loss projections include the effect of the stressed macroeconomic scenario as well as the impact of forward-looking idiosyncratic risk events under stress. Operational risk is also part of the reverse stress testing framework through scenario assessments of such idiosyncratic events
Model risk	<ul style="list-style-type: none"> The Independent Valuation Unit (IVU) reviews and approve models for use in stress tests. IVU may require compensating controls, in the form of overlays to address model deficiencies. IVU may also reject a model that is not conceptually sound, or for which the marginal impact of findings (in aggregate or on a stand-alone basis) on model output is $\geq 30\%$

Risk management strategy, governance and risk culture (continued)

Risk Type	Stress testing approach
Compliance risk	<ul style="list-style-type: none"> Redress/Remediation: Businesses review existing provisions and include additional provisions in MTP if required. Litigation: Irrespective of whether a provision had been recognised, stress projections of future losses for compliance risk matters managed by legal are estimated by exercising expert judgment on a case by case basis (material matters) or on a portfolio basis (non-material matters) in accordance with the methodology provided by regulators (PRA)
Climate Risk	<ul style="list-style-type: none"> Climate Risk is the impact on Financial (credit, market, treasury & capital) and operational risks arising from climate change through physical risks and risks associated with transitioning to a lower carbon economy. Further details can be found in the Management of Climate Risk section. The stress scenario incorporates a climate risk component focusing on a fast transition, with shocks driven by government policy and shifts in consumer behaviour, alongside broad deterioration from increased physical risks
Reputation risk	<ul style="list-style-type: none"> Reputation risk is not quantified or stressed
Legal risk	<ul style="list-style-type: none"> Legal risk is not quantified or stressed

In 2024, the internal Group-wide stress testing exercise was run as part of the MTP process, assessing Barclays' vulnerabilities under a severe but plausible scenario. This was used for the risk appetite setting process.

The Group-wide stress testing framework also includes reverse stress testing techniques, which aim to identify the circumstances under which the Group's business model would no longer be viable, leading to a significant change in business strategy and to the identification of appropriate mitigating actions. Examples include extreme macroeconomic scenarios, or specific idiosyncratic events, covering both operational risk and capital/liquidity events. Reverse stress testing is used to help support ongoing risk management and is an input to our recovery planning process.

Business and risk type specific stress tests

Stress testing techniques at portfolio and product level are also used to support risk management. For example, portfolio management in the US Cards business employs stressed assumptions of loss rates to determine profitability hurdles for new accounts. In the UK Mortgage portfolio, affordability thresholds incorporate stressed estimates of interest rates. In the Corporate and Investment Bank, global scenario testing is used to gauge potential losses that could arise in conditions of a severe but plausible market stress. Stress testing is also conducted on positions in particular asset classes, including interest rates, commodities, equities, credit and foreign exchange.

Regulatory stress testing

In addition to running internal Barclays Group-wide stress tests, Barclays Group also runs regulatory stress tests with the Bank of England (BoE) as its main regulator:

- The BoE is running a System-Wide Exploratory Scenario (SWES) from Q4 2023 to Q2 2024 (results announcement in Q4 2024) assessing the impact of a rapid decline in liquidity conditions across UK's banks and non-banking financial institutions on market-based finance. The aim of this exercise is to better understand how UK financial markets core to UK financial stability function under stress. Barclays is one of the banks participating into this exercise
- There was no BoE Annual Cyclical Scenario (ACS) in 2024 as the Bank of England ran their own internal desk based exercise (DBST).

Barclays Group is also subject to stress testing by non-UK regulators. This includes the European Banking Authority (EBA) for Barclays Bank Ireland (BBI):

- There was no EBA stress test in 2024, but the European Banking Authority (EBA) did launch a transparency exercise and the European Central Bank (ECB) conducted a cyber resilience stress test.

The US Federal Reserve (FRB) annual supervisory stress test (aka CCAR) for Barclays' Intermediate Holding Company (IHC):

- FRB stress results were released in June 2024 demonstrating a strong capital position for IHC under the supervisory severely adverse scenario

Risk management in the setting of strategy

The risk appetite and internal stress testing processes described above form the basis of the risk review of the MTP, performed annually. The MTP embeds Barclays Group's objectives into detailed business plans taking into account the likely business and macroeconomic environment. The strategy is supported by the risk review process, which includes reviewing Barclays Group's risk profile and setting of risk appetite.

- The risk review process includes a review of business plans under stress which is used to inform the MTP
- If the business' plans entail too high a level of risk, management can challenge them. This assessment is based on a comparison of the businesses' own risk appetite assessment reflected in their business plans ('bottom-up' risk appetite) with the central risk team's view ('top-down' risk appetite) based on the financial constraints set by the Board for Barclays Group
- Businesses may be asked to update their business plans until the bottom-up risk appetite is within top-down appetite. There is also a detailed review of the stressed estimates and the methodology used to translate the economic scenario to these stressed estimates, as well as the management actions included in the businesses' results to verify that these are appropriate and realistic in a stressed environment

Risk management strategy, governance and risk culture (continued)

- Interim internal capital adequacy assessments inform the capital planning process and are reviewed during the meetings. These assessments are refreshed based on year-end positions and reflected in the ICAAP

The BRC has overall responsibility for reviewing Barclays Group's risk profile and making appropriate recommendations to the Board. The Board is ultimately responsible for approving the MTP and Barclays Group's risk appetite. The risk appetite process allows senior management and the Board to understand the MTP's sensitivities by risk type, and includes a set of limits to help Barclays Group stay within its risk appetite, as described above.

Management of climate risk

This section describes the governance structure and processes specific to the management of climate-related risks.

Management of climate risk (continued)

Definition

The risk of financial losses arising from climate change, through physical risks and risks associated with transitioning to a lower carbon economy.

- **Physical risks:** is defined as the risk of financial losses related to physical impacts of a changing climate. Physical risks can be event driven (acute risks), including increased frequency and/or severity of extreme weather events such as cyclones, hurricanes and flood. Longer term shifts in climate patterns (chronic risks) arise from sustained higher temperatures that may cause rises in sea levels, rising mean temperatures and more severe weather events such as increased occurrence of floods or fires.
- **Transition risks:** is defined as the risk of financial losses caused by extensive policy, legal, technology and market changes to address mitigation and adaptation requirements related to climate change.

Overview

The Group has developed a Climate Risk Framework (CRF) for Financial and Operational risks stemming from climate change. This enables Barclays to foster a systematic and consistent approach for managing Climate risk across the firm. The key principle underpinning this framework is that climate risk is recognised as a driver of other existing financial (Credit, Market, Treasury and Capital) and non-financial (Operational and Reputational) risks, and not treated as a standalone risk type. The CRF is supported by policies, standards and other relevant guidelines which contain control objectives that must be met.

The Climate Risk Framework:

- Includes definition and descriptions for climate risk
- Includes key principles for the identification, measurement, monitoring and reporting of climate risk
- Outlines the approach to setting risk appetite for climate risk
- Outlines roles and responsibilities applicable to the Climate Risk Framework

The Climate Risk Policy sets out high level requirements and control objectives to address key principles articulated in CRF. The Climate Risk Standard sets out control requirements for implementing control objectives defined within the Climate Risk Policy. Climate risk considerations have also been incorporated as applicable to the frameworks of other principal risks. The Framework, Policy and standard are applicable for Barclays' business activities, with a focus on lending, advisory, sales and trading, capital markets and investments. Barclays' approach to managing climate risk focuses on the effective, identification, prioritisation and mitigation of the material climate risks with Barclays' portfolios. The approach is further customised to reflect portfolio characteristics, size and exposure to specific climate risk drivers within various portfolios. Climate risk may also drive non-financial risks such as Reputational risk, which continue to be managed under their respective risk frameworks.

To implement its Climate Risk Framework, Barclays continuously implements new processes, tools, models and data repository as applicable whilst also enhancing its existing tools and processes. The Group regularly reviews its approach and practices to ensure alignment with industry standards, regulatory developments and best practices for climate risk.

Organisation, roles and responsibilities

The Group Head of Climate Risk is the Principal Risk owner accountable for the management and oversight of the Climate risk profile. The Group Head of Climate Risk reports directly to Group CRO.

On behalf of the Board, the BRC reviews and approves the Group's approach to managing Climate risk. The Group Risk Committee (GRC) is the most senior executive body responsible for reviewing and challenging risk practices for climate.

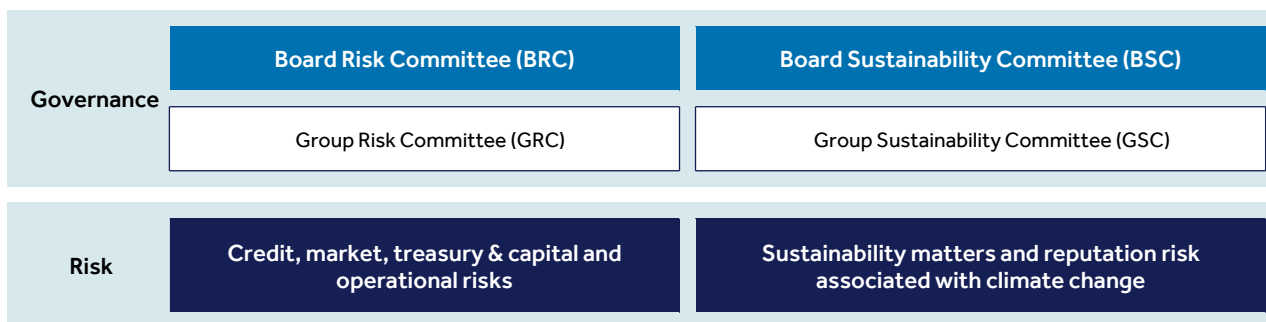
To support the oversight of Barclays' Climate risk profile, a Climate Risk Committee (CRC) has been established as a sub-committee of the GRC. The Group Head of Climate risk is the Chair of the CRC. Any material issues are escalated by the CRC to the GRC, and the GRC subsequently escalates to the BRC as appropriate.

A control environment for Climate Risk has been established in alignment with the Barclays' Control Framework. The Climate Risk Control Forum (CRCF) oversees the implementation and operation of the Barclays Control Framework, including reviewing risk events, policy and issues management. Additionally, Climate risk assurance groups were also established and are responsible for performing climate risk specific reviews to support the embedding of the Climate Risk Framework.

Entity Heads of Climate risk have been appointed across key Barclays legal entities, namely Barclays Bank UK (BBUK) PLC, Barclays Bank (BB) PLC, Barclays Bank Ireland (BBI) PLC, and the US Intermediate Holding Company (US IHC).

Reputation risk driven by climate change is managed by the reputation risk principal risk.

Management of climate risk (continued)



Risk appetite

Barclays' approach to setting risk appetite for climate risk is aligned with its ambition to be a net zero bank by 2050 and reducing financed emissions in line with its disclosed sector targets. In accordance with the risk appetite policy and tolerance standards, Barclays has established a risk appetite for climate risk at the Group level. Climate risk considerations have been included in the qualitative statements and quantitative constraints. This is reviewed and revised (where applicable) annually and formally approved by the Board.

The climate risk appetite is managed through risk limits, triggers and indicators set across different Principal Risks (including, Credit Risk, Market Risk and Treasury & Capital Risk), portfolios, sectors, assets classes and products. Barclays has progressively enhanced its approach for the quantification of climate risk appetite by implementing additional risk limits and triggers, including those around the expected financed emissions target (BlueTrack) pathways. Regular monitoring, reporting and governance provide oversight so that exposures remain within the appetite and corrective actions are taken to address any breaches or excesses. The Group continues to regularly review its risk appetite and makes enhancements to maintain alignment with the Group's strategic objectives as part of its business planning process.



Please see the [Barclays PLC Annual Report pages 59 to 123](#) for the [Climate and Sustainability Report](#) including disclaimers, [pages 283 to 286](#) for Climate Risk Management and [pages 295 to 302](#) for Climate Risk Performance

Management of credit risk and the internal ratings-based approach

This section discusses the management of credit risks and provides details of the calculation of risk weighted assets under the Internal Ratings Based approach.

Pages 121 to 135 cover the aspects of the Group's risk management framework specific to credit risk, including committees and Barclays Group's reporting structure

As 56% of our regulatory capital is for credit risk, we devote pages 135 to 153 to detailing how we approach the internal ratings models, and how the framework supports risk differentiation and management

Management of credit risk and the internal ratings-based approach

Credit risk

The risk of loss to the Group from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to the Group, including the whole and timely payment of principal, interest, collateral and other receivables.

Overview

The credit risk that the Group faces arises from wholesale and retail loans and advances together with the counterparty credit risk arising from derivative contracts with clients' trading activities, including: debt securities, settlement balances with market counterparties, fair value through other comprehensive income (FVOCI) assets and reverse repurchase loans.

Credit risk management objectives are to:

- maintain a framework of controls to oversee credit risk
- identify, assess and measure credit risk clearly and accurately across the Group and within each separate business, from the level of individual facilities up to the total portfolio
- control and plan credit risk taking in line with external stakeholder expectations, including risk return objectives, and avoiding undesirable concentrations
- monitor credit risk and adherence to agreed controls

Organisation and structure

Wholesale and retail portfolios are managed separately to reflect the differing nature of the assets; wholesale balances tend to be larger and are managed on an individual basis, while retail balances are greater in number but lesser in value and are, therefore, managed in aggregated segments.

Roles and responsibilities

The first line of defence has primary responsibility for managing credit risk within the risk appetite and limits set by the Risk function, supported by a defined set of policies, standards and controls. In the entities, business risk committees (attended by the first line) monitor and review the credit risk profile of each business unit where the most material issues are escalated to the Retail Credit Risk Management Committee, Wholesale Credit Risk Management Committee and Group Risk Committee.

The responsibilities of the credit risk management teams in the businesses, the sanctioning team and other shared services include: sanctioning new credit agreements (principally wholesale); setting strategies for approval of transactions (principally retail); setting risk appetite; monitoring risk against limits and other parameters; setting recession readiness frameworks to protect portfolios in the event of economic stress, maintaining robust processes, data gathering, quality, storage and reporting methods for effective credit risk management; performing effective turnaround and workout scenarios for wholesale portfolios via dedicated restructuring and recoveries teams; maintaining robust collections and recovery processes/units for retail portfolios; and development of credit risk measurement models. The credit risk management teams in each legal entity are accountable to the relevant Legal Entity CRO, who reports to the Group CRO.

Organisation and structure

Barclays PLC Board Risk Committee

- Reviews and recommends Barclays Group's risk appetite for wholesale and retail credit risk to the Barclays PLC Board
- Reviews Barclays Group's risk profile for wholesale and retail credit risk on behalf of the Barclays PLC Board
- Commissions, receives and considers reports on wholesale and retail credit risk issues

Barclays Group Risk Committee

- Reviews appetite for wholesale and retail credit risk and makes recommendations on the setting of limits to the Barclays PLC Board
- Monitors the risk profile for wholesale and retail credit risk
- Reviews and monitors the control environment for wholesale and retail credit risk

Business Risk Committees

- Oversee activities and manage information relating to business portfolios, and identify actions needed to mitigate current and arising credit risks
- Review and approve business mandate and scale limits and, where relevant, provide recommendations for limits managed by wholesale and retail risk committees
- Review relevant decisions made by, and material issues and topics raised by, other forums and committees

Wholesale and Retail Credit Risk Management Committees

- Monitor the wholesale and retail credit risk profile against plan and agree required actions
- Review and approve Group mandate and scale limits and, where relevant, provide recommendations for limits managed by the Barclays PLC Board Risk Committee
- Review key wholesale and retail credit risk issues
- Review credit risk policies and framework
- Monitor risk appetite consumption – key credit portfolio (mandate and scale) limits

Management of credit risk and the internal ratings-based approach (continued)

For wholesale portfolios, credit risk approval is undertaken by experienced credit risk professionals operating within a clearly defined delegated authority framework, with only the most senior credit officers assigned the higher levels of delegated authority. The largest credit exposures, which are outside the Risk Sanctioning Unit or Risk Distribution Committee authority, require the support of a legal entity Senior Credit Officer. For exposures in excess of the legal entity Senior Credit Officer's authority, approval by Group Senior Credit Officer/Board Risk Committee is also required. The Group Credit Risk Committee, attended by legal entity Senior Credit Officers, provides a formal mechanism for the Group Senior Credit Officer to exercise the highest level of credit authority over the most material Group single name exposures.

In the wholesale portfolios, credit risk managers are organised in sanctioning teams by geography, industry and/or product.

The role of the Enterprise Risk function is to provide Group-wide direction, oversight and challenge of credit risk taking. Enterprise Risk sets the Credit Risk Control Framework, which provides the structure within which credit risk is managed, together with supporting credit risk policies and standards.

Reporting

The Group dedicates considerable resources to gaining a clear and accurate understanding of credit risk across the business and ensuring that its balance sheet correctly reflects the value of the assets in accordance with applicable accounting principles. This process can be summarised in five broad stages:

- measuring exposures and concentrations
- monitoring performance and asset quality
- monitoring for weaknesses in portfolios
- review and approve the adequacy of allowances for impairment and other credit provisions
- returning assets to a performing status or writing off assets when the whole or part of a debt is considered irrecoverable

Measuring exposures and concentrations

Loans and advances to customers provide the principal source of credit risk to the Group, although it is also exposed to other forms of credit risk through, for example, loans and advances to banks, loan commitments and debt securities. Risk management policies and processes are designed to identify and analyse risk, to set appropriate risk appetite, limits and controls, and to monitor the risks and adherence to limits by means of reliable and timely data.

One area of particular review is concentration risk. A concentration of credit risk exists when a number of counterparties or customers are engaged in similar activities or geographies, and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic and other conditions. As a result, the Group constantly reviews its concentration in a number of areas including, for example, geography, maturity and industry.

Mandate and scale limits are used to maintain concentrations at appropriate levels, which are aligned with the businesses' stated risk appetite. Limits are typically based on the nature of the lending and the amount of the portfolio meeting certain standards of underwriting criteria. Diversification, to reduce concentration risk, is achieved through setting maximum exposure limits to individual counterparties' exposures. Material excesses are reported to the BRC.

Monitoring performance and asset quality

Trends in the quality of the Group's loan portfolio are monitored in a number of ways including tracking loan loss rate and coverage ratios.

Loan loss rate

The loan loss rate (LLR) provides a way of consistently monitoring trends in loan portfolio quality at the Group, business and product levels. The LLR represents the annualised impairment charges on loans and advances to customers and banks and other credit provisions as a percentage of the total, period-end loans and advances to customers and banks, gross of impairment allowances. Details of the LLR for the current period may be found in the Credit Risk Performance section on pages 303 to 355 in the Barclays PLC Annual Report 2024.

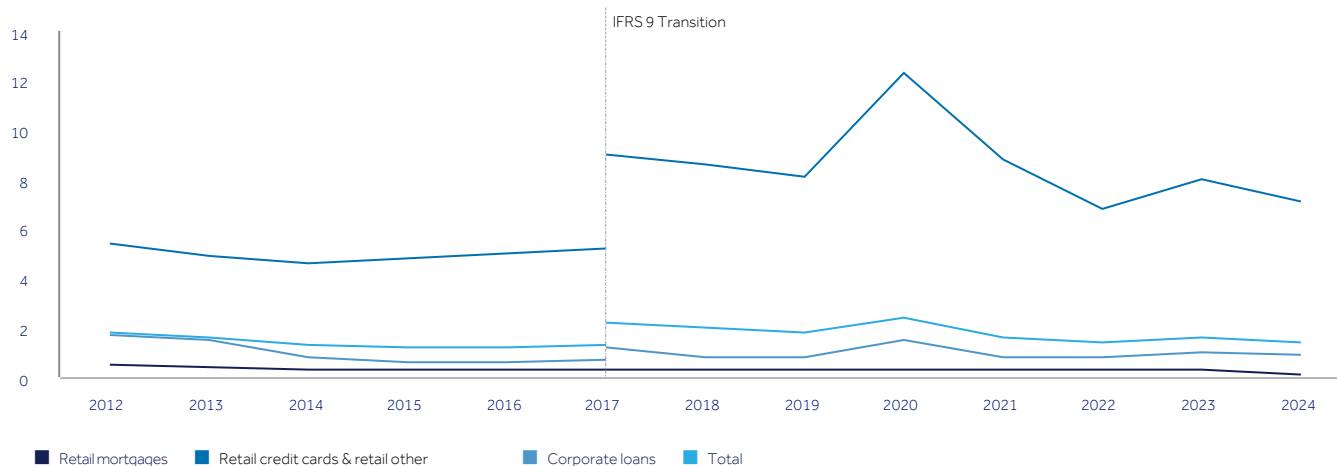
Management of credit risk and the internal ratings-based approach (continued)

Coverage ratios

The impairment allowance is the aggregate of the total stock of expected credit loss (ECL).

Loans and advances total impairment coverage

%



Total coverage ratios will vary according to the type of product. The increase in 2017 reflects the transition to the accounting standard IFRS 9. Overall, coverage ratios would therefore be expected to remain fairly steady over a defined period of time but in principle, a number of factors may affect Barclays Group's overall coverage ratios, including:

- The mix of products: coverage ratios will tend to be lower when there is a high proportion of secured retail and corporate balances. This is due to the fact that the recovery outlook on these types of exposures is typically higher than retail unsecured products, with the result that they will have lower impairment requirements;
- The stage in the economic cycle: coverage ratios will tend to be lower in the earlier stages of deterioration in credit conditions. At this stage, retail delinquent balances will be predominantly in the early delinquency cycles and corporate names will have only recently shown signs of deterioration;
- Staging: coverage ratios will tend to be higher when there is a high proportion of balances that have met the criteria for significant increase in credit risk with associated expected credit losses (ECL) moving from a 12-month to a lifetime assessment; and
- Write-off policies: the speed with which defaulted assets are written off will affect coverage ratios. The more quickly assets are written off, the lower the ratios will be, since stock with 100% coverage will tend to roll out more quickly

Details of the coverage ratios for the current period are shown in the above chart and may be found in the analysis of loans and advances and impairment section at page 307 in the Barclays PLC Annual Report 2024.

Monitoring weaknesses in portfolios

While the basic principles for monitoring weaknesses in wholesale and retail exposures are broadly similar, they reflect the differing nature of the assets. As a matter of policy, all facilities granted to corporate or other wholesale counterparties are subject to a review on, at least, an annual basis, even when they are performing satisfactorily. Retail exposures are monitored to identify customers exhibiting signs of potential financial difficulty. Identified customers are included in the High Risk Account Management (HRAM) population. Businesses have a contact strategy for their HRAM populations and they are excluded from credit expansion activities and, where appropriate, also considered for credit reduction activities or other mitigating actions.

Wholesale portfolios

Within the Wholesale portfolios, the Basel definitions of default are used as default indicators. A default is deemed to have occurred with regard to a particular obligor if one or both of the following applies:

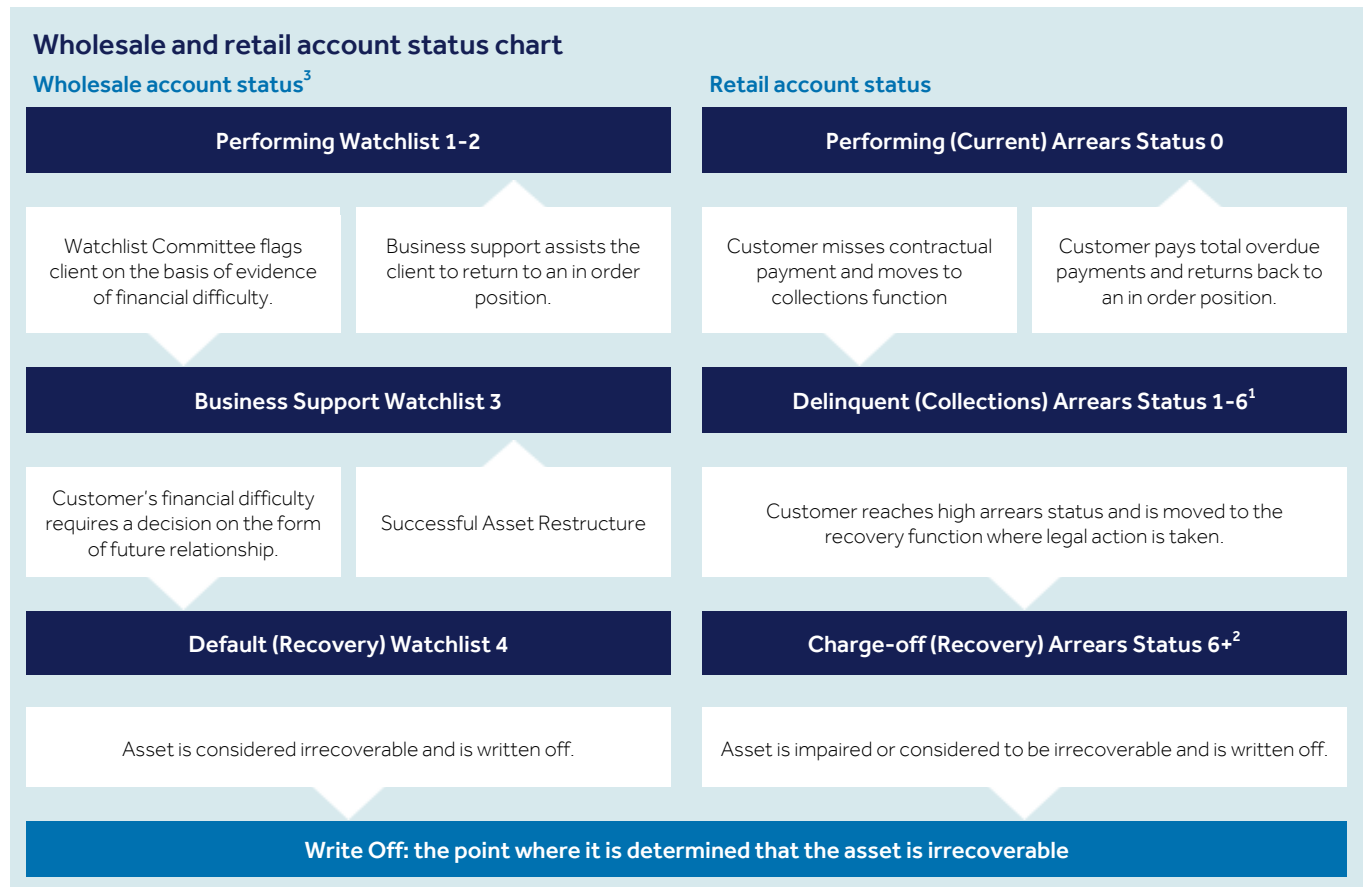
- the obligor is considered unlikely to pay its credit obligations to Barclays in full without recourse to actions such as the realisation of collateral
- the obligor is 90 days or more past due on any material credit obligation to Barclays

Examples of unlikelihood to pay include:

- the Group puts the credit obligation on a non-accrued status
- the Group makes a charge-off or account specific identified impairment resulting from a significant perceived decline in credit quality
- the Group sells the credit obligation at a material credit-related economic loss
- the Group triggers a petition for obligor's bankruptcy or similar order
- the Group becomes aware of the obligor having sought or having been placed in bankruptcy or similar protection where this would avoid or delay repayment of the credit obligation to the Group
- the Group becomes aware of an acceleration of an obligation by a firm

Management of credit risk and the internal ratings-based approach (continued)

- where the obligor is a bank – revocation of authorisation
- where the obligor is a sovereign – trigger of default definition of an approved External Credit Assessment Institution (ECAI) such as a rating agency



Notes

1 1-4 for certain portfolios.

2 4+ for certain portfolios.

3 Includes certain Business Banking facilities which are recorded as Retail for management purposes.

Management of credit risk and the internal ratings-based approach (continued)

Wholesale accounts that are deemed to contain heightened levels of risk are recorded on Watch Lists (WL) comprising four categories graded in line with the perceived severity of the risk attached to the lending, and its probability of default. Examples of heightened levels of risk may include, for example:

- a material reduction in profits
- a material reduction in the value of collateral held
- a decline in net tangible assets in circumstances which are not satisfactorily explained
- periodic waiver requests or changes to the terms of the credit agreement over an extended period of time

These lists are updated monthly and circulated to the relevant risk control points. Once an account has been placed on WL, the exposure is monitored and, where appropriate, exposure reductions are effected. While all counterparties, regardless of financial health, are subject to a full review of all facilities on at least an annual basis, more frequent interim reviews may be undertaken should circumstances dictate.

Specialist recovery functions deal with counterparties in higher levels of WL, default, collection or insolvency. Their mandate is working intensively with the counterparty to help them to return to financial health or, in the cases of insolvency, obtain the orderly and timely recovery of impaired debts in order to maximise shareholder value. Where a counterparty's financial health gives grounds for concern, it is immediately placed into the appropriate category.

Retail portfolios

Within the retail portfolios, which tend to comprise homogeneous assets, statistical techniques more readily allow potential credit weaknesses to be monitored on a portfolio basis. Retail accounts can be classified according to specified categories of arrears status (or 30-day cycle), which reflects the level of contractual payments which are overdue. An outstanding balance is deemed to be delinquent when it is one day or 'one penny' down.

Once a loan has passed through a prescribed number of cycles, it will be charged-off and enter recovery status. Charge-off refers to the point in time when collections activity changes from the collection of arrears to the recovery of the full balance. In most cases, charge-off will result in the account moving to a legal recovery function or debt sale and on unsecured assets will typically occur between 5 and 7 contractual payments in arrears. This may be accelerated or occur directly from a performing status, such as in the case of insolvency or death. For UK cards and UK unsecured loans portfolios, the point of charge-off and write-off is aligned, for accounting purposes.

Mortgage assets are not subject to charge-off but move through to litigation.

Returning assets to a performing status

Wholesale portfolios

In wholesale portfolios, an account may only be returned to a performing status when it ceases to have any actual or perceived financial stress and no longer meets any of the WL criteria, or once facilities have been fully repaid or cancelled. Unless a facility is fully repaid or cancelled, the decision in Corporate and Investment Bank to return an account to performing status may only be taken by the credit risk team.

Retail portfolios

A retail asset, pre-point of charge-off, may only be returned to a performing status in the following circumstances:

- an up-to-date (i.e. not in arrears in relation to the agreed Forbearance programme) Non-Performing Forbearance (NPF) may be reclassified as Performing Forbearance (PF) upon receipt (on-time) of all due payments (at current agreed repayment amount), over a 12-month period
- an up-to-date (i.e. not in arrears in relation to the agreed Forbearance programme) PF may be reclassified to the 'in order' book when the customer completes a minimum probation period of 24 months from the point of entering PF, even if they are no longer on a Forbearance programme. They must also meet the following criteria:
 - 12 consecutive on-time payments have been made during the probation period at the agreed repayment amount (i.e. the forbearance amount while forbearance is continuing or the contractual monthly payment (CMP) once forbearance has concluded)
 - arrears must not have been >30 days past due during the probation period
 - account is not past due at the point of exit
 - If a performing forbore contract under probation is granted additional forbearance measures or becomes more than 30 days past-due, it is classified as non-performing
 - For non UK residential mortgages, accounts may also be considered for rehabilitation post charge-off, where customer circumstances have changed. The customer must clear all unpaid capital and interest and confirm their ability to meet full payments going forward

Management of credit risk and the internal ratings-based approach (continued)

Recovery units

Recovery units are responsible for exposures where deterioration of the counterparty/ customer credit profile is severe, to the extent that timely or full recovery of exposure is considered unlikely and default has occurred or is likely in the short term. Recovery teams set and implement strategies to recover the Group's exposure through realisation of assets and collateral, in co-operation with counterparties/ customers and where this is not possible through insolvency and legal procedures.

In wholesale, for a case to be transferred to a recovery unit, it must be in default and have ceased to actively trade or be in insolvency. In retail, the timings of the charge-off points to recovery units are established based on the type of loan. In most cases, charge-off will result in the account moving to a legal recovery function or debt sale and on unsecured assets will typically occur between 5 and 7 contractual payments in arrears, unless a forbearance programme is agreed. Early points are prescribed for unsecured assets. For example, in case of customer bankruptcy or insolvency, associated accounts are charged off within 60 days of notification.

Mortgage assets are not subject to charge-off but move through to litigation.

See recovery information included in Analysis of Specific Portfolio and Asset Types section on page 345 in the Barclays PLC Annual Report 2024.

Foreclosures in process and properties in possession

Foreclosure is the process where the Group initiates legal action against a customer, with the intention of terminating the loan agreement whereby the Group may repossess the property subject to local law and recover amounts it is owed. This process can be initiated by the Group independent of the impairment treatment and it is therefore possible that the foreclosure process may be initiated while the account is still in collections (delinquent) or in recoveries (post charge-off) where the customer has not agreed a satisfactory repayment schedule with the Group.

Properties in possession include properties held as 'loans and advances to customers' and properties held as 'other real estate owned'. Held as 'loans and advances to customers' (UK and Italy) refers to the properties where the customer continues to retain legal title but where the Group has enforced the possession order as part of the foreclosure process to allow for the disposal of the asset, or the court has ordered the auction of the property.

Writing off assets

Write-off refers to the point where it is determined that the asset is irrecoverable, it is no longer considered economically viable to try and recover the asset, it is deemed immaterial, or full and final settlement is reached and a shortfall remains. In the event of write-off, the customer balance is removed from the balance sheet and the impairment reserve held against the asset is released.

The timing and extent of write-offs may involve some element of subjective judgement. Nevertheless, a write-off will often be prompted by a specific event, such as the inception of insolvency proceedings or other formal recovery action, which makes it possible to establish that some or the entire advance is beyond realistic prospect of recovery. The position of impaired loans is also reviewed at least quarterly to make sure that irrecoverable advances are being written-off in a prompt and orderly manner and in compliance with any local regulations.

For retail portfolios, the timings of the write-off points are established based on the type of loan. For UK cards and UK loan portfolios, the point of charge-off and write-off are aligned.

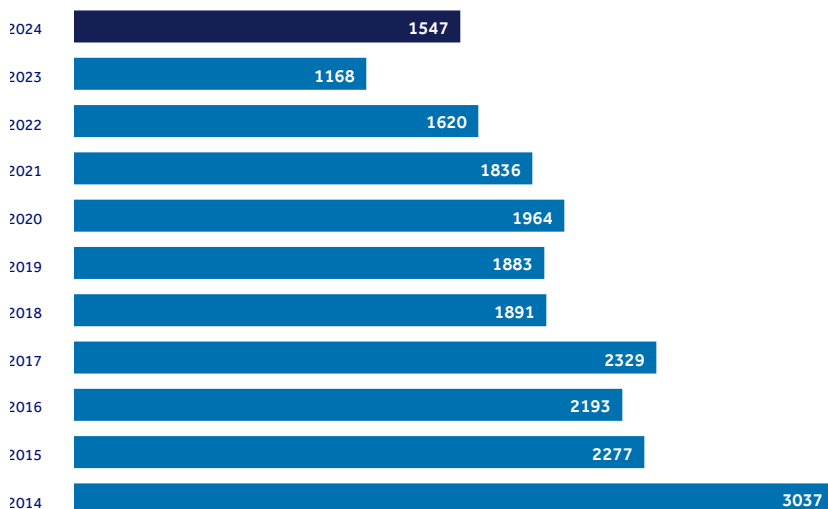
For other unsecured portfolios, assets are written-off based on contractual payment criteria or accelerated criteria. Assets in the recovery book will be written-off if the required qualifying repayments are not made within a rolling twelve-month period. In certain circumstances, accounts will be eligible for accelerated write-off (e.g. deceased, insolvency, inappropriate to pursue (medical, vulnerable, small balance) or settlement is accepted in lieu of the full balance). For secured loans, any shortfall after the receipt of the proceeds from the disposal of the collateral is written-off within three months of that date if a repayment schedule has not been agreed with the borrower. Such assets are only written-off once all the necessary procedures have been completed and the amount of the loss has been determined.

Subsequent recoveries of amounts previously written-off are written back and hence decrease the amount of the reported loan impairment charge in the income statement.

In 2024, total write-offs of impaired financial assets increased to €1.5bn (December 2023: €1.2bn).

Management of credit risk and the internal ratings-based approach (continued)

Total Write-off of impaired financial assets £m



Assessment of Impairment Under IFRS 9

Under the IFRS 9 accounting standard, businesses are required to assess and recognise ECL on financial assets from the point of origination or purchase, and to update said assessment at each reporting date, reflecting changes in the credit risk of the financial asset.

ECL represents a present value measure of the credit losses expected to result from default events that may occur during a specified period of time. ECLs must reflect the present value of cash shortfalls, i.e. the difference between cash flows due under the contract and the cash flows that the business now expects to receive. Given ECLs take into account both the amount and the timing of payments, a credit loss may result if a contractual payment is missed or received late, even if the debt is ultimately paid in full. ECL assessments must reflect an unbiased and probability weighted assessment of a range of possible outcomes, including reasonable and supportable information about future economic conditions.

Exposures must be assessed and assigned to one of the following populations at each reporting point.

▪ Stage 1: Performing risk assets

In scope items classified as Stage 1 exposure for IFRS 9 purposes are those assets performing in line with expectations in place at the point of origination/acquisition. This includes new originations or purchased assets (from the point of initial origination), but excludes exposures deemed credit impaired at point of origination.

Businesses must recognise an impairment allowance equal to 12 months ECL. This allowance must be raised at point of initial reporting of an asset and the assessment updated at each subsequent reporting point.

▪ Stage 2: Significant Increase in Credit Risk (SICR) assets

Assets classified as Stage 2 exposures for IFRS 9 purposes are those where credit risk has significantly increased compared with expectations at point of origination/ acquisition, but which are not yet considered 'Credit Impaired'.

In order to maintain that individual exposures or groups of assets are correctly classified as Stage 2 assets, businesses must undertake regular assessments to identify whether a significant increase in credit risk has occurred since initial recognition. This must take the form of the following:

– Quantitative Test

Where the residual annualised weighted average lifetime PD for an individual exposure at the latest reporting date shows a material deterioration compared with that at the origination/acquisition point, then the assets must be classified under Stage 2 as having significantly increased credit risk.

The assessment of materiality, i.e. at what point the PD increase is deemed 'significant', is based upon analysis of the portfolios' risk profile against a common set of defined principles and key performance metrics.

– Qualitative Test

For personal banking assets managed under retail portfolios, accounts meeting the portfolios 'high risk' criteria (i.e. within the last 12 months reclassified from forbearance, rehabilitated from charge-off or subject to either re-age or collections arrangement; and external behavioural metric indicate an increased probability of financial difficulty, for example excessive or increasing indebtedness and/or missed or late payments recorded at credit bureau), must be classified under Stage 2 as having significantly increased credit risk. For Wholesale portfolios and Business Banking assets managed under Retail portfolios where accounts are managed under the Watch List framework, then customers on Watch List 2 or 3, not breaching the quantitative test must be classified under Stage 2 as having SICR. Obligors on Watch List 1 may be classified as Stage 1 for a maximum period of 6 months. In exceptional circumstances for an obligor on Watch List 2 where it can be proven that a specific exposure is not deteriorated e.g. it is newly originated and therefore cannot have deteriorated, Stage 1 ECL may be applied.

