

Nov 24, 2023

Rating and Investment Information, Inc. (R&I) has announced the following:

Barclays PLC (Sec. Code: -)**[Affirmed]**

Issuer Rating: A, Stable

TLAC or Similar Debt Rating: A

Barclays Bank PLC (Sec. Code: -)**[Affirmed]**

Issuer Rating: A+, Stable

Barclays Securities Japan Ltd. (Sec. Code: -)**[Affirmed]**

Issuer Rating: A+, Stable

RATIONALE:

Barclays PLC, Barclays Bank PLC

The Barclays Group is one of the four leading banking groups in the U.K. Although the economic outlook has deteriorated, the Group maintains its earning capacity and the impact on asset quality has been limited. There is no problem with risk resilience and liquidity, either. Given these factors, R&I has affirmed the Issuer Ratings for Barclays PLC and Barclays Bank PLC.

Barclays Bank PLC is a core bank of the Barclays Group and the Group's non-ring-fenced bank under the ring-fencing regulation. Based mainly on the bank's strategic importance for the Group, the rating for Barclays Bank PLC directly reflects the creditworthiness of the entire group. The rating for Barclays PLC is one notch below the Group's creditworthiness, given the inherent structural subordination of holding companies and other factors.

The income for the nine months ended September 2023 has increased year-over-year against the backdrop of rising interest rates. Setting aside the profit contribution by the temporary factor associated with the Over-issuance of Securities in the previous fiscal year, the Group saw a decrease in attributable profit. Although the cost-to-income ratio fell to 61% from 66%, there is a possibility that the ratio may deteriorate, given the Group's plan to post a charge in the October to December quarter, incurred upon the action aimed at reducing the entire Group's structural costs. Given the Group's medium term target of less than 60% for the ratio, R&I will pay attention to whether the Group is able to improve its earning capacity.

Asset quality remains adequate. Reflecting the weakening economic outlook, the Group's credit cost rate for the nine months ended September 2023 rose year-over-year. Still, this level is lower than the past average. The deterioration is mainly attributable to the retail credit card business in the U.S. The U.S. cards 90 day arrears rate has risen to the level of pre-pandemic level.

The Group has risk resilience that matches the rating's suggestions. As of end-September 2023, the common equity tier 1 (CET1) ratio was 14.0% on a transitional basis, standing at much the same level in comparison with a year earlier. Although the profit increase was offset mainly by the shareholders' return such as share buyback, the CET1 ratio has remained within the target range of 13 to 14% set by the Group. As the risk weighted assets will likely increase due to the Basel 3.1 reforms, R&I will keep an eye on the measures to mitigate the impact on the CET1 ratio.

At end-September 2023, the loan to deposit ratio was 72%, on a par with the level of a year earlier, resulting from a decrease in both deposit and loan. As the deposit balance stays on a level that outstrips the pre-pandemic level, the impact on liquidity is limited. The liquidity coverage ratio is high at 159%, which is based on the average of the last 12 spot month end ratios.

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Barclays Securities Japan Ltd.

Barclays Securities Japan Ltd. is the Barclays Group's securities company in Japan. It is an indirect wholly-owned subsidiary of Barclays Bank PLC and engages in investment banking operations, one of the Group's main businesses. Because of its importance for the Group's business strategy and other factors, the rating for Barclays Securities Japan is the same as the Group's creditworthiness.

R&I RATINGS:

ISSUER: Barclays PLC

[Affirmed]

	Rating		Rating Outlook	
Issuer Rating	A		Stable	
	Issue Amount	Issue Date	Maturity Date	Rating
Japanese Yen Callable Bonds No.1	JPY 130,500 mn	Sep 25, 2018	Sep 25, 2024	A
Japanese Yen Callable Bonds No.2	JPY 17,100 mn	Sep 25, 2018	Sep 25, 2028	A
JPY Senior Callable Notes due 9 June 2027	JPY 67,000 mn	Jun 9, 2021	Jun 9, 2027	A
JPY Senior Callable Notes due 9 June 2031	JPY 10,000 mn	Jun 9, 2021	Jun 9, 2031	A

ISSUER: Barclays Bank PLC

[Affirmed]

	Rating	Rating Outlook
Issuer Rating	A+	Stable

ISSUER: Barclays Securities Japan Ltd.

[Affirmed]

	Rating	Rating Outlook
Issuer Rating	A+	Stable

Barclays PLC

Primary rating methodologies applied:

R&I's Basic Methodology for Corporate Credit Ratings [Jun 1, 2021]

Shared Rating Approach for Financial Institutions, etc. [Mar 24, 2023]

Depository Financial Institutions [Apr 4, 2022]

Securities Firms [Jul 13, 2023]

R&I's Analytical Approach to Holding Companies [Mar 8, 2022]

R&I's Analytical Approach to Regulatory Capital Instruments and Financial Institutions [Dec 7, 2022]

Barclays Bank PLC

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