Barclays Bank UK PLC
Annual Report

31 December 2024

Contents

The Strategic Report was approved by the Board of Directors on 12 February 2025 and signed on their behalf by the Chair.

Overview

Barclays Bank UK PLC (the Company) is a wholly-owned subsidiary of Barclays PLC. The consolidation of Barclays Bank UK PLC and its subsidiaries is referred to as the Barclays Bank UK Group. The term Barclays refers to Barclays PLC, or depending on context the Barclays Group, and the term Barclays Group refers to Barclays PLC, together with its subsidiaries.

Barclays Bank UK PLC is the ring-fenced bank within the Barclays Group. The Barclays Bank UK Group contains the majority of the Barclays Group's Barclays UK division, including the Personal Banking, Business Banking and Barclaycard Consumer UK businesses, other than the Barclays Partner Finance business.

Our structure

Barclays is one of the most recognisable brands in the UK. We serve customers across a wide range of retail banking needs, from credit card users, to start-up businesses, to homebuyers getting on the property ladder for the first time.

Personal Banking
Offers retail solutions to help customers with their day-to-day banking needs. From 1 November 2024, Personal Banking includes the retail banking business ('Tesco Bank') acquired from Tesco Personal Finance plc – which includes credit cards, unsecured personal loans, savings and operating infrastructure.

Business Banking
Serves business clients, from high growth start-ups to SMEs, with specialist advice.

Barclaycard Consumer UK
A leading credit card provider, offering flexible borrowing and payment solutions.

Barclays Bank UK PLC is supported by the Barclays Group service company, Barclays Execution Services Limited (BX), which provides technology, operations and functional services to businesses across the Barclays Group.

The world in which we operate

As part of the Barclays Group, Barclays Bank UK PLC is driven by a common Purpose: working together for a better financial future. To do so we must be strong as an institution, prepared for the future, and able to navigate different market conditions and evolving trends.

We regularly review our operating environment for emerging trends and adapt to address them. We are cognisant of those relevant to our industry and have identified three areas we need to be aware of in the execution of our strategy. We continue to make good progress in addressing them:

- The impact of technology on banking products and services
- The role of capital markets as the principal driver of global growth
- The transition towards a low-carbon economy

We reflect the environment in which we operate in the development of our strategy and evolution of our operating model. Barclays' three-year plan is designed to withstand volatility and uncertainty, and help us to continue to meet the needs of our wider stakeholders - including customers, clients, regulators and shareholders.

In 2024, we saw an increase in the external pressures placed upon us, including protest activity from activists. The scale of our business means we have a broad array of stakeholder groups to whom we respond. This can come with complex perceptions on varying topics and voices of opposition on actions we take. Our priority has been to support our colleagues and continue to deliver for our customers and clients.

We actively navigate risk and uncertainty, and are vigilant to deliver for our stakeholders as the environment evolves.

Focus areas

- Delivering operational efficiencies to facilitate investment in growth.
- Improving customer experience and product offering, and creating opportunities to deepen relationships with our customers and clients.
- Growing lending market share.

Year in review

Barclays Bank UK is one of the UK's leading financial brands, trusted by over 20 million customers. In 2024 we focused on improving our customer and client propositions and the precision in our execution. The strength of our business is reflected in our financial performance.

Our customers are at the heart of everything we do and in 2024 we have endeavoured to uplift the customer experience. While we have more to do, we have seen meaningful improvements. Our targeted actions have led to a 36% reduction in customer complaints, an improvement in customer satisfaction during phone call interactions, as well as increases in digital and Premier Net Promoter Scores (NPS)[1].

Optimising our footprint is important in delivering for our customers and clients. We have over 200 traditional, full-service branches across the UK which we are investing in, for example, a complete refresh of our self-service devices is underway. We are also working closely with our peers to deliver more shared banking hubs, enabling us to provide banking and cash services in areas not covered by our branch network. We have opened 103 hubs in communities across the UK, as part of a joint commitment to open at least 350 within the next five years.

Our customers and clients expect us to provide seamless, fast and reliable banking 24/7. The Barclays app has nearly five billion logins a year, and in 2024 we've made progress in service and technology improvements. We've improved the app's features - including an enhanced search function, the ability to increase daily payment limits, the ability to access cash from ATMs without a card, and enhancements to our automated digital assistant.

Our customers want a broader proposition and we've improved our products and offerings. For example, we've added Apple TV+ to the benefits included in Blue Rewards and given Premier customers access to all Barclays Blue Rewards features.

We've supported over 100,000 homebuyers and owners with their mortgage applications