Management of credit risk and the internal ratings-based approach (continued)

– Backstop Criteria

For retail portfolios, adverse changes in payment status must be considered within the assessment, and accounts 1 or more contractual payment in arrears at reporting date classified under Stage 2, except where:

- a the missed payment is a result of a bank error or technical issue
- b the arrears can be analytically proven not to represent deterioration from risk performance expectations at point of origination/acquisition, e.g. where there is a very small period between cycle point and reporting date. Such exceptions must be approved by the Group Credit Risk Director (GCRD) or nominated delegate. Exposures at 30 days or more past contractual payment due date at the reporting date must be classified as Stage 2 assets without exception.

For wholesale portfolios, adverse changes in payment status must be considered within the assessment, and accounts with contractual payment 30 days or more in arrears at reporting date are included within the entry criteria for Stage 2, except where the missed payment is a result of a proven bank error or administrative issue. Where 30 days is used, it must be proven that this is a backstop, not a lead driver of exposure moving to Stage 2.

Where the assessment of SICR is undertaken on a collective basis, assets must be grouped on the basis of similar risk characteristics, taking into account asset type, industry, geographical location, collateral type, past-due status and other relevant factors.

Businesses must raise an impairment allowance equivalent to the latest assessment of lifetime ECL. This increased allowance must be recognised at the first reporting point following entry to Stage 2 and the assessment updated at each subsequent reporting date.

The assessment of lifetime ECLs for Stage 2 (and Stage 3) assets must consider the maximum contractual period over which the business is exposed to credit risk, including the impact of permitted extensions and pre-payments, i.e. those available at the option of the borrower to which the business must agree.

For loan commitments, the lifetime assessment period is normally the maximum contractual life, i.e. the period from the point the loan commitment is established to closure/full repayment of the exposure. However, where customer use of contractually available pre-payments and/or extension has a material impact on the expected life of the asset, then use of behavioural life may be justified.

For revolving credit facilities, the lifetime assessment period may extend beyond the contractual life to include the period over which the business is expected to be exposed to credit risk, based on historical experience i.e. an assessment of the average time to default, closure or withdrawal of the facility.

Assets may be removed from Stage 2 and re-assigned to Stage 1 once there is objective evidence that the criteria used to indicate a significant increase in credit risk are no longer met.

▪ Stage 3: Credit impaired risk assets

Assets classified as Stage 3 exposures for IFRS 9 purposes are those where credit risk has increased to a point where they are now considered 'Credit Impaired'. For retail portfolios, this incorporates all defaulted accounts as defined under the Regulatory Definition of Default. For wholesale portfolios cases of forbearance not captured by Stage 3 (i.e. those not meeting the regulatory definition of default - EBA classification of non-performing) must be classified as Stage 2 until such time as the relevant forbearance probation period has been completed.

Businesses must raise an impairment allowance equivalent to the latest assessment of lifetime ECL, i.e. on the same basis as for Stage 2 assets.

For single name wholesale assets, a threshold approach is taken with Stage 3 impairment calculated individually. A discounted cash flow is completed establishing a base estimated impairment allowance, derived from the difference between asset carrying values and the recoverable amount.

Where the base allowance is greater than £10m, a bespoke assessment is performed reflecting individual work out strategies. The assessment is clearly and specifically articulated including how general economic scenarios and downside analyses have been applied.

Management of credit risk and the internal ratings-based approach (continued)

Interest and fee income on Stage 3 assets is recognised based on the net amortised value, i.e. the gross carrying amount adjusted for the loss allowance in line with IFRS principles.

For exposures that are considered credit-impaired on purchase or origination, lifetime ECLs must be taken into account within the estimated cash flows at point of initial recognition, and the asset classified as Stage 3.

In subsequent reporting periods, businesses must recognise cumulative changes in lifetime ECLs since initial recognition as a loss allowance, i.e. the amount of change in lifetime ECLs is treated as an impairment gain or loss. Assets may only exit Stage 3 and be reclassified into Stage 1 or Stage 2 once the original default trigger event no longer applies.

To fully embed this standard into businesses, management requires frequent periodic reviews of ECL performance across the Group both in isolation and, more importantly, in comparison to the underlying performance of portfolios and product types.

Review and challenge is carried out through a hierarchy of committees confirming both the adequacy of provisions under the ECL requirements and that all policies, standards and processes have been adhered to (see below) and that appropriate controls are evidenced.

Governance and oversight of impairment under IFRS 9

Barclays Group's organisational structure and internal governance processes oversee the estimation of ECL across several areas, including: i) setting requirements in policy, including key assumptions and the application of key judgements; ii) the design and execution of models; and iii) review of ECL results.

- i) Impairment policy requirements are set and reviewed regularly, at a minimum annually, to maintain adherence to accounting standards. Key judgements inherent in policy, including the estimated life of revolving credit facilities and the quantitative criteria for assessing the SICR, are separately supported by analytical study. In particular, the quantitative thresholds used for assessing SICR are subject to a number of internal validation criteria, particularly in retail portfolios where thresholds decrease as the origination PD of each facility increases. Key policy requirements are also typically aligned to Barclays Group's credit risk management strategy and practices, for example, wholesale customers that are risk managed on an individual basis are assessed for ECL on an individual basis upon entering Stage 3; furthermore, key internal risk management indicators of high risk are used to set SICR policy, for example, retail customers identified as High Risk Account Management are automatically deemed to have met the SICR criteria
- ii) ECL is estimated in line with internal policy requirements using models which are validated by a qualified independent party to the model development area, the Independent Validation Unit (IVU), before first use and at a minimum annually thereafter. Each model is designated an owner who is responsible for:
 - model maintenance: monitoring of model performance including backtesting by comparing predicted ECL versus flow into Stage 3 and coverage ratios; proposing material changes for independent IVU approval; and recalibrating model parameters on more timely data
 - proposing post-model adjustments (PMA) to address model weaknesses or to account for situations where known or expected risk factors and information have not been considered in the modelling process. All PMAs relating to model deficiencies, regardless of value are approved by IVU for a set time period. Material PMAs are approved before first use whilst immaterial PMAs are approved as part of IVU's annual review process. PMAs representing Expert Judgement are validated by Risk, as the second line of defence and approved for a set time period. The most material PMAs are also approved by the Barclays Group's Chief Risk Officer

Models must also assess ECL across a range of future economic conditions. These economic scenarios are generated via an independent model and ultimately set by the Senior Scenario Review Committee. Economic scenarios are regenerated at a minimum twice annually but more frequently if deemed appropriate, and also to align with Barclays Group's medium term planning exercise. Each model used in the estimation of ECL, including key inputs, are governed by a series of internal controls, which include the validation of completeness and accuracy of data in golden source systems, documented data transformations and documented lineage of data transfers between systems.

- iii) The Barclays Group's Impairment Committee, formed of members from both Finance and Risk and attended by both the Barclays Group's Finance Director and the Barclays Group's Chief Risk Officer, is responsible for overseeing impairment policy and practice across Barclays Group and will approve impairment results. Reported results and key messages are communicated to the Barclays Group's Board Audit Committee, which has an oversight role and provides challenge of key assumptions, including the basis of the scenarios adopted. Impairment results are then factored into management decision making including but not limited to, business planning, risk appetite setting and portfolio management

Management of credit risk and the internal ratings-based approach (continued)

Forbearance and other concession programmes

Forbearance programmes

Forbearance takes place when a concession is made on the contractual terms of a facility in response to an obligor's financial difficulties. Barclays Group offers forbearance programmes to assist customers and clients in financial difficulty through agreements that may include accepting less than contractual amounts due where financial distress would otherwise prevent satisfactory repayment within the original terms and conditions of the contract. These agreements may be initiated by the customer, Barclays Group or a third party.

Forbearance programmes for wholesale portfolios

The majority of wholesale client relationships are individually managed, with lending decisions made with reference to specific circumstances and on bespoke terms.

Forbearance measures consist of concessions made towards a debtor that is experiencing or about to experience difficulties in meeting their financial commitments.

A concession is a sanctioned action, outside of market terms that is beneficial to the debtor. The concession arises solely due to the financial distress of the debtor and the terms are more favourable than those which would be offered to a new or existing obligor with a similar risk profile. Concessions are represented by:

- a change or alteration to the previous terms and conditions of a contract
- a total or partial refinancing of a troubled debt contract

The following are some examples of concessions which would be deemed forbearance (where granted to debtors in financial difficulties and outside of market terms):

- a restructuring of the contractual terms of a credit facility (such as a reduction in the interest rate)
- an extension to the maturity date
- change to the collateral structure (typically resulting in a net reduction in collateral)
- favourable adjustment to covenants where repayment profile changes, or non-enforcement of material covenant breach
- repayment in some form other than cash (e.g. equity)
- capitalisation of accrued interest
- any other concession made which is designed to alleviate actual or apparent financial stress e.g. a capital repayment holiday

Where a concession is granted that is not a result of financial difficulty and/or is within Barclays Group's current market terms, the concession would not amount to forbearance. For example, a commercially balanced restructure within the Barclays Group's current terms which involves the granting of concessions and receiving risk mitigation/ structural enhancement of benefit to Barclays Group would not be indicative of forbearance.

Forbearance is not deemed to have occurred in the following situations:

- there is a pending maturity event anticipated at the onset of lending i.e. the loan was never structured to amortise to zero
- a maturity extension or a temporary covenant waiver (e.g. short term standstill) is granted to support a period of negotiation, subject to Barclays Group being satisfied that:
 - the debtor is actively pursuing refinancing or the sale of an asset enabling full repayment at expiry of the extended term
 - no loss is anticipated
 - payments of interest and capital continues as originally scheduled
 - there is a high probability of a successful outcome within a 'reasonable' time scale (6 months for bilateral facilities, 9 months for multi-lender)
- immaterial amendments to lending terms are agreed, including changes to non-financial internal risk triggers that are only used for internal monitoring purposes

Forbearance is considered evidence of a Significant Increase in Credit Risk and all forborne debtors are impaired as IFRS 9 Stage 2 (Lifetime Expected Credit Loss), regardless of the Watch List category, as a minimum for the lifetime of the forbearance. Those forbearance cases in regulatory default will attract Stage 3 impairment treatment.

Debtors granted forbearance are classified on Watch List for the duration of the forbearance. Counterparties placed on Watch List status are subject to increased levels of credit risk oversight.

Forborne debtors are classified for reporting as either Performing or Non-Performing.

Non-Performing debtors are defined as:

- more than 90 days past due at the point concession was granted
- assessed as unlikely to pay credit obligations in full without realisation of collateral, regardless of the existence of any past due amount or of the number of days past due
- credit impaired
- performing forborne debtors granted additional forbearance measures or becoming more than 30 days past-due on a facility obligation

Management of credit risk and the internal ratings-based approach (continued)

Performing debtors are classified as debtors that were less than 90 days past due at the point the concession was granted, are less than 30 days past under their revised terms and are without risk of non-payment.

Non-performing status remains in force for a minimum 12 months from the date of classification before the debtor can be considered for performing status. Performing debtors remain forbore for a minimum 24 months before forbore status may be reviewed. The minimum time spent in forbearance for a case that is Non-Performing at the point forbearance is granted is therefore 36 months.

A control framework exists along with regular sampling so that policies for Watch List and impairment are enforced as defined and all assets have suitable levels of impairment applied. Portfolios are subject to independent assessment.

Aggregate data for Wholesale forbearance cases is reviewed by the Wholesale Credit Risk Management Committee.

Forbearance programmes for retail portfolios

Retail forbearance is available to customers experiencing financial difficulties. Forbearance solutions take a number of forms depending on individual customer circumstances. It is imperative that the solution agreed is both appropriate to that customer and sustainable, with a clear demonstration from the customer of both willingness and ability to repay. Affordability assessments are undertaken before any permanent programme of forbearance is granted, to understand the customer duration of financial difficulty and agree an affordable payment amount. Short-term solutions focus on temporary reductions to contractual payments and may suppress interest, or change from capital and interest payments to interest only. Long term solutions focus on full amortisation of the balance, and may also include an interest rate concession.

When an account is placed into a programme of forbearance, the asset will be classified as such until a defined cure period has been successfully completed, incorporating a successful track record of payment in line with the revised terms, upon which it will be returned to the up-to-date book. When Barclays Group agrees a forbearance programme with a customer, impairment allowances recognise the impact on cash flows of the agreement to receive less than the original contractual payments. The Retail Impairment Policy prescribes the methodology for the impairment of forbearance assets, in line with the IFRS 9 methodology adopted in January 2018. Forborne exposures are classified as Stage 3 (credit impaired) assets under IFRS 9, until such time as the prescribed stage 3 cure criteria have been met, resulting in higher impairment than for fully performing assets, reflecting the additional credit risk attached to loans subject to forbearance.

When customers exit forbearance, the accounts are ring-fenced as high risk within the up-to-date book for a period of at least twelve months.

Barclays has continued to assist customers in financial difficulty through the use of forbearance programmes. However, the extent of forbearance offered by Barclays Group to customers and clients remains small in comparison to the overall size of the loan book.

The level of forbearance extended to customers in other Retail portfolios is not material and, typically, does not currently play a significant part in the way customer relationships are managed. However, additional portfolios will be added to this disclosure should the forbearance in respect of such portfolios become material.

A retail loan is not considered to be renegotiated where the amendment is at the request of the customer, there is no evidence of actual or imminent financial difficulty and the amendment meets with all underwriting criteria. In this case it would be treated as a new loan. In the normal course of business, customers who are not in financial difficulties frequently apply for new loan terms, for example to take advantage of a lower interest rate or to secure a further advance on a mortgage product. Where these applications meet our underwriting criteria and the loan is made at market interest rates, the loan is not classified as being in forbearance. Only in circumstances where a customer has requested a term extension, interest rate reduction or further advance and there is evidence of financial difficulty is the loan classified as forbearance and included in our disclosures on forbearance on page 348 to 351 of the Barclays PLC Annual Report 2024.

Please see the credit risk performance section on pages 348 to 351 of the Barclays PLC Annual Report 2024 for details of principal retail assets currently in forbearance.

Other programmes

Retail re-aging activity

Re-aging refers to the placing of a delinquent account into an up-to-date position without the requisite repayment of arrears. The re-age policy applies to revolving products that have a minimum payment requirement only. No reduction is made to the minimum due payment amounts which are calculated, as a percentage of balance, with any unpaid principal included in the calculation of the following month's minimum due payment.

The changes in timing of cash flows following re-aging do not result in any additional cost to Barclays Group. The following are the conditions required to be met before a re-age may occur:

- The account must not have been previously charged-off or written-off
- the borrower cannot be bankrupt, subject to an Individual Voluntary Arrangement (a UK contractual arrangement with creditors for individuals wishing to avoid bankruptcy), or deceased
- the borrower must show a renewed willingness and ability to repay the debt. This will be achieved by the borrower making at least three consecutive contractual monthly payments or the equivalent cumulative amount. Contractual monthly payment is defined as the contractual minimum due. Funds may not be advanced for any part of this and the account cannot exceed cycle 3 arrears at the time of the final qualifying payment. No account should be re-aged more than twice within any twelve-month period, or more than four times in a five-year period

Re-aged assets are included in portfolios High Risk population, and are classified as Stage 2 assets (i.e. as having significantly higher credit risk) for IFRS9 impairment purposes. This results in an appropriately higher impairment allowance being recognised on the assets.

Management of credit risk and the internal ratings-based approach (continued)

Retail small arrears capitalisation

All small arrears capitalisations are now considered a form of Forbearance, based on the European Banking Authority's requirements for Supervisory Reporting on Forbearance and Non-Performing exposures.

Refinancing risk

This is the risk that the borrower or group of correlated borrowers may be unable to repay bullet-repayment loans at expiry, and will therefore need refinancing.

From a large corporates perspective, refinancing risk will typically be associated with loans that have an element of bullet repayment incorporated into the repayment profile.

Refinancing risk is taken into account on a case by case basis as part of the credit review and approval process for each individual loan. The review will consider factors such as the strength of the business model and sustainability of the cash flows; and for bridge loans, the certainty of the sources of repayment and any associated market risk.

Commercial real estate loans will frequently incorporate a bullet repayment element at maturity. Where this is the case, deals are sized and structured to enable the Group to term out the loan if the client were unable to refinance the loan at expiry. Credit review will incorporate an examination of various factors that are central to this consideration, such as tenant quality, tenancy agreement (including break clauses), property quality and interest rate sensitivity. Loans to small and medium enterprises (SMEs) will typically be either revolving credit lines to cover working capital needs or amortising exposures, with periodic refinancing to give the opportunity to review structure, pricing, etc.

Environmental risk

Barclays Group's approach to environmental credit risk management addresses risk under two categories, namely direct risk and indirect risk, which are covered below.

Direct risk can arise when Barclays Group takes commercial land as collateral. In many jurisdictions, enforcement of a commercial mortgage by Barclays Group, leading to possession, potentially renders Barclays Group liable for the costs of remediating a site under Direct Lender Liability, if deemed by the regulator to be contaminated. In the UK, Barclays Group's approach requires commercial land, if being pledged as collateral, to be subject to a screening mechanism. Where required, a further assessment of the commercial history of a piece of land or an asset and its potential for environmental contamination helps reflect any potential environmental degradation in the value ascribed to that security. It also identifies potential liabilities which may be incurred by Barclays Group, if realisation of the security were to become likely.

Indirect risk can arise when environmental issues may impact the creditworthiness of the borrower. For instance, incremental costs may be incurred in upgrading a business' operations to meet emerging environmental regulations or tightening standards, including those associated with managing the impacts of climate change. In other circumstances, failure to meet those standards may lead to fines. Environmental impacts on businesses may also include shifts in the market demand for goods or services generated by our customers, or changing supply chain pressures.

More information on our approach to managing risks associated with climate change can be found on page 283 to 286 of the Barclays PLC Annual Report 2024.

Management of credit risk mitigation techniques and counterparty credit risk

Counterparty credit risk arises from derivatives and similar contracts. This section details the specific aspects of the risk framework related to this type of credit risk. As credit risk mitigation is one of the principal uses of derivative contracts by banks, this is also discussed in this section.

- On page 134 a high level description of the types of counterparty credit exposures incurred in the course of Barclays' activity supplements the analytical tables in pages 85 to 91
- Mitigation techniques specific to counterparty credit risk are also discussed
- A more general discussion of credit risk mitigation (covering traditional credit risks) is included below

Credit risk mitigation

The Group employs a range of techniques and strategies to actively mitigate credit risks. These techniques and strategies can broadly be divided into three types:

- netting and set-off
- collateral
- risk transfer

The Group has detailed policies in place to maintain that credit risk mitigation is appropriately recognised and recorded. The recognition of credit risk mitigation is subject to a number of considerations including legal certainty of enforceability and effectiveness, that the valuation and liquidity of the collateral is adequately monitored, and that the value of the collateral is not materially correlated with the credit quality of the counterparty.

All three types of credit risk mitigation may be used by different areas of the Group for exposures with a full range of counterparties. For instance, businesses may take property, cash or other physical assets as collateral for exposures to retailers, property companies or other client types.

Management of credit risk and the internal ratings-based approach (continued)

Netting and set-off

In most jurisdictions and within legal entities in which the Group operates, credit risk exposures can be reduced by applying netting and set-off. In exposure terms, this credit risk mitigation technique has the largest overall impact on net exposure to derivative transactions, compared with other risk mitigation techniques.

For derivative transactions, the Group's normal practice is, on a legal entity basis, to enter into standard master agreements with counterparties (e.g. ISDAs). These master agreements typically allow for netting of credit risk exposure to a counterparty resulting from derivative transactions against the obligations to the counterparty in the event of default, and so produce a lower net credit exposure. These agreements may also reduce settlement exposure (e.g. for foreign exchange transactions) by allowing payments on the same day in the same currency to be set-off against one another.

Under IFRS, netting is permitted only if both of the following criteria are satisfied:

- the entity currently has a legally enforceable right to set off the recognised amounts; and
- the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

Under US GAAP, netting is also permitted, regardless of a currently legally enforceable right of set-off and/or the intention to settle on a net basis, where there is a counterparty master agreement that would be enforceable in the event of bankruptcy.

Collateral

The Group has the ability to call on collateral in the event of default of the counterparty, comprising any or a combination of the following:

- home loans: a fixed charge over residential property in the form of houses, flats and other dwellings. The value of collateral is impacted by property market conditions which drive demand and therefore value of the property. Other regulatory interventions on ability to repossess, longer period to repossession and granting of forbearance may also affect the collateral value
- wholesale lending: a fixed charge over commercial property and other physical assets, in various forms
- other retail lending: includes second lien charges over residential property, which are subordinate to first charges held either by the Group or another party; and finance lease receivables, for which typically the Group retains legal title to the leased asset and has the right to repossess the asset on the default of the borrower
- derivatives: the Group also often seeks to enter into a margin agreement (e.g. Credit Support Annex) with counterparties with which the Group has master netting agreements in place. These annexes to master agreements provide a mechanism for further reducing credit risk, whereby collateral (margin) is posted on a regular basis (typically daily) to collateralise the mark to market exposure of a derivative portfolio measured on a net basis. The Group may additionally negotiate the receipt of an independent amount further mitigating risk by collateralising potential mark to market exposure moves
- reverse repurchase agreements: collateral typically comprises highly liquid securities which have been legally transferred to the Group subject to an agreement to return them for a fixed price
- financial guarantees and similar off-balance sheet commitments: cash collateral may be held against these arrangements

Risk transfer

A range of instruments including guarantees, credit insurance, credit derivatives and securitisation can be used to transfer credit risk from one counterparty to another. These mitigate credit risk in three main ways:

- if the risk is transferred to a counterparty which is more creditworthy than the original counterparty, then overall credit risk is reduced
- where recourse to the first counterparty remains, both counterparties must default before a loss materialises. This is less likely than the default of either counterparty individually so credit risk is reduced
- first loss exposures across pools of credit risk can be hedged via synthetic securitisation structures, typically via CLN issuance. As these are fully funded upfront they provide for a direct reduction in credit risk exposure on referenced pools

Risk transfer can also be used to reduce risk concentrations within portfolios lowering the impact of stress events.

Risk transfer transactions are undertaken with consideration to whether the collateral provider is correlated with the exposure, the credit worthiness of the collateral provider and legal certainty of enforceability and effectiveness. Where credit risk mitigation is deemed to transfer credit risk, this exposure is appropriately recorded against the credit risk mitigation provider.

In exposure terms, risk transfer is used most extensively as a credit risk mitigation technique for wholesale loans and derivative financial instruments.

Off-balance sheet risk mitigation

The Group applies fundamentally the same risk management policies for off-balance sheet risks as it does for its on-balance sheet risks. In the case of commitments to lend, counterparties/ customers will be subject to the same credit management policies as for loans and advances. Collateral may be sought depending on the strength of the counterparty and the nature of the transaction.

Management of credit risk and the internal ratings-based approach (continued)

Recognition of credit risk mitigation in capital calculations

Credit risk mitigation is used to reduce credit risk associated with an exposure, which may reduce potential losses in the event of obligor default or other specified credit events.

Credit risk mitigation that meets certain regulatory criteria may be used to improve risk parameters and reduce RWA consumption against a given obligor. Collateral that meets these regulatory conditions is referred to as eligible collateral. Eligibility criteria are specified in articles 195 to 204 of UK CRR.

The Group's policies and standards set out criteria for the recognition of collateral as eligible credit risk mitigation and are designed to be fully consistent with all applicable local regulations and regulatory permissions.

Where regulatory capital is calculated under AIRB regulations, the benefit of collateral is generally taken by adjusting LGDs. For standardised portfolios, the benefit of collateral is taken using the Financial Collateral Comprehensive Method of UK CRR: supervisory volatility adjustments approach.

For instruments that are deemed to transfer credit risk, in AIRB portfolios the protection is generally recognised by using the PD and LGD of the protection provider.

For exposures treated under the standardised approach, the impact of eligible credit risk mitigation is primarily recognised by reducing the EAD associated with the exposure that benefits from the mitigation.

Managing concentrations within credit risk mitigation

Credit risk mitigation taken by the Group to reduce credit risk may result in credit or market risk concentrations.

Guarantees that are treated as eligible credit risk mitigation are marked as an exposure against the guarantor and aggregated with other credit exposure to the guarantor. Limit monitoring at the counterparty level is then used for monitoring of concentrations in line with the Group policy.

Commercial real estate lending is another potential source of concentration risk arising from the use of credit risk mitigation. The portfolio is regularly reviewed to assess whether a concentration risk in a particular region, industry or property exists, and portfolio limits are in place to control the level of exposure to commercial, residential, investment and development activity.

Counterparty credit risk

Counterparty credit exposures for derivative and securities financing transactions

The Group enters into financial instruments that are traded or cleared on an exchange, including interest rate swaps, futures and options on futures. Holders of exchange traded instruments provide daily margins with cash or other securities at the exchange, to which the holders look for ultimate settlement.

The Group also enters into financial instruments that are traded over the counter, rather than on a recognised exchange. These instruments range from standardised transactions in derivative markets, to trades where the specific terms are tailored to the requirements of the Group's counterparties. In most cases, industry standard documentation is used, most commonly in the form of a master agreement, with individual transaction confirmations. The existence of a signed master agreement is intended to give the Group protection in situations where the Group's counterparty is in default.

Counterparty credit exposure arises from the risk that parties are unable to meet their payment obligations under certain financial contracts such as derivatives, securities financing transactions (SFTs) (e.g. repurchase agreements), or long settlement transactions.

A Monte Carlo simulation engine is used to estimate the Potential Future Exposure (PFE) to derivative and securities financing counterparties. The exposure simulation model simulates future market states and the MTM of the derivative transactions under those states. Simulated exposures taking into account the effect of credit mitigants such as netting, collateral and mandatory break clauses can then be generated.

Credit limits for CCR are assessed and allocated using the PFE measure. A number of factors are taken into account when setting credit limits for individual counterparties, including but not limited to the credit quality and nature of the counterparty, the rationale for the trading activity entered into and any wrong-way risk considerations.

The expected exposures generated by this engine are also used as an input into both internal and regulatory capital calculations covering CCR.

'Wrong-way risk' in a derivative or SFT exposure arises when there is significant correlation between the underlying asset and the counterparty, which in the event of default would lead to a significant MTM loss to the counterparty. Specific wrong-way risk trades, which are self-referencing or reference to other entities within the same counterparty group, require approval by a senior credit officer. The exposure to the counterparty will reflect the additional risk generated by these transactions. (the exposure will be consistent with jump-to-default of the reference asset assuming zero recovery).

Derivative CCR (credit value adjustments)

As the Group participates in derivative transactions it is exposed to CCR, which is the risk that a counterparty will fail to make the future payments agreed in the derivative contract. This is considered as a separate risk to the volatility of the MTM payment flows. Modelling this counterparty risk is an important part of managing credit risk on derivative transactions.

The counterparty risk arising under derivative transactions is taken into account when reporting the fair value of derivative positions. The adjustment to the value is known as credit value adjustment (CVA). It is the difference between the value of a derivative contract with a risk-free counterparty and that of a contract with the actual counterparty. This is equivalent to the cost of hedging the counterparty risk in the Credit Default Swap (CDS) market.

CVAs for derivative positions are calculated as a function of the expected exposure, which is the average of future hypothetical exposure values for a single transaction or group of transactions with the same counterparty, the credit spread for a given horizon and the LGD.

Management of credit risk and the internal ratings-based approach (continued)

The expected exposure is calculated using Monte Carlo simulations of risk factors that may affect the valuation of the derivative transactions in order to simulate the exposure to the counterparty through time. These simulated exposures include the effect of credit mitigants such as netting, collateral and mandatory break clauses. Counterparties with appropriate credit mitigants will generate a lower expected exposure profile compared to counterparties without credit mitigants in place for the same derivative transactions.

Netting and collateral arrangements for derivatives and SFTs

Credit risk from derivatives and securities financing transactions (SFTs) is mitigated where possible through netting agreements whereby assets and liabilities with the same counterparty can be offset. The Group policy requires all netting arrangements to be legally documented. The ISDA Master Agreement is the Group's preferred agreement for documenting OTC derivatives. It provides the contractual framework within which dealing activities across a full range of OTC products are conducted, and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or other predetermined events occur. The majority of the Group's OTC derivative exposures are covered by ISDA master netting and ISDA with the Credit Support Annex (CSA) collateral agreements. SFTs are documented under Global Master Repurchase Agreement. Collateral may be obtained against derivative and SFTs, depending on the creditworthiness of the counterparty and/or nature of the transaction. Any non-cash collateral taken in respect of OTC trading exposures will be subject to a 'haircut', which is negotiated at the time of signing the collateral agreement. A haircut is the valuation percentage applicable to each type of collateral and will be largely based on liquidity and price volatility of the underlying security, as well as the counterparty's creditworthiness. The collateral obtained for derivatives is predominantly either cash, direct debt obligation government (G14+) bonds denominated in the domestic currency of the issuing country, debt issued by supranationals or letters of credit issued by an institution with a long-term unsecured debt rating of A+/A3 or better. Where the Group has ISDA master agreements, the collateral document will be the ISDA CSA. The collateral document must give the Group the power to realise any collateral placed with it in the event of the failure of the counterparty.

Internal ratings based (IRB) approach

The IRB approach largely relies on internal models to derive the risk parameters/ components used in determining the capital requirement for a given exposure. The main risk components include measures of the probability of default (PD), loss given default (LGD) and the exposure at default (EAD). The IRB approach is divided into three alternative applications: Own-Estimates, Supervisory Estimates and Specialised Lending.

Own-Estimates IRB (OEIRB): The Group uses its own models to estimate PD, LGD and EAD to calculate given risk exposures for various asset classes and the associated Risk Weighted Assets (RWAs).

Supervisory IRB (SIRB): Barclays uses its own PD estimates, but relies on supervisory estimates for other risk components. The SIRB approach is particularly used to floor risk parameters for wholesale credit exposures where default data scarcity may impact the robustness of the model build process.

Specialised Lending IRB: For specialised lending exposures for which PD cannot be modelled reliably, the Group uses a set of risk weights defined in the relevant regulation, and takes into account a range of prescribed risk factors.

The IRB calculation for credit risk

For both OEIRB and SIRB approaches, the Group uses the regulatory prescribed risk-weight functions for the purposes of deriving capital requirements.

In line with regulatory requirements, Long Run Average PD and downturn LGD and CF (Conversion Factor) estimates are used for each customer/facility to determine regulatory capital for all exposures in scope.

For the purpose of pricing and existing customer management, point in time (PIT) PD, LGD and EAD are generally used as these represent the best estimates of risk given the current position in the credit cycle. Whilst Long Run Average PDs are always tested at grade/pool level, PIT PDs are also used for the calculation of capital on certain retail unsecured products, in line with regulation.

Applications of internal ratings

The three components – PD, LGD and CF – are the building blocks used in a variety of applications that measure credit risk across the entire portfolio:

- **Credit approval:** PD models are used in the approval process in both retail and wholesale portfolios. In high-volume retail portfolios, application and behaviour scorecards are frequently used as decision-making tools. In wholesale and some retail mortgage portfolios, PD models are used to direct applications to an appropriate credit- sanctioning level
- **Credit grading:** this was originally introduced in the early 1990s to provide a common measure of risk across the Group. The Group employs a 22-point scale of default probabilities. In some applications, grades in this scale are divided further to permit more detailed analysis. These are shown in Table 34 on page 55
- **Risk-reward and pricing:** RWA derived from the PD, LGD and CF estimates is used to assess the profitability of deals and portfolios and to facilitate risk-adjusted pricing and strategy decisions
- **Risk appetite:** estimates are used to calculate the expected loss and the potential volatility of loss in the Group's risk appetite framework. See page 107
- **Impairment calculation:** under IFRS 9, ECL outputs are produced based on PD, EAD and CF IRB feeder models, with scenario and weighting. See page 127
- **Collections and recoveries:** PD model outputs are used to identify segments of the portfolio where collection and recovery efforts should be prioritised
- **Economic capital (EC) calculation:** EC models for most portfolios use inputs from the IFRS9 impairment models
- **Risk management information:** Risk generate reports to inform senior management on issues such as business performance, risk appetite and EC consumption. Model outputs are used as key indicators in those reports. Risk also generates regular reports on model risk, which covers model accuracy, model use, input data integrity and regulatory compliance among other issues.

Management of credit risk and the internal ratings-based approach (continued)

Ratings processes and models for credit exposures

Wholesale credit

To construct ratings for wholesale customers, including financial institutions, corporations, specialised lending, purchased corporate receivables and equity exposures, the Group complements its internal models suite with external models and rating agencies' information. A model hierarchy is in place requiring users/credit officers to adopt a consistent approach/model to rate each counterparty based on the asset class type and the nature of the transaction.

Wholesale PD models

The Group employs a range of methods in the construction of these models:

- Statistical models are used for our high volume portfolios such as small or medium enterprises (SME). The models are typically built using large amounts of internal data, combined with supplemental data from external data suppliers where available. Wherever external data is sourced to validate or enhance internally held data, similar data quality standards to those applicable to the internal data management are enforced
- Structural models incorporate, in their specification, the elements of the industry-accepted Merton framework to identify the distance to default for a counterparty. This relies upon the modeller having access to specific time series data or data proxies for the portfolio. Data samples used to build and validate these models are typically constructed by appropriately combining data sets from internal default observations with comparable externally obtained data sets from commercial providers such as rating agencies and industry data gathering consortia
- Expert lender models are used for those parts of the portfolio where there is insufficient internal or external data to support the construction of a statistically robust model. These models utilise the knowledge and in-depth expertise of the senior credit officers dealing with the specific customer type being modelled. For all portfolios with a low number of default observations, the Group adopts specific regulatory rules, methodologies and floors in its estimates so that the calibration of the model meets the current regulatory criteria for conservatism

Wholesale LGD models

The LGD models typically rely on statistical analysis to derive the model drivers (including seniority of claim, collateral coverage, recovery periods, industry and costs) that best explain the Group's historical loss experience, often supplemented with other relevant and representative external information where available. The models are calibrated to downturn conditions for regulatory capital purposes and, where internal and external data is scarce, they are subject to FIRB (foundation internal ratings based) floors so that the calibration of the model meets the current regulatory criteria for conservatism.

Wholesale CF models

The wholesale CF models estimate the potential utilisation of the currently available headroom based on statistical analysis of the available internal and external data and past client behaviour. As is the case with the LGD models, the CF models are subject to downturn calibration for regulatory capital purposes and to floors where data is scarce.

Retail credit

Retail banking and cards operations have long and extensive experience of using credit models in assessing and managing risks. As a result, models play an integral role in customer approval and management decisions. Most retail portfolios are data rich; consequently, most models are built in-house using statistical techniques and internal data. Exceptions are some expert lender models (similar to those described in the wholesale context) where data scarcity precludes the statistically robust derivation of model parameters. In these cases, appropriately conservative assumptions are typically used, and wherever possible these models are validated/benchmarked against external data.

Retail PD models

Application and behavioural scorecards are most commonly used for retail PD modelling:

- Application scorecards are derived from historically observed performance of new clients. They are built using customer demographic and financial information, supplemented by credit bureau information where available. Through statistical techniques, the relationship between these candidate variables and the default marker is quantified to produce output scores reflecting a PD. These scores are used primarily for new customer decisioning but are, in some cases, also used to allocate a PD to new customers for the purpose of capital calculation
- Behavioural scorecards differ from application scorecards in that they rely on the historically observed performance of existing clients. The statistically derived output scores are used for existing customer management activities as well as for the purpose of capital calculation

Retail LGD models are built using bespoke methods chosen to best model the operational recovery process and practices. In a number of secured portfolios, LGD drivers are parameterised with market factors (e.g. house price indices, haircut of the property value) to capture market trends. For most unsecured portfolios, where recoveries are not based on collateral, statistical models of cash flows are used to estimate ultimate recoveries and LGDs. In all instances, cash flows are discounted to the point of default by using bespoke country and product level factors. For capital calculations, customised economic downturn adjustments, taking into account loss and default dependency, are made to adjust losses to stressed conditions.

Retail CF models

CF models within retail portfolios are split into two main methodological categories. The general methodology is to derive product level credit conversion factors (CCFs) from historical balance migrations, typically for amortising products such as mortgages, consumer loans. These are frequently further segmented at a bucket level (e.g. by delinquency). The most sophisticated CF models are based on behavioural factors, determining customer level CCFs from characteristics of the individual facility, typically for overdrafts and credit cards. For capital calculations, customised downturn adjustments, taking into account loss and default dependency, are made to adjust for stressed conditions.

Management of credit risk and the internal ratings-based approach (continued)

The control mechanisms for the rating system

Model risk is a risk managed under the ERMF. Consequently, Barclays Model Risk Policy (MRP) and its supporting standards covering the end-to-end model life cycle are in place to support the management of risk models.

Key controls captured by the MRP cover:

- Model governance is anchored in assigning accountabilities and responsibilities to each of the main stakeholders:
 - model owner – each model must have an owner who has overall accountability for the model
 - model developers – support the model owner and drive development according to the model owner's defined scope/ purpose
 - Independent Validation Unit (IVU) – responsible for independent review, challenge and approval of all models
- Externally developed models are subject to the same governance standards as internal models
- Models are classified by materiality (high/low) and complexity (complex/non-complex)
- All models must be validated and approved by IVU before initial implementation/use
- Models are subject to annual assessment, including performance monitoring, by model owner and independently validated by IVU annually
- All models must be recorded in the Group Models Database (GMD), which records model owners and developers
- Model owners must evidence that model implementation is accurate and tested

If a model is found to perform sub-optimally, it may be rejected and/or subjected to a Post Model Adjustment (PMA) before approval for continued use is granted.

The IVU reporting line is separate from that of the model developers. IVU is part of Model Risk Management (MRM), and the head of MRM reports to the Group Chief Risk Officer (GCRO). The model development teams have separate reporting lines to the Barclays UK and BBPLC Chief Risk Officers, who in turn report to the GCRO.

Under the Three Lines of Defence approach stated in the ERMF, the actions of all parties with responsibilities under the MRP are subject to independent review by Barclays Internal Audit.

Validation processes for credit exposures

Validation of credit models covers observed model performance but also the scope of model use, interactions between models, data use and quality, the model's theoretical basis, regulatory compliance and any remediation to model risk that are proposed or in place. The following sections provide more detail on processes for validating the performance of each model type.

Wholesale PD models

To assess model calibration, the IVU compares the model prediction of default frequency to the realised internal default rate both over the latest year and over all observable model history. Due to the relative infrequency of default of large wholesale obligors, a long-run perspective on default risk is vital. Default rates are also compared to external benchmarks where these are relevant and available, such as default rates in rating-agency data. In practice, since financial crises have been infrequent, IVU would expect the model PD used in calculating regulatory capital to exceed the long run observed default rate.

For portfolios where few internal defaults have been observed, portfolio PD is compared to the 'most prudent PD' generated by the industry- standard Pluto-Tasche method, using conservative parameter assumptions.

To assess model discrimination performance, the IVU compares the rank-ordering of internal ratings with the pattern of defaults, if any, to construct the industry-standard Gini statistic or similar. The ordering of internal ratings is also compared to the ordering of internal and external comparator ratings where these are available.

Measures of grade stability and the degree to which PD tracks default rates over time are also routinely calculated to infer relevant aspects of the model performance.

Wholesale LGD models

To assess model calibration, model outputs are compared to the LGD observed on facilities that entered default in 'downturn' periods, as requested by the regulator. Both internal and external data on observed LGD are examined, but preference is given to internal data, since these reflect the Group's recovery policies. Comparisons are performed by product seniority and security status and for other breakdowns of the portfolio. Model outputs are also compared to the long-run average of observed LGD. The time-lapse between facility default and the closure of recovery is varied and may be long. In the construction of observed LGD, recoveries are discounted back to the date of default at a conservative interest rate, following regulatory guidance of at least 9%. As noted above, regulatory floors are in place for the LGD used in calculating regulatory capital for exposure types where few default observations are available.

To assess model discrimination, the IVU compares the rank-ordering of model predictions to that of observed LGD and calculates the Spearman's Rank correlation coefficient and other measures of discrimination.

Wholesale CF models

To assess model calibration, the conversion factors observed in internal data are compared to model predictions, both in downturn periods as defined by the regulator, and on a long-run average basis. Comparisons are performed separately for different product types. Validation focuses on internal data, with external data used as a benchmark, because conversion factors are related to banks' facility management practices. Particular care is used in separating cases where facility limits changed between the date of observation and default, as these can lead to measurements of conversion factors that take extreme values. As a benchmark only, total predicted exposure at default for all defaulted facilities is compared to realised exposure at default. This comparison is done because it is relatively insensitive to extreme values for observed CF on some facilities. The primary validation tests are performed on facility- weighted rather than exposure-weighted basis, however, in line with the relevant regulations.

Management of credit risk and the internal ratings-based approach (continued)

Retail PD models

To assess rating philosophy, i.e. whether it is a Point-in-Time system or Through-the-Cycle system, the IVU produces migration indices to investigate relevant grade migration.

To assess model calibration, the IVU compares the model prediction of default frequency to the realised internal default rate by grade/pool as required by UK CRR. As a minimum, IVU expects the expected default rate is at least equal or above the level of observed default rate.

To assess model discrimination performance, the IVU compares the rank-ordering of internal ratings with the pattern of defaults, if any, to construct the industry-standard Gini statistic or similar.

To assess model stability, the population distribution, the character distribution and parameter estimates are assessed individually.

A 0.03% regulatory floor is in place for the facility level PD used in calculating regulatory capital.

Retail LGD models

LGD model components are compared to observed value respectively, this may include but not limited to probability of possession/charge-off, forced sale discount, time from default to crystallisation and discount rate. Where components are similar to PD in nature, the approach stated in the PD section applies to assess the calibration, discrimination and stability of the component.

The calibration of the overall LGD is assessed through the expected against actual comparison by default flow and stock population respectively. The downturn LGD appropriateness is further assessed to test that the downturn LGD is equal to or above the long-run average of observed LGD. This exercise is performed at grade/pool level according to UK CRR. In the construction of observed LGD, recoveries are discounted back to the date of default at a conservative interest rate, following regulatory guidance. As noted above, regulatory floors are in place for the LGD used in calculating regulatory capital where appropriate (this includes but not limited to the non-zero LGD floor at account level, the collateral uncertainty consideration, the portfolio level LGD floor and UK property haircut floor).

The primary validation tests are performed on facility-weighted rather than exposure-weighted basis, however, in line with the relevant regulations.

Retail CF models

The calibration of the overall CF is assessed through the expected against actual comparison by default flow and stock population respectively. The downturn CF appropriateness is further assessed to test that the downturn CF is equal to or above the long-run average of observed CF. This exercise is performed at grade/pool level according to UK CRR. Particular care is used in separating cases where facility limits changed between the date of observation and default, as these can lead to measurements of conversion factors that take extreme values.

Depending on the modelling approach, the relevant measure used for PD/LGD may be used accordingly to assess calibration, discrimination and stability.

CF is floored so that the exposure at the point of default cannot be less than exposure observed at point of regulatory reporting.

The primary validation tests are performed on facility-weighted rather than exposure-weighted basis, however, in line with the relevant regulations.

Selected features of material models

The table below contains selected features of the Group's key AIRB credit risk models which are used to calculate RWAs. Please note that the RWAs reported in this table are based on the models in production as of November 2024.

- PD models listed in the table account for £86bn of total AIRB RWAs. RWAs reported in table 74 exclude Counterparty Credit Risk exposures.

Management of credit risk and the internal ratings-based approach (continued)

Table 74: IRB credit risk models' selected features

Component modelled	Portfolio	Size of associated portfolio (RWAs) (£m)			Model description and methodology	Number of years loss data	Basel asset classes measured	Applicable industry-wide regulatory thresholds
		Barclays UK	Barclays UK Corporate Bank	Barclays Investment Bank				
PD	Publicly traded corporate		1,001	9,708	Statistical model using a Merton-based methodology. It takes quantitative factors as inputs.	> 10 Years	Corporate	PD floor of 0.03%
PD	Customers rated by Moody's and S&P		379	16,322	Rating Agency Equivalent model converts agency ratings into estimated equivalent PiT default rates using credit cycles based on Moody's data.	> 10 Years	Corporate, Financial Institutions and Sovereigns	PD floor of 0.03% for corporate and institutions
PD	SME customers with turnover < £20m	7,703	1,523	37	Statistical models that use regression techniques to derive relationship between observed default experience and a set of behavioural variables.	> 10 Years	Retail SME, Corporate SME, Corporate, and Financial Institutions	Regulatory PD floor of 0.03%
PD	Corporate customers with turnover >= £20m		4,711	7,894	Statistically derived models sourced from an external vendor (Moody's RiskCalc).	> 10 Years	Corporate	PD floor of 0.03%
PD	UK Home Finance	26,467			Statistical scorecards estimated using regression techniques, segmented along arrears status and portfolio type.	>10 Years	Secured By Real Estate (residential and buy-to-let mortgages)	Regulatory PD floor of 0.03%
PD	Barclaycard UK	10,483			Statistical scorecards estimated using regression techniques, segmented along arrears status and portfolio type.	6 - 10 Years	Qualifying Revolving Retail (QRRE)	PD floor of 0.03%

Credit Risk IRB models performance back- testing - estimated versus actual

The following tables compare the PDs estimated by the Group's IRB models with the actual default rates. Comparisons are based on the assets in IRB portfolios, excluding Counterparty Credit Risk exposures, and are used to assess model performance. The estimates and actual figures represent direct outputs from the models, and do not reflect later application of regulatory, policy, and expert input adjustments.

Risk models are subject to the Model Risk Policy which contains detailed guidance on the minimum standards for model risk management. For example, PDs must be estimated over a sufficient period, and in data representative of the application portfolio, show sufficient differentiation in predictions for different customers, and show conservatism where data limitations exist. These standards are achieved via an independent validation process using independent experts. Once validated and correctly implemented, models are subject to regular monitoring to ensure they can still be used. Comparing model estimates with actual default rates for PD form part of this monitoring. Such analysis is used to assess and enhance the performance of the models.

Further detail is provided in the management of model risk on page 186.

Management of credit risk and the internal ratings-based approach (continued)

PD measures

- Within each IRB exposure class, the model estimated Point in time (PiT) PDs are compared with the actual default rates within PD ranges. PD ranges, estimated PDs and actual default rates are based on the existing model default definitions. A number of non-compliant IRB models are under redevelopment. Successor models are in the process of being submitted to the PRA as per the IRB Repair / Basel 3.1 roll-out plan.
- The estimated PDs are forward-looking average PDs from the model at the beginning of the twelve-month period, i.e. average PD of the November 2023 non-defaulted obligors including inactive clients and non-borrowers.
- Exposure weighted average PDs have been calculated using TTC PDs or Regulatory PDs as of November 2024. In contrast, Average PDs have been calculated using PIT PDs as of November 2023. This leads to difference in obligors used for calculation of Exposure weighted average PD vs. Average PD.
- The estimated PDs are compared with the observed average default rate and the simple average of historical annual default rates over the past 5 years, starting November 2019.
- The PiT PDs are used as a predicted measure in internal monitoring and annual validation of the models. In contrast, the capital calculation uses TTC PDs or Regulatory PDs (not shown below), which are already calibrated to long-run default averages with additional adjustments (including credit expert overrides and regulatory and policy adjustments).
- The mapping between external ratings and internal PD ranges is based on annual reports on global corporate default rates that the rating agencies Moody's and S&P publish.
- For the wholesale models, the average probability of default in the tables has been determined from the full scope of obligors graded by the IRB model suites, which may include some obligors that have either zero exposure or zero limits marked at the time of calculation.
- The obligors are defined as 'Grade As Group' (GAG) parents for all wholesale models except the UK SME PD model, since wholesale models are built to predict and grade at this level. In UK SME, the obligors are defined as 'individual borrower' with no connection to group structure, consistent with the model development approach. These methodologies are in line with the approaches followed across wholesale models in internal model performance back-testing.
- In accordance with the regulations, specialised lending and counterparty credit risk exposures have been removed from the scope of the wholesale asset classes.

Management of credit risk and the internal ratings-based approach (continued)

IRB approach – Back-testing of PD per exposure class (fixed PD scale)

These tables provide an overview of credit risk model performance, assessed by the analysis of average PDs. Please note these tables exclude exposures calculated under the supervisory slotting approach. Obligors that straddle Barclays UK and Barclays UK Corporate Bank have been classified under Barclays UK.

The tables compare the model output to the actual experience in our portfolios. Such analysis is used to assess and enhance the adequacy and accuracy of models.

Table 75: CR9 - IRB approach – Back-testing of PD for Central Governments and Central Banks

PD Range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	51	—	0.00%	0.01%	0.02%	0.00%
0.00 to <0.10	51	—	0.00%	0.01%	0.02%	0.00%
0.10 to <0.15	—	—	—	—	—	0.00%
0.15 to <0.25	3	—	0.00%	—	0.20%	0.00%
0.25 to <0.50	2	—	0.00%	0.38%	0.34%	0.00%
0.50 to <0.75	1	—	0.00%	—	0.53%	0.00%
0.75 to <2.50	2	—	0.00%	—	1.11%	0.00%
0.75 to <1.75	2	—	0.00%	—	1.11%	0.00%
1.75 to <2.5	—	—	—	—	—	0.00%
2.50 to <10.00	—	—	—	—	—	0.00%
2.5 to <5	—	—	—	—	—	—
5 to <10	—	—	—	—	—	0.00%
10.00 to <100.00	1	1	100.00%	—%	30.27%	33.33%
10 to <20	—	—	—	—	—	0.00%
20 to <30	—	—	—	—	—	0.00%
30.00 to <100.00	1	1	100.00%	—%	30.27%	50.00%
100.00 (Default)	—	—	—	—	—	—

Table 76: CR9 - IRB approach – Back-testing of PD for Institutions

PD Range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
		Of which number of obligors which defaulted in the year				
0.00 to <0.15	543	—	0.00%	0.04%	0.05%	0.03%
0.00 to <0.10	474	—	0.00%	0.04%	0.04%	0.03%
0.10 to <0.15	69	—	0.00%	0.11%	0.13%	0.00%
0.15 to <0.25	247	1	0.40%	0.22%	0.20%	0.50%
0.25 to <0.50	261	—	0.00%	0.34%	0.39%	0.18%
0.50 to <0.75	334	1	0.30%	0.66%	0.64%	0.24%
0.75 to <2.50	1,673	4	0.24%	1.53%	1.37%	0.67%
0.75 to <1.75	1,301	3	0.23%	1.46%	1.17%	0.59%
1.75 to <2.5	372	1	0.27%	2.06%	2.06%	1.06%
2.50 to <10.00	712	18	2.53%	3.63%	4.61%	3.16%
2.5 to <5	480	9	1.88%	2.66%	3.52%	2.80%
5 to <10	232	9	3.88%	5.61%	6.86%	3.74%
10.00 to <100.00	165	11	6.67%	22.41%	18.12%	12.00%
10 to <20	130	3	2.31%	16.03%	13.22%	6.58%
20 to <30	21	3	14.29%	22.35%	23.10%	12.07%
30.00 to <100.00	14	5	35.71%	35.63%	56.23%	30.66%
100.00 (Default)	190	—	—	100.00%	100.00%	0.00%

Management of credit risk and the internal ratings-based approach (continued)

Table 77: CR9 - IRB approach – Back-testing of PD for Corporates - SME

PD Range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
	As at 31 December 2024	Of which number of obligors which defaulted in the year				
0.00 to <0.15	36	1	2.78%	0.06%	0.14%	0.82%
0.00 to <0.10	—	—	—	0.05%	—	0.09%
0.10 to <0.15	36	1	2.78%	0.12%	0.14%	0.88%
0.15 to <0.25	258	—	0.00%	0.21%	0.21%	0.60%
0.25 to <0.50	1,615	9	0.56%	0.38%	0.42%	0.43%
0.50 to <0.75	4,291	13	0.30%	0.64%	0.63%	0.65%
0.75 to <2.50	20,238	144	0.71%	1.40%	1.45%	1.35%
0.75 to <1.75	15,053	90	0.60%	1.15%	1.23%	1.10%
1.75 to <2.5	5,185	54	1.04%	2.02%	2.08%	2.13%
2.50 to <10.00	9,553	194	2.03%	4.69%	4.47%	4.00%
2.5 to <5	6,685	101	1.51%	3.42%	3.47%	3.19%
5 to <10	2,868	93	3.24%	6.89%	6.80%	5.77%
10.00 to <100.00	1,322	165	12.48%	19.38%	22.05%	14.98%
10 to <20	900	74	8.22%	14.37%	13.24%	11.36%
20 to <30	182	37	20.33%	24.89%	23.95%	20.60%
30.00 to <100.00	240	54	22.50%	38.78%	53.62%	23.39%
100.00 (Default)	919	—	—	100.00%	100.00%	—

Table 78: CR9 - IRB approach – Back-testing of PD for Corporates - Others

PD Range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
	As at 31 December 2024	Of which number of obligors which defaulted in the year				
0.00 to <0.15	989	3	0.30%	0.06%	0.07%	0.18%
0.00 to <0.10	708	1	0.14%	0.05%	0.05%	0.11%
0.10 to <0.15	281	2	0.71%	0.12%	0.13%	0.32%
0.15 to <0.25	865	—	0.00%	0.19%	0.20%	0.15%
0.25 to <0.50	1,140	3	0.26%	0.35%	0.40%	0.25%
0.50 to <0.75	1,901	7	0.37%	0.61%	0.62%	0.35%
0.75 to <2.50	4,416	27	0.61%	1.42%	1.45%	0.76%
0.75 to <1.75	3,152	20	0.63%	1.16%	1.21%	0.72%
1.75 to <2.5	1,264	7	0.55%	2.03%	2.05%	1.00%
2.50 to <10.00	4,492	41	0.91%	5.40%	4.53%	1.95%
2.5 to <5	3,345	24	0.72%	3.37%	3.86%	1.59%
5 to <10	1,147	17	1.48%	6.82%	6.49%	2.73%
10.00 to <100.00	582	40	6.87%	18.93%	21.65%	10.16%
10 to <20	384	26	6.77%	17.13%	13.58%	7.35%
20 to <30	26	3	11.54%	23.63%	24.40%	17.48%
30.00 to <100.00	172	11	6.40%	36.88%	39.25%	18.84%
100.00 (Default)	66	—	—	100.00%	100.00%	0.00%

Management of credit risk and the internal ratings-based approach (continued)

Table 79: CR9 - IRB approach – Back-testing of PD for Secured Retail - Non SME

PD Range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
	As at 31 December 2024	Of which number of obligors which defaulted in the year				
0.00 to <0.15	598,777	408	0.07%	0.08%	0.10%	0.09%
0.00 to <0.10	266,180	129	0.05%	0.06%	0.07%	0.07%
0.10 to <0.15	332,597	279	0.08%	0.12%	0.12%	0.15%
0.15 to <0.25	143,945	234	0.16%	0.20%	0.19%	0.22%
0.25 to <0.50	68,787	226	0.33%	0.38%	0.33%	0.46%
0.50 to <0.75	13,550	78	0.58%	0.61%	0.60%	0.78%
0.75 to <2.50	20,465	217	1.06%	1.27%	1.43%	1.35%
0.75 to <1.75	14,382	147	1.02%	1.15%	1.12%	1.25%
1.75 to <2.5	6,083	70	1.15%	2.03%	2.15%	1.59%
2.50 to <10.00	15,224	572	3.76%	4.63%	4.82%	5.17%
2.5 to <5	9,409	184	1.96%	3.35%	3.42%	3.33%
5 to <10	5,815	388	6.67%	7.09%	7.09%	8.16%
10.00 to <100.00	7,188	2,322	32.30%	27.77%	32.02%	32.45%
10 to <20	3,141	503	16.01%	13.96%	14.16%	17.67%
20 to <30	1,016	241	23.72%	25.26%	24.30%	28.16%
30.00 to <100.00	3,031	1,578	52.06%	56.67%	53.12%	48.19%
100.00 (Default)	13,344	—	0.00%	100.00%	100.00%	

Table 80: CR9 - IRB approach – Back-testing of PD for Revolving Retail

PD Range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
	As at 31 December 2024	Of which number of obligors which defaulted in the year				
0.00 to <0.15	13,901,010	5,748	0.04%	0.06%	0.05%	0.04%
0.00 to <0.10	12,078,259	3,724	0.03%	0.05%	0.03%	0.03%
0.10 to <0.15	1,822,751	2,024	0.11%	0.12%	0.12%	0.10%
0.15 to <0.25	1,450,764	3,034	0.21%	0.20%	0.19%	0.17%
0.25 to <0.50	1,669,919	5,596	0.34%	0.36%	0.36%	0.32%
0.50 to <0.75	875,082	4,788	0.55%	0.60%	0.62%	0.58%
0.75 to <2.50	2,004,139	25,132	1.25%	1.37%	1.36%	1.33%
0.75 to <1.75	1,545,235	15,890	1.03%	1.14%	1.15%	1.10%
1.75 to <2.5	458,904	9,242	2.01%	2.10%	2.08%	2.04%
2.50 to <10.00	937,896	43,893	4.68%	4.50%	4.71%	4.91%
2.5 to <5	604,735	21,028	3.48%	3.44%	3.49%	3.64%
5 to <10	333,161	22,865	6.86%	6.85%	6.92%	7.20%
10.00 to <100.00	233,120	60,312	25.87%	22.57%	26.59%	25.87%
10 to <20	136,667	18,420	13.48%	13.43%	13.53%	14.03%
20 to <30	36,563	8,692	23.77%	23.99%	24.24%	23.81%
30.00 to <100.00	59,890	33,200	55.44%	52.05%	57.83%	54.89%
100.00 (Default)	225,568	—	0.00%	100.00%	100.00%	

Management of credit risk and the internal ratings-based approach (continued)

Table 81: CR9 - IRB approach – Back-testing of PD for Other Retail - SME

PD Range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
		Of which number of obligors which defaulted in the year				
As at 31 December 2024						
0.00 to <0.15	4,775	2	0.04%	0.08%	0.15%	0.06%
<i>0.00 to <0.10</i>	—	—		0.06%		0.07%
<i>0.10 to <0.15</i>	4,775	2	0.04%	0.12%	0.15%	0.10%
0.15 to <0.25	52,420	23	0.04%	0.19%	0.20%	0.26%
0.25 to <0.50	70,153	576	0.82%	0.40%	0.41%	0.89%
0.50 to <0.75	100,651	1,209	1.20%	0.63%	0.62%	1.06%
0.75 to <2.50	348,102	4,221	1.21%	1.49%	1.45%	2.19%
<i>0.75 to <1.75</i>	258,479	2,550	0.99%	1.21%	1.22%	1.90%
<i>1.75 to <2.5</i>	89,623	1,671	1.86%	2.10%	2.09%	3.29%
2.50 to <10.00	218,880	10,710	4.89%	4.67%	4.77%	6.54%
<i>2.5 to <5</i>	140,329	4,738	3.38%	3.50%	3.56%	5.30%
<i>5 to <10</i>	78,551	5,972	7.60%	6.90%	6.92%	9.11%
10.00 to <100.00	45,960	8,376	18.22%	22.64%	18.78%	25.36%
<i>10 to <20</i>	36,444	5,088	13.96%	13.55%	13.51%	17.39%
<i>20 to <30</i>	5,128	937	18.27%	24.06%	23.46%	26.56%
<i>30.00 to <100.00</i>	4,388	2,351	53.58%	40.95%	57.03%	52.46%
100.00 (Default)	89,359	—	—	100.00%	100.00%	

Table 82: CR9 - IRB approach – Back-testing of PD for Other Retail - Non SME

PD Range	Number of obligors at the end of previous year		Observed average default rate (%)	Exposures weighted average PD (%)	Average PD (%)	Average historical annual default rate (%)
		Of which number of obligors which defaulted in the year				
As at 31 December 2024						
0.00 to <0.15	50,335	54	0.11%	0.10%	0.09%	0.13%
<i>0.00 to <0.10</i>	28,257	21	0.07%	0.08%	0.07%	0.10%
<i>0.10 to <0.15</i>	22,078	33	0.15%	0.13%	0.13%	0.17%
0.15 to <0.25	39,059	93	0.24%	0.20%	0.20%	0.22%
0.25 to <0.50	74,693	253	0.34%	0.37%	0.37%	0.36%
0.50 to <0.75	49,099	262	0.53%	0.62%	0.62%	0.58%
0.75 to <2.50	138,364	1,884	1.36%	1.38%	1.41%	1.40%
<i>0.75 to <1.75</i>	102,467	1,119	1.09%	1.17%	1.17%	1.12%
<i>1.75 to <2.5</i>	35,897	765	2.13%	2.05%	2.09%	2.17%
2.50 to <10.00	87,626	4,200	4.79%	4.65%	4.79%	4.95%
<i>2.5 to <5</i>	55,594	1,924	3.46%	3.53%	3.52%	3.62%
<i>5 to <10</i>	32,032	2,276	7.11%	6.98%	7.01%	7.29%
10.00 to <100.00	25,137	7,251	28.85%	25.80%	30.23%	28.63%
<i>10 to <20</i>	13,829	1,732	12.52%	13.54%	13.52%	13.41%
<i>20 to <30</i>	3,362	767	22.81%	23.87%	24.13%	23.80%
<i>30.00 to <100.00</i>	7,946	4,752	59.80%	62.36%	61.88%	60.76%
100.00 (Default)	20,987	—	—	100.00%	100.00%	

Management of credit risk and the internal ratings-based approach (continued)

IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) of UK CRR)

Table 83: CR9.1 - IRB approach – Back-testing of PD (only for PD estimates according to point (f) of Article 180(1) of UK CRR) - Central Governments and Central Banks

As at 31 December 2024	External rating equivalent		Number of obligors at the end of previous year		Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
	Moody's	Standard and Poor's		Of which number of obligors which defaulted in the year			
0.00 to <0.15	Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA, AA+, AA, AA-, A+, A, A-, BBB+	51	—	0.00%	0.02%	0.00%
0.00 to <0.10	Aaa, Aa1, Aa2, Aa3, A1, A2, A3	AAA, AA+, AA, AA-, A+, A, A-	51	—	0.00%	0.02%	0.00%
0.10 to <0.15	Baa1	BBB+	—	—	—	—	0.00%
0.15 to <0.25	Baa2, Baa2	BBB, BBB-	3	—	0.00%	0.20%	0.00%
0.25 to <0.50	Baa3, Ba1	BBB-, BB+	2	—	0.00%	0.34%	0.00%
0.50 to <0.75	Ba1, Ba2	BB, BB-	1	—	0.00%	0.53%	0.00%
0.75 to <2.50	Ba2, Ba3, B1	BB, BB-, B+	2	—	0.00%	1.11%	0.00%
0.75 to <1.75	Ba2, Ba3	BB, BB-, B+	2	—	0.00%	1.11%	0.00%
1.75 to <2.5	Ba3, B1	B+	—	—	—	—	0.00%
2.50 to <10.00	B1, B2, B3, Caa1, Caa2	B+, B, B-	—	—	—	—	0.00%
2.5 to <5	B1, B2, B3, Caa1	B+, B	—	—	—	—	—
5 to <10	B3, Caa1, Caa2	B, B-	—	—	—	—	0.00%
10.00 to <100.00	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	1	1	100.00%	30.27%	33.33%
10 to <20	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	—	—	—	—	0.00%
20 to <30	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	—	—	—	—	0.00%
30.00 to <100.00	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	1	1	100.00%	30.27%	50.00%
100.00 (Default)	D	D	—	—	—	—	—

Management of credit risk and the internal ratings-based approach (continued)

Table 84: CR9.1 - IRB approach – Back-testing of PD (only for PD estimates according to point (f) of Article 180(1) of UK CRR) - Institutions

As at 31 December 2024	External rating equivalent		Number of obligors at the end of previous year		Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
	Moody's	Standard and Poor's		Of which number of obligors which defaulted in the year			
PD Ranges							
0.00 to <0.15	Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA, AA+, AA, AA-, A+, A, A-, BBB+	543	—	0.00%	0.05%	0.05%
0.00 to <0.10	Aaa, Aa1, Aa2, Aa3, A1, A2, A3	AAA, AA+, AA, AA-, A+, A, A-	474	—	0.00%	0.04%	0.03%
0.10 to <0.15	Baa1	BBB+	69	—	0.00%	0.13%	0.40%
0.15 to <0.25	Baa2, Baa1	BBB, BBB-	247	1	0.40%	0.20%	0.50%
0.25 to <0.50	Baa3, Ba1	BBB-, BB+	261	—	0.00%	0.39%	0.18%
0.50 to <0.75	Ba1, Ba2	BB, BB-	334	1	0.30%	0.64%	0.24%
0.75 to <2.50	Ba2, Ba3, B1	BB, BB-, B+	1,673	4	0.24%	1.37%	0.67%
0.75 to <1.75	Ba2, Ba3	BB, BB-, B+	1,301	3	0.23%	1.17%	0.59%
1.75 to <2.5	Ba3, B1	B+	372	1	0.27%	2.06%	1.06%
2.50 to <10.00	B1, B2, B3, Caa1, Caa2	B+, B, B-	712	18	2.53%	4.61%	3.16%
2.5 to <5	B1, B2, B3, Caa1	B+, B	480	9	1.88%	3.52%	2.80%
5 to <10	B3, Caa1, Caa2	B, B-	232	9	3.88%	6.86%	3.74%
10.00 to <100.00							
	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	165	11	6.67%	18.12%	12.00%
10 to <20	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	130	3	2.31%	13.22%	6.58%
20 to <30	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	21	3	14.29%	23.10%	12.07%
30.00 to <100.00	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	14	5	35.71%	56.23%	30.66%
100.00 (Default)	D	D	190	—	—	100.00%	—

Management of credit risk and the internal ratings-based approach (continued)

Table 85: CR9.1 - IRB approach – Back-testing of PD (only for PD estimates according to point (f) of Article 180(1) of UK CRR) - Corporates - SME

As at 31 December 2024	External rating equivalent		Number of obligors at the end of previous year		Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
	Moody's	Standard and Poor's		Of which number of obligors which defaulted in the year			
0.00 to <0.15	Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA, AA+, AA, AA-, A+, A, A-, BBB+	36	1	2.78%	0.14%	0.82%
0.00 to <0.10	Aaa, Aa1, Aa2, Aa3, A1, A2, A3	AAA, AA+, AA, AA-, A+, A, A-	—	—			0.09%
0.10 to <0.15	Baa1	BBB+	36	1	2.78%	0.14%	0.88%
0.15 to <0.25	Baa2, Baa2	BBB, BBB-	258	—	0.00%	0.21%	0.60%
0.25 to <0.50	Baa3, Ba1	BBB-, BB+	1,615	9	0.56%	0.42%	0.43%
0.50 to <0.75	Ba1, Ba2	BB, BB-	4,291	13	0.30%	0.63%	0.65%
0.75 to <2.50	Ba2, Ba3, B1	BB, BB-, B+	20,238	144	0.71%	1.45%	1.35%
0.75 to <1.75	Ba2, Ba3	BB, BB-, B+	15,053	90	0.60%	1.23%	1.10%
1.75 to <2.5	Ba3, B1	B+	5,185	54	1.04%	2.08%	2.13%
2.50 to <10.00	B1, B2, B3, Caa1, Caa2	B+, B, B-	9,553	194	2.03%	4.47%	4.00%
2.5 to <5	B1, B2, B3, Caa1	B+, B	6,685	101	1.51%	3.47%	3.19%
5 to <10	B3, Caa1, Caa2	B, B-	2,868	93	3.24%	6.80%	5.77%
10.00 to <100.00		B-,					
	Caa2, Caa3, Ca, C	CCC+, CCC, CCC-, CC+, CC-, C	1,322	165	12.48%	22.05%	14.98%
10 to <20	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	900	74	8.22%	13.24%	11.36%
20 to <30	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	182	37	20.33%	23.95%	20.60%
30.00 to <100.00	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	240	54	22.50%	53.62%	23.39%
100.00 (Default)	D	D	919	—	—	100.00%	

Management of credit risk and the internal ratings-based approach (continued)

Table 86: CR9.1 - IRB approach – Back-testing of PD (only for PD estimates according to point (f) of Article 180(1) of UK CRR) - Corporates - Others

As at 31 December 2024	External rating equivalent		Number of obligors at the end of previous year		Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
	Moody's	Standard and Poor's		Of which number of obligors which defaulted in the year			
PD Ranges							
0.00 to <0.15	Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA, AA+, AA, AA-, A+, A, A-, BBB+	989	3	0.30%	0.07%	0.18%
0.00 to <0.10	Aaa, Aa1, Aa2, Aa3, A1, A2, A3	AAA, AA+, AA, AA-, A+, A, A-	708	1	0.14%	0.05%	0.11%
0.10 to <0.15	Baa1	BBB+	281	2	0.71%	0.13%	0.32%
0.15 to <0.25	Baa2, Baa2	BBB, BBB-	865	—	0.00%	0.20%	0.15%
0.25 to <0.50	Baa3, Ba1	BBB-, BB+	1,140	3	0.26%	0.40%	0.25%
0.50 to <0.75	Ba1, Ba2	BB, BB-	1,901	7	0.37%	0.62%	0.35%
0.75 to <2.50	Ba2, Ba3, B1	BB, BB-, B+	4,416	27	0.61%	1.45%	0.76%
0.75 to <1.75	Ba2, Ba3	BB, BB-, B+	3,152	20	0.63%	1.21%	0.72%
1.75 to <2.5	Ba3, B1	B+	1,264	7	0.55%	2.05%	1.00%
2.50 to <10.00	B1, B2, B3, Caa1, Caa2	B+, B, B-	4,492	41	0.91%	4.53%	1.95%
2.5 to <5	B1, B2, B3, Caa1	B+, B	3,345	24	0.72%	3.86%	1.59%
5 to <10	B3, Caa1, Caa2	B, B-	1,147	17	1.48%	6.49%	2.73%
10.00 to <100.00		B-,					
	Caa2, Caa3, Ca, C	CCC+, CCC, CCC-, CC+, CC-, C	582	40	6.87%	21.65%	10.16%
10 to <20	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	384	26	6.77%	13.58%	7.35%
20 to <30	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	26	3	11.54%	24.40%	17.48%
30.00 to <100.00	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	172	11	6.40%	39.25%	18.84%
100.00 (Default)	D	D	66	—	—	100.00%	—

Management of credit risk and the internal ratings-based approach (continued)

Table 87: CR9.1 - IRB approach – Back-testing of PD (only for PD estimates according to point (f) of Article 180(1) of UK CRR) - Secured Retail - Non SME

As at 31 December 2024	External rating equivalent		Number of obligors at the end of previous year		Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
	Moody's	Standard and Poor's		Of which number of obligors which defaulted in the year			
0.00 to <0.15	Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA, AA+, AA, AA-, A+, A, A-, BBB+	598,777	408	0.07%	0.10%	0.09%
<i>0.00 to <0.10</i>	Aaa, Aa1, Aa2, Aa3, A1, A2, A3	AAA, AA+, AA, AA-, A+, A, A-	266,180	129	0.05%	0.07%	0.07%
<i>0.10 to <0.15</i>	Baa1	BBB+	332,597	279	0.08%	0.12%	0.15%
0.15 to <0.25	Baa2, Baa3	BBB, BBB-	143,945	234	0.16%	0.19%	0.22%
0.25 to <0.50	Baa3, Ba1	BBB-, BB+	68,787	226	0.33%	0.33%	0.46%
0.50 to <0.75	Ba1, Ba2	BB, BB-	13,550	78	0.58%	0.60%	0.78%
0.75 to <2.50	Ba2, Ba3, B1	BB, BB-, B+	20,465	217	1.06%	1.43%	1.35%
<i>0.75 to <1.75</i>	Ba2, Ba3	BB, BB-, B+	14,382	147	1.02%	1.12%	1.25%
<i>1.75 to <2.5</i>	Ba3, B1	B+	6,083	70	1.15%	2.15%	1.59%
2.50 to <10.00	B1, B2, B3, Caa1, Caa2	B+, B, B-	15,224	572	3.76%	4.82%	5.17%
<i>2.5 to <5</i>	B1, B2, B3, Caa1	B+, B	9,409	184	1.96%	3.42%	3.33%
<i>5 to <10</i>	B3, Caa1, Caa2	B, B-	5,815	388	6.67%	7.09%	8.16%
10.00 to <100.00	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	7,188	2,322	32.30%	32.02%	32.45%
<i>10 to <20</i>	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	3,141	503	16.01%	14.16%	17.67%
<i>20 to <30</i>	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	1,016	241	23.72%	24.30%	28.16%
<i>30.00 to <100.00</i>	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	3,031	1,578	52.06%	53.12%	48.19%
100.00 (Default)	D	D	13,344	—	0.00%	100.00%	

Management of credit risk and the internal ratings-based approach (continued)

Table 88:CR9.1 - IRB approach – Back-testing of PD (only for PD estimates according to point (f) of Article 180(1) of UK CRR) - Revolving Retail

As at 31 December 2024	External rating equivalent		Number of obligors at the end of previous year		Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
	Moody's	Standard and Poor's		Of which number of obligors which defaulted in the year			
PD Ranges							
0.00 to <0.15	Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA, AA+, AA, AA-, A+, A, A-, BBB+	13,901,010	5,748	0.04%	0.05%	0.04%
<i>0.00 to <0.10</i>	Aaa, Aa1, Aa2, Aa3, A1, A2, A3	AAA, AA+, AA, AA-, A+, A, A-	12,078,259	3,724	0.03%	0.03%	0.03%
<i>0.10 to <0.15</i>	Baa1	BBB+	1,822,751	2,024	0.11%	0.12%	0.10%
0.15 to <0.25	Baa2, Baa3	BBB, BBB-	1,450,764	3,034	0.21%	0.19%	0.17%
0.25 to <0.50	Baa3, Ba1	BBB-, BB+	1,669,919	5,596	0.34%	0.36%	0.32%
0.50 to <0.75	Ba1, Ba2	BB, BB-	875,082	4,788	0.55%	0.62%	0.58%
0.75 to <2.50	Ba2, Ba3, B1	BB, BB-, B+	2,004,139	25,132	1.25%	1.36%	1.33%
<i>0.75 to <1.75</i>	Ba2, Ba3	BB, BB-, B+	1,545,235	15,890	1.03%	1.15%	1.10%
<i>1.75 to <2.5</i>	Ba3, B1	B+	458,904	9,242	2.01%	2.08%	2.04%
2.50 to <10.00	B1, B2, B3, Caa1, Caa2	B+, B, B-	937,896	43,893	4.68%	4.71%	4.91%
<i>2.5 to <5</i>	B1, B2, B3, Caa1	B+, B	604,735	21,028	3.48%	3.49%	3.64%
<i>5 to <10</i>	B3, Caa1, Caa2	B, B-	333,161	22,865	6.86%	6.92%	7.20%
10.00 to <100.00	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	233,120	60,312	25.87%	26.59%	25.87%
<i>10 to <20</i>	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	136,667	18,420	13.48%	13.53%	14.03%
<i>20 to <30</i>	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	36,563	8,692	23.77%	24.24%	23.81%
<i>30.00 to <100.00</i>	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	59,890	33,200	55.44%	57.83%	54.89%
100.00 (Default)	D	D	225,568	—	0.00%	100.00%	

Management of credit risk and the internal ratings-based approach (continued)

Table 89: CR9.1 - IRB approach – Back-testing of PD (only for PD estimates according to point (f) of Article 180(1) of UK CRR) - Other Retail - SME

As at 31 December 2024	External rating equivalent		Number of obligors at the end of previous year		Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
	Moody's	Standard and Poor's		Of which number of obligors which defaulted in the year			
0.00 to <0.15	Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA, AA+, AA, AA-, A+, A, A-, BBB+	4,775	2	0.04%	0.15%	0.06%
0.00 to <0.10	Aaa, Aa1, Aa2, Aa3, A1, A2, A3	AAA, AA+, AA, AA-, A+, A, A-	—	—			0.07%
0.10 to <0.15	Baa1	BBB+	4,775	2	0.04%	0.15%	0.10%
0.15 to <0.25	Baa2, Baa2	BBB, BBB-	52,420	23	0.04%	0.20%	0.26%
0.25 to <0.50	Baa3, Ba1	BBB-, BB+	70,153	576	0.82%	0.41%	0.89%
0.50 to <0.75	Ba1, Ba2	BB, BB-	100,651	1,209	1.20%	0.62%	1.06%
0.75 to <2.50	Ba2, Ba3, B1	BB, BB-, B+	348,102	4,221	1.21%	1.45%	2.19%
0.75 to <1.75	Ba2, Ba3	BB, BB-, B+	258,479	2,550	0.99%	1.22%	1.90%
1.75 to <2.5	Ba3, B1	B+	89,623	1,671	1.86%	2.09%	3.29%
2.50 to <10.00	B1, B2, B3, Caa1, Caa2	B+, B, B-	218,880	10,710	4.89%	4.77%	6.54%
2.5 to <5	B1, B2, B3, Caa1	B+, B	140,329	4,738	3.38%	3.56%	5.30%
5 to <10	B3, Caa1, Caa2	B, B-	78,551	5,972	7.60%	6.92%	9.11%
10.00 to <100.00	Caa2, Caa3, Ca, C	B-, B-, CCC+, CCC, CCC-, CC+, CC-, C	45,960	8,376	18.22%	18.78%	25.36%
10 to <20	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	36,444	5,088	13.96%	13.51%	17.39%
20 to <30	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	5,128	937	18.27%	23.46%	26.56%
30.00 to <100.00	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	4,388	2,351	53.58%	57.03%	52.46%
100.00 (Default)	D	D	89,359	—	—	100.00%	

Management of credit risk and the internal ratings-based approach (continued)

Table 90: CR9.1 - IRB approach – Back-testing of PD (only for PD estimates according to point (f) of Article 180(1) of UK CRR) - Other Retail - Non SME

As at 31 December 2024	External rating equivalent		Number of obligors at the end of previous year		Observed average default rate (%)	Average PD (%)	Average historical annual default rate (%)
	Moody's	Standard and Poor's		Of which number of obligors which defaulted in the year			
0.00 to <0.15	Aaa, Aa1, Aa2, Aa3, A1, A2, A3, Baa1	AAA, AA+, AA, AA-, A+, A, A-, BBB+	50,335	54	0.11%	0.09%	0.13%
0.00 to <0.10	Aaa, Aa1, Aa2, Aa3, A1, A2, A3	AAA, AA+, AA, AA-, A+, A, A-	28,257	21	0.07%	0.07%	0.10%
0.10 to <0.15	Baa1	BBB+	22,078	33	0.15%	0.13%	0.17%
0.15 to <0.25	Baa2, Baa3	BBB, BBB-	39,059	93	0.24%	0.20%	0.22%
0.25 to <0.50	Baa3, Ba1	BBB-, BB+	74,693	253	0.34%	0.37%	0.36%
0.50 to <0.75	Ba1, Ba2	BB, BB-	49,099	262	0.53%	0.62%	0.58%
0.75 to <2.50	Ba2, Ba3, B1	BB, BB-, B+	138,364	1,884	1.36%	1.41%	1.40%
0.75 to <1.75	Ba2, Ba3	BB, BB-, B+	102,467	1,119	1.09%	1.17%	1.12%
1.75 to <2.5	Ba3, B1	B+	35,897	765	2.13%	2.09%	2.17%
2.50 to <10.00	B1, B2, B3, Caa1, Caa2	B+, B, B-	87,626	4,200	4.79%	4.79%	4.95%
2.5 to <5	B1, B2, B3, Caa1	B+, B	55,594	1,924	3.46%	3.52%	3.62%
5 to <10	B3, Caa1, Caa2	B, B-	32,032	2,276	7.11%	7.01%	7.29%
10.00 to <100.00		B-,					
	Caa2, Caa3, Ca, C	CCC+, CCC, CCC-, CC+, CC-, C	25,137	7,251	28.85%	30.23%	28.63%
10 to <20	Caa2, Caa3, Ca, C	B-, CCC+, CCC, CCC-, CC+, CC-, C	13,829	1,732	12.52%	13.52%	13.41%
20 to <30	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	3,362	767	22.81%	24.13%	23.80%
30.00 to <100.00	Caa3, Ca, C	CCC, CCC-, CC+, CC-, C	7,946	4,752	59.80%	61.88%	60.76%
100.00 (Default)	D	D	20,987	—	—	100.00%	

2024 AIRB models back-testing summary

The section below summarises AIRB model performance based on the above back-testing results, and related remediation plans.

Wholesale

- Under the IRB repair programme new wholesale models are expected to replace existing models. Of the new models, two were approved by the PRA and implemented in 2024. The backtesting report does not cover these two approved models, as the report is based on models in use as of November 2023. Interim Post Model Adjustments (PMAs) are in place to mitigate any model weaknesses and compliance gaps until new compliant models are approved by the regulator and implemented.
- A single default was observed under the Central Governments or Central Banks asset class during the 12 months from November 2023. For the Institutions asset class, the PiT PDs are higher (conservative) compared to actual default rates for most of the PD ranges.
- The Corporate asset class comprises Social Housing, Business Banking, Corporate Others, and Other Wholesale Corporates. Overall the Corporate asset class continues to maintain low default rates across IRB exposures with estimated PiT PDs being higher than actual default rates for most of the PD ranges.
- There are no defaults observed in the Social Housing portfolio over the last year. A new Social Housing PD model was submitted to the PRA in November 2022. Interim Post Model Adjustments (PMAs) are in place to mitigate any model weaknesses and compliance gaps.
- The back-testing results for Institutions, Corporations and Corporate SME also include a set of smaller clients booked in Barclays UK that have experienced elevated default rates in the past 5 years. Defaults from Barclays UK Corporate Bank and Barclays Investment Bank in high quality grades have been very limited in number. Due to the above, the back-testing results in those tables, particularly in the high-quality grades, do not reflect the experience of the Corporate or Investment Banks.
- Backtesting results are presented by the asset-class split that was applied at November 2023. During 2024, the Corporate and Investment Bank has restricted the classification of corporations as SME to exclude clients where firm turnover could not be verified. This leads to a smaller set of clients being reported as SMEs at November 2024.

Management of credit risk and the internal ratings-based approach (continued)

SME

- SME comprises Barclays UK Retail SME, and Corporate SME which spans Barclays UK and Barclays UK Corporate Bank
- The back-testing report is based on the models used in 2023 and implemented in 2017. October 2024 data have been used as these were the latest available data as of the extraction date.
- The PiT PD model accurately estimates the default rate for Barclays UK Retail SME (2.99% estimated vs. 2.99% actual) and overestimates the default rate for Corporate SME (2.80% estimated vs. 1.41% actual).
- A new set of models will be developed in line with new Basel 3.1 rules and submitted to the PRA. Interim Post Model Adjustments (PMAs) are in place to address existing models' deficiencies and compliance gaps.

Secured by Real Estate

- This covers the Mortgage portfolios for UK and Italy. Rank ordering is maintained across PiT PD ranges.
- For UK Mortgages, the PiT PD model over-estimates at an overall level (0.50% estimated vs. 0.42% actual) with accuracy maintained at a band level. The TTC PD model continues to maintain conservatism.
- A securitisation was performed on the UK mortgage book in October 2024 and back-testing numbers have been updated to reflect the same.
- The new capital model suite for the UK Mortgage portfolio has been submitted to the PRA for approval.
- For Italy Mortgages, the PiT PD model under-estimates the default rate for Barclays portfolio (2.51% estimated vs. 6.41% actual) and for Macquarie portfolio (10.83% estimated vs. 17.82% actual).
- A securitisation was performed on the Italy mortgage book in May 2024 and back-testing numbers have been updated to reflect the same.
- The new Capital Suite for Italy Mortgage portfolio was submitted to the PRA in March 2023. Interim Post Model Adjustments (PMAs) are in place to address existing models' deficiencies and compliance gaps.

Qualifying Revolving Retail

- This constitutes UK Cards, Germany Cards and UK Current Account portfolios. Rank ordering for estimated PDs is maintained across all 3 portfolios.
- For UK Cards, there is over-estimation in the PiT PD model (1.73% estimated vs. 1.66% actual). The Regulatory PD used for RWA calculation is also conservative.
- For Germany Cards, the PiT PD model over-estimates (0.73% estimated vs. 0.65% actual) at an overall level.
- For UK Current Account, there is marginal under-estimation in the PiT PD model at an overall level (0.23% estimated vs. 0.24% actual). Regulatory PD remains conservative.
- The new set of models will be submitted for UK Cards and UK Current Account as per the Basel 3.1 roll-out plan. Interim Post Model Adjustments (PMAs) are in place to address existing models' deficiencies and compliance gaps for both the portfolios.

Other Retail

- This covers the UK Barclayloan portfolio. The back-testing report is based on the model approved by the PRA and implemented in July 2019.
- The PD model over-estimates (3.11% estimated vs. 3.01% actual) on PiT basis at an overall level; rank ordering is maintained. Regulatory PD remains conservative.
- The new set of models will be submitted as per the Basel 3.1 roll-out plan. Interim Post Model Adjustments (PMAs) are in place to address existing models' deficiencies and compliance gaps.

Management of market risk

This section describes the governance structure specific to the management of market risks, as well as a discussion of measurement techniques.

- **Market risks are varied, and a range of techniques must be used to manage them. From page 155 we provide an overview of the market risks we incur across Barclays Group**
- **The governance structure specific to market risks is discussed on pages 155 to 156**
- **Market risk, the risk of loss arising from potential adverse changes in the value of the Group's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations, is covered on pages 156 to 163. Measurement techniques such as VaR, are discussed, as well as techniques applied when statistical techniques are not appropriate**

Management of market risk

Market risk

The risk of loss arising from potential adverse changes in the value of the Group's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.

Overview

Market risk arises primarily as a result of client facilitation in wholesale markets, involving market-making activities, risk management solutions and execution of syndications. Upon execution of a trade with a client, the Group will look to hedge against the risk of the trade moving in an adverse direction. Mismatches between client transactions and hedges result in market risk due to changes in asset prices, volatility or correlations.

Organisation and structure

Market risk in the businesses resides primarily in Investment Bank and Group Treasury. These businesses have the mandate to assume market risk. Market risk oversight and challenge is provided by business committees and Barclays Group committees, including the Market Risk committee. The front office and Treasury trading desks are responsible for managing market risk on a day-to-day basis, where they are required to understand and adhere to all limits applicable to their businesses. The Market Risk team support the trading desks with the day-to-day limit management of market risk exposures through governance processes which are outlined in supporting market risk policies and standards.

Roles and responsibilities

The objectives of market risk management are to:

- identify, understand and control market risk by robust measurement, limit setting, reporting and oversight
- facilitate business growth within a controlled and transparent risk management framework
- control market risk in the businesses according to the allocated appetite

To meet the above objectives, a governance structure is in place to manage these risks consistent with the ERMF

The BRC recommends market risk appetite to the Barclays PLC Board for their approval. The Market Risk Principal Risk Lead (PR Lead) is responsible for the Market Risk Control Framework and, under delegated authority from the Group CRO, agrees with the business CROs a limit framework within the context of the approved market risk appetite.

The Market Risk Committee (MRC) reviews and makes recommendations concerning the Group-wide market risk profile. This includes overseeing the operation of the Market Risk Framework and associated policies and standards, monitoring market and regulatory changes, and reviewing limit utilisation levels. The committee is chaired by the PR Lead and attendees include the business heads of market risk and business aligned market risk managers.

In addition to MRC, the Investment Bank Risk Committee (IBRC) is the main forum in which market risk exposures are discussed and reviewed with senior business heads. The Committee is chaired by the CRO of Investment Bank and meets weekly, covering current market events, notable market risk exposures, and key risk topics. New business initiatives are generally socialised at IBRC before any changes to risk appetite or associated limits are considered in other governance committees.

Organisation and structure

Barclays PLC Board Risk Committee

- Review and recommends Barclays Group's risk appetite for market risk to the Barclays PLC Board
- Reviews and material events impacting market risk

Barclays Group Risk Committee

- Monitors risk profile with respect to financial risk appetite
- Debates and agrees actions on the financial risk profile and risk strategy across Barclays Group
- Considers issues escalated by risk type heads and business risk directors

Barclays Group Market Risk Committee


- Reviews market risk appetite proposals from the business
- Oversees the management of Barclays Group's market risk profile
- Reviews arising market or regulatory issues
- Reviews state of the implementation of the risk frameworks in the business

The head of each business is accountable for all market risks associated with its activities, while the head of the market risk team covering each business is responsible for implementing the risk control framework for market risk.

Management of market risk (continued)


Risk management in the setting of strategy

Appetite for market risk is recommended by the risk function to BRC for agreement by the Board. Mandate and scales are set to control levels of market risk and maintain the Group remains within the BRC approved risk appetite. The Group runs an annual Group-wide stress testing exercise which aims to simulate the dynamics of exposures across the Group and cover all risk factors. The exercise is also designed to measure the impact to the Group's fundamental business plan, and is used to manage the wider Group's strategy.

 See [page 115](#) for more detail on the role of risk management in the setting of strategy

Market risk culture

Market risk managers are independent from the businesses they cover, and their line management reports into the CRO. This embeds a risk culture with strong adherence to limits that support the Group-wide risk appetite.

 See [page 111](#) for more detail on risk culture

Management of market risk, mitigation and hedging policies

The governance structure helps maintain all market risks that the Group is exposed to are well managed and understood. Market risk is generated primarily as a result of client facilitation in wholesale markets, involving market making activities, risk management solutions and execution of syndications. Group Treasury supports the businesses in managing their interest rate risk. Positions will contribute both to market risk limits and regulatory capital if relevant.

As part of the continuous monitoring of the risk profile, Market Risk management meets with the businesses to discuss the risk profile on a regular basis. The outcome of these reviews includes further detailed assessments of event risk via stress testing, risk mitigation and risk reduction.

Market risk measurement – management view

Market risk measures

A range of complementary approaches to measure market risk are used which aim to capture the level of losses that the Group is exposed to due to unfavourable changes in asset prices. The primary tools to control the Group's exposures are:

Measure	Description
Management Value at Risk (VaR)	An estimate of the potential loss arising from unfavourable market movements, if the current positions were to be held unchanged for one business day.
Primary stress tests	An estimate of the potential losses that might arise due to liquid risk factors from extreme market moves or scenarios.
Secondary stress tests	An estimate of the potential losses that might arise due to illiquid risk factors from extreme market moves or scenarios.
Business scenario stresses	Multi-asset scenario analysis of severe, but plausible events that may simultaneously impact Market Risk exposures across all primary and secondary stresses.

The use of Management VaR for market risk is broader than the application of VaR for regulatory capital, and captures standardised, advanced and certain banking books where market risks are deemed to exist. The wider scope of Management VaR is what Barclays Group deems as material market risk exposures which may have a detrimental impact on the performance of the trading business. The scope used in Regulatory VaR (see page 159) is narrower as it applies only to trading book positions as approved by the PRA.

Stress testing and scenario analysis are also an important part of the risk management framework, to capture potential risk that may arise in severe but plausible events.

Management VaR

- estimates the potential loss arising from unfavourable market movements, over one day for a given confidence level
- differs from the Regulatory VaR used for capital purposes in scope and confidence level
- back testing is performed to evaluate that the model is fit for purpose

VaR is an estimate of the potential loss arising from unfavourable market movements if the current positions were to be held unchanged for one business day. For internal market risk management purposes, a historical simulation methodology with a one-year equally weighted historical period, at the 95% confidence level is used for all trading books and some banking books. Risk factors driving VaR are grouped into key risk types as summarised below:

Management of market risk (continued)

Risk factor	Description
Interest rate	Risk arises from changes in the level or shape of interest rate curves can impact the price of interest rate sensitive assets, such as bonds and derivatives instruments. For example, the price of an interest rate swap will vary due to changes in the absolute level of interest rates and/ or in the shape of the yield curve.
Foreign exchange	Risk arises from changes in foreign exchange rates and volatilities.
Equity	Risk due to changes in equity prices, volatilities and dividend yields, for example as part of market making activities, syndication or underwriting of initial public offerings.
Commodity	Risk arises from providing clients and investors with access to a range of commodity products on both a derivative and physical basis.
Traded credit	Risk arises from changes in credit quality impacting the prices of assets, for example positions such as corporate bonds, securitised products and credit based derivative instruments, including credit default swaps. Similar to interest rate risk, the price of these assets will change as the credit quality of the asset (or its pricing index in the case of credit based derivative instruments) changes.
Securitised products	Risk arises from structured cash flow positions predominantly of an asset-backed nature, and their derivatives. The market value of these positions is influenced by the interplay of the cash-flow structure with changes in credit quality and value of assets backing the positions, as well as changes in the level and shape of interest rate curves.

The output of the Management VaR model can be readily tested through back testing. This checks instances where actual losses exceed the predicted potential loss estimated by the VaR model. If the number of instances is higher than expected, where actual losses exceed the predicted potential loss estimated by the VaR model, this may indicate limitations with the VaR calculation, for example, a risk factor that would not be adequately captured by the model.

The Management VaR model in some instances may not appropriately measure some market risk exposures, especially for market moves that are not directly observable via prices. Market risk managers are required to identify risks which are not adequately captured in VaR ('risks not in VaR' or 'RNIVs', discussed below).

When reviewing VaR estimates, the following considerations are taken into account:

- the historical simulation uses the most recent year of past data to generate possible future market moves, but the past may not be a good indicator of the future
- the one-day time horizon may not fully capture the market risk of positions that cannot be closed out or hedged within one day
- VaR is based on positions as at close of business and consequently, it is not an appropriate measure for intra-day risk arising from a position bought and sold on the same day
- VaR does not indicate the potential loss beyond the VaR confidence level

Limits are applied at the total level as well as by risk factor type, which are then cascaded down to particular trading desks and businesses by the market risk management function.

Primary stress tests

Primary stress tests are key tools used by management to measure liquid market risks from extreme market movements or scenarios in each major trading asset class.

Stress testing provides an estimate of potential significant future losses that might arise from extreme market moves or scenarios.

Primary stress tests apply stress moves to key liquid risk factors for each of the major trading asset classes, namely:

- **interest rates:** shock to the level and structure of interest rates and inflation across currencies
- **credit:** impact on traded corporate credit exposures and securities structures, including across rating grades, geography, sectors and products
- **foreign exchange:** impact of unfavourable moves in currency prices and volatility
- **equity:** shocks to share prices including exposures to specific markets and sectors
- **commodities:** adverse commodity price changes across both physical and derivative markets

Primary stresses apply moves to liquid assets incorporating up to 10 days holding period. Shock scenarios are determined by a combination of observed extreme historical moves and forward looking elements as appropriate.

Primary stresses are calculated for each asset class on a standalone basis. Risk managers calculate several stress scenarios and communicate the results to senior managers to highlight concentrations and the level of exposures. Primary stress loss limits are applied across the trading businesses and is a key market risk control.

Secondary stress tests

Secondary stress tests are key tools used by management to measure illiquid, directional or concentrated market risks from extreme market movements or scenarios in each major asset class.

Secondary stress tests are used in measuring potential losses arising from market risks that are not captured in the primary stress tests. These may relate to financial instruments or risk exposures which are not readily or easily tradable or markets that are naturally sensitive to a rapid deterioration in market conditions.

Management of market risk (continued)

For each asset class, secondary stresses are aggregated to a single stress loss which allows the business to manage its liquid and illiquid risk factors. Limits against secondary stress losses are also applied, which allows the Group to manage and control the level of illiquid risk factors.

Stresses are specific to the exposure held and are calibrated on both observed extreme moves and some forward-looking elements as appropriate.

Business scenario stresses

Business scenario stresses are key tools used by management to measure aggregated losses across the entire trading book as a result of extreme forward-looking scenarios encompassing simultaneous shocks to multiple asset classes.

Business scenario stresses apply simultaneous shocks to all risk factors assessed by applying changes to foreign exchange rates, interest rates, credit spreads, commodities and equities to the entire portfolio, for example, the impact of a rapid and extreme slowdown in the global economy. The measure shows results on a multi-asset basis across all trading exposures. Business scenarios are used for risk appetite monitoring purposes and are useful in identifying concentrations of exposures and highlighting areas that may provide some diversification.

The estimated impacts on market risk exposures are calculated and reported by the market risk management function on a frequent and regular basis. The stress scenario and the calibration on the shocks are also reviewed by market risk managers periodically for its relevance considering any market environment.

Scenarios focusing on adverse global recession, deterioration in the availability of liquidity, contagion effects of a slowdown in one of the major economies, easing of global growth concerns, and a historical event scenario are examples of business scenarios. If necessary, market event-specific scenarios are also calculated, such as:

- a unilateral decision to exit the Eurozone by a member country;
- the impact of a large financial institution collapse; or
- a disorderly exit of quantitative easing programmes, including unexpected rapid and continuous interest rate rises as a result.

 See [page 93](#) for a review of business scenario stresses

Market risk measurement – regulatory view

Regulatory view of traded positions

For regulatory purposes, the trading book is defined as one that consists of all positions in UK CRR financial instruments and commodities held either with trading intent, or in order to hedge other elements of trading, and which are either free of any restrictive covenants on their tradability, or able to be hedged. A UK CRR financial instrument is defined as a contract that gives rise to both a financial asset of one party and a financial liability or equity instrument of another party.

All of the below regulatory measures, including the standardised approach, generate market risk capital requirements, in line with UK CRR). Positions which cannot be included in the trading book are included within the banking book and generate risk capital requirements in line with this treatment.

Inclusion of exposures in the regulatory trading book

The Group maintains a Trading Book Policy, which defines the minimum requirements a business must meet to run trading positions and the process by which positions are allocated to trading or banking books. Trading intent is a key element in deciding whether a position should be treated as a trading or banking book exposure.

Positions in the trading book are subject to market risk capital, computed using models where regulatory approval has been granted, otherwise the market risk capital requirement is calculated using standard rules as defined under UK CRR. If any of the criteria specified in the policy are not met for a position, then that position must be allocated to the banking book.

Most of the Group's market risk regulatory models are assigned the highest model materiality rating. Consequently, the Regulatory VaR model is subject to annual re-approval by the Independent Validation Unit. The Independent Validation Unit makes an assessment of model assumptions and considers evidence of model suitability provided by the model owner. The following table summarises the models used for market risk regulatory purposes and the applicable regulatory thresholds.

Valuation standards

Article 105 of the Trading Book (CRR) Part of the PRA Rulebook defines regulatory principles which need to be applied to fair value assets and liabilities, in order to determine a prudent valuation.

The Prudent Valuation Adjustment (PVA) is applied to accounting fair values where there are a range of plausible alternative valuations. It is calculated in accordance with Article 105 of the Trading Book (CRR) Part of the PRA Rulebook, and includes (where relevant) adjustments for the following factors: unearned credit spreads, close-out costs, operational risk, market price uncertainty, early termination, investing and funding costs, future administrative costs and model risk. The PVA includes adjustment for all fair valued financial instruments and commodities, irrespective of whether they are in the trading or banking book.

Management of market risk (continued)

Regulatory measures for Market risk

There are a number of regulatory measures which the Group has permission to use in calculating regulatory capital (internal models approval):

Measure	Definition
Regulatory Value at Risk (VaR)	An estimate of the potential loss arising from unfavourable market movements calibrated to 99% confidence interval and 10-day holding period.
Stressed Value at Risk (SVaR)	An estimate of the potential loss arising from a twelve-month period of significant financial stress calibrated to 99% confidence interval and 10-day holding period.
Incremental Risk Charge (IRC)	An estimate of the incremental risk arising from rating migrations and defaults, beyond what is already captured in specific market risk VaR for the non-correlation trading portfolio. Uses a 99.9% confidence level and a one-year horizon.
Comprehensive Risk Measure (CRM)	An estimate of all the material market risk, including rating migration and default, for the correlation trading portfolio.
	The legal entities for which the PRA has given permission to use internal models for market risk regulatory capital are: BBPLC Trading, BCSL and BBI on a consolidated basis; and BBPLC Trading, BBI and BCSL on a solo basis. The legal entity for which the FRBNY has given permission to use internal models is IHC. The legal entity for which the Central Bank of Ireland (CBI) has given permission to use internal models is BBI.

Regulatory VaR

- Estimates the potential loss arising from unfavourable market movements
- Regulatory VaR differs from the management approach in the following respects

VaR Variable	Regulatory	Management
Confidence interval	99%	95%
Scope	As approved by the regulator (PRA, CBI or FRBNY)	Management view of market risk exposures. Includes trading books and banking books exposed to price risk
Look-back period	1 year	1 year
Liquidity Horizon (holding period)	10 days	1 day

Regulatory VaR allows oversight of the total potential losses, at a given confidence level, of those trading books which received approval from the regulator to be covered via an internal model. Barclays Group uses a Regulatory VaR model that diversifies general and specific market risk for regulatory capital. Market risks are captured in the Regulatory VaR model using either full revaluation or an approximate revaluation approach depending on the type of product. When simulating potential movements in risk factors, returns are modelled using a combination of absolute changes, proportional changes or a blended mix of these two approaches.

Management VaR allows Barclays Group to supervise the total market risk across Barclays Group, including all trading books and some banking books. Management VaR is also utilised for the internal capital model (economic capital).

Regulatory VaR is fundamentally the same as the Management VaR (see page 156), with the key differences listed above. The model is complemented with RNIVs, as described on page 163.

Stressed Value at Risk (SVaR)

- Estimates the potential loss arising from unfavourable market movements in a stressed environment
- Identical to Regulatory VaR, but calibrated over a one-year stressed period
- Regulatory capital is allocated to individual businesses. For regulatory capital calculation purposes the Group computes a market risk capital requirement based on a one-day scaled to ten-day, 99% VaR metric calibrated to a period of significant financial stress. This SVaR capital requirement is added to the market risk capital requirement arising from regulatory VaR, the Incremental Risk Charge and the All Price Risk on an undiversified basis

The SVaR model must be identical to the VaR model used by the Group, with the exception that the SVaR model must be calibrated to a one-year period of significant financial stress ('the SVaR period'). The Group selects the SVaR period to be a one-year period that maximises Regulatory VaR for positions in scope of regulatory approval. The SVaR period is ordinarily reviewed on a monthly basis or when required by material changes in market conditions or the trading portfolio.

SVaR cannot be meaningfully backtested as it is not sensitive to current market conditions. Many market risk factors with complete historical data over a one-year period may not have complete data covering the SVaR period and consequently, more proxies may be required for SVaR than for VaR. The SVaR metric itself has the same strengths and weaknesses as the Group's VaR model.

Management of market risk (continued)

Incremental Risk Charge (IRC)

- Captures risk arising from rating migrations and defaults for traded debt instruments incremental to that already captured by Regulatory VaR and SVaR

IRC captures the risk arising from ratings migrations or defaults in the traded credit portfolio. IRC measures this risk at a 99.9% confidence level with a one-year holding period and applies to all positions in scope for specific risk including sovereign exposure.

The Group's IRC model simulates default and ratings transition events for individual names. The behaviour of names is correlated with one another to simulate a systemic factor to model the possibility of multiple downgrades or defaults. The correlations between non-sovereign names are based on the Basel- defined correlations stipulated in the IRB approach to measuring credit risk capital, with a fixed correlation between sovereign names.

The Group's IRC model simulates the impact of a ratings transition by estimating the improvement or deterioration in credit spreads resulting from the transition and assumes that the historically observed average change in credit spreads (measured in relative terms) resulting from ratings transitions provides an accurate estimate of likely widening or tightening of credit spreads in future transitions. For each position, the model computes the impact of spread moves up or down at pre-specified relative movements, and the actual impact is obtained by interpolating or extrapolating the actual spread move from these pre-computed values.

The Group's IRC model assumes that ratings transitions, defaults and any spread increases occur on an instantaneous basis.

Table 91: Market risk models selected features

Component modelled	Number of significant models and size of associated portfolio (RWAs)	Model description and methodology	Applicable regulatory thresholds
Regulatory VaR	1 model; £4.2bn	Equally-weighted historical simulation of potential daily P&L arising from market moves	Regulatory VaR is computed with ten-day holding period and 99% confidence level
SVaR	1 model; £10.0bn	Same methodology as used for VaR model, but using a different time series	Regulatory SVaR is computed with ten-day holding period and 99% confidence level
IRC	1 model; £5.4bn	Monte Carlo simulation of P&L arising from ratings migrations and defaults	IRC is computed with one-year holding period and 99.9% confidence level
CRM	1 model; £0.0bn	Same approach as IRC, but it incorporates market-driven movements in spreads and correlations for application to correlation trading portfolios	CRM is computed with one-year holding period and 99.9% confidence level. As required in CRD IV, the CRM charge is subject to a floor set with reference to standard rules charge

Regulatory back testing

Backtesting is the method by which Group 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 backtesting 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. Group's 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).

Backtesting is performed at a legal entity level, sub-portfolio levels and business-aligned portfolios (shown in the table below and in the charts on the next page) on Group's regulatory VaR model. Regulatory backtesting compares Regulatory VaR at 99% confidence level (one-day holding period equivalent) to actual and hypothetical changes in portfolio value as defined in UK CRR Article 366. The consolidated Barclays Bank PLC, Barclays Capital Securities Ltd and Barclays Bank Ireland PLC is the highest level of consolidation for the VaR model that is used in the calculation of regulatory capital. The IHC backtesting process compares IHC 99% Regulatory VaR against Hypothetical P&L. The definition of Hypothetical P&L and the scope of Regulatory VaR for the IHC are consistent with the Federal Reserve's Market Risk Rule. From the perspective of internal model approval, IHC is not part of the Group regulatory capital calculation, however it is included below to provide a comprehensive view of model performance and usage across legal entities.

A backtesting exception is generated when a loss is greater than the daily VaR for any given day.

As defined by the PRA, a green status is consistent with a good working VaR model and is achieved for models that have four or fewer backtesting exceptions in a 250-day period. Backtesting counts the number of days when a loss exceeds the corresponding VaR estimate, measured at the 99% regulatory confidence level.

Backtesting is also performed on management VaR to validate it remains reasonable and fit for purpose.

The table below shows the VaR backtesting exceptions on legal entities aligned to Group's business as at 31 December 2024. Model performance at a legal entity level determines regulatory capital within those entities. Legal entity disclosure is also relevant from a management perspective as Barclays' VaR and model performance of VaR for a legal entity across asset classes are key metrics in addition to asset class metrics across legal entities.

Management of market risk (continued)

Barclays' regulatory VaR model at the consolidated legal entity level maintained green model status throughout 2024.

Portfolios	Actual P&L		Hypo P&L	
	Total Exceptions	Status	Total Exceptions	Status
BBPLC Trading + BCSL + BBI	0	G	1	G
BBPLC Trading	0	G	2	G
BCSL	3	G	0	G
BBI	0	G	1	G
IHC	N/A	N/A	1	G

The charts below show VaR for the Group's regulatory portfolios aligned by legal entity. The dark blue and light blue points on the charts indicate losses on those days on which actual and hypothetical P&L respectively exceeded the VaR amount.

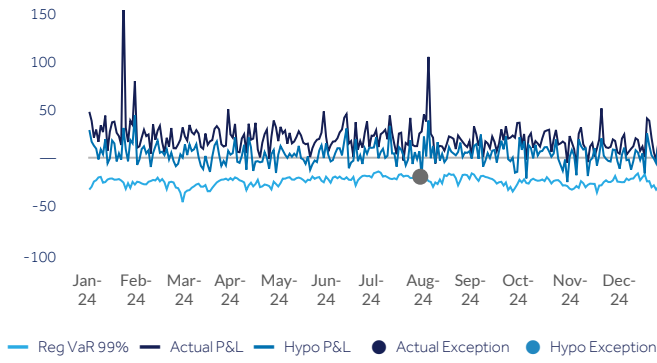
In addition to being driven by market moves in excess of the 99% confidence level, backtesting exceptions can be caused by risks that impact P&L not captured directly in the VaR itself but separately captured as non VaR-type, namely Risks Not in VaR (RNIVs).

In 2024, the Group experienced one back testing exception against hypothetical P&L which was primarily driven by volatility in FX markets a rally in Chinese futures markets.

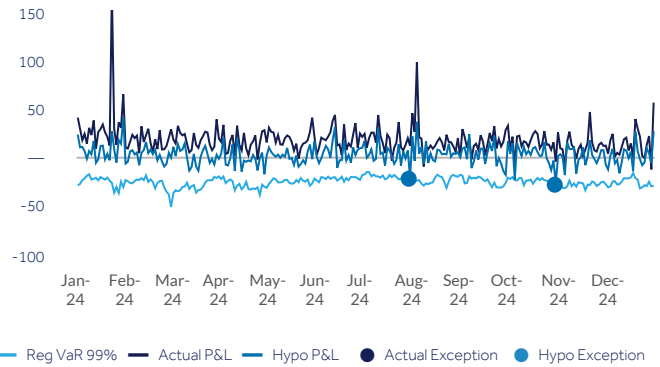
Management of market risk (continued)

Table 92: MR4 - Comparison of Var estimates with gains/ losses

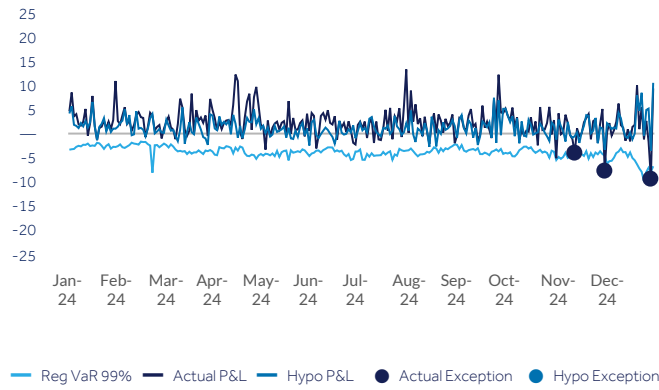
BBPLC Trading + BCSL + BBI (£m)



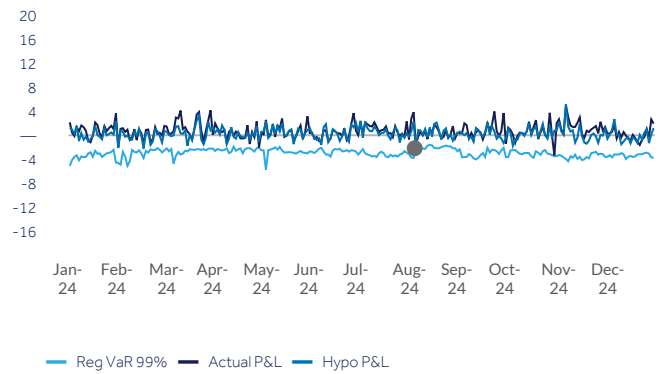
BBPLC Trading (£m)



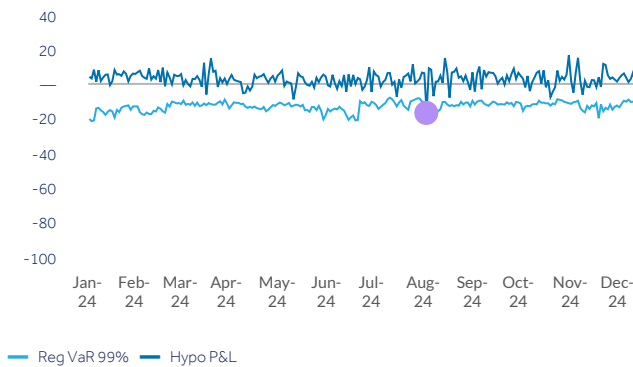
BCSL (£m)



BBI (£m)



IHC (£m)



Management of market risk (continued)

Management of risks not fully captured in models, including Risks not in VaR (RNIVs)

Barclays Group's risk identification process captures risks that either have been observed to, or have the capacity to, produce material losses in normal and stressed market conditions. To maintain risk coverage, the range of core risks is identified following either market convention, regulatory guidance, or the specific historical experience of Barclays Group; and for new products or changes to existing products, is considered as part of the New and Amended Product Approval (NAPA) process.

In some instances, the Management and Regulatory VaR model may not appropriately measure some market risks, especially where market moves are not directly observable via prices. Barclays Group has policies to apply add-ons where risks are not captured by the model. RNIVs refer to those core risks that are not captured, or not adequately captured, in VaR and SVaR. RNIVs can include:

- risks not fully captured elsewhere and/or illiquid risk factors such as cross-risks;
- basis risks;
- higher-order risks;
- calibration parameters, for instance to model parameter uncertainty; and
- potential losses in excess of fair valuation adjustments taken in line with the Valuation Control Framework. Please see Note 17 in the Barclays PLC Annual Report 2024 'Fair value of assets and liabilities' for more details of fair value adjustments

The treatment of RNIVs follows whether the risks are considered VaR type or non-VaR type, which depends on, and can change with, the evolving state of financial markets:

- VaR-type RNIVs: Typically represent risks that are not well captured in VaR, mainly because of infrastructure limitations or methodology limitations. In this instance two metrics are calculated, a VaR RNIV and a SVaR RNIV, using the same confidence level, capital horizon and observation period as VaR and SVaR respectively and are capitalised using the same multipliers as VaR and SVaR
- Non VaR-type RNIVs: Typically represent risks which would not be well captured by any VaR model either because it represents an event not historically observed in the VaR time series (e.g., currency peg break) or a market risk factor which is not seen to move frequently (e.g. correlation). These are typically estimated using stress scenarios. The stress methodology is calibrated equivalently to at least 99% confidence level and a capital horizon of at least 10 days over an appropriate observation period, depending on the liquidity of the risk. For the purpose of regulatory capital, the capital charge is equal to the loss arising from the stress test except when these risks are already adequately captured elsewhere e.g. via the IRC or CRM models, which are intended to capture certain risks not adequately covered by VaR

For regulatory capital these RNIVs are aggregated without any offsetting or diversification benefit.

Market risk control

The metrics that are used to measure market risk are controlled through the implementation of appropriate limit frameworks. Limits are set at the total Barclays Group level, asset class level, for example, interest rate risk, and at business level, for example, rates trading. Stress limits and many book limits, such as foreign exchange and interest rate sensitivity limits, are also used to control risk appetite.

Barclays Group-wide limits are reported to the BRC and are termed A-level limits for total management VaR and scenario stress. Lower level limits by business are set by risk managers to monitor and control overall risk appetite utilisation.

Group-wide VaR and stress limits are set after considering revenue generation opportunities and overall risk appetite approved by the Board. Compliance with limits is monitored by the independent risk functions in the trading businesses with oversight provided by market risk.

Throughout 2024, Barclays Group Market Risk continued its ongoing programme of control testing and conformance testing on the trading businesses' market risk management practices. These reviews are intended to verify the business's conformance with the Market Risk Control Framework and best practices.

Market risk reporting

Trading businesses market risk managers produce a number of detailed and summary market risk reports daily, weekly, fortnightly and monthly for business and risk managers. Where relevant on a Barclays Group-wide basis, these are sent to Barclays Group Market Risk for review and a risk summary is presented at Barclays Group Market Risk Committee and the trading businesses' various market risk committees. The overall market risk profile is also presented to BRC on a regular basis.

Management of securitisation exposures

Securitisations give rise to credit, market and other risks. This section discusses the types of business activities and exposures that Barclays incurs in the course of activities related to securitisations.

- **The objectives pursued in securitisation activities and the types of activities undertaken are discussed on page 165**
- **A description of the risks incurred in the course of securitisation activities, and how we manage them, is contained on page 166**

Management of securitisation exposures

This section discloses information about the Group's securitisation activities distinguishing between the various functions performed in supporting its customers and managing its risks. It includes traditional securitisations as well as synthetic transactions effected through the use of derivatives or guarantees.

For the purposes of Pillar 3 disclosures on pages 96 to 101, a securitisation is defined as a transaction or scheme where the payments are dependent upon the performance of a single exposure or pool of exposures and where the subordination of tranches determines the distribution of losses during the ongoing life of the transaction or scheme. Such transactions are ordinarily undertaken to transfer risk for the Group or on behalf of a client.

Certain transactions undertaken by the Group are not disclosed in the quantitative section (pages 96 to 101) as they do not fall under the Securitisation Regulations 2024 (2024/102) or any applicable predecessor regime. These include funding transactions for the purposes of generating term liquidity, and certain government guaranteed transactions.

Objectives of securitisation activities

In the course of its business, the Group has undertaken securitisations of its own originated assets as well as the securitisation of primarily third party assets via special purpose vehicles, sponsored conduit vehicles and shelf programmes.

The Group has securitised its own originated assets in order to manage the Group's credit risk position, to generate rated collateral, and to generate term funding for the Group balance sheet. The Group also participates in primary securitisations and distributes bonds to the market to facilitate term liquidity for its clients.

The Group also purchases asset backed loans and securities for the purpose of supporting client franchise, and purchases asset backed securities (ABS) for the purpose of investing its liquidity pool.

Further, the Group makes a secondary market for a range of securitised products globally, including residential mortgage backed securities (RMBS), commercial mortgage backed securities (CMBS) and ABS.

The role and involvement of Barclays Group in securitisations in 2024

The Group adopts the following roles in the securitisation processes in which it is involved:

Originator of assets for securitisation

The Group originates or purchases commercial mortgage loans for the purpose of securitisation. The securities are then sold to investors through a broker-dealer subsidiary.

The Group securitises assets otherwise originated in the ordinary course of business including corporate loans, consumer loans and residential and commercial mortgage loans. The Group also provides derivative transactions to securitisations sponsored by itself and third parties. These transactions carry counterparty credit risk and are included in the Group trading book.

Providing warehousing facilities collateralised by third party assets prior to securitisation or exit via whole-loan sale

The Group provides warehouse financing to third party loan originators and aggregators, including for agency eligible loans that can be securitised by the Federal National Mortgage Association ('Fannie Mae'), the Federal Home Loan Mortgage Corporation ('Freddie Mac'), or the Government National Mortgage Association ('Ginnie Mae') and for corporate loans that can be securitised via collateralised loan obligations (CLO).

Executor of securitisation trades including bond marketing and syndication

The Group transacts primarily as a principal in RMBS, ABS, CLO and CMBS with institutional investors and other broker-dealers. Agency backed residential and commercial mortgage securitisations include Credit Risk Transfer securities (Fannie Mae-sponsored CAS and Freddie Mac-sponsored STACR bonds). ABS securitisations include consumer ABS (e.g. credit card, student loan and auto) and non-traditional ABS (e.g. timeshares, wireless towers and whole business securitisations). Non-agency commercial mortgage securitisations include CMBS and commercial real estate collateralised loan obligations (CRE CLO). The Group makes secondary market in CLOs and acts as arranger on behalf of clients to structure and place arbitrage CLOs. In certain limited instances, the Group may also hold a portion of securitisations, which are required for risk retention purposes.

Purchaser of third party securitisations

The Group may purchase third party securitisations. The Group also funds on its own balance sheet securitisations similar to the ones funded via its sponsored conduits (see below). This can include simple, transparent and standardised (STS) securitisations from time to time as well as assets held in its liquidity buffer.

Sponsoring conduit vehicles

The Group acts as managing agent and administrative agent of three multi-seller asset backed commercial paper (ABCP) conduits, Sheffield Receivables Company, LLC (Sheffield) and Salisbury Receivables Company, LLC (Salisbury), and Sunderland Receivables S.A. (Sunderland) through which interests in securitisations of third party originated assets are funded via a variety of funding mechanics including the issuance of ABCP.

From a regulatory perspective, Barclays acts as a sponsor of Sheffield, Salisbury and Sunderland. In relation to such conduit activity, the Group provides all or a portion of the backstop liquidity to the commercial paper and, as appropriate, interest rate and foreign currency hedging facilities. The Group receives fees for the provision of these services.

Sheffield, Salisbury and Sunderland have a hold to collect business model and their assets are measured at amortised cost. It funds the assets through the issuance of ABCP. Note that Sheffield, Salisbury and Sunderland are consolidated for accounting but not for regulatory purposes.

Management of securitisation exposures (continued)

Funding transactions to generate collateral and term liquidity

Secured funding forms one of the key components of the Group's diversified funding sources providing access to the secured wholesale market and complementing the diversification of funding by maturity, currency and geography. The Group issues ABS and covered bonds secured primarily by customer loans and advances.

The Group currently manages four key on-balance sheet asset backed funding programmes to obtain term financing for mortgage loans and credit card receivables. These programmes also support retained issuances for the Group to access central bank liquidity and funding. The UK regulated covered bond and the residential mortgage master trust securitisation programmes both utilise assets originated by the Group's UK residential mortgage business. The third programme is a credit card master trust securitisation and uses receivables from the Group's UK credit card business. The fourth programme is a SEC registered securitisation programme backed by US domiciled credit card receivables. The Group also manages six key on-balance sheet securitisation programmes, which generate retained collateral which can be used to access central bank liquidity, collateralise internal exposures and raise funding. These programmes utilise corporate loans, commercial real estate loans and residential mortgage loans originated by Barclays.

Risk transfer transactions

The Group has entered into synthetic and cash securitisations of corporate and commercial loans (originated in the ordinary course of business), as well as consumer and residential loans, for the purposes of the transfer of credit risk to third party investors. The regulatory capital requirements of these transactions fall under UK CRR.

Securitisation risks, monitoring and hedging policies

Capital requirements against securitisation exposures are subject to a separate framework under UK CRR to account for the particular characteristics of this asset class. For risk management purposes, however, a securitisation is aligned to the risk type to which it gives rise.

Credit risks

In a securitisation structure, the payments are dependent upon the performance of a single exposure or pool of exposures. As these underlying exposures are usually credit instruments, the performance of the securitisation is exposed to credit risk.

Securitisation exposures are subject to the Group Credit Risk policies and standards and business level procedures. This includes the requirement to review in detail each transaction at a minimum on an annual basis. As collateral risk is the primary driver the analysis places a particular focus on the underlying collateral performance, key risk drivers, services due diligence and cash flows, and the impact of these risks on the securitisation notes. The risk is addressed through the transaction structure and by setting an appropriate modelled tolerance level. Structural features incorporate wind-down triggers set against factors including, but not limited to, defaults/charge-offs, delinquencies, excess spread, dilution, payment rates and yield, all of which help to mitigate potential credit deterioration. Qualitative aspects such as counterparty risk and ancillary issues (operational and legal risk) are also considered. Changes to the credit risk profile of securitisation exposures will also be identified through ongoing transaction performance monitoring. In addition, periodic stress tests of the portfolio as part of ongoing risk management are conducted as well as in response to Group-wide or regulatory requests. The provision of implicit support to securitisations, including own originated securitisations, is not permitted under Barclays' internal standards and policies.

The principal committee responsible for the monitoring of the credit risk arising from securitisations is Wholesale Credit Risk Management Committee (WCRMC).

Market and liquidity risks

Market risk for securitised products is measured, controlled and limited through a suite of VaR, non-VAR and stress metrics in accordance with the Group's Market Risk Policies and Procedures. The key risks of securitisation structures are interest rate, credit, spread, prepayment and liquidity risk. Interest rate and spread risk are hedged with standard liquid interest rate instruments (including interest rate swaps, US Treasuries and US Treasury futures). The universe of hedging instruments for credit and prepayment risk is limited and relatively illiquid, resulting in basis risks. In providing warehouse financing, the Group is exposed to mark to market (if counterparty defaults on related margin call).

Hedging

Securitisation and re-securitisation exposures benefit from the relative seniority of the exposure in the capital structure. Due to lack of availability in the credit default swap market for individual asset backed securities, there are no material CDS hedge counterparties relating to the securitisation and re-securitisation population.

Operational risks

Operational risks are incurred in all of the Group's operations. In particular, all securitised (and re-securitised) assets are subject to a degree of risk associated with documentation and the collection of cash flows.

In providing warehouse financing, the Group incurs potential contingent operational risks related to representations and warranties should there be a need to foreclose on the line and it later be discovered that the underlying loans were not underwritten to agency agreed criteria. Such risks are mitigated by daily collateral margining and ready agency bids. Market risk is also mitigated by employing forward trades.

The Operational Risk Review Forum oversees the management of operational risks for the entire range of the Group's activities.

Management of securitisation exposures (continued)

Rating methodologies, ECAIs and RWA calculations

RWAs reported for securitised and re- securitised banking book and trading book assets at 31 December 2024 are calculated in line with UK CRR and PRA rules and guidance. The Group has approval to use, and therefore applies, the internal ratings based approach for the calculation of RWAs where appropriate, and the Standardised Approach elsewhere.

The Group employs eligible ratings issued by nominated External Credit Assessment Institutions (ECAIs) to risk weight its securitisation and re- securitisation exposure where their use is permitted. Ratings are considered eligible for use based on their conformance with the internal rating standard which is compliant with both UK CRR and the Credit Rating Agency Regulation. The ECAIs nominated by the Group for this purpose include Standard & Poor's, Moody's, Fitch, DBRS and Kroll.

As required by UK CRR, the Group uses credit ratings issued by these ECAIs consistently for all exposures within the securitisation exposure class. For that reason, there is no systematic assignment of particular agencies to types of transactions within the securitisation exposure class.

For Sheffield, Salisbury and Sunderland the Internal Assessment Approach (IAA) framework mirrors the ECAI methodology, which also includes Moody's, Standard & Poor's and Fitch, who rate the Sheffield, Salisbury and Sunderland programmes. Under the IAA framework, the securitisation exposure must be internally rated, and the Group internal assessment process must meet certain requirements in order to map its own internal rating to an ECAI. Cash flow stress analysis on a securitisation structure is performed as prescribed by an ECAI methodology for the relevant ratings level, and is at least as conservative as the published methodology. Stress factors may include, among other factors, asset yields, principal payment rates, losses, delinquency rates and interest rates.

In determining an internal rating, collateral risks are the primary driver and are addressed through the transaction structure and modelled statistical confidence. The analysis reflects the Group's view on the transaction, including dilution risk, concentration and tenor limits, as well as qualitative aspects such as counterparty risk and important ancillary issues (operational and legal risks). The adequacy and integrity of the servicer's systems and processes for underwriting, collections policies and procedures are also reviewed. The Group conducts a full due diligence review of the servicer for each transaction. Each transaction is reviewed on, at least, an annual basis with a focus on the performance of underlying assets. The results of any due diligence review and the financial strength of the seller/servicer, are also factored into the analysis. Ratings of the transaction are reaffirmed with the most up to date ECAI methodologies. Any transaction which deviates from the current methodology is amended accordingly.

Summary of the accounting policies for securitisation activities

Certain Group-sponsored entities have issued debt securities or have entered into funding arrangements with lenders in order to finance specific assets. An entity is consolidated by the Group when the Group has control over the entity. The Group controls an entity if it has all of the three elements of control which are i) power over the entity; ii) exposure, or rights, to variable returns from its involvement with the entity; and iii) the ability to use its power over the entity to affect the amount of the Group returns. The consolidation treatment must be initially assessed at inception and is reassessed if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The accounting measurement of assets initially recognised for the purpose of securitisation will depend on whether the securitisation entity is consolidated by the Group and whether the assets transferred to the securitisation entity meet the accounting derecognition test, meaning whether the transfer will be accounted for as a sale.

- Where assets on initial recognition are expected to be securitised by a transfer to an unconsolidated Group entity, the accounting will depend on whether the transfer is expected to meet the accounting derecognition test. Assets will remain on the Group balance sheet, and consideration received will be treated as financings, unless the following criteria apply:
 - substantially all the risks and rewards associated with the assets have been transferred, in which case, they are derecognised in full; or
 - if substantially all the risks and rewards have not been transferred or retained, the assets are derecognised in full if the transferee has the practical ability to sell the financial asset, otherwise the assets continue to be recognised only to the extent of the Group's continuing involvement
- Where assets acquired for securitisation are expected to be derecognised in full as a result of pending securitisation, those assets will typically be measured at fair value through the income statement
- Where a securitisation entity is consolidated by the Group or the assets fail to meet the derecognition test, such that the Group balance sheet includes the assets held for securitisation prior to and post transfer to the securitisation entity, the assets will generally be part of a 'Hold to Collect' business model, and if the contractual cash flows characteristics are solely payments of principal and interest (SPPI), the assets will be measured at amortised cost

Any financial support or contractual arrangements provided to unconsolidated entities, over securitised assets, would be recognised as a financial liability on balance sheet if it met the relevant IFRS 9 criteria, or a commitment under IAS 37, and have to be disclosed (see Note 34 in the Barclays PLC Annual Report 2024). Note, however, that the Group has a Significant Risk Transfer policy that does not allow for any support to be provided to any transactions that fall under the Significant Risk Transfer framework.

Assets may be transferred to a third party through a legal sale or an arrangement that meets the 'pass-through' criteria where the substance of the arrangement is principally that the Group is acting solely as a cash collection agent on behalf of the eventual recipients.

Where the transfer applies to a fully proportionate share of all or specifically identified cash flows, the relevant accounting treatment is applied to that proportion of the asset.

When the above criteria support the case that the securitisation should not be accounted for as financing, the transaction will result in sale treatment or partial continued recognition of the assets to the extent of the Group's continuing involvement in those assets. Gains are recognised to the extent that proceeds that can be measured using observable market data exceed the carrying value of assets derecognised.

Management of securitisation exposures (continued)

Any retained interests, which will consist of loans and/or securities depending on the nature of the transaction, are valued in accordance with the Group's Accounting Policies, as set out in the Barclays PLC Annual Report 2024. To the extent that these interests are measured at fair value, they will be included within the fair value disclosures in the financial statements in the Annual Report. As outlined in these disclosures, key valuation assumptions for retained interests of this nature will include spreads to discount rates, default and recovery rates and prepayment rates that may be observable or unobservable.

In a synthetic securitisation transaction, the underlying assets are not sold into the relevant special purpose entity (SPE). Instead, their performance is transferred into the vehicle through a synthetic instrument such as a CDS, a credit linked note or a financial guarantee. The accounting policies outlined above will apply to synthetic securitisations.

The following tables show the information required by Article 449 (d) of the Disclosure (CRR) Part of the PRA Rulebook.

Securitisation Special Purpose Entities (SSPE) originated and sponsored by the institution^{1,2}

Name of entity	Role of institution	Securitisation type
ASHFORD HOSPITALITY TRUST 2018-ASHF	Originator	Traditional transactions
ASHFORD HOSPITALITY TRUST 2018-KEYS	Originator	Traditional transactions
BBCMS 2018-TALL	Originator	Traditional transactions
BBCMS MORTGAGE TRUST 2019-C5	Originator	Traditional transactions
BBCMS MORTGAGE TRUST 2020-C6	Originator	Traditional transactions
BBCMS MORTGAGE TRUST 2020-C7	Originator	Traditional transactions
BBCMS MORTGAGE TRUST 2021-C10	Originator	Traditional transactions
BBCMS MORTGAGE TRUST 2021-C12	Originator	Traditional transactions
BBCMS MORTGAGE TRUST 2022-C15	Originator	Traditional transactions
BBCMS MORTGAGE TRUST 2022-C16	Originator	Traditional transactions
BBCMS TRUST 2018-BXH	Originator	Traditional transactions
BBCMS TRUST 2018-CBM	Originator	Traditional transactions
BBCMS TRUST 2018-CHRS	Originator	Traditional transactions
BENCHMARK 2023-V3 MORTGAGE TRUST	Originator	Traditional transactions
BPR TRUST 2024-PMDW	Originator	Traditional transactions
BX COMMERCIAL MORTGAGE TRUST 2020-VIV2	Originator	Traditional transactions
BX COMMERCIAL MORTGAGE TRUST 2020-VIV3	Originator	Traditional transactions
BX COMMERCIAL MORTGAGE TRUST 2020-VIV4	Originator	Traditional transactions
BX COMMERCIAL MORTGAGE TRUST 2020-VIVA	Originator	Traditional transactions
BX TRUST 2021-LBA	Originator	Traditional transactions
BX TRUST 2021-NWM	Originator	Traditional transactions
BX TRUST 2024-VLT4	Originator	Traditional transactions
BXHPP TRUST 2021-FILM	Originator	Traditional transactions
CAMB COMMERCIAL MORTGAGE TRUST 2019-LIFE	Originator	Traditional transactions
CITIGROUP COMMERCIAL MORTGAGE TRUST 2017-P8	Originator	Traditional transactions
COLEM 2022-HLNE MORTGAGE TRUST	Originator	Traditional transactions
CORE 2019-CORE MORTGAGE TRUST	Originator	Traditional transactions
INTOWN 2022-STAY MORTGAGE TRUST	Originator	Traditional transactions
MAD COMMERCIAL MORTGAGE TRUST 2019-650M	Originator	Traditional transactions
MFTII 2019-B3B4 MORTGAGE TRUST	Originator	Traditional transactions
MKT 2020-525M MORTGAGE TRUST	Originator	Traditional transactions
NYT 2019-NYT MORTGAGE TRUST	Originator	Traditional transactions
WELLS FARGO COMMERCIAL MORTGAGE TRUST 2017-C38	Originator	Traditional transactions
WELLS FARGO COMMERCIAL MORTGAGE TRUST 2017-C40	Originator	Traditional transactions
WELLS FARGO COMMERCIAL MORTGAGE TRUST 2017-C42	Originator	Traditional transactions
WELLS FARGO COMMERCIAL MORTGAGE TRUST 2018-C43	Originator	Traditional transactions
AVON FINANCE NO. 3	Originator	Traditional transactions
AVON FINANCE NO. 4	Originator	Traditional transactions
BARCLAYS MORTGAGE LOAN TRUST 2021-NQM1	Originator	Traditional transactions
BARCLAYS MORTGAGE LOAN TRUST 2022-INV1	Originator	Traditional transactions
BARCLAYS MORTGAGE LOAN TRUST 2022-NQM1	Originator	Traditional transactions
BARCLAYS MORTGAGE LOAN TRUST 2023-NQM1	Originator	Traditional transactions
BARCLAYS MORTGAGE LOAN TRUST 2023-NQM2	Originator	Traditional transactions
BARCLAYS MORTGAGE LOAN TRUST 2023-NQM3	Originator	Traditional transactions
BARCLAYS MORTGAGE LOAN TRUST 2024-NQM1	Originator	Traditional transactions
BARCLAYS MORTGAGE LOAN TRUST 2024-NQM2	Originator	Traditional transactions
BARCLAYS MORTGAGE LOAN TRUST 2024-NQM3	Originator	Traditional transactions
BARCLAYS MORTGAGE LOAN TRUST 2024-NQM4	Originator	Traditional transactions
BARCLAYS MORTGAGE TRUST 2021-NPL1	Originator	Traditional transactions
BARCLAYS MORTGAGE TRUST 2022-RPL1	Originator	Traditional transactions
BRONCO FUNDING	Originator	Traditional transactions
DUBLIN BAY SECURITIES 2018-MA1	Originator	Traditional transactions
KENTMERE NO. 3	Originator	Traditional transactions
KENTMERE NO. 4	Originator	Traditional transactions
KINSALE SECURITIES RMBS DAC	Originator	Traditional transactions
ARIMA MORTGAGES	Originator	Traditional transactions
BCAP LLC TRUST 2007-AA3	Originator	Traditional transactions
CHURCHILL NO.8	Originator	Traditional transactions
CURZON MORTGAGES	Originator	Traditional transactions
DURHAM MORTGAGES A (SECOND REFINANCING)	Originator	Traditional transactions
DURHAM MORTGAGES B (SECOND REFINANCING)	Originator	Traditional transactions

Management of securitisation exposures (continued)

Name of entity	Role of institution	Securitisation type
GEMGARTO 2023-1	Originator	Traditional transactions
GLENBEIGH 1 ISSUER 2021-1 DAC - A	Originator	Traditional transactions
HARBEN FINANCE 2017-1 REFINANCE	Originator	Traditional transactions
HARBOUR NO.2	Originator	Traditional transactions
JAMESTOWN RESIDENTIAL 2024-1	Originator	Traditional transactions
LAST MILE LOGISTICS PAN EURO FINANCE	Originator	Traditional transactions
MILTONIA MORTGAGE FINANCE SRL - 1	Originator	Traditional transactions
MONAGHAN SECURITIES RMBS DESIGNATED ACTIVITY COMPANY	Originator	Traditional transactions
PAVILLION MORTGAGES 2021-1	Originator	Traditional transactions
PAVILLION MORTGAGES 2024-1	Originator	Traditional transactions
RIPON MORTGAGES REFINANCE	Originator	Traditional transactions
ROSSBEIGH 1 WAREHOUSE DAC	Originator	Traditional transactions
ROUNDSTONE SECURITIES NO. 2	Originator	Traditional transactions
SUMMERHILL RESIDENTIAL 2024-1	Originator	Traditional transactions
COLONNADE GLOBAL 2018-2 SABL - 2018-2-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2018-2 SABL - 2018-2-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2018-3X SABL - 2018-3X-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2018-3X SABL - 2018-3X-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2018-3X SABL - 2018-3X-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-1A - 2019-1A-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-1A - 2019-1A-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-1A - 2019-1A-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-1B - 2019-1B-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-1B - 2019-1B-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-1B - 2019-1B-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-2A - 2019-2A-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-2A - 2019-2A-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-2A - 2019-2A-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-2B - 2019-2B-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-2B - 2019-2B-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-2B - 2019-2B-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-3A - 2019-3A-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-3A - 2019-3A-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-3A - 2019-3A-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-3B - 2019-3B-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-3B - 2019-3B-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-3B - 2019-3B-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-4 - 2019-4-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-4 - 2019-4-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2019-4 - 2019-4-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2020-3 - 2020-3-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2020-3 - 2020-3-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2020-3 - 2020-3-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2020-4 - 2020-4-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2020-4 - 2020-4-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2020-4 - 2020-4-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2020-5 - 2020-5-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2020-5 - 2020-5-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2020-5 - 2020-5-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-1 - 2021-1-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-1 - 2021-1-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-1 - 2021-1-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-10 - 2021-10-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-10 - 2021-10-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-10 - 2021-10-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-2A - 2021-2A-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-2A - 2021-2A-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-2A - 2021-2A-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-2B - 2021-2B-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-2B - 2021-2B-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-2B - 2021-2B-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-3 - 2021-3-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-3 - 2021-3-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-3 - 2021-3-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-4 - 2021-4-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-4 - 2021-4-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-4 - 2021-4-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-5 - 2021-5-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-5 - 2021-5-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-5 - 2021-5-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-6A - 2021-6A-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-6A - 2021-6A-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2021-6A - 2021-6A-UK	Originator	Synthetic transactions

Management of securitisation exposures (continued)

Name of entity	Role of institution	Securitisation type
COLONNADE GLOBAL 2024-1 - 2024-1-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-1 - 2024-1-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-2A - 2024-2A-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-2A - 2024-2A-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-2A - 2024-2A-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-2B - 2024-2B-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-2B - 2024-2B-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-2B - 2024-2B-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-3 - 2024-3-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-3 - 2024-3-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-3 - 2024-3-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-4A - 2024-4A-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-4A - 2024-4A-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-4A - 2024-4A-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-4B - 2024-4B-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-4B - 2024-4B-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-4B - 2024-4B-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-5 - 2024-5-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-5 - 2024-5-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-5 - 2024-5-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-6 - 2024-6-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-6 - 2024-6-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-6 - 2024-6-UK	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-7 - 2024-7-IB	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-7 - 2024-7-IC	Originator	Synthetic transactions
COLONNADE GLOBAL 2024-7 - 2024-7-UK	Originator	Synthetic transactions
CHURCHILL 2020-1 - 2020-1	Originator	Synthetic transactions
CHURCHILL 2021-1 - 2021-1	Originator	Synthetic transactions

Notes

- 1 The securitisation list disclosed includes deals originated by Barclays that are SRT achieved and where horizontal tranches are held and risk-weighted per securitisation rules.
- 2 Deals originated by Barclays with no holdings and SRT failed deals are not part of the disclosure.

Management of treasury and capital risk

This section provides an overview of the management of liquidity risk, capital risk and interest rate risk in the banking book.

- **Liquidity risk, with a focus on how it is managed so that the firm has the appropriate amount, tenor and composition of funding and liquidity to meet all its contractual and contingent funding obligations at all times, is discussed on pages 173 to 175**
- **Capital risk, including how the risks of insufficient capital and leverage ratios and pension risk are managed, is discussed on pages 176 to 178**
- **The management of Interest rate risk in the banking book is discussed on pages 178 to 179**

Management of treasury and capital risk

Treasury and capital risk management

This comprises:

Liquidity risk: The risk that the Group is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.

Capital risk: The risk that the Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments and stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This also includes the risk from the Group's pension plans.

Interest rate risk in the banking book: The risk that the Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities. This also includes credit spread risk in the banking book, the risk that the Group is exposed to capital or income volatility because of changes in credit spreads on its (non-traded) assets and liabilities.

Overview

The Treasury function manages treasury and capital risk exposure on a day-to-day basis with the Group Treasury Committee acting as the principal management body. The Treasury and Capital Risk function is responsible for oversight and provide insight into key capital, liquidity, interest rate risk in the banking book (IRRBB) and pension risk management activities. The assessment and management of the Group's capital and liquidity position and IRRBB and pension risk requires the use of judgement, assumptions and estimates. Please see the description of material existing and emerging risks in the Barclays PLC 2024 Annual Report for further details on such judgements, assumptions and estimates, including the potential risks involved.

Organisation and structure

Barclays PLC Board Risk Committee

- Reviews and recommends Barclays Group's risk appetite for treasury and capital risk to the Barclays PLC Board for approval
- Reviews any material issues impacting treasury and capital risk
- Approves the ICAAP and ILAAP, via delegated authority of the Board

Barclays Group Treasury Committee

- Monitors and manages treasury and capital risk in line with objective and risk appetite of the Group
- Guides development of the Group recovery and resolution planning for capital, funding and liquidity
- Reviews non-traded market risk positions against risk appetite and limits

Barclays Group Risk Committee

- Reviews and recommends treasury and capital risk appetite to the Barclays PLC Board Risk Committee
- Escalates material issues impacting treasury and capital risk to the Barclays PLC Board Risk Committee
- Reviews and recommends the ICAAP and ILAAP to the Barclays PLC Board Risk Committee for approval

Barclays Bank PLC Treasury Committee/Barclays Bank UK Group Asset and Liability Committees (ALCOs)

- Manages the balance sheet of the Barclays Bank Group and the Barclays Bank UK Group
- Monitors the performance in managing of treasury and capital risk within agreed first line of defence targets and limits
- Oversees the risks managed by the Treasury function of key legal entities through their funding, investment and hedging activities

Barclays Group Treasury and Capital Risk Committee

- Recommends treasury and capital risk appetite to the Barclays Group Risk Committee and Barclays PLC Board Risk Committee
- Monitors the treasury and capital risk profile
- Escalates material issues impacting treasury and capital risk to the Barclays Group Risk Committee and Barclays PLC Board Risk Committee

Management of treasury and capital risk (continued)

Liquidity risk management

Overview

The efficient management of liquidity is essential to the Group in order to retain the confidence of the financial markets and maintain the sustainability of the business. Treasury and Capital Risk has established a framework to manage all liquidity risk exposures under both normal and stressed conditions. The framework is designed to maintain liquidity resources that are sufficient in amount, quality and funding tenor profile to remain within the liquidity limits set by the Barclays PLC Board. The Board sets liquidity limits on both internal and regulatory liquidity metrics.

Organisation, roles and responsibilities

Treasury has the primary responsibility for managing liquidity risk within the set risk appetite. Both Risk and Treasury contribute to the production of the Internal Liquidity Adequacy Assessment Process (ILAAP). The Treasury and Capital Risk function is responsible for the management and governance of the liquidity risk mandate, as defined by the Board.

The framework established by Treasury and Capital Risk is designed to deliver the appropriate term and structure of funding, consistent with the risk appetite set by the Board. The control framework incorporates a range of ongoing business management tools to monitor and stress test the Group's balance sheet and recovery plan, including limit setting. Limit setting and transfer pricing are tools designed to control the level of liquidity risk taken and drive the appropriate mix of funds. Adherence to limits reduces the likelihood that a liquidity stress event could lead to an inability to meet Group's obligations as they fall due.

The Board approves the Group funding plan, internal stress tests, regulatory stress test results, recovery plan and liquidity risk qualitative statement that supports the Group risk appetite. The Group Treasury Committee is responsible for monitoring and managing liquidity risk in line with the Group's funding management objectives, funding plan and risk appetite. The Treasury and Capital Risk Committee monitors and reviews the liquidity risk profile and control environment, providing second line oversight of the management of liquidity risk. The BRC reviews the risk profile, liquidity risk qualitative statement and Board-approved liquidity limits at least annually and the impact of stress scenarios on the Group funding plan/forecast in order to agree the Group's projected funding abilities.

The Group maintains a range of management actions for use in a liquidity stress which are documented in the Group Recovery Plan. Since the precise nature of any stress event cannot be known in advance, the actions are designed to be flexible to the nature and severity of the stress event and provide a menu of options that can be drawn upon as required. The Group Recovery Plan also contains more severe recovery options to generate additional liquidity in order to facilitate recovery during a severe stress. Any stress event would be regularly monitored and reviewed using key management information by Treasury, Risk and business representatives.

Ongoing management business	Early signs / Mild stress	Severe stress	Recovery
<ul style="list-style-type: none"> Stress testing and planning Liquidity limits Early warning indicators 	<ul style="list-style-type: none"> Monitoring and review Management actions requiring minimal business rationalisation 	<ul style="list-style-type: none"> Monitoring and review Management actions with limited impact on franchise 	<ul style="list-style-type: none"> Activate appropriate recovery options to restore the capital and/or liquidity position of the Group

Risk appetite and planning

Barclays' risk appetite is expressed through risk appetite constraints, including a liquidity constraint. The liquidity constraint is supplemented by the liquidity risk qualitative statement which is approved by the Board, which states that 'Liquidity Risk set limits against internal and regulatory stress scenarios to ensure that Barclays maintains sufficient liquidity resources and stable sources of funding to remain within regulatory requirements and Barclays risk appetite'. In line with this, Treasury and Capital Risk sets limits on the Internal Liquidity Stress Test (ILST), Liquidity Coverage Ratio (LCR), and Net Stable Funding Ratio (NSFR) metrics which are approved by the Board Risk Committee:

- >£0 at low-point across ILST stress horizons
- LCR 30 days minimum ratio 100% (Pillar 2 basis)
- NSFR minimum ratio 100%

The ILST is the internal liquidity stress test and the LCR is a regulatory minimum requirement for Barclays to hold a sufficient reserve of High-Quality Liquid Assets (HQLA) to allow the firm to survive a period of significant liquidity stress lasting 30 calendar days. Barclays has defined three internal short term and one long term ILST stress scenarios. The ILST is reviewed on a continuous basis and is subject to formal review at least annually as part of the ILAAP.

The Group ILST and LCR outflows are used to determine the minimum size of Group Liquidity Pool. The Liquidity Pool represents those resources immediately available to meet outflows in a liquidity stress. In addition to holding a liquidity pool against stressed outflows, The Group reviews available management actions that could be used to raise additional liquidity. Management actions are assessed to determine their suitability, effectiveness and time to delivery.

Management of treasury and capital risk (continued)

Liquidity limits

Barclays manages limits on a variety of on- and off-balance sheet exposures, a sample of which is shown in the table below. These limits serve to control the overall extent and composition of liquidity risk taken by managing exposure to each risk driver.

Examples of liquidity limits			
Internal Liquidity Stress Test (ILST)	Liquidity Coverage Ratio	Currency Risk Limits	Net Stable Funding Ratio (NSFR)
Prime Brokerage Limits	Gross Repo Limits	Concentration Limits	Secured Stress Limits

Early warning indicators

Barclays Treasury monitor a range of market indicators for early signs of liquidity risk. Both market indicators and Barclays specific indicators are tracked, a sample of which is shown in the table below. These are designed to immediately identify the emergence of increased liquidity risk in order to maximise the time available to execute appropriate mitigating management actions. Early Warning Indicators (EWIs) are used as part of the assessment of whether to invoke the Group Recovery Plan, which provides a framework for how a liquidity stress would be managed.

Examples of early warning indicators		
Reduction in 'sticky' deposits	Deterioration in stress test surplus	Rising funding costs
Widening CDS Spreads	Change in maturity profile	Stress in financial markets

Recovery & resolution planning

Barclays maintains a Group Recovery Plan (GRP) designed to provide a framework to effectively manage a severe financial stress. The GRP is proportionate to the nature, scale and complexity of the business and is tested on a regular basis to ensure it is operationally robust. The GRP details the escalation and invocation process for the plan, including integration with i) BAU monitoring of capital and liquidity EWIs to detect signs of approaching financial stress; ii) existing processes within Barclays Treasury and Risk to respond to mild/moderate stress; and iii) the governance process for executing recovery options. The GRP is legal entity aware and includes considerations for Barclays Bank UK Group and Barclays Bank PLC including entity-specific EWIs, recovery options, recovery strategies and governance arrangements.

Significant financial stress will be managed holistically by Barclays, with appropriate senior management coming together to deal with stress, and key entities/branches remaining involved and able to manage stress locally and continuing to meet local regulatory requirements. The financial crisis process is centred around a hierarchy based on the structure of the Group, so that stress is managed both locally and at the highest level at which it manifests. The procedures for Barclays Group, Barclays Bank UK Group and Barclays Bank PLC include the convening of the Group-wide Capital and Liquidity Crisis Management Team (CLCMT) and the Group Executive Committee (ExCo) as Barclays' most senior crisis leadership committee, the use of a crisis playbook of detailed management information and a range of management actions that can be taken to restore Barclays' capital and/or liquidity position. This coordinated process provides a more consistent and therefore more effective crisis response.

The GRP includes a range of recovery options to respond to financial stresses of varying severity and includes detailed information on financial and non-financial impacts of exercising the recovery options. The GRP is updated annually and fully embedded within Barclays' existing processes.

The BoE's preferred approach for the resolution of the Group is a bail-in strategy with a single point of entry at Barclays PLC. Under such a strategy, Barclays PLC's subsidiaries would remain operational while Barclays PLC's capital instruments and eligible liabilities would be written down or converted to equity in order to recapitalise the Group and allow for the continued provision of services and operations throughout the resolution. The order in which the bail-in tool is applied reflects the hierarchy of capital instruments under applicable UK legislation and rules, and otherwise respecting the hierarchy of claims in an ordinary insolvency. Accordingly, the more subordinated the claim, the more likely losses will be suffered by owners of the claim.

As part of the commitment by the BoE to ensure that all banks are resolvable, Barclays has been required by the PRA to publish a summary of its preparations for resolution on a periodic basis. The latest copy of Barclays' readiness for resolution is available on Barclays' website <https://home.barclays/content/dam/home-barclays/documents/investor-relations/reports-and-events/annual-reports/2023/20240806-Barclays-RAF.pdf>

Management of treasury and capital risk (continued)

Capital risk management

Overview

Capital risk is managed through ongoing monitoring and management of the capital and leverage position, regular stress testing and a robust capital governance framework. The objectives of the framework are to maintain adequate capital for the Group and legal entities to withstand the impact of the risks that may arise under normal and stressed conditions, and maintain adequate capital to cover current and forecast business needs and associated risks to provide a viable and sustainable business offering. The Group aims to prudently manage its overall leverage position (including risk of excessive leverage) by utilising plausible stress scenarios, reviewing and deploying management actions in response to deteriorating economic and commercial positions. In order to manage contingent leverage risk, the Group considers the context from which the business consumption arises, the impact of client utilisation on leverage and the available actions to manage.

Organisation, roles and responsibilities

Treasury has the primary responsibility for managing and monitoring capital. The Treasury and Capital Risk function provides oversight of capital risk. Production of the Barclays PLC Internal Capital Adequacy Assessment Process (ICAAP) is the responsibility of Treasury.

Capital risk management is underpinned by a control framework and policy. The capital management strategy, outlined in the Group and legal entity capital plans, is developed in alignment with the control framework and policy for capital risk, and is implemented consistently in order to deliver on the Group's objectives.

The Board approves the Group capital plan, internal stress tests and results of regulatory stress tests, and the Group recovery plan. The Group Treasury Committee is responsible for monitoring and managing capital risk in line with the Group's capital management objectives, capital plan and risk frameworks. The Treasury and Capital Risk Committee monitors and reviews the capital risk profile and control environment, providing second line oversight of the management of capital risk. The BRC reviews the risk profile, and annually reviews risk appetite and the impact of stress scenarios on the Group capital plan/forecast in order to agree the Group's projected capital adequacy.

Local management assures compliance with an entity's minimum regulatory capital requirements by reporting to local Asset and Liability Committees (ALCOs) with oversight by the Group Treasury Committee, as required. In 2024, Barclays complied with all regulatory minimum capital requirements. Contingent leverage risk is managed by: i) setting comprehensive leverage (and RWA) targets for each business as part of the Treasury capital management process, taking into account adherence to early warning indicators and maintain a healthy leverage ratio and; ii) Monitoring execution of actions taken to course-correct as necessary.

Capital risk management strategy

Barclays Group's capital management strategy is driven by the strategic aims of Barclays Group and the risk appetite set by the Board. Barclays Group's objectives are achieved through well embedded capital management practices.

Capital planning and allocation

Barclays Group assesses its capital requirements on multiple bases, with Barclays Group's capital plan set in consideration of Barclays Group's risk profile and appetite, strategic and performance objectives, regulatory requirements, international financial reporting standards (including IFRS 9), and market and internal factors, including the results of stress testing. The capital plan is managed on a top-down and bottom-up basis through both short-term and medium-term financial planning cycles, and is developed with the objective that Barclays Group maintains an adequate level of capital in line with internal and regulatory requirements. The planning process captures the impact of IFRS 9 to the capital plan, both including and excluding the impacts of transitional regulatory adjustments.

The PRA determines the regulatory capital requirements for the consolidated Barclays Group. Under these regulatory frameworks, capital requirements are set in consideration of the level of risk that Barclays Group is exposed to and the factors described above, and are measured through both risk-based Risk Weighted Assets (RWAs) and leverage-based metrics. An internal assessment of Barclays Group's capital adequacy is undertaken through the ICAAP and is used to inform the capital requirements of Barclays Group.

Barclays Group expects to meet the minimum requirements for capital and leverage at all times and also holds an internal buffer sized according to Barclays Group's assessment of capital risk.

Through the capital planning process, capital allocations are approved by Barclays Group Executive committee, taking into consideration the risk appetite and strategic aims of Barclays Group. Regulated legal entities are, at a minimum, capitalised to meet their current and forecast regulatory and business requirements.

Monitoring and reporting

Capital is managed and monitored to maintain that Barclays' capital plans remain appropriate and that risks to the plans are considered. Limits are set by Risk to control the level of capital risk within Barclays Group. Treasury is responsible for complying with these limits as the first line of defence for the management of capital risk.

Limits are monitored through appropriately governed forums in the first and second line of defence.

To support compliance with risk limits, Treasury monitor capital risks against firm-specific and macroeconomic early warning indicators and report on these to the Treasury Committee and entity ALCOs. This enables a consistent and objective approach to monitoring the capital outlook against the capital plan, and supports the early identification when outlooks deteriorate.

Capital management information is readily available to support Senior Management's strategic and day-to-day business decision making.

Management of treasury and capital risk (continued)

Stress testing and risk mitigation

Internal group-wide stress testing is undertaken to quantify and understand the impact of sensitivities on the capital plan and capital ratios arising from stressed macroeconomic conditions. Recent economic, market and peer institution stresses are used to inform the assumptions developed for internal stress tests and to assess the effectiveness of mitigation strategies.

Barclays Group also undertakes stress tests prescribed by the BoE and legal entities undertake stress tests prescribed by their local regulators. These stress tests inform decisions on the size and quality of the internal capital buffer required and the results are incorporated into Barclays Group capital plan to maintain adequacy of capital under normal and severe, but plausible stressed conditions.

Actions are identified as part of the stress tests that can be taken to mitigate the risks that may arise in the event of material adverse changes in the current economic and business outlook. As an additional layer of protection, Barclays Group Recovery Plan defines the actions and implementation strategies available to Barclays Group to increase or preserve capital resources in the situation that a stress occurs that is more severe than anticipated.

Capitalisation of legal entities

Barclays as a group comprises legal entities across multiple jurisdictions. Barclays Group and regulated legal entities are subject to prudential requirements from the PRA and/or local regulators. Sufficient capital needs to be available at consolidated Group, sub-consolidated and/or individual legal entity level in accordance with applicable regulatory requirements.

Where aggregate requirements for sub-consolidated groups and/or individual entities in Barclays Group are higher than the consolidated requirement, Barclays Group may use debt or capital other than CET1 to meet these incremental requirements (so called 'double leverage'). There are regulatory and rating agency expectations that constrain the amount of double leverage that can be used. This might increase the overall level of capital Barclays Group is required to hold.

The capitalisation of legal entities is reviewed annually as part of the capital planning process and monitored on an ongoing basis.

Transferability of capital

Surplus capital held in Group entities is required to be repatriated to the immediate parent in the form of dividends and/or capital repatriation, subject to local regulatory requirements, exchange controls and tax implications. This approach provides optimal flexibility on the re-deployment of capital across legal entities. Capital is managed at Barclays Group as a whole as well as for its operating subsidiaries to allow fungibility and redeployment of capital while meeting relevant internal and regulatory targets at entity levels.

Foreign exchange risk

Barclays Group has capital resources and risk weighted assets denominated in foreign currencies. Changes in foreign exchange rates result in changes in the Sterling equivalent value of foreign currency denominated capital resources and RWAs. As a result, Barclays Group's CET1 ratio is sensitive to foreign currency movements.

Barclays Group seeks to minimise the volatility of the CET1 ratio caused by foreign exchange rate movements by ensuring that the CET1 capital movements broadly match the revaluation of Barclays Group's foreign currency RWA exposures. This is achieved by seeking to align the ratio of CET1 sensitive to foreign exchange rate movements to foreign currency RWAs with Barclays Group CET1 ratio.

Pension risk

The Group maintains a number of defined benefit pension schemes for past and current employees. The ability of schemes to meet pension payments is achieved with investments and contributions.

Pension risk arises because the market value of pension fund assets might decline; investment returns might reduce; or the estimated value of pension liabilities might increase. The Group monitors the pension risks arising from its defined benefit pension schemes and works with Trustees to address shortfalls. In these circumstances, the Group could be required or might choose to make extra contributions to the pension fund. The Group's main defined benefit scheme was closed to new entrants in 2012.

Management of pension risk

Many of the Group's defined benefit pension funds are established as trusts in order to keep the fund's assets separate from the sponsor (Barclays). As such the Trustees are responsible for:

- the investment strategy including asset allocation and performance
- assessing the level of technical provisions required
- ensuring any minimum funding objectives are met
- complying with local legislation

The legal structure of Barclays' defined benefit pension funds and the role of the Trustees mean that pension risk can't be directly controlled by the Group. However, Barclays must ensure that the Risk Appetite at Group and entity levels is calibrated to accommodate exposure to pension risk.

Pension Forums

The Pension Executive Board (PEB) has accountability for the effective operation of pensions across the Group. It is the most senior executive body for pensions in Barclays.

The PEB is not created or mandated under the ERMF. However, this forum provides stakeholders from HR, Treasury, Finance, Risk and Legal the opportunity to discuss and comment on pension risk in a wider context.

Management of treasury and capital risk (continued)

Key pension risk controls and governance include:

- annual review, challenge and proposal of the IAS19 market-driven assumptions used for the calculation of pension liabilities used in Barclays' disclosures
- representation and input at key pension forums
- input into the Group's ICAAP for pension risk
- input into the Group's strategic planning and stress test exercises
- provision of independent oversight of the pension risk profiles from the Group's perspective
- coordination of responses to regulatory initiatives, developments and proposals on pensions, which may include inputs from material overseas schemes

Interest rate risk in the banking book management (IRRBB)

Overview

Interest rate risk in the banking book is primarily driven by customer deposit taking and lending activities, investments in the liquid asset portfolio and funding activities. As per the Group's policy to remain within the defined risk appetite, hedging strategies are executed to mitigate the various IRRBB risks that result from these activities.

However, the Group remains susceptible to interest rate risk and other non-traded market risks from the following key sources:

- **Interest rate and repricing risk:** the risk of an adverse impact from a change in interest rates, differences in the timing of interest rate changes between assets and liabilities, and other constraints on interest rate changes as per product terms and conditions.
- **Customer behavioural risk:** the risk of an adverse impact from the discretion that customers and counterparties may have in respect of being able to vary their contractual obligations with Barclays. This risk is often referred to by industry regulators as 'embedded option risk'.
- **Investment risks in the liquid asset portfolio:** the risk that the fair value of assets held in the liquid asset portfolio and associated risk management portfolios could be adversely impacted by market volatility, creating volatility in capital directly.

Organisation, roles and responsibilities

The entity ALCOs and /or treasury committees, together with the Group Treasury Committee, are responsible for monitoring and managing IRRBB risk in line with the Group's management objectives and risk frameworks. The Group Risk Committee (GRC) and Treasury and Capital Risk Committee monitors and reviews the IRRBB risk profile and control environment, providing second line oversight of the management of IRRBB. The Board Risk Committee (BRC) reviews the interest rate risk profile, including annual review of the risk appetite and the impact of stress scenarios on the interest rate risk of the Group's banking books.

In addition, the Group's ALM and Investment Risks Policy sets out the processes and key controls required to identify all IRRBB risks arising from banking book operations, to monitor the risk exposures via a set of metrics with a frequency in line with the risk management horizon, and to manage these risks within agreed risk appetite and limits.

Management of IRRBB

Barclays executes hedging strategies to manage IRRBB and maintain it within the agreed risk appetite, whilst actively managing the trade-off between return and associated risks in liquid asset portfolio. Therefore, the primary control for IRRBB is calculating the risk metrics described in the table below and monitoring risk exposure vs. defined limits. Limits are set at an aggregate business level and then cascaded down.

These measures of risk are typically dependent on an assumption of expected customer behaviour. To the extent that actual behaviour may vary from expectation this variation is measured using a supplementary set of behavioural stress measures.

Summary of measures for non-traded market risk

Measure	Definition
Net Interest Income (NII)	A measure of the potential change in Net Interest Income (NII) due to an adverse interest rate movement over a predefined time horizon.
Economic value of equity (EVE)	A measure of the potential change in the present value of expected future cash flows due to an adverse interest rate movement, based on the existing balance sheet expected run-off profile.
Value at risk (VaR)	A measure of the potential loss of value arising from unfavourable market movements at a specific confidence level, if current positions were to be held unchanged for the predefined holding period.
Stress Loss	A measure of the potential loss from an adverse shock to market variables

Management of treasury and capital risk (continued)

Net Interest Income (NII)

NII measures the sensitivity of net interest income over a one-year period. It is calculated as the difference between the estimated income using the expected rate forecast and the lowest estimated income following a parallel increase or decrease in interest rates on a pre-tax basis.

The main model assumptions are:

- Interest rate levels are shocked in line with those prescribed by the PRA Rulebook, in addition to internally-defined shocks. The balance sheet is primarily kept at the current level with no assumed growth, and run-off balances are reinvested on a like-for-like basis to maintain a constant balance sheet. A number of temporary non-core funding balances are not reinvested. Contractual positions are adjusted for an assumed behavioural profile, to align with the expected product life-cycle
- Forecast net interest income accounts for expected pricing changes to managed rate products both in the base scenario and shocked scenarios, including the impact of either implied product rate floors or explicit product rate floors in line with product terms and conditions. Further management actions in response to interest rate shocks are excluded
- NII sensitivity is calculated on a monthly basis for the entire banking book, including the investments in liquid asset portfolios. The metric provides a measure of how interest rate risk may impact the Group's earnings, providing a simple comparison between risk and returns. As NII provides a 12-month view of the impact of interest rate changes on modelled earnings, Barclays also monitors economic value metrics to complement the view as this captures the IRRBB impact of risk exposures beyond one year. However, this measure should not be interpreted as a projection of the bank's future expected earnings in each interest rate scenario

Economic Value of Equity (EVE)

EVE calculates the change in the present value of the Group's expected future cash-flows across the six prescribed scenarios in the PRA Rulebook. Note that the EVE calculation measures sensitivity in terms of present value, while NII measures income sensitivity, and as such are complementary.

The EVE measure is calculated on a monthly basis and is applied to the full life of transactions and hedges allowing the risk over the whole life of positions to be considered. It does not capture the impact of business growth or management actions, and is based on the expected balance sheet run-off profile.

The main model assumptions are:

- All cash flows are included within the EVE scenarios, with commercial margins excluded and discounted at the relevant risk-free interest rate. Market rate floors are accounted for in line with regulatory guidance, with market rates floored at -100bps and increasing by 5bps linearly per annum from the reporting date
- The Group's equity instruments without a call date are excluded from the calculation. Deposits which have no defined maturity date have been profiled according to their relevant behavioural maturity which also drives the Group's hedging strategy. The profiling of non-maturing deposits in shock scenarios is aligned to the baseline scenario as the baseline scenario is sufficiently prudent to mitigate expected customer behaviours in shocked scenarios
- Fixed-rate customer balances where customers have the option to adjust payments are also reported including expected customer behaviours, with the baseline Conditional Prepayment Rate adjusted by 20% in shocked scenarios
- EVE is calculated by currency and aggregated accounting for 50% of the benefit of any positive change in EVE

Value at Risk (VaR)

In addition to the above measures, VaR is also used for IRRBB management, although primarily focused on items held at fair value. VaR is an estimate of the potential loss arising from unfavourable market movements if the current position were to be held unchanged for a set period. For internal market risk management purposes, a historical simulation methodology is used with a one-year equally weighted historical period, at a 95% confidence level.

Internal risk management daily VaR is used to measure residual interest and foreign exchange risks within certain banking book portfolios held at fair value. Quarterly scaled VaR is used to measure risk for items in the liquid asset portfolio held at fair value.

VaR is calculated on a daily basis and exposure is reported versus defined limits.

Stress Loss

Securities in the buffer are subject to several market risk stresses designed to estimate potential losses in various scenarios. This includes, but is not limited to, an annual internal stress test, regulatory stress tests as well as various ad hoc exploratory exercises.

ICAAP information

The purpose of the capital adequacy assessment is to confirm that the Group is adequately capitalised to support its business strategy against the risks the bank faces and the performance constraints set by the Board.

The capital adequacy is assessed by verifying the following conditions:

- Group meets the capital regulatory requirements;
- The Internal Stress Testing (IST) passes the risk appetite constraints set by the Board; and
- Group holds sufficient loss absorbing capital to cover economic risks

This is supplemented by benchmarking of capital metrics to peer banks and considering rating agency assessments.

Management of operational risk

The sources of operational risks, and how those risks are managed, are detailed in this section.

- The types of risks that are classified as operational risks are described on pages 181 and 183
- Governance, management and measurement techniques are covered on pages 183 and 185

Management of operational risk

Operational risk

The risk of loss to the Group from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.

Overview

The management of operational risk has three key objectives:

- deliver an operational risk capability owned and used by business leaders;
- provide the frameworks, policies and standards to enable management to meet their risk management responsibilities while the second line of defence provides robust, independent, and effective oversight and challenge;
- deliver a consistent and aggregated measurement of operational risk which will provide clear and relevant insights, so that the right management actions can be taken to keep the operational risk profile consistent with the Group's strategy, the stated risk appetite and stakeholder needs.

The Group operates within a strong system of internal controls which enables business to be transacted and risk taken without exposing the Group to unacceptable potential losses or reputational damages.

Organisation and structure

Barclays PLC Board Risk Committee

- Approves operational risk framework
- Oversees operational risk capital
- Recommends and monitors operational risk appetite and the residual risk position, supported by feedback from the Barclays PLC Board Audit Committee/Chief of Controls Officer

Barclays PLC Board Audit Committee

- Oversees the operating effectiveness of the control environment
- Oversees remediation of control issues
- Gives feedback to the Barclays PLC Board Risk Committee where concerns exist over the impact on residual risk through either the design or operating effectiveness of the control environment

Barclays Group Risk Committee

- Reviews and recommend risk appetite and risk limit across operational risk to the Barclays PLC Board
- Monitors the Barclays Group risk profile and the utilisation of risk appetite
- Reviews appetite, limit usage and risk management within tolerance agreed by the Barclays PLC Board
- Reviews deep dives of specific risks as requested
- Reviews the impact of any material acquisitions and disposals on the risk profile
- Reviews remediation plans and actions taken, and agrees any further action required
- Escalated to Barclays PLC Board level

Barclays Group Controls Committee

- Oversees the effectiveness of the control environment
- Reviews and recommends the control framework
- Oversees control remediation activities
- Oversees the execution of the Operational Risk Management Framework consistently across Barclays Group
- Oversees risk and internal control matters including significant issues
- Escalates to Barclays PLC Board level

Operational Risk Committees

- Manage and oversee risk at the Group level
- Escalate to Barclays group level

Business Risk Committees

- Manage and oversee risk at the business/function level
- Escalate to Barclays Group level

Barclays Control Committees

- Manage and oversee the control environment at the business/function level
- Escalate to Barclays Group level

Management of operational risk (continued)

Operational risk categories

Operational risks are grouped into risk categories to support effective risk management, measurement and reporting. These are defined as follows:

- **Change Delivery Management Risk:** The risk of failing to deliver and implement the agreed change initiatives and business outcomes required to deliver the Group and Business Unit Strategy within agreed timelines.
- **Data & Records Management Risk:** The risk that Barclays is unable to identify and manage Data, Records and/ or Non-Financial Regulatory Reporting in accordance with business, legal and regulatory requirements.
- **Financial Reporting Risk:** The risk of a material misstatement or omission within the Group's external financial reporting, regulatory reporting or internal financial management reporting
- **Fraud Risk:** The risk of financial loss when an internal or external party acts dishonestly with the intent to obtain an undue benefit, cause a loss to, or to expose either the Group or its customers and clients to a risk of loss
- **Information Security Risk:** The risk that Barclays Information Assets, including associated technology estate and services are not protected against cyber incidents that may result in unauthorised access, data loss/theft or malicious manipulation of data, disruption or destruction of Barclays Information Assets, technology estate and services.

Management of operational risk (continued)

- **Operational Recovery Planning Risk:** The risk that the Group does not understand the impact of operational disruption on its business services, is unable to recover business services within agreed timeframes, or does not have the ability to effectively respond to a crisis
- **Payments Process Risk:** The risk of payments being processed inaccurately, with delays, without appropriate authentication and authorisation. It also covers the risk associated with ineffective management associated with payment/card scheme membership
- **People Risk:** The set of risks associated with employing and managing people, including compliance with regulations, appropriate resourcing for requirements, recruitment and development risks
- **Premises Risk:** The risk of business detriment or harm to people due to premises and infrastructure issues
- **Physical Security Risk:** The risk of business detriment, financial loss or harm to people as a result of any physical security incident impacting the Group or a Group employee - relating to harm to people, unauthorised access, intentional damage to premises, theft or intentional damage to assets.
- **Risk Reporting:** The risk that risk reports in scope of BCBS 239 produced for internal risk decision-making or external regulatory purposes are not adaptable, accurate, comprehensive, clear and useful, generated at appropriate frequency or distributed to the relevant parties.
- **Supplier Risk:** The risk that is introduced to the firm or entity as a consequence of obtaining services or goods from another legal entity or entities whether external or internal as a result of inappropriate and/or inadequate selection, management, or exit management
- **Tax Risk:** The risk of unexpected tax cost in relation to any tax for which the Group is liable, or of reputational damage on tax matters with key stakeholders such as tax authorities, regulators, shareholders or the public. Tax cost includes tax, interest or penalties levied by a taxing authority
- **Technology Risk:** The risk to the Group that comes about through its dependency on technological solutions
- **Transaction Operations Risk:** The risk of an unintentional error in the execution of a customer transaction resulting in delayed or inaccurate processing, which may lead to customer harm or loss (or gain) to the bank

The Operational Risk Taxonomy also includes operational risks associated with other Principal Risks, including Compliance, Financial Crime, Legal, Climate, Model, Reputation Risk and the Financial Risks (Credit, Market, Treasury and Capital).

These risks may result in financial and/or non-financial impacts including legal/regulatory breaches or reputational damage.

Connected risks

The Group also recognises that there are certain threats/risk drivers which are interconnected and have the potential to impact the Group's strategic objectives. These are referred to as Connected Risks and require an overarching and integrated risk reporting approach, including:

- **Model:** The risk relating to model implementation and data impacting Model performance, which are managed in Data and Technology, outside of the Model Risk Framework
- **Data:** The risks associated with the management, quality and control of data, its protection and confidentiality and its correct usage
- **Resilience:** The risk of the organisation's ability to anticipate, prevent, adapt, respond to, recover and learn from internal or external disruption, continuing to provide important business services to customers and clients, and minimise any impact on the wider financial system
- **Third-Party Service Management:** The risk associated with Third-Party Service Providers - defined as all entities that have entered into an arrangement with the Group in order to provide business functions, activities, goods, and/or services

Roles and responsibilities

The prime responsibility for the management of operational risk and the compliance with control requirements rests with the legal entities, business and functional units where the risk arises. The operational risk profile and control environment is reviewed by business management through business risk and control committees. Operational risk issues escalated from these meetings are considered through the second line of defence review meetings. Depending on their nature, the outputs of these meetings are presented to the Operational Risk Committee, Group Risk Committee, the Barclays PLC Board Risk Committee or the Barclays PLC Board Audit Committee.

Legal entities, businesses and functions are required to report their operational risks on both a regular and an event-driven basis. The reports include a profile of the material risks that may threaten the achievement of their objectives and the effectiveness of key controls, operational risk events and a review of scenarios.

The Group Head of Operational Risk is responsible for establishing, owning and maintaining an appropriate Group-wide Operational Risk Framework and for overseeing the portfolio of operational risk across the Group.

The Operational Risk function acts in a second line of defence capacity, and is responsible for defining and overseeing the implementation of the framework and monitoring the Group's operational risk profile. The Operational Risk function alerts management when risk levels exceed acceptable tolerance in order to drive timely decision making and actions by the first line of defence. Specific reports are prepared by Operational Risk on a regular basis for the Barclays Group Risk Committee, and the Barclays PLC Board Risk Committee.

Management of operational risk (continued)

Operational Risk Framework

The Operational Risk Framework comprises a number of elements which allow the Group to manage and measure its operational risk profile and to calculate the amount of operational risk capital that the Group needs to hold to absorb potential losses. The minimum, mandatory requirements for each of these elements are set out in the Operational Risk Framework and supporting policies. This framework is implemented across the Group with all legal entities, businesses and functions required to implement and operate an Operational Risk Framework that meets, as a minimum, the requirements detailed in the operational risk policies.

The Operational Risk Framework applies across all Business Units, Functions and Legal Entities within the Group. The Operational Risk Framework is applicable to all employees and enables the bank to manage Operational risk consistently and effectively across the organisation.

The Barclays Control Framework (BCF) implements the Operational Risk Framework through a series of standards that set out detailed actions which the first line of defence management must perform to deliver control responsibilities and objectives.

The Operational Risk Framework is a key component of the ERMF and has been designed to improve risk management and meet a number of external governance requirements including the Basel Capital Accord, the Capital Requirements Directive and Turnbull guidance as an evaluation framework for the purposes of Section 404(a) of the Sarbanes-Oxley Act. It also supports the Sarbanes-Oxley requirements.

The Operational Risk Framework includes the following elements:

Governance

The governance of Operational Risk within the Group is fulfilled through committees and management forums operated by the first and second lines of defence, with escalation and reporting lines via the Group Risk Committee to the BPLC Board Risk and Board Audit Committees.

Risk and Control Self-Assessments

Risk and control self-assessments (RCSAs) are the way in which the Group identifies and assesses the risks which are inherent in the material processes operated by Barclays Group. Managers in the business use the RCSA approach to evaluate the controls in place to mitigate those risks and assess the residual risk exposure to Barclays Group. The businesses / functions are then able to make decisions on what action, if any, is required to reduce the level of residual risk to the Group. These risk assessments are monitored on a regular basis to maintain that each business understands the risks it faces. The RCSA outputs provide residual risk assessments and a view of the risk profile across the firm, which is used to assess residual risk status against the approved levels of Operational risk appetite.

Risk Events

An operational risk event is any circumstance where, through the lack or failure of a control, the Group has actually, or could have, made a loss. The definition includes situations in which the Group could have made a loss, but in fact made a gain, as well as incidents resulting in reputational damage or regulatory impact only.

A standard threshold is used across the Group for reporting risk events and part of the analysis includes the identification of improvements to processes or controls, to reduce the recurrence and/or magnitude of risk events. For significant events, both financial and non-financial, this analysis includes the completion of a formal lessons learnt report.

The Group also maintains a record of external risk events which are publicly available and is a member of the Operational Risk data eXchange (ORX), a not-for-profit association of international banks formed to share anonymous loss data information. This external loss information is used to support and inform risk identification, assessment and measurement.

Operational Risk Appetite

The Board approves an Operational Risk Appetite Statement on an annual basis, establishing the level of operational risk that is acceptable in pursuit of the Group's strategic objectives.

Operational risks are assessed and monitored against the Board approved Operational Risk Appetite, with Risk Reduction Plans established for any risks that are above the acceptable level.

The Operational Risk Profile is monitored through Risk Committees at legal entity, Barclays Group and Board level in the context of Operational Risk Appetite, and the level of residual risk is monitored by the Group Risk Committee. The operational risk profile and status of the risk reduction plans (RRPs) are monitored, and updates are provided to the Board Risk Committee.

Key Indicators

Key indicators (KIs) are metrics which allow the Operational Risk Profile to be measured and monitored against management's risk appetite. KIs include defined thresholds and performance is reported regularly to Management to drive action when risk exceeds acceptable limits.

Management of operational risk (continued)

Risk Scenarios

Risk scenarios is a summary of the extreme potential risk exposures for Barclays Group and material entities covering the complete range of risks. The scenarios include an assessment of the key drivers for the exposure, occurrence and impact of the scenario allowing a review of the corresponding control environment if required. The risk scenario assessments are a key input to the calculation and benchmarking of economic capital requirements (see following section on operational risk measurement). The assessment considers analysis of the current and emerging risk profile, internal and external loss experience, KIs, Risk and RCSAs and other relevant information. The businesses and functions analyse potential extreme scenarios, considering the:

- circumstances and contributing factors that could lead to an extreme event;
- potential financial impacts; and
- likelihood of an extreme event occurring

Management then determines whether the potential risk exposure is acceptable or whether changes in risk management control or business strategy are required.

The risk scenarios are regularly re-assessed, taking into account trends in risk factors.

Reporting

The ongoing monitoring and reporting of operational risk is a key component of the Operational Risk Framework. Reports and management information are used by the Operational Risk function and by legal entity and business management to understand, monitor, manage and control operational risks and losses.

The operational risk profile is reviewed by senior management at legal entity Risk Committee meetings as well as the Operational Risk Committee, Group Risk Committee and Board Risk Committee, Board Audit Committee and the Board.

Operational Risk Measurement

The Group assesses its Operational Risk Capital requirements using the Standardised Approach (TSA).

Insurance

As part of its risk management approach, the Group also uses insurance to mitigate the impact of some operational risks.

Management of model risk

The types of model risk, and how they are managed, are detailed in this section.

- **Model risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports**

Management of model risk

Model risk

The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.

Overview

The Group uses models to support a broad range of activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures, conducting stress testing, assessing capital adequacy, managing client assets, and meeting reporting requirements.

Since models are imperfect and incomplete representations of reality, they may be subject to uncertainty, errors and inappropriate use affecting the accuracy of their output. This can result in inappropriate business decisions being made, financial loss, regulatory risk, reputational risk and/or inadequate capital reporting. Models may also be misused, for instance applied to products that they were not intended for, or not adjusted, where fundamental changes to their environment would justify re-evaluating their core assumptions.

Robust model risk management is crucial to assessing and managing model risk within a defined risk appetite. Strong model risk culture, appropriate technology environment, and adequate focus on understanding and resolving model limitations are crucial components.

Organisation and structure

Model Risk is a principal risk within the ERMF and is centrally governed by the Model Risk Management (MRM) function. MRM is an independent function responsible for establishing and maintaining the framework and the model inventory needed to assess, manage, and report model risk. The Global Head of MRM reports directly to the Group Chief Risk Officer.

MRM establishes model risk policy and standards, sets out and monitors model risk appetite, validates and approves models, reports on model risk, operates the controls that govern models and maintains the inventory of all models used by the Group globally.

MRM operates the Group Model Risk Committee (GMRC), the purpose of which is to review and monitor the Model Risk profile and control environment across the Model Risk portfolio and assess the exposure against the approved appetite and associated tolerances. The GMRC escalates to the Group Risk Committee (GRC).

MRM also operates the Model Risk Horizontal Control Forum (MR HCF) that oversees the consistent and effective implementation of the Barclays control framework within Model Risk. The MR HCF escalates to the Group Controls Committee.

MRM reports on the model risk profile to the Group Board Risk Committee, the Group Risk Committee, key Barclays Legal Entity risk and control committees and forums and Model Ownership Area (MOA) committees; the latter may be established by the business or functions. These committees consider Model Risk matters relevant to them and escalate as required in compliance with internal applicable governance policies.

In addition, an independent Model Strategy and Oversight (MSO) Team provides oversight of strategic modelling decisions of material models, in particular ensuring compliance with regulations and relevant technical standards, following a risk-based approach focusing on material modelling issues, including:

- Ensures a comprehensive / consistent approach taken across the bank to deliver material models requirements.
- Provides challenge to modelling decisions taken by Model Owners and Developers.
- Establishes, maintains, and runs the requisite forum (i.e. Group Model Management Steering Committee) to facilitate Senior Management oversight of the strategic approach taken for the development/re-development of material models and of key model aspects of associated rating systems within Barclays.

Roles and responsibilities

As per the ERMF, the first line of defence (1LOD) is comprised of all employees engaged in the revenue generating and client facing areas of the firm as well as all associated support functions, including Finance, Treasury, Technology and Operations, Human Resources, and Administration. Employees of risk and compliance are the second line of defence (2LOD).

The 1LOD for Model Risk is represented by 1LOD areas developing, using and owning models. 2LOD areas develop, use or employ models as well. In such cases, these 2LOD areas will be subject to independent oversight from MRM and within the MRM framework are considered as 1LOD. MRM is the 2LOD for Model Risk.

Management of model risk (continued)

Model risk reporting flows to senior management as depicted below.

Organisation and structure

Barclays PLC Board Risk Committee

- Review and recommends Barclays Group's risk appetite for model risk to the Barclays PLC Board
- Reviews the effectiveness of the processes and policies by which Barclays Group identifies and manages model risk
- Assesses performance relative to model risk appetite

Barclays Group Risk Committee

- Reviews risk appetite for model risk
- Monitors the risk profile for model risk, including emerging risks, against expected trends and the utilisation of risk appetite

Group Model Management Steering Committee

- Facilitate Senior Management oversight of the strategic approach taken for the development/redevelopment of material models and of key model risk aspects of associated rating systems within Barclays incl.:
 - Approves Regulatory Pre-Approval applications of strategic models identified by senior management.
 - Approve the annual refresh of the IRB roll out plan prior to submission to the PRA.
- Oversees strategic modelling approaches for the development and redevelopment of in scope models, also in light of reg. feedback
- Reviews and challenges compliance and interpretation of relevant regulations and technical standards

Group Model Risk Committee

- Reviews and monitors the model risk profile and control environment, and assesses exposures against approved appetite and associated tolerances
- Reviews and challenges progress with material regulatory audit commitments and key strategic initiatives.
- Communicates material changes to the Model Risk Framework.
- Identifies and escalates model risk issues and emerging risks as appropriate.

Management of compliance risk

This section provides an overview of the management of compliance risk

- **Compliance risk is the risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Group's products and services, and the risk to Barclays, its customers, clients or markets from a failure to comply with the laws, rules and regulations applicable to the Group**

Management of compliance risk

Compliance risk

The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the firm's products and services (Conduct risk), and the risk to Barclays, its Clients, Customers or Markets from a failure to comply with the Laws, Rules and Regulations applicable to the firm (LRR Risk).

Overview

The Group defines, manages and mitigates Compliance Risk with the objective of providing good customer and client outcomes and protecting market integrity.

Compliance Risk incorporates market integrity, customer protection, product design and review, and LRR risks. Barclays has no appetite to operate its business other than in full accordance with all applicable laws, rules and regulations, in order to deliver good outcomes for / avoid harm to customers, clients and markets. Barclays will act in good faith; seeking to avoid causing foreseeable harm and to enable and support customers to pursue their financial objectives.

Organisation and structure

The governance of Compliance Risk within the Group is fulfilled through management committees and forums operated by the first and second lines of defence, with clear escalation and reporting lines to the Board.

The Barclays Group and Barclays Bank Group Risk Committee and the Barclays Bank UK Group Risk Committee are the primary second line governance committees for the oversight of the Compliance Risk profile. The risk committees' responsibilities include the identification and discussion of any emerging Compliance Risk exposures in their respective entities.

The Barclays Group and Barclays Bank Board Risk Committee and the Barclays Bank UK Group Board Risk Committee review, on behalf of their respective Boards, the management of Compliance Risk and the Compliance Risk profile for the respective entities. The Committees also safeguard the independence of, and oversee the performance of, the Group Compliance Function.

Roles and responsibilities

The Compliance Risk Management Framework (CRMF) outlines how the Group manages and measures its Compliance Risk profile. The Group Chief Compliance Officer is accountable for developing, maintaining and overseeing a group-wide CRMF. This includes defining and owning the relevant Compliance Risk policies which detail the control objectives, principles and other core requirements for the activities of the Group. It is the responsibility of the first line of defence to establish controls to manage its performance and assess conformance to these policies and controls. The responsibility for LRR risk management sits across various functions and business units, including Legal, Chief Controls Office, Risk and Compliance.

Senior managers are accountable within their areas of responsibility for owning and managing Compliance Risk in accordance with the CRMF, as defined within their regulatory Statement of Responsibilities, and a dedicated team has been established in Compliance to oversee LRR risk management.

Compliance, as an independent second line function, oversees that Compliance risks are effectively identified, managed, monitored and escalated and has a key role in helping Barclays achieve the right conduct outcomes and evolve a Compliance -focused culture.

Organisation and structure

Barclays PLC Board Risk Committee

- Reviews the effectiveness of the processes and policies by which Barclays Group and Barclays Bank Group identifies and manages Compliance Risk including the consideration and approval of the Barclays Group Compliance Risk Management Framework and any amendments thereto, and annually reviewing the effectiveness
- Reviews periodic Compliance Risk reports with respect to Barclays Bank Group Compliance Risk Policies and Standards.
- Maintains oversight of the Barclays Group Compliance Function

Barclays Bank UK PLC Board Risk Committee

- Reviews the effectiveness of the processes by which Barclays Bank UK Group identifies and manages Compliance Risk, including annually reviewing the effectiveness of the Barclays Group Compliance Risk Management Framework as it applies to Barclays Bank UK Group;
- Reviews periodic Compliance Risk reports which will include adopting Compliance Risk metrics as set by the Barclays PLC Board Risk Committee, agreeing any specific Barclays Bank UK Group metrics and performance against the same and compliance with Barclays Group Compliance Risk Policies, and
- Maintains oversight of the Barclays Group Compliance Function

Barclays Group Controls Committees

- Provides oversight of the effectiveness of the Control Environment in relation to Compliance Risk, including remediation of control failures relating to Compliance issues and risk events

Barclays Group Risk Committee

- Oversees the Compliance Risk Profile and implementation of the Group Compliance Risk Management Framework for Barclays Group and Barclays Bank Group

Barclays UK Risk Committee

- Oversees the Compliance Risk Profile and implementation of the Group Compliance Risk Management Framework for Barclays Bank UK Group

Management of reputation risk

This section provides an overview of the management of reputation risk

- **Reputation risk is the risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the Group's integrity and/or competence.**

Management of reputation risk

Reputation risk

The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the firm's integrity and/or competence.

Overview

A reduction of trust in the Group's integrity and competence may reduce the attractiveness of the Group to stakeholders and could lead to negative publicity, loss of revenue, regulatory or legislative action, loss of existing and potential client business, reduced workforce morale and difficulties in recruiting talent. Ultimately it may destroy shareholder value.

Organisation and structure

The Barclays PLC Board is the most senior body responsible for reviewing and monitoring the effectiveness of the Group's management of reputation risk.

Roles and responsibilities

The Group Chief Compliance Officer is accountable for developing a Reputation Risk Management Framework and Public Policy & Corporate Responsibility is responsible for the publication of appropriate Reputation Risk Policies, Standards and Control requirements and overseeing adherence, as well as providing Reputation Risk management advice and guidance and acting as subject matter experts on Reputation Risk matters. Reputation risk is by nature pervasive and can be difficult to quantify, requiring more subjective judgement than many other risks. The Reputation Risk Management Framework sets out what is required to manage reputation risk across the Group, including escalations to the Group Reputation Risk Committee, as required.

The primary responsibility for identifying and managing reputation risk and adherence to the control requirements sits with the business and support functions where the risk arises.

Barclays Bank Group and Barclays Bank UK Group are required to operate within established reputation risk appetite, and their component businesses prepare reports highlighting their most significant current and potential reputation risks and issues and how they are being managed.

These reports are a key internal source of information for the quarterly reputation risk reports which are prepared for Group ExCo and reviewed by the Group Board twice-yearly.

Organisation and structure

Barclays PLC Board

- Reviews the effectiveness of the process and policies by which Barclays Group identifies and manages reputation risk
- Considers and evaluates regular reports on Barclays Group's reputation risk issues and exposures
- Considers whether significant business decisions will compromise Barclays Group's ethical policies or core business beliefs and values

Group Reputation Risk Committee

- Reviews the monitoring processes utilised by Compliance and Public Policy and Corporate Responsibility to ensure they are proportionate given the level of risk identified in the businesses
- Sub-committee of the Group Executive Committee authorised to manage material reputation risks and issues as they are brought to the attention of the committee via relevant reputation risk assessment and escalation processes

Business Risk Committees/Forums

- Review and escalate reputation risks in accordance with Barclays Group's Reputation Risk Management Framework

Management of legal risk

This section provides an overview of the management of legal risk

- **Legal risk is the risk of loss or imposition of penalties, damages or fines from the failure of the Group to meet applicable laws, rules, regulations or contractual requirements or to assert or defend its intellectual property rights.**

Management of legal risk

Legal risk

The risk of loss or imposition of penalties, damages or fines from the failure of the firm to meet applicable laws, rules, regulations or contractual requirements or to assert or defend its intellectual property rights.

Overview

In conjunction with the Barclays Control Framework, the Group wide Legal Risk Management Framework (LRMF) comprises a number of integrated components that details how the Group identifies, manages and measures its legal risk profile.

The multitude of laws and regulations across the globe are highly dynamic and their application to particular circumstances is often unclear resulting in a high level of inherent legal risk. The LRMF seeks to mitigate legal risk through the implementation of Group wide legal risk policies requiring the engagement of legal professionals to provide legal advice in situations that have the potential for legal risk, identification and management of legal risks by those legal professionals, and escalation of legal risk as necessary. Legal risk is also mitigated by the requirements of the Compliance Risk Management Framework, including the responsibility of legal professionals to proactively identify, communicate and provide legal advice on applicable laws, rules and regulations. Notwithstanding these mitigating actions, the Group operates with a level of residual legal risk, for which the Group has limited tolerance.

Organisation, roles and responsibilities

The Group's businesses and functions have responsibility for identifying and escalating legal risk to the Legal Function, as well as responsibility for adherence to control requirements.

The Legal Function organisation and coverage model aligns legal expertise to businesses, functions, products, activities and geographic locations so that the Group receives legal advice and support from appropriate legal professionals, working in partnership proactively to identify, manage and escalate legal risk as necessary.

The senior management of the Legal Function oversees, challenges and monitors the legal risk profile and effectiveness of the legal risk control environment across the Group. The Legal Function provides support to all areas of the bank and is not formally part of any of the three lines of defence. Except in relation to the legal advice it provides or procures, the Legal Function is subject to oversight from the second line of defence with respect to its own operational and compliance risks, as well as with respect to the legal risk to which the bank is exposed.

The Group General Counsel is responsible for developing and maintaining the Group wide LRMF. This includes defining the relevant legal risk policies, and producing the Group wide qualitative statement for legal risk as part of the Barclays' risk appetite statement. The legal entity General Counsels are responsible for the adoption and effective implementation of legal risk policies in their respective legal entity.

The legal risk profile and control environment is reviewed by management through business risk committees and control committees. The Group Risk Committee is the most senior executive body responsible for reviewing and monitoring the effectiveness of risk management across the Group. Escalation paths from this committee exist to the Barclays PLC Board Risk Committee.

Organisation and structure

Barclays PLC Board Risk Committee

- Considers and recommends to the Barclays PLC Board legal risk appetite and tolerances
- Reviews the legal risk profile and the management of legal risk
- Commissions, receives and considers reports on key legal risk issues

Barclays Group Risk Committee

- Reviews and monitors the legal risk profile with respect to legal risk appetite and tolerances
- Reviews and recommends to the Barclays PLC Board Risk Committee legal risk appetite and tolerances
- Escalates and reports to Barclays Group Board level

Barclays Group Controls Committee

- Oversees the effectiveness of the legal risk control environment with respect to legal risk appetite and tolerances
- Escalates to Group Risk Committee and reports to Barclays Group Board level

Business Risk Committees

- Oversee the legal risk profile for their business with respect to its legal risk appetite and tolerances
- Escalate to Barclays Group Risk Committee

Legal Executive Committee

- Oversees, reviews and challenges, as appropriate, the legal risk profile and effectiveness of the legal risk control environment across the Barclays Group with respect to legal risk appetite and tolerances
- Escalates and reports to Barclays Group Risk and Controls Committees as appropriate

Business Controls Committees

- Oversee the effectiveness of the legal risk control environment for their business with respect to its legal risk appetite and tolerances
- Escalate to Barclays Group Controls Committee

Appendices

Appendix A – Countercyclical Capital Buffer

Table 93: CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

The below table shows the geographical distribution of credit exposures relevant to the calculation of the countercyclical buffer in line with UK CRR Article 440. Exposures in the below table are prepared in accordance with CRD Article 140 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.

As at 31 December 2024	General credit exposures		Relevant credit exposures – Market risk			Own fund requirements							
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights	Counter-cyclical buffer rate (%)
Breakdown by country	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	%	%
DENMARK	379	80	12	226	—	697	32	3	—	35	430	0.18%	2.50%
NORWAY	155	491	7	210	—	863	21	2	—	23	297	0.12%	2.50%
ICELAND	—	—	0	0	—	0	—	0	—	0	1	0.00%	2.50%
UNITED KINGDOM	36,266	257,158	1,012	2,998	20,632	318,066	8,000	57	258	8,315	103,944	43.46%	2.00%
NETHERLANDS	993	2,344	73	541	441	4,392	134	23	4	161	2,015	0.84%	2.00%
SWEDEN	1,026	330	29	352	352	2,089	74	8	4	86	1,080	0.45%	2.00%
BULGARIA	0	—	0	—	—	0	0	0	—	0	0	0.00%	2.00%
IRELAND	569	3,764	14	118	1,625	6,090	122	5	32	159	1,980	0.83%	1.50%
ESTONIA	0	2	0	8	—	10	0	2	—	2	28	0.01%	1.50%
SLOVAKIA	0	—	0	—	—	0	0	0	—	0	0	0.00%	1.50%
CZECH REPUBLIC	0	58	3	46	—	107	1	6	—	7	92	0.04%	1.25%
FRANCE	1,929	3,654	267	3,122	1,290	10,262	212	28	20	260	3,243	1.36%	1.00%
AUSTRALIA	547	3,301	45	67	793	4,753	103	4	11	118	1,481	0.62%	1.00%
BELGIUM	239	175	14	229	388	1,045	23	2	8	33	413	0.17%	1.00%
REPUBLIC OF KOREA	1	701	28	118	—	848	7	5	—	12	156	0.07%	1.00%
CYPRUS	36	1	1	4	—	42	3	1	—	4	43	0.02%	1.00%
ROMANIA	—	—	1	16	—	17	—	1	—	1	11	0.00%	1.00%
LITHUANIA	0	—	0	0	—	0	0	0	—	0	0	0.00%	1.00%
GERMANY	1,991	7,135	174	1,489	379	11,168	369	25	8	402	5,022	2.10%	0.75%
LUXEMBOURG	3,341	2,399	18	147	—	5,905	289	9	—	298	3,727	1.56%	0.50%
HONG KONG	428	709	29	100	—	1,266	46	5	—	51	645	0.27%	0.50%
CHILE	15	109	2	0	—	126	7	0	—	7	92	0.04%	0.50%
HUNGARY	0	0	0	6	—	6	0	0	—	—	7	0.00%	0.50%
SLOVENIA	—	—	0	—	—	0	—	0	—	0	0	0.00%	0.50%
LATVIA	0	—	0	—	—	0	0	0	—	0	0	0.00%	0.50%
Total (countries with existing CCyB rate)	47,915	282,411	1,729	9,797	25,900	367,752	9,443	186	345	9,974	124,707	52.14%	
UNITED STATES	48,216	55,687	10,978	8,763	85,195	208,839	5,515	364	1,399	7,278	90,983	38.04%	n/a
INDIA	2,715	194	46	37	135	3,127	231	17	2	250	3,118	1.30%	n/a
Total (countries with own funds requirements weights 1% or above)	50,931	55,881	11,024	8,800	85,330	211,966	5,746	381	1,401	7,528	94,101	39.34%	
Total (rest of the world less than 1% requirement)	10,086	19,438	3,802	3,653	5,432	42,411	1,247	286	100	1,633	20,373	8.52%	
TOTAL	108,932	357,730	16,555	22,250	116,662	622,129	16,436	853	1,846	19,135	239,181	100.00%	

Appendix A – Countercyclical Capital Buffer (continued)

Table 93: CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer (continued)

As at 31 December 2023	General credit exposures		Relevant credit exposures – Market risk			Own fund requirements							
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure value	Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights	Counter-cyclical buffer rate (%)
Breakdown by country	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	%	%
DENMARK	311	130	9	23	—	473	27	3	—	31	386	0.17%	2.50%
NORWAY	319	421	19	84	—	843	26	4	—	31	382	0.17%	2.50%
UNITED KINGDOM	26,808	247,521	647	2,013	21,426	298,415	6,962	63	282	7,307	91,332	40.43%	2.00%
SWEDEN	1,123	242	24	278	397	2,063	77	4	5	86	1,078	0.48%	2.00%
CZECH REPUBLIC	—	102	2	74	—	178	8	7	—	15	186	0.08%	2.00%
ICELAND	—	—	—	4	—	5	—	—	—	—	2	0.00%	2.00%
BULGARIA	—	—	—	—	—	—	—	—	—	—	—	0.00%	2.00%
ESTONIA	—	3	—	—	—	3	—	—	—	—	4	0.00%	1.50%
SLOVAKIA	—	—	—	5	—	5	—	—	—	—	4	0.00%	1.50%
IRELAND	513	3,746	36	82	1,247	5,623	139	7	21	166	2,080	0.92%	1.00%
NETHERLANDS	839	2,197	145	672	121	3,974	133	17	1	151	1,882	0.83%	1.00%
AUSTRALIA	291	1,749	51	153	571	2,814	73	6	7	86	1,081	0.48%	1.00%
HONG KONG	348	539	16	146	—	1,048	39	2	—	41	515	0.23%	1.00%
ROMANIA	—	—	—	2	—	2	—	—	—	—	2	0.00%	1.00%
CROATIA	—	—	—	—	—	—	—	—	—	—	—	0.00%	1.00%
LITHUANIA	—	—	—	—	—	—	—	—	—	—	—	0.00%	1.00%
GERMANY	2,341	6,901	259	1,159	172	10,831	370	32	3	406	5,071	2.24%	0.75%
LUXEMBOURG	3,432	2,426	109	161	382	6,509	298	12	7	317	3,967	1.76%	0.50%
FRANCE	2,080	2,954	290	1,851	936	8,112	200	36	20	255	3,184	1.41%	0.50%
CYPRUS	42	—	—	6	—	49	3	1	—	4	55	0.02%	0.50%
SLOVENIA	—	—	—	—	—	—	—	—	—	—	—	0.00%	0.50%
Total (countries with existing CCyB rate)	38,447	268,931	1,607	6,713	25,252	340,947	8,355	194	346	8,896	111,211	49.23%	
UNITED STATES	44,855	56,199	11,107	3,031	69,370	184,563	5,468	561	1,036	7,065	88,315	39.10%	n/a
ITALY	727	4,334	165	46	—	5,272	270	31	—	301	3,764	1.67%	n/a
INDIA	2,588	216	153	146	198	3,301	221	20	3	244	3,052	1.35%	n/a
Total (countries with own funds requirements weights 1% or above)	48,170	60,749	11,425	3,223	69,568	193,136	5,959	612	1,039	7,610	95,131	42.11%	
Total (rest of the world less than 1% requirement)	10,782	19,484	1,473	2,392	2,329	36,460	1,319	215	30	1,564	19,553	8.66%	
Total	97,399	349,164	14,505	12,328	97,149	570,543	15,633	1,021	1,415	18,070	225,895	100.00%	

Appendix A – Countercyclical Capital Buffer (continued)

Table 94: CCyB2 - Amount of institution-specific countercyclical capital buffer

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

		As at 31 December 2024	As at 31 December 2023
1	Total risk exposure amount	358,127	342,717
2	Institution specific countercyclical capital buffer rate	1.0%	0.9%
3	Institution specific countercyclical capital buffer requirement	3,447	3,036

Appendix B – Disclosures on asset encumbrance

Asset encumbrance arises from collateral pledged against secured funding and other collateralised obligations. The Group funds a portion of trading portfolio assets and other securities via repurchase agreements and other similar borrowing, and pledges a portion of loans and advances as collateral in securitisation, covered bond and other similar secured structures. The Group monitors the mix of secured and unsecured funding sources and seeks to efficiently utilise available collateral to raise secured funding and meet other collateral requirements.

Assets are considered encumbered when they have been pledged or used to secure, collateralise or credit enhance a transaction which impacts their transferability and free use. This includes external repurchase or other similar agreements with market counterparties.

Excluding assets positioned at central banks, as at 31 December 2024, £249.6bn (December 2023: £266.1bn) of the Group's assets were encumbered, primarily due to firm financing of trading portfolio assets, posting of cash collateral and, funding secured against loans and advances.

Assets may also be encumbered under secured funding arrangements with central banks. In advance of such encumbrance, assets are often positioned with central banks to facilitate efficient future draw down. £87.9bn (December 2023: £70.5bn) of on-balance sheet assets were positioned at the central banks, consisting of encumbered assets and collateral available for use in secured financing transactions.

There may be occasions where agreements are in place to over-collateralise funding structures such as securitisations and covered bonds. This is on an individual transaction basis and will typically result in higher levels of encumbrance. Encumbered assets comprise a range of different currencies primarily GBP, USD, EUR and JPY.

£504.0bn (December 2023: £471.1bn) of on- and off-balance sheet assets not positioned at central banks were identified as readily available. They include cash and securities held in the Group liquidity pool as well as unencumbered assets which provide a source of contingent liquidity. A portion of the assets in this category that are not part of the liquidity pool may be monetised to generate liquidity through use as collateral for secured funding or through outright sale. Loans and advances to customers are only classified as readily available if they are already in a form such that they can be used to raise funding without further management actions £69.0bn (December 2023: £49.9bn). This includes excess collateral already in secured funding vehicles £11.9bn (December 2023: £8.5bn).

£214.0bn (December 2023: £232.8bn) of assets not positioned at central banks were identified as available as collateral. These assets are not subject to identified restrictions on their ability to secure funding, to be offered as collateral, or to be sold to reduce potential future funding requirements, but are not immediately available in the normal course of business in their current form. They primarily consist of loans and advances which could be suitable for use in secured funding structures, subject to customary due diligence, but are classified as not readily available because they are not in a transferable form.

The Group has £121bn (December 2023: £99.1bn) of underlying assets and cover pool assets of securitisations and covered bonds, of which £47.7bn (December 2023: £53.0bn) of assets are encumbered and £73.3bn (December 2023: £46.1bn) are unencumbered. In total, the Group has £17.3bn (December 2023: £14.4bn) of unencumbered retained securitisations and retained covered bonds.

£98.6bn (December 2023: £82.2bn) of assets not positioned at central banks were identified as not available as collateral. These assets cannot be pledged or used as security for funding due to restrictions that prevent their pledge or use as security for funding in the normal course of business.

Derivatives and reverse repos are shown separately as these on-balance sheet assets cannot be pledged. However, these assets can give rise to the receipt of non-cash assets which are held off-balance sheet, and can be used to raise secured funding or meet additional funding requirements.

£1,135.8bn (December 2023: £1,045.1bn) of the total £1,262.7bn (December 2023: £1,147.3bn) securities accepted as collateral, and held off-balance sheet, were on-pledged, the significant majority of which related to stock lending arrangements. The remainder primarily relates to collateral posted against derivatives margin requirements.

Appendix B – Disclosure on asset encumbrance (continued)

Asset encumbrance

Barclays Group	Assets encumbered as a result of transactions with counterparties other than central banks					Other assets (comprising assets encumbered at central banks and unencumbered assets)					
	Assets	As a result of covered bonds	As a result of securitisations	Other	Total	Assets not positioned at central banks					Total
						Assets positioned at central banks ¹	Readily available assets	Available as collateral	Not available as collateral	Derivatives and Reverse repos	
On-balance sheet	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m
As at 31 December 2024											
Cash and balances at central banks	210,184	—	—	—	—	—	210,184	—	—	—	210,184
Cash collateral	83,927	—	—	76,397	76,397	—	7,530	—	—	—	7,530
Settlement balances	35,943	—	—	—	—	—	—	—	35,943	—	35,943
Loans and advances at amortised cost	403,352	2,796	2,684	33,651	39,132	86,708	68,995	207,950	567	—	364,220
Reverse repurchase agreements and other similar secured lending	4,734	—	—	—	—	—	—	—	—	4,734	4,734
Trading portfolio assets	166,453	—	—	107,368	107,368	—	59,085	—	—	—	59,085
Financial assets at fair value through the income statement	194,368	—	—	5,728	5,728	—	3,493	2,692	—	182,455	188,640
Derivative financial instruments	293,530	—	—	—	—	—	—	—	—	293,530	293,530
Financial assets at fair value through other comprehensive income	78,122	—	—	20,982	20,982	1,182	52,674	3,284	—	—	57,140
Other assets	37,203	—	—	—	—	—	—	—	37,203	—	37,203
Total on-balance sheet	1,507,816	2,796	2,684	244,126	249,612	87,890	401,961	213,926	73,713	480,719	1,258,209
As at 31 December 2023											
Cash and balances at central banks	224,634	—	—	—	—	—	224,634	—	—	—	224,634
Cash collateral	82,820	—	—	73,520	73,520	—	9,300	—	—	—	9,300
Settlement balances	26,101	—	—	—	—	—	—	—	26,101	—	26,101
Loans and advances at amortised cost	390,630	2,144	3,078	36,076	41,298	69,343	49,856	228,885	1,248	—	349,332
Reverse repurchase agreements and other similar secured lending	2,594	—	—	—	—	—	—	—	—	2,594	2,594
Trading portfolio assets	175,557	—	—	118,011	118,011	40	57,506	—	—	—	57,546
Financial assets at fair value through the income statement	206,285	—	—	9,843	9,843	—	4,059	3,191	—	189,192	196,442
Derivative financial instruments	256,109	—	—	—	—	—	—	—	—	256,109	256,109
Financial assets at fair value through other comprehensive income	71,896	—	—	23,419	23,419	1,182	46,524	771	—	—	48,477
Other assets	31,795	—	—	—	—	—	—	—	31,795	—	31,795
Total on-balance sheet	1,468,421	2,144	3,078	260,869	266,091	70,565	391,879	232,847	59,144	447,895	1,202,330
Off-balance sheet											
	Collateral received ¹²		Collateral received of which on-pledged ²		Readily available assets	Available as collateral	Not available as collateral				
As at 31 December 2024	€m	€m	€m	€m	€m	€m	€m	€m	€m	€m	
Fair value of securities accepted as collateral		1,262,716	1,135,793	102,016	—	24,907					
Total unencumbered collateral			503,977	213,921	98,620						
As at 31 December 2023											
Fair value of securities accepted as collateral		1,147,333	1,045,103	79,221	23,008						
Total unencumbered collateral			471,100	232,847	82,152						

Note

- Includes both encumbered and unencumbered assets. Assets within this category that have been encumbered are disclosed as assets pledged in Note 37 on page 524 of the Barclays PLC Annual Report 2024.
- Collateral received and pledged does not include collateral sourced through securities financing transaction which are sold short.

Appendix B – Disclosure on asset encumbrance (continued)

The tables below (AE1, AE2 and AE3) are prepared based on the regulatory scope of consolidation that is consistent with other liquidity reporting disclosures. Each of the reported values in the tables below are derived from the median of values reported quarterly to the regulator over the period 1 January 2024 to 31 December 2024 and will differ to those disclosed in the previous table which reflects the 31 December 2024 position.

Table 95: AE1 - Encumbered and unencumbered assets

	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
	of which notionally eligible EHQLA and		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA	
	010	030	040	050	060	080	090	100
	£m	£m	£m	£m	£m	£m	£m	£m
As at 31 December 2024								
010 Assets of the reporting institution	288,230	204,929			1,250,773	343,821		
030 Equity instruments	61,095	45,235	61,095	45,235	32,959	9,607	32,959	9,607
040 Debt securities	109,634	92,635	109,634	92,635	126,228	95,248	126,228	95,248
050 <i>of which: covered bonds</i>	1,869	402	1,869	402	10,129	5,828	10,129	5,828
060 <i>of which: securitisations</i>	3,308	2,024	3,308	2,024	20,359	11,731	20,359	11,731
070 <i>of which: issued by general governments</i>	73,827	71,799	73,827	71,799	74,747	66,805	74,747	66,805
080 <i>of which: issued by financial corporations</i>	25,690	16,132	25,690	16,132	39,930	24,415	39,930	24,415
090 <i>of which: issued by non-financial corporations</i>	6,737	2,358	6,737	2,358	9,156	2,140	9,156	2,140
120 Other assets	121,661	71,725			1,093,661	237,988		
As at 31 December 2023								
010 Assets of the reporting institution	263,635	189,431			1,294,770	370,125		
030 Equity instruments	45,618	32,061	45,618	32,061	33,209	10,294	33,209	10,294
040 Debt securities	93,060	83,595	93,060	83,595	108,814	86,947	108,814	86,947
050 <i>of which: covered bonds</i>	2,109	995	2,109	995	10,016	7,538	10,016	7,538
060 <i>of which: securitisations</i>	2,702	1,370	2,702	1,370	13,961	8,482	13,961	8,482
070 <i>of which: issued by general governments</i>	63,540	62,386	63,540	62,386	69,231	62,824	69,231	62,824
080 <i>of which: issued by financial corporations</i>	24,900	18,923	24,900	18,923	36,785	23,445	36,785	23,445
090 <i>of which: issued by non-financial corporations</i>	4,209	2,126	4,209	2,126	3,647	1,336	3,647	1,336
120 Other assets	127,493	76,401			1,141,361	268,263		

The Other Assets component of Carrying amount of encumbered assets of £121.6bn (December 2023: £127.5bn) predominantly contains loans and advances pledged as collateral in secured funding arrangements with central banks, securitisations, covered bonds and other similar secured structures. This also contains cash collateral posted for derivatives margin requirements.

Carrying amount of unencumbered assets of £1,250.8 bn (December 2023: £1,294.8bn) contains:

- £33.0bn (December 2023: £33.2bn) of Equity securities and £126.2bn (December 2023: £108.8bn) of debt securities that may be monetised to generate liquidity through use as collateral for secured funding or through outright sale
- £241.1bn (December 2023: £271.1bn) of balances at central banks
- £344.4bn (December 2023: £342.8 bn) of loans and advances which would be suitable for use in secured funding, some of which are already in a form such that, they can be used to raise funding without further management actions. This also includes excess collateral already in secured funding vehicles
- £506.1bn (December 2023: £538.9 bn) of balances that are not readily available for use as collateral in the normal course of business, including derivative assets, reverse repos, settlement balances, intangibles, deferred tax assets, property, plant and equipment

The carrying amount of assets encumbered increased by £24.6bn to £288.2bn (December 2023: £263.6bn) primarily driven by higher balances of repurchase agreements and stock lending arrangements incurred as a result of funding trading portfolio assets and prime brokerage activities.

Appendix B – Disclosure on asset encumbrance (continued)

Table 96: AE2 - Collateral received and own debt securities issued

	Fair value of encumbered collateral received or own debt securities issued ¹		Unencumbered	
			Fair value of collateral received or own debt securities issued available for encumbrance	
	10	30	040	060
		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
	€m	€m	€m	€m
As at 31 December 2024				
130 Collateral received by the reporting institution	1,078,653	927,322	80,905	37,154
140 Loans on demand	—	—	—	—
150 Equity instruments	207,672	150,114	17,558	8,744
160 Debt securities	871,544	779,021	63,348	28,410
170 of which: covered bonds	22,688	11,295	6,374	3,700
180 of which: securitisations	20,469	8,255	8,025	846
190 of which: issued by general governments	760,401	745,690	24,433	22,043
200 of which: issued by financial corporations	53,914	20,168	24,678	4,664
210 of which: issued by non-financial corporations	58,934	11,084	14,237	1,705
220 Loans and advances other than loans on demand	—	—	—	—
230 Other collateral received	—	—	—	—
240 Own debt securities issued other than own covered bonds or securitisations	—	—	1,678	—
241 Own covered bonds and asset-backed securities issued and not yet pledged			9,094	
250 TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	1,372,957	1,140,917		
As at 31 December 2023				
130 Collateral received by the reporting institution	893,965	781,869	78,849	34,361
140 Loans on demand	—	—	—	—
150 Equity instruments	156,714	117,692	19,174	10,740
160 Debt securities	741,907	668,565	58,100	24,177
170 of which: covered bonds	13,160	4,565	4,263	1,668
180 of which: securitisations	17,646	5,822	10,831	1,280
190 of which: issued by general governments	650,288	639,526	21,698	19,344
200 of which: issued by financial corporations	52,019	16,124	28,467	3,777
210 of which: issued by non-financial corporations	40,388	13,224	8,673	1,735
220 Loans and advances other than loans on demand	—	—	—	—
230 Other collateral received	—	—	—	—
240 Own debt securities issued other than own covered bonds or securitisations	—	—	1,565	—
241 Own covered bonds and asset-backed securities issued and not yet pledged			8,159	—
250 TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	1,152,866	964,745		

Note

¹ Collateral received and pledged does not include collateral sourced through securities financing transaction which are sold short.

The fair value of encumbered collateral received increased by €184.7bn to €1,078.7bn (December 2023 €894.0bn) primarily driven by higher matched-book activity where reverse repurchase agreements are matched by repurchase agreements entered into to facilitate client activities and stock lending arrangements.

Appendix B – Disclosure on asset encumbrance (continued)

Table 97: AE3 - Sources of encumbrance

	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered ¹	
	10	30
	10	30
	€m	€m
As at 31 December 2024		
010 Carrying amount of selected financial liabilities	344,550	874,449
120 Other sources of encumbrance	490,536	495,076
170 Total sources of encumbrance	841,498	1,372,957
As at 31 December 2023		
010 Carrying amount of selected financial liabilities	338,523	778,858
120 Other sources of encumbrance	375,274	379,626
170 Total sources of encumbrance	713,494	1,152,866

Note

¹ Collateral received and pledged does not include collateral sourced through securities financing transaction which are sold short.

Carrying amount of selected financial liabilities of €344.6bn (December 2023: €338.5bn) primarily relates to repurchase agreements, posting of cash collateral for derivatives margin requirements and secured debt issuances. €490.5bn (December 2023: €375.3bn) of other sources of encumbrance primarily represents stock lending agreements.

Total assets encumbered increased by €220.1bn to €1,373.0bn (December 2023 : €1,152.9bn) primarily driven by higher balances of repurchase agreements and stock lending arrangements incurred as a result of funding trading portfolio assets and prime brokerage activities, also matched-book activity where reverse repurchase agreements are matched by repurchase agreements entered into to facilitate client activity and stock lending arrangements.

Appendix C – Disclosures on remuneration

The following disclosures are made by applying instructions provided in Annex XXXIV and the tables as presented in Annex XXXIII of the PRA Rulebook, Disclosure (CRR) Part in application of Article 450 UK CRR.

The Remuneration report in the Barclays PLC Annual Report 2024 (the 'Remuneration report') provides an overview of the 2024 performance and pay outcomes for the Executive Directors of Barclays PLC, a summary of remuneration policies for all employees (which also apply to material risk takers ('MRTs')), and for the Executive Directors, as well as the decision-making process in respect of remuneration outcomes including how the views of regulators, shareholders and employees are considered in remuneration decisions.

Remuneration governance

The Barclays PLC Board Remuneration Committee (the 'Committee') sets the overarching principles and parameters of the remuneration policy across the Barclays Group, completes an annual review of the remuneration policy and practices, and oversees remuneration issues. The composition of the Committee, details of the number of meetings held during the year, and the role of relevant stakeholders and external consultants in relation to remuneration are all included in the Remuneration report.

The Committee reviewed the remuneration philosophy in the first quarter of 2024 and added an explicit reference to delivering good customer outcomes as part of the objective to reward sustainable performance. At the AGM in May 2024, a resolution was submitted to permit Barclays PLC to set its own maximum ratio of variable to fixed compensation ('bonus cap') for MRTs across the Group, which received a 99.75% shareholder vote in favour. Subsequently, the Committee set the bonus cap applicable for MRTs across the Group to be 10:1 (excluding MRTs still subject to EU banking regulations, for whom a 2:1 bonus cap continues to apply). There were no other changes to the all-employee remuneration policy, and no changes to the Directors' Remuneration Policy ('DRP') that was approved by Barclays PLC shareholders at the AGM in May 2023. During 2024, the Committee conducted a detailed review of the DRP, and is putting forward a new DRP for shareholder approval at the Barclays PLC 2025 AGM. Further details are set out in the Remuneration report.

Performance management and remuneration

Barclays' remuneration philosophy (set out in the Remuneration report) links remuneration to achieving sustainable performance. In this context, sustainable performance means making a positive and enduring difference to investors, customers and communities, delivering good customer outcomes, taking pride in leaving things better than we found them and playing a valuable role in society. Our remuneration philosophy applies to all employees of Barclays PLC globally (including those individuals identified as MRTs) and aims to reinforce our belief that effective performance management is critical to enabling the delivery of our business strategy in line with our Values. Employees who adhere to Barclays' Values and contribute to Barclays' success are rewarded accordingly.

This is achieved by basing performance assessment on clear standards of delivery and behaviour. This starts with employees aligning their personal objectives each year ('what' they will deliver) to business and team goals, to support the delivery of the business strategy and good client/customer outcomes, to a consistently excellent standard. Behavioural expectations ('how' people will achieve their objectives) are set in the context of our Values and Mindset.

Performance is assessed against both financial and non-financial criteria. Other factors are also taken into consideration within the overall performance assessment, including core job responsibilities, behaviours towards risk and control, colleague and stakeholder feedback, as well as input from the control functions and Chief Controls Office, where appropriate. Information on Barclays' performance, financial and non-financial, and how this is reflected in the incentive pool, can be found as part of the Committee Chair's statement in the Remuneration report. Details of the metrics applicable to the BPLC Executive Directors' incentives, and performance against these metrics including where the metrics are not satisfied in full, are also set out in the Remuneration report.

Through our approach to performance management, the equal importance of both what an individual has delivered and how the individual has achieved this is emphasised, encouraging balanced consideration of each dimension. These elements are assessed and rated independently of each other; there is no overall rating. This allows for more robust and reflective conversations between managers and team members on the individual components of performance.

Risk adjustment and remuneration

Another key feature of our remuneration philosophy is the alignment of remuneration with our risk appetite and with the conduct expectations of Barclays, our regulators and other stakeholders. The Committee takes risk and conduct events very seriously and ensures that there are appropriate adjustments to individual remuneration and, where necessary, the incentive pool.

The Remuneration Review Panel (the 'Panel'), which is chaired by the Group HR Director and also includes the Group Heads of Risk, Compliance, Legal, Internal Audit, the CEO of Barclays Bank UK PLC and the President of Barclays Bank PLC, reports to the Remuneration Committee and supports it in this process. The Panel applies our policies and processes for assessing compensation adjustments for risk and conduct events, under the Committee's oversight.

We have robust processes for considering risk and conduct as part of individual performance management, with outcomes reflected in individual remuneration decisions. Line managers have primary accountability for ensuring that risk and conduct issues are considered when assessing performance and making remuneration decisions. In addition, there is a secondary review by the control functions, for individuals involved in significant failures of risk management, conduct issues, regulatory actions or other major incidents that impact either the Group or a business area, to ensure these issues are properly considered. When considering individual responsibility, a variety of factors are taken into account, such as whether an individual was directly responsible, or whether the individual could be deemed indirectly responsible by virtue of seniority, including staff who drive the Group's culture and set its strategy.

Actions that may be taken where risk management and conduct falls below required standards include:

Appendix C – Disclosures on remuneration (continued)

Individual adjustments	Current year annual bonuses may be adjusted downwards where individuals are found to be involved (either directly or indirectly) in a risk or misconduct event.
Collective adjustments	In addition to reductions to individuals' bonuses, the Committee makes collective adjustments to the incentive pool for specific risk and conduct events. The Committee also adjusts the incentive pool to take account of an assessment of future risks (including conduct), non-financial factors that can support the delivery of a strong risk management, control and conduct culture, and other factors including reputation, and impact on customers, markets and other stakeholders. The Committee is supported in its consideration of this adjustment by the Barclays PLC Board Risk Committee.
Malus	Unvested deferred bonuses from prior years are subject to malus provisions, which enable the Committee to reduce the vesting level of deferred bonuses (including to nil) at its discretion. Events that may lead the Committee to do this include, but are not limited to, employee misconduct or a material failure of risk management.
Clawback	<p>Clawback applies to any variable remuneration awarded to a MRT on or after 1 January 2015 in respect of years for which they were a MRT. Barclays may apply clawback if, at any time during the seven-year period from the date on which variable remuneration is awarded to a MRT:</p> <ul style="list-style-type: none"> (i) there is reasonable evidence of employee misbehaviour or material error, and/or (ii) the firm or the business unit suffers a material failure of risk management, taking account of the individual's proximity to and responsibility for that incident. <p>Clawback may be extended to 10 years for PRA/FCA Senior Managers where there are outstanding internal or regulatory investigations at the end of the seven-year clawback period.</p>

Remuneration structure

Employees receive salary, pension and other benefits and are eligible to be considered for an annual bonus. Some employees, including some MRTs, also receive Role Based Pay ('RBP'). Remuneration of MRTs is subject to a 10:1 maximum ratio of variable to fixed remuneration (excluding MRTs of Barclays Bank Ireland PLC and the Monaco branch of Barclays Bank PLC, who remain subject to a 2:1 bonus cap under EU regulations). Executive Directors participate in the Barclays' Long Term Incentive Plan and currently receive part of their Fixed Pay in Barclays PLC shares.

The remuneration of employees engaged in control functions is determined independently from the businesses they support and within the parameters of the incentive pool allocated to those functions by the Committee. Remuneration for control function employees is less weighted towards variable remuneration compared to front-office employees.

Fixed remuneration

Salary	<p>Salaries reflect individuals' skills and experience and are reviewed annually.</p> <p>They are increased where justified by role change, increased responsibility, to reflect a change in the market rate or maintain appropriate competitive positioning. Salaries may also be increased in line with local statutory requirements and union and works council commitments.</p>
Role Based Pay	Some MRTs receive a class of fixed pay called RBP to recognise the seniority, scale and complexity of their role.
Pension and benefits	The provision of a competitive package of benefits is important to attracting and retaining the talented staff needed to deliver Barclays' strategy. Employees have access to a range of country-specific company-funded benefits, including pension schemes, healthcare, life assurance and Barclays' share plans, as well as other voluntary employee-funded benefits. The cost of providing these benefits is defined and controlled.

Appendix C – Disclosures on remuneration (continued)

Variable remuneration

Annual bonus	<p>Annual bonuses incentivise and reward the achievement of Group, business and individual objectives, and reward employees for demonstrating individual behaviours in line with Barclays' Values and Mindset.</p> <p>The ability to recognise performance through variable remuneration enables the Group to control its cost base flexibly and to react to events and market circumstances. Bonuses remain a key feature of remuneration practice in the highly competitive market for talent in the financial services sector.</p> <p>Annual bonuses may be delivered in both 'up-front' and deferred components. For MRTs (excluding 'de minimis' MRTs), both the up-front and deferred components have cash and share portions, with those share portions subject to retention periods of either six or twelve months.</p>																				
Bonus deferral	<p>The Committee is careful to control the proportion of variable to fixed remuneration paid to individuals and to ensure an appropriate amount is deferred to future years. The typical deferral structures are:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: left; border-bottom: 1px solid black;">For MRTs:</th> <th colspan="2" style="text-align: left; border-bottom: 1px solid black;">For de minimis MRTs/non-MRTs</th> </tr> <tr> <th style="text-align: left; border-bottom: 1px solid black;">Incentive award</th> <th style="text-align: left; border-bottom: 1px solid black;">Amount deferred</th> <th style="text-align: left; border-bottom: 1px solid black;">Incentive award</th> <th style="text-align: left; border-bottom: 1px solid black;">Amount deferred</th> </tr> </thead> <tbody> <tr> <td style="border-bottom: 1px solid black;">< £500,000</td> <td style="border-bottom: 1px solid black;">40% of total award</td> <td style="border-bottom: 1px solid black;">Up to £65,000</td> <td style="border-bottom: 1px solid black;">0%</td> </tr> <tr> <td style="border-bottom: 1px solid black;">£500,000 to £1,000,000</td> <td style="border-bottom: 1px solid black;">60% of total award</td> <td style="border-bottom: 1px solid black;">> £65,000</td> <td style="border-bottom: 1px solid black;">Graduated level of deferral</td> </tr> <tr> <td style="border-bottom: 1px solid black;">> £1,000,000</td> <td style="border-bottom: 1px solid black;">60% up to £1,000,000 100% above £1,000,000</td> <td></td> <td></td> </tr> </tbody> </table> <p>Deferred bonuses are generally delivered in equal portions as deferred cash and deferred shares (save for the Executive Directors for whom they are delivered 100% as deferred shares) subject to the rules of the deferred cash and share plans (as amended from time to time) and to continued service. Deferred bonuses are subject to either a 3, 4, 5 or 7-year deferral period in line with regulatory requirements.</p> <p>Where dividend equivalents cannot be delivered on deferred bonus shares, the number of deferred bonus shares awarded will be based on the adjusted fair value of the shares over which awards are granted taking into account that dividends do not accrue during the deferral period.</p>	For MRTs:		For de minimis MRTs/non-MRTs		Incentive award	Amount deferred	Incentive award	Amount deferred	< £500,000	40% of total award	Up to £65,000	0%	£500,000 to £1,000,000	60% of total award	> £65,000	Graduated level of deferral	> £1,000,000	60% up to £1,000,000 100% above £1,000,000		
For MRTs:		For de minimis MRTs/non-MRTs																			
Incentive award	Amount deferred	Incentive award	Amount deferred																		
< £500,000	40% of total award	Up to £65,000	0%																		
£500,000 to £1,000,000	60% of total award	> £65,000	Graduated level of deferral																		
> £1,000,000	60% up to £1,000,000 100% above £1,000,000																				

Shareholding

Shareholding requirements	<p>The current Directors' Remuneration Policy (approved by Barclays PLC shareholders in May 2023) specifies Executive Director shareholding requirements. The Group Chief Executive and Group Finance Director are required to accumulate Barclays shareholdings worth a minimum of 233% and 224% of Fixed Pay respectively within five years from the date of their appointment, and must retain a shareholding for at least two years after stepping down from those roles.</p> <p>The shareholding requirement for other Group Executive Committee members is 200% of salary and needs to be met within five years from the date of their appointment.</p> <p>Shares that count towards the requirement are beneficially owned shares including any vested share awards subject only to holding periods, the estimated after-tax value of any shares from unvested deferred share bonuses, and the estimated after-tax value of any shares from unvested LTIP awards provided that no performance conditions remain untested.</p> <p>The Chairman and Non-Executive Directors have a requirement that a portion of their annual fees (£100,000 for the Chairman, £30,000 Non-Executive Directors) is used to purchase shares, which they must retain until they retire from the Board.</p>
Share plans	<p>Alignment of other MRTs with shareholders is achieved through deferral of incentive pay. The Committee encourages additional employee shareholding by operating voluntary all-employee share plans in locations representing 99% of employees globally.</p>

Awards of guaranteed variable remuneration are only made in exceptional circumstances in the context of hiring and typically only when a new hire starts in the last quarter of the year. When determining a termination payment, Barclays considers any applicable: (a) contractual requirements; (b) policies; (c) local legal and regulatory requirements; and (d) legal and reputational risk.

Remuneration of MRTs in respect of the financial year

MRTs are Barclays Group employees whose professional activities could have a material impact on the Group's risk profile, which includes (among others) the members of the Barclays PLC Board, the Barclays Bank UK PLC Board, the Barclays Bank PLC Board and the Barclays Bank Ireland PLC Board. A total of 1,527 individuals were MRTs in 2024 (2023: 1,622).

170 MRTs in 2024 benefited from the derogation in point (b) of Article 94(3) of the Capital Requirements Directive in respect of the remuneration requirements in points (l) and (m) of Article 94(1). The aggregate fixed remuneration for these MRTs was £30.3m and the aggregate variable remuneration was £5.0m.

The following tables set out remuneration disclosures for individuals identified as MRTs for Barclays PLC (remuneration information for individuals who are only identified as MRTs at Barclays Bank PLC, Barclays Bank UK PLC and Barclays Bank Ireland PLC are included, where relevant, in those entities' disclosures). In the tables, the terms below mean:

- 'MB' means Barclays PLC's management body (i.e. the Barclays PLC Board);
- 'MB Supervisory function' means those individuals who were Non-Executive Directors of Barclays PLC during 2024;
- 'MB Management function' means those individuals who were Executive Directors of Barclays PLC during 2024;
- 'Other senior management' means those individuals (excluding the Executive Directors of Barclays PLC) who were members of the Barclays PLC Executive Committee during 2024 in accordance with Article 3(1)(9) of CRDIV; and

Appendix C – Disclosures on remuneration (continued)

- 'Other identified staff' means MRTs excluding MRTs included in MB Supervisory function, MB Management function and Other senior management.

Table 98: UK REM1 - Remuneration awarded for the financial year (all figures are in £m except for 'Number of identified staff')

		MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Number of identified staff	12	2	16.0	1,476.0
2	Total fixed remuneration	4.0	5.1	31.3	789.0
3	Of which: cash-based	3.99	2.4	21.3	741.9
4	(Not applicable in the UK)				
UK-4a	Fixed remuneration	—	2.4	9.0	7.8
5	Of which: share-linked instruments or equivalent non-cash instruments	—	—	—	—
UK-5x	Of which: other instruments	—	—	—	—
6	(Not applicable in the UK)				
7	Of which: other forms ¹	0.01	0.3	1.0	39.3
8	(Not applicable in the UK)				
9	Number of identified staff	—	2	16.0	1,352.7
10	Total variable remuneration	—	17.1	44.9	777.9
11	Of which: cash-based	—	1.8	22.4	395.7
12	Of which: deferred	—	—	19.2	242.8
UK-13a	Of which: shares or equivalent ownership interests	—	15.3	22.5	382.2
UK-14a	Variable remuneration	—	13.5	19.2	242.8
UK-13b	Of which: share-linked instruments or equivalent non-cash instruments	—	—	—	—
UK-14b	Of which: deferred	—	—	—	—
UK-14x	Of which: other instruments	—	—	—	—
UK-14y	Of which: deferred	—	—	—	—
15	Of which: other forms	—	—	—	—
16	Of which: deferred	—	—	—	—
17	Total remuneration (2 + 10)	4.0	22.2	76.2	1,566.9

Note

1 'Other forms' of fixed remuneration represents an estimate for pensions and benefits during the year.

Table 99: UK REM2 - Special payments to staff whose professional activities have a material impact on institution's risk profile (identified staff) (all figures are in £m except for 'Number of identified staff')

		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	—	—	—	6.0
2	Guaranteed variable remuneration awards - Total amount	—	—	—	4.9
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	—	—	—	—
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	—	—	—	—
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	—	—	—	—
	Severance payments awarded during the financial year ¹				
6	Severance payments awarded during the financial year - Number of identified staff	—	—	—	44.9
7	Severance payments awarded during the financial year - Total amount	—	—	—	7.0
8	Of which paid during the financial year	—	—	—	6.9
9	Of which deferred	—	—	—	0.1
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	—	—	—	6.9
11	Of which highest payment that has been awarded to a single person	—	—	—	1.3

Note

1 The severance payments shown in row 10 are variable remuneration but in accordance with paragraph 154 of the EBA Guidelines on sound remuneration they have not been taken into account for the purposes of the calculation of the applicable maximum ratio between variable and fixed remuneration. Had the severance payments been taken into account, the applicable maximum ratio would have continued to have been met for all of the individuals except for one individual.

Appendix C – Disclosures on remuneration (continued)

Table 100: UK REM3 - Deferred remuneration (all figures are in £m)

	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	—	—	—	—	—	—	—	—
2	Cash-based	—	—	—	—	—	—	—	—
3	Shares or equivalent ownership interests	—	—	—	—	—	—	—	—
4	Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
5	Other instruments	—	—	—	—	—	—	—	—
6	Other forms	—	—	—	—	—	—	—	—
7	MB Management function	30.8	4.2	26.6	—	—	19.7	4.6	2.1
8	Cash-based	4.1	1.4	2.7	—	—	—	1.5	—
9	Shares or equivalent ownership interests	26.7	2.8	23.9	—	—	19.7	3.1	2.1
10	Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
11	Other instruments	—	—	—	—	—	—	—	—
12	Other forms	—	—	—	—	—	—	—	—
13	Other senior management	104.8	16.9	87.9	—	—	45.3	18.1	6.1
14	Cash-based	39.4	6.6	32.8	—	—	—	6.6	—
15	Shares or equivalent ownership interests	65.4	10.3	55.1	—	—	45.3	11.5	6.1
16	Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
17	Other instruments	—	—	—	—	—	—	—	—
18	Other forms	—	—	—	—	—	—	—	—
19	Other identified staff	1,369.3	353.6	1,015.7	(0.2)	(0.9)	456.4	385.7	123.2
20	Cash-based	597.4	155.4	442.0	—	—	—	157.1	—
21	Shares or equivalent ownership interests	771.9	198.2	573.7	(0.2)	(0.9)	456.4	228.6	123.2
22	Share-linked instruments or equivalent non-cash instruments	—	—	—	—	—	—	—	—
23	Other instruments	—	—	—	—	—	—	—	—
24	Other forms	—	—	—	—	—	—	—	—
25	Total amount	1,504.9	374.7	1,130.2	(0.2)	(0.9)	521.4	408.4	131.4

Appendix C – Disclosures on remuneration (continued)

Table 101: UK REM4 - Remuneration of 1 million EUR or more per year¹

	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	350
2	1 500 000 to below 2 000 000	155
3	2 000 000 to below 2 500 000	72
4	2 500 000 to below 3 000 000	54
5	3 000 000 to below 3 500 000	42
6	3 500 000 to below 4 000 000	22
7	4 000 000 to below 4 500 000	17
8	4 500 000 to below 5 000 000	15
9	5 000 000 to below 6 000 000	10
10	6 000 000 to below 7 000 000	9
11	7 000 000 to below 8 000 000	6
12	8 000 000 to below 9 000 000	3
13	9 000 000 to below 10 000 000	5
14	10 000 000 to below 11 000 000	—
15	11 000 000 to below 12 000 000	—
16	12 000 000 to below 13 000 000	—
17	13 000 000 to below 14 000 000	—
18	14 000 000 to below 15 000 000	1
19	15 000 000 to below 16 000 000	—
20	16 000 000 to below 17 000 000	—
21	17 000 000 to below 18 000 000	1

Note

¹ The total number of individuals in table REM4 has increased by 14% compared to the equivalent total shown in REM4 for 2023. Almost half of that increase results from FX rate changes between December 2024 vs. December 2023, i.e. individuals whose 2024 remuneration is €1m or more at December 2024 Euro exchange rates but would have equated to less than €1m at December 2023 rates. The rest of the increase reflects the net impact of joiners and leavers, and remuneration changes.

Table 102: UK REM5 - Information on remuneration of staff whose professional activities have a material impact on institution's risk profile (identified staff) (all figures are in €m except for 'Total number of identified staff')

	Management body remuneration			Business areas						Total
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	
1	Total number of identified staff									1,506.0
2	Of which: members of the MB	12	2	14						
3	Of which: other senior management				5.0	4.0	—	4.0	3.0	—
4	Of which: other identified staff				832.2	105.0	—	238.6	300.2	—
5	Total remuneration of identified staff	4.0	22.2	26.2	1,216.4	94.0	—	219.1	113.6	—
6	Of which: variable remuneration	—	17.1	17.1	647.2	44.8	—	98.1	32.7	—
7	Of which: fixed remuneration	4.0	5.1	9.1	569.2	49.2	—	121.0	80.9	—

Appendix D - Compliance to Pillar 3 requirements

CRR ref.	High-level summary	Compliance reference
Disclosure requirements and policies		
431 (1)	Requirement to publish Pillar 3 disclosures	Barclays publishes Pillar 3 disclosures
431 (2)	Firms with permission to use specific modelled risk methodologies	Pages 15 & 16 - Scope of permission for calculation approaches and Barclays' approach to managing risks section for granular information
431 (3)	Institution must have a formal policy to verify the comprehensiveness and overall appropriateness of the disclosures	Barclays is committed to operating within a strong system of internal controls and operates a framework of controls and procedures to ensure the completeness and accuracy of the Group's Pillar 3 disclosure.
431 (4)	Institution to ensure that quantitative disclosures are accompanied by a qualitative narrative and any other supplementary information where deemed appropriate	Quantitative disclosures are accompanied by a narrative to explain significant changes compared to previous disclosures
431 (5)	Explanation of ratings decision upon request	Barclays provides explanations of declined credit decisions to SMEs in writing, when required. There is also an appeals process available.
Non-material, proprietary or confidential information		
432 (1)	Institutions may omit information that is not material if certain conditions are respected	Barclays complies with all relevant disclosure requirements.
432 (2)	Institutions may omit information that is proprietary or confidential if certain conditions are respected	
432 (3)	Where 432 (2) apply this must be stated in the disclosures, and more general information must be disclosed	
Frequency and scope of disclosure		
433	Institution shall publish the disclosure in the manner set out in Articles 433a, 433b and 433c in conjunction with article 4 (145),	Barclays complies with the frequency requirements set out in Article 433a for a large institution. The annual Pillar 3 Disclosures are published the same date as the Annual Report and Accounts.
433a	Specifies information to be disclosed by large institution along with frequency in conjunction with rule 2.3 of PRA rulebook.	
433b	Specifies information to be disclosed by small & non complex institution along with the frequency	
433c	Specifies information to be disclosed by other institutions along with frequency	This does not apply to Barclays
Means of disclosures		
434 (1)	To include disclosures in one appropriate medium, or provide clear cross -reference	Most disclosures are contained within this document. Signposting directs the reader to other publications where appropriate
434 (2)	Disclosures to be made available on websites or in any other appropriate location as an archive	Pillar 3 disclosures are published in the Barclays' investor relations website
Uniform disclosure formats		
434a	PRA have developed uniform disclosure formats for publications	Barclays makes use of disclosure formats provided in annexes within Disclosure part of PRA rulebook
434b	Timing and Means of Disclosures under Article 441	G-SIIs to disclose the information required under article 441 of PRA Rulebook within four months after the end of their financial year-end and separately from Pillar 3. Barclays PLC G-SII Disclosure 2024 will be published on 30 April 2025 at //home.barclays/investor-relations/reports-and-events/annual-reports

Appendix D - Compliance to Pillar 3 requirements (continued)

Risk management objectives and policies

		Page 105 - Risk management strategy Page 117 - Climate Risk, Also, see page 59-131 of the 2024 Barclays PLC Annual Report for Climate and Sustainability Report. Page 120 - Credit Risk Page 134 - Counterparty Credit Risk Page 154 - Market Risk Page 174 - Treasury and Capital Risk - Liquidity Page 176 - Treasury and Capital Risk - Capital Page 180 - Operational Risk Page 186 - Model Risk Page 189 - Compliance Risk Page 191 - Reputation Risk Page 193 - Legal Risk
435 (1) (a)	Disclose information on strategies and processes; organisational structure, reporting systems and risk mitigation/hedging	
435 (1) (b)		
435 (1) (d)		

CRR ref.	High-level summary	Compliance reference
435 (1) (e)	Inclusion of a declaration approved by the Board on adequacy of risk management arrangements	Page 105 for the statement that covers all Principal Risks
435 (1) (f)	Inclusion of a concise risk statement approved by the Board	Page 6 for summary of risk profile. Also, see page 109
435 (2)	Information on governance arrangements, including information on Board composition and recruitment, and risk committees	Page 109 for a description of the risk committees. Pages 138-179 of the Annual Report contains information on Board composition, experience and recruitment

	Name ^a	Barclays internal directorships	External Directorships and other key current appointments
	C.S. Venkatakrishnan	2	3
	Anna Cross	2	1
	Brian Gilvary	1	5
	Brian Shea	3	3
	Dawn Fitzpatrick	3	3
	Diane Schueneman ^b	4	0
	John Kingman	2	2
	Julia Wilson	3	1
	Marc Moses	3	0
	Mary Francis	2	2
	Nigel Higgins	2	3
	Robert Berry	3	1
	Tim Breedon	2	1

Note:

- a. Details of Directors' biographies can be found in the 2024 Annual Report (Page 138).
b. Diane Schueneman stepped down from the Board on 31 January 2025. Diane will continue to serve as a non-executive director on the board of Barclays US LLC.

435 (2) (b)	Recruitment policy of Board members, their experience and expertise	Please see from page 138 of the 2024 Annual Report
435 (2) (c)	Policy on diversity of Board membership and results against targets	Please see from page 149 of the 2024 Annual Report
435 (2) (d)	Disclosure of whether a dedicated risk committee is in place, and number of meetings in the year	Please see page 169 of the 2024 Annual Report
435 (2) (e)	Description of information flow on risk to Board	Figure on page 109 in the risk management strategy section illustrates the reporting structure to Board committees

Scope of application

436 (a)	Name of institution	Page 14 - See under 'Scope of consolidation'
436 (b)	Difference in basis of consolidation for accounting and prudential purposes, whether those entities are fully or proportionally consolidated and whether the holdings in those legal entities are deducted from own funds	Page 19/ Table 5: LI3 Outline of the differences in the scopes of consolidation
436 (c)	Disclosure of the breakdown of assets and liabilities of the financial statements prepared in accordance with requirements on regulatory consolidation.	Page 17/ Table 3: LI1 Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories

Appendix D - Compliance to Pillar 3 requirements (continued)

436 (d)	Disclosure of the reconciliation of the carrying value amounts in the financial statements under regulatory scope of consolidation and the exposure amount used for regulatory purposes.	Page 18/ Table 4 : LI2 Main sources of differences between regulatory exposure amounts and carrying values in financial statements Explanations of differences between accounting and regulatory exposure amounts (LIA)
436 (e)	Disclosure of the breakdown of the amounts of the constituent elements of an institution's prudent valuation adjustment.	Page 46 / Table 27 : PV1 Prudent valuation adjustment
436 (f)	Disclosure of any current or expected material practice or legal impediment to the prompt transfer of own funds or repayment of liabilities between parent and subsidiaries.	None noted
436 (g)	Capital shortfalls in any subsidiaries outside of scope of consolidation	Entities outside the scope of consolidation are appropriately capitalised
436 (h)	Making use of articles on derogations from a)prudential requirements or b) liquidity requirements for individual subsidiaries/ entities	Barclays makes use of these provisions according to its waiver from PRA

Own funds

437		
437 (a)		Page 23 / Table 7: CC1 - Composition of regulatory own funds
437 (d)		Page 25 / Table 8: CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statement
437 (e)	Requirements regarding capital resources table	
437 (f)		
437 (b)		Standalone document: Summary of terms and conditions of own funds and eligible liabilities
437 (c)		

Disclosure of own funds and eligible liabilities

437a (a)		Page 35 / Tables 19: TLAC 1 composition for G-SIBs (at resolution group level)
437a (b)	Disclosure of requirements regarding MREL / TLAC tables	Page 36 / Table 20: TLAC 3 - Resolution entity - Creditor ranking at legal entity level
437a (c)		Pages 37-38 / Table 21 & 22: TLAC 2 - Material subgroup entity - Creditor ranking at legal entity level
437a (d)		

Appendix D - Compliance to Pillar 3 requirements (continued)

CRR ref.	High-level summary	Compliance reference
Own funds requirement and risk-weighted exposure amounts		
438 (a)	Summary of institution's approach to assessing adequacy of capital levels	Page 179 / ICAAP information
438 (b)	The amount of the additional own funds requirements based on the supervisory review and evaluation process and its composition in terms of Common Equity Tier 1, additional Tier 1 and Tier 2 instruments	Page 21/ Table 6 KM1 - Key metrics
438 (c)	Result of ICAAP on demand from authorities	Page 179 / ICAAP information
438 (d)	The total risk-weighted exposure amount and the corresponding total own funds requirement	Page 28 / Table 11 OV1 - Overview of risk weighted exposure amounts
438 (e)	Requirement to disclose specialised lending and equity exposures under the simple risk weighted approach	Page 74 / Table 45 CR10 - Specialised lending and equity exposures under the simple risk weighted approach
438 (f)	Disclosure of the exposure value and risk-weighted exposure amount of own funds instruments held in relation to insurance activities that institutions do not deduct from own funds	There is no applicable data to be published in respect of this table
438 (g)	Disclosure of the supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate.	There is no applicable data to be published in respect of this table
438 (h)	The variations in the risk-weighted exposure amounts of the current disclosure period compared to the immediately preceding disclosure period that result from the use of internal models, including an outline of the key drivers explaining those variations.	Pages 29 & 30 / Table 12, 13 & 14: RWEA flow statements of credit risk exposures under the IRB approach (CR8), RWEA flow statements of CCR exposure under the IMM (CCR7) and RWEA flow statements of market risk exposure under the IMA (MR2B)
Exposure to counterparty credit risk (CCR)		
439 (a)	Description of process to assign internal capital and credit limits to CCR exposures, including the methods to assign those limits to exposures to central counterparties	Pages 134-135
439 (b)	Discussion of process to secure collateral and establishing reserves	
439 (c)	Discussion of management of wrong-way exposures	
439 (d)	Disclosure of collateral to be provided (outflows) in the event of a ratings downgrade	See pages 365 of the 2024 Annual Report
439 (e)	Composition of collateral for CCR exposures	Page 89 / Table 60 : CCR5 Composition of collateral for CCR exposures
439 (f)	Analysis of CCR exposure by approach for derivative transactions	
439 (g)	Analysis of CCR exposure by approach for securities financing transactions	Page 86 / Table 55 : CCR1 Analysis of CCR exposure by approach
439 (h)	Transactions subject to own funds requirements for CVA risk	Page 91 / Table 63 CCR2 Transactions subject to own funds requirements for CVA risk
439 (i)	Exposures to CCPs	Page 90 / Table 62 CCR8 Exposure to CCPs
439 (j)	Disclosure of credit derivative exposures	Page 90 / Table 61 CCR6 Credit derivatives exposures
439 (k)	Estimate of Alpha, if applicable	Page 11 - The Alpha used by Barclays is 1.4; Page 86 / Table 55 : CCR1 Analysis of CCR exposure by approach
439 (l)	Disclosure of CCR exposure by portfolio and PD range under standardised and IRB approach	Page 87/ Table 56 CCR3 Standardised approach - CCR exposures by regulatory exposure class and risk weights, Page 88 - 89/ Table 57, 58 & 59 CCR4 IRB approach - CCR exposures by portfolio and PD range for respective asset class
439 (m)	Disclosure of the size of institutions on- and off-balance-sheet derivative business as calculated in accordance with Article 273a(1) or (2), as applicable.	This covers disclosure on simplified SA-CCR and OEM which is not applicable to Barclays
Countercyclical capital buffers		
440 (a)	Geographical distribution and risk-weighted exposure amounts of relevant credit exposures	
440 (b)	Amount of the institution specific countercyclical capital buffer	Page 196/ Table 93 CCyB1 Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer and page 198/ Table 94 CCyB2 Amount of institution specific countercyclical capital buffer
Indicators of global systemic importance		
441	Disclosure of the indicators of global systemic importance	Disclosed on page 13

Appendix D - Compliance to Pillar 3 requirements (continued)

CRR ref.	High-level summary	Compliance reference
Credit risk adjustments		
442 (a)	Disclosure of bank's definitions of past due and impaired and the differences, if any, between the definitions for accounting and regulatory purposes	Pages 127 - 130 provide a complete description of credit quality measures Note 8 Credit Impairment Charges - 'Definition of default, credit impaired assets, write-offs, and interest income recognition' in the Barclays PLC Annual Report 2024.
442 (b)	Approaches for calculating credit risk adjustments	Pages 127 - 130 provide a complete description of credit quality measures
442 (c)	Information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures, including their related accumulated impairment, provisions and negative fair value changes due to credit risk and amounts of collateral and financial guarantees received	Pages 75-76/ Table 46 CR1 Performing and non-performing exposures and related provision Pages 79-84/Table 50-54 CQ1 Credit quality of forborne exposure/ CQ3 Credit quality of performing and non-performing exposure by past due days/ CQ4 Quality of non-performing exposures and related provisions/ CQ5 Credit quality of loans and advances by industry/ CQ7 Collateral obtained by taking possession and execution processes
442 (d)	Ageing analysis of accounting past due exposures	
442 (e)	Disclosure of gross carrying amounts of performing and non-performing exposure and their related provisions and the net carrying amounts and their distribution by geographical area and industry type	Barclays Non-performing loans and advances' ratio stands below 5%, hence additional NPL disclosure required in point (c) and (f) of Article 442 in templates CR2a, CQ2, CQ6 and CQ8 are not published

Appendix D - Compliance to Pillar 3 requirements (continued)

CRR ref.	High-level summary	Compliance reference
442 (f)	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Page 77/ Table 48 CR2 Changes in stock of non-performing loans and advances
442 (g)	Breakdown of loans and debt securities by residual maturities	Page 77/ Table 47 CR1A Maturity of exposures
Encumbered and unencumbered assets		
443	Disclosures on encumbered and unencumbered assets	Pages 199-203: Disclosures on asset encumbrance
Use of Standardised approach		
444 (a)	Names of the ECAIs used in the calculation of standardised approach RWAs, and reasons for any changes	Page 54/ Table 32: Relationship of long-term external credit ratings to credit quality steps under the standardised approach and Table 33: Credit quality steps and risk weights under the standardised approach
444 (b)	Exposure classes associated with each ECAI	
444 (c)	Explanation of the process for translating external ratings into credit quality steps	
444 (d)	Mapping of external rating to credit quality steps	Issue and Issuer credit assessment are used to determine ratings in accordance with Article 139 of CRR
444 (e)	Exposure value post-credit risk mitigation, by credit quality step	Page 48/ Table 28 : CR4 Standardised - Credit risk exposure and CRM effect Page 49/ Table 29 : CR5 Standardised approach Page 87/ Table 56 CCR3 Standardised approach - CCR exposures by regulatory exposure class and risk weight
Exposure to market risk		
445	Disclosure of position risk, large exposures exceeding limits, FX, settlement and commodities risk	Page 95/ Table 66: MR1 Market risk under the standardised approach
Operational risk		
446 (a)	Disclosure of the scope of approaches used to calculate operational risk	Page 103/ Table 73: OR1 Operational risk own funds requirements and risk weighted exposure amounts Page 180 - Management of Operational risk
Disclosure of key metrics		
447 (a)		
447 (b)		
447 (c)		
447 (d)		Page 21/ Table 6 KM1 - Key metrics
447 (e)	Provide an overview of regulatory metrics and ratios	
447 (f)		
447 (g)		
447 (h)		Page 34 / Table 18 KM2 - Key Metrics - TLAC requirements (at resolution group level)
Exposures to interest rate risk on positions not included in the trading book		
448 (1) (a)	Information on the impact on the Bank's economic value of equity (EVE) and net interest income (NII) from the six standardised interest rate shock scenarios	Page 45/ Table 26 : IRRBB1 Quantitative information on IRRBB
448 (1) (b)		
448 (1) (c)	Description of key modelling and parametric assumptions used to calculate changes in the economic value of equity and in the net interest income required under Article 448 (1)(a) and 448 (1)(b)	
448 (1) (d)	Explanation of the significance of the risk measures disclosed under under Article 448 (1)(a) and 448 (1)(b)and of any significant variations of those risk measures since the previous disclosure	
448 (1) (e)	Description of how institutions define, measure, mitigate and control the interest rate risk of their non-trading book activities	Page 45: IRRBB risk management objectives and policies
448 (1) (f)	Description of the overall risk management and mitigation strategies	
448 (1) (g)	Information on average and longest repricing maturity assigned to non-maturing deposits	
448 (2)	By way of derogation from paragraph 1 of this Article, the requirements set out in points (c) and (e)(i) to (e)(iv) of paragraph 1 of this Article for description relating to economic value of equity shall not apply to institutions that use the standardised framework	This does not apply to Barclays

Appendix D - Compliance to Pillar 3 requirements (continued)

CRR ref.	High-level summary	Compliance reference
Exposure to securitisation positions		
449 (a)	Objectives in relation to securitisation and re-securitisation activities and institutions role in the use of simple, transparent and standardised securitisations (STS)	
449 (b)	Type of risk by level of seniority in the relevant securitisation positions providing distinction between STS and non-STS positions	
449 (b)(i)	the risk retained in own-originated transactions	
449 (b)(ii)	the risk incurred in relation to transactions originated by third parties	
449 (c)	Approaches for calculating the risk-weighted exposure amounts to relevant securitisation position along with a distinction between STS and non-STS position	
449 (d)	List of SSPEs and types of exposure to those SSPEs, including derivative contracts	
449 (d)(i)	SSPEs which acquire exposures originated by the institutions	Pages 164 - 171/ SECA Qualitative disclosure requirements related to securitisation exposures
449 (d)(ii)	SSPEs sponsored by the institutions	
449 (d)(iii)	SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services	
449 (d)(iv)	SSPEs included in the institutions' regulatory scope of consolidation	
449 (e)	List of any legal entities in relation to which the institutions have disclosed that they have provided support	
449 (f)	List of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions	
449 (g)	Summary of accounting policies for securitisation activities	
449 (h)	Names of ECAs used for securitisations	
449 (i)	Description of Internal Assessment Approach	
449 (j)	Separately for the trading book and the non-trading book, the carrying amount of securitisation exposures, including information on transfer of significant credit risk, separately for traditional and synthetic securitisations, and for STS and non-STS transactions and broken down by type of securitisation exposures	Page 97/ Table 68: SEC1 Securitisation exposures in the non-trading book Page 98/ Table 69: SEC2 Securitisation exposures in the trading book
449 (k)(i)	Aggregate amount of securitisation positions where institutions act as originator or sponsor and the associated risk-weighted assets and capital requirements by regulatory approaches	Page 99/ Table 70: SEC3 Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor
449 (k)(ii)	Aggregate amount of securitisation positions where institutions act as investor and the associated risk-weighted assets and capital requirements by regulatory approaches	Page 100/ Table 71: SEC4 Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor
449 (l)	Amount of exposures in default and the amount of the specific credit risk adjustments made by the institution during the current period, both broken down by exposure type	Page 101/ Table 72: SEC5 Exposures securitised by the institution - Exposures in default and specific credit risk adjustments

Appendix D - Compliance to Pillar 3 requirements (continued)

CRR ref.	High-level summary	Compliance reference
Remuneration disclosures		
450	Remuneration	Appendix C contains the remuneration awards made to Barclays' Material Risk Takers. See the Directors' remuneration report (DRR) of the 2024 Annual Report for other remuneration disclosures
450 (1)	Disclosure of remuneration policy and practices for those categories of staff whose professional activities have a material impact on risk profile of the institution	Appendix C contains the remuneration policy and practices for Barclays' Material Risk Takers
450 (2)	For Large institutions - Disclosure of institutions' collective management body to be made available for public, differentiating between executive and non-executive.	Appendix C contains the remuneration awards made to Barclays' Material Risk Takers, differentiating between executive and non-executive
Leverage		
451 (1) (a)	Leverage ratio including and excluding central bank claims,	Pages 31-33/ Table 15: LR1 Summary reconciliation of accounting assets and leverage ratio exposures; Table 16 : LR2 Leverage ratio common disclosure ; Table 17 : LR3 Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)
451 (1) (b)	breakdown of total exposure measure with reconciliation to financial statements.	
451 (1) (c)		
451 (1) (d)	Description of the risk management approach to mitigate excessive leverage, and factors that impacted the leverage ratio during the year	Page 21/ Table 6 KM1 - Key metrics and page 176 for Excessive leverage risk management
451 (1) (e)		
451 (1) (f)	In relation to the quarterly periods up to 31 December 2022, the leverage ratio calculated as if Article 468 of the CRR did not apply for purposes of the capital measure under Article 429(3) of Chapter 3 of the Leverage Ratio (CRR) Part	This does not apply to Barclays
451 (1) (g)	in relation to the quarterly periods up to 31 December 2024, the leverage ratio calculated as if Article 473a of the CRR did not apply for purposes of the capital measure under Article 429(3) of Chapter 3 of the Leverage Ratio (CRR) Part	
	LREQ firm must disclose each of the following -	
	a) average exposure measure	
451 (2)	b) average leverage ratio	Page 32/ Table 16: LR2 Leverage ratio common disclosure
	c) average leverage ratio calculated as if central bank claims to be included in the total exposure measure	
	d) countercyclical leverage ratio buffer	
451 (3)	LREQ firm must disclose changes in total exposure measure and tier 1 capital (leverage) over the quarter that have affected the bank's average leverage ratio	
451 (4)	Information on calculation of average exposure measure and average leverage ratio by LREQ firms	
Disclosure of liquidity requirement		
451a (1)	Information on liquidity coverage ratio, net stable funding ratio and liquidity risk management	Page 39/ Table 23: LIQ1 Liquidity coverage ratio;
451a (2)	Information on liquidity coverage ratio	LIQB Qualitative information on LCR
451a (3)	Information on net stable funding ratio	Page 41/ Table 24: LIQ2 Net stable funding ratio
451a (4)	Disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk	Pages 174-175/ LIQA Liquidity risk management

Appendix D - Compliance to Pillar 3 requirements (continued)

CRR ref.	High-level summary	Compliance reference
Use of the IRB approach to credit risk		
452 (a)	Permission for use of the IRB approach from authority	
452 (b)	Scope of the use of standardised and IRB approaches as well as exposure class subject to permanent partial use and to a roll-out plan	
452 (c)		
452 (c) (i)		
452 (c) (ii)	The control mechanisms for rating systems at the different stages of model development, controls and changes	Page 135 - Management of credit risk - IRB approach
452 (c) (iii)		Page 56/ Table 35: CR6A Scope of the use of IRB and standardised approach; CRE Qualitative disclosure requirements related to IRB approach
452 (c) (iv)		
452 (d)	Functions involved in the development, approval and subsequent changes of the credit risk models	Page 15/ Table 1: The scope of the standardised and AIRB approaches for credit and counterparty credit risk excluding CVA
452 (e)	Scope and main content of the reporting related to credit risk models	
452 (f)	Description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio	
452 (f)(i)		
452 (f)(ii)		
452 (f)(iii)		
452 (g)	For each exposure class, disclose the following information	
452 (g)(i)	their gross on-balance-sheet exposure	
452 (g)(ii)	their off-balance-sheet exposure values prior to the relevant conversion factor	
452 (g)(iii)	their exposure after applying the relevant conversion factor and credit risk mitigation	Pages 57 - 72/ Table 36 - 44: CR6 IRB approach – Credit risk exposures by exposure class and PD range for respective asset classes
452 (g)(iv)	input relevant for the understanding of the risk weighting and the resulting risk exposure amounts disclosed across a sufficient number of obligor grades (including default)	Pages 88 - 89/ Table 57 - 59: CCR4 IRB approach – CCR exposures by portfolio and PD range for central governments and central banks
452 (g)(v)	for exposure classes, in relation to which institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, and for exposures for which the institutions do not use such estimates, the values referred to in points (i) to (iv) subject to that permission	
452 (h)	Back testing of PD per exposure class	Pages 141 - 144/ Table 75 - 82: CR9 IRB approach - Back-testing of PD per exposure class (fixed PD scale); Pages 145 - 152 /Table 83 - 90: CR9.1 IRB approach - Back-testing of PD per exposure class (only for PD estimates according to Article 180(1)(f))

Appendix D - Compliance to Pillar 3 requirements (continued)

CRR ref.	High-level summary	Compliance reference
Use of credit risk mitigation techniques		
453 (a)	Policies and processes for on- and off-balance sheet netting	
453 (b)	Policies and processes for eligible collateral evaluation and management	
453 (c)	Description of types of collateral used by Barclays	Pages 132 - 135/ CRC Qualitative disclosure requirements related to CRM techniques
453 (d)	Types of guarantor and credit derivative counterparty, and their creditworthiness	
453 (e)	Disclosure of market or credit risk concentrations within risk mitigation exposures	
453 (f)	CRM techniques overview	Page 78/ Table 49 : CR3 CRM techniques overview: Disclosure of the use of credit risk mitigation techniques
453 (g)	Disclose corresponding conversion factor and credit risk mitigation techniques with and without substitution effect	
453 (h)	Exposures before and after the application of conversion factors and any associated credit risk mitigation	Page 52/ Table 31: CR7A IRB approach – Disclosure of the extent of the use of CRM techniques
453 (i)	Under standardised approach, for each asset class, disclose the risk-weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure	Page 48/ Table 28: CR4 Standardised – Credit risk exposure and CRM effect
453 (j)	Under IRB approach, the risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives. Disclosure to be made for each exposure class subject to permission to use own LGDs and conversion factors	Page 51/ Table 30: CR7 IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques
Use of the Advanced Measurement Approaches to operational risk		
454	Description of the use of insurance or other risk transfer mechanisms to mitigate operational risk	This does not apply to Barclays
Use of internal market risk models		
455 (a) (i)	Disclosure of the characteristics of the market risk models for each sub-portfolio	
455 (a) (ii)	Disclosure of the methodology and description of all-price risk measure and incremental risk charge	Pages 155 - 161/ MRB Qualitative disclosure requirements for institutions using the IMA
455 (a) (iii)	Descriptions of stress tests applied to the sub-portfolios	
455 (a) (iv)	Methodology for back-testing and validating the models	
455 (b)	Scope of permission for use of the models	Page 16/ Table 2 - Summary of the scope of application of regulatory methodologies for CVA, market and operational risk
455 (c)	Policies and processes to determine which exposures are to be included in the trading book, and to comply with prudential valuation requirements	Pages 155 - 161/ MRB Qualitative disclosure requirements for institutions using the IMA
455 (d)	High/Low/Mean values of the daily value-at-risk measures over the reporting period and at the end of the reporting period	
455 (d) (i)		
455 (d) (ii)	The stressed value at risk over the reporting period and at the end of the reporting period	Page 93 / Table 64: MR3 IMA values for trading portfolios
455 (d) (iii)	The risk numbers for incremental default and mitigation risk and for the specific risk of the correlation trading portfolio over the reporting period and at the end of the reporting period	
455 (e)	The elements of the own fund calculation	Page 95 / Table 67: MR2A Market risk under the internal Model Approach (IMA)
455 (f)	Weighted average liquidity horizons of portfolios covered by models	Page 160 / Table 91: Market risk models selected features Page 16 / Table 2: Summary of the scope of application of regulatory methodologies for CVA, market and operational risk
455 (g)	Comparison of end-of-day VaR measures compared with one-day changes in portfolio's value	Page 162 / Table 92: MR4 Comparison of VaR estimates with gains/ losses

Location of risk disclosures

Barclays' Risk disclosures are located across the Annual Report and Pillar 3 Report.

		Annual Report	Pillar 3 Report
Risk management strategy			
Overview of Barclays' approach to risk management. A detailed overview together with more specific information on policies that the Group determines to be of particular significance in the current operating environment can be found in the Barclays PLC Annual Report 2024 or at barclays.com	▪ Enterprise Risk Management Framework (ERMF)	265	106
	▪ Segregation of duties – the 'Three Lines of Defence' model	265	106
	▪ Principal risks	266	107
	▪ Risk appetite for the principal risks	266	107
	▪ Risk committees	266	109
	▪ Frameworks, policies and standards	n/a	110
	▪ Assurance	n/a	110
	▪ Effectiveness of risk management arrangements	n/a	109
	▪ Learning from our mistakes	n/a	110
	▪ Barclays' risk culture	266	111
	▪ Group-wide risk management tools	n/a	111
▪ Risk management in the setting of strategy	n/a	115	
Material existing and emerging risks			
Insight into the level of risk across our business and portfolios, the material existing and emerging risks and uncertainties we face and the key areas of management focus.	▪ Material existing and emerging risks potentially impacting more than one principal risk	267	n/a
	▪ Credit risk	273	n/a
	▪ Market risk	274	n/a
	▪ Treasury and capital risk	274	n/a
	▪ Operational risk	275	n/a
	▪ Model risk	279	n/a
	▪ Compliance risk	279	n/a
	▪ Reputation risk	280	n/a
▪ Legal risk and legal, competition and regulatory matters	281	n/a	
Climate change risk management			
Overview of Barclays' approach to managing climate change risk.	▪ Overview, organisation and structure	283	117
	▪ Risk management policy	285	n/a
Principal risk management			
Barclays' approach to risk management for each principal risk with focus on organisation and structure and roles and responsibilities.	▪ Credit risk management	286	121
	▪ Management of credit risk mitigation techniques and counterparty credit risk	n/a	132
	▪ Market risk management	288	154
	▪ Management of securitisation exposures	n/a	164
	▪ Treasury and capital risk management	289	172
	▪ Operational risk management	291	180
	▪ Model risk management	290	186
	▪ Compliance risk management	292	189
	▪ Reputation risk management	293	191
	▪ Legal risk management	293	193

Location of risk disclosures (continued)

		Annual Report	Pillar 3 Report
Risk performance			
Credit risk: The risk of loss to the Group from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to the Group, including the whole and timely payment of principal, interest, collateral and other receivables.	▪ Credit risk overview and summary of performance	303	n/a
	▪ Maximum exposure and effects of netting, collateral and risk transfer	305	n/a
	▪ Expected Credit Losses	307	n/a
	▪ Movements in gross exposure and impairment allowance including provisions for loan commitments and financial guarantees	312	n/a
	▪ Management adjustments to models for impairment	322	n/a
	▪ Measurement uncertainty and sensitivity analysis	326	n/a
	▪ Analysis of the concentration of credit risk	335	n/a
	▪ The Group's approach to management and representation of credit quality	337	n/a
	▪ Analysis of specific portfolios and asset types	345	n/a
	▪ Forbearance	348	n/a
	▪ Analysis of debt securities	350	n/a
	▪ Analysis of derivatives	351	n/a
	Market risk: The risk of a loss arising from potential adverse changes in the value of the Group's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.	▪ Market Risk overview and summary of performance	356
▪ Review of management measures		356	94
▪ Review of regulatory measures		n/a	93
Treasury and capital risk – Liquidity: The risk that the Group is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.	▪ Liquidity risk overview and summary of performance	359	n/a
	▪ Liquidity risk stress testing	359	n/a
	▪ Liquidity pool	361	n/a
	▪ Funding structure and funding relationships	362	n/a
	▪ Contractual maturity of financial assets and liabilities	366	n/a
	▪ Asset encumbrance	n/a	199
Treasury and capital risk – Capital: The risk that the Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments or stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This also includes the risk from the Group's pension plans.	▪ Capital risk overview and summary of performance	370	n/a
	▪ Regulatory minimum capital and leverage requirements	370	13
	▪ Analysis of capital resources	371	23
	▪ Analysis of risk weighted assets	373	27
	▪ Analysis of leverage ratio and exposures	374	31
	▪ Minimum requirement for own funds and eligible liabilities	370	34
	▪ Foreign exchange risk	375	43
	▪ Pension risk review	375	44
Treasury and capital risk – Interest rate risk in the banking book: The risk that the Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.	▪ Interest rate risk in the banking book overview and summary of performance	377	45
	▪ Net interest income sensitivity	377	45
	▪ Analysis of equity sensitivity	378	n/a
	▪ Volatility of the fair value through other comprehensive income (FVOCI) portfolio in the liquidity pool	378	n/a
Operational risk: The risk of loss to the Group from inadequate or failed processes or systems, human factors or due to external events (for example, fraud) where the root cause is not due to credit or market risks.	▪ Operational risk overview and summary of performance	379	102
	▪ Operational risk profile	379	104
Model risk: The risk of the potential adverse consequences from financial assessments or decisions based on incorrect or misused model outputs and reports.	▪ Model risk overview and summary of performance	381	n/a
Compliance risk: The risk of detriment to customers, clients, market integrity, effective competition or Barclays from the inappropriate supply of financial services, including instances of wilful or negligent misconduct.	▪ Compliance risk overview and summary of performance	381	n/a
Reputation risk: The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the Group's integrity and/or competence.	▪ Reputation risk overview and summary of performance	382	n/a
Legal risk: The risk of loss or imposition of penalties, damages or fines from the failure of the Group to meet its legal obligations including regulatory or contractual requirements.	▪ Legal risk overview and summary of performance	382	n/a

Location of risk disclosures (continued)

		Annual Report	Pillar 3 Report
Supervision and regulation	<ul style="list-style-type: none"> Supervision of the Group 	383	n/a
	<ul style="list-style-type: none"> Global regulatory developments 	385	n/a
The Group's operations, including its overseas offices, subsidiaries and associates, are subject to a significant body of rules and regulations.	<ul style="list-style-type: none"> Financial regulatory framework 	386	n/a
Pillar 3 Report	<ul style="list-style-type: none"> Summary of risk and capital profile 	n/a	6
	<ul style="list-style-type: none"> Notes on basis of preparation 	n/a	8
Contains extensive information on risk as well as capital management.	<ul style="list-style-type: none"> Scope of application of Basel framework 	n/a	10
Risk and capital position review: Provides a detailed breakdown of Barclays' regulatory capital adequacy and how this relates to Barclays' risk management.	<ul style="list-style-type: none"> Group capital resources, requirements, leverage and liquidity 	n/a	20
	<ul style="list-style-type: none"> Analysis of credit risk 	n/a	47
	<ul style="list-style-type: none"> Analysis of counterparty credit risk 	n/a	85
	<ul style="list-style-type: none"> Analysis of market risk 	n/a	92
	<ul style="list-style-type: none"> Analysis of securitisation exposures 	n/a	96
	<ul style="list-style-type: none"> Analysis of operational risk 	n/a	102

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Our 2024 suite of Reports

Barclays PLC Annual Report 2024

A detailed review of Barclays' 2024 performance with disclosures that provide useful insight and go beyond reporting requirements. The 2024 report integrates our Climate and Sustainability report, incorporating Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Barclays PLC Pillar 3 Report 2024

A summary of our risk profile, its interaction with the Group's risk appetite, and risk management.

Barclays PLC Fair Pay Report 2024

An overview of our approach to pay, including the principles and policies of our Fair Pay Agenda.

Barclays PLC Country Snapshot 2024

An overview of our global tax contribution as well as our approach to tax, including our UK tax strategy, together with our country-by-country data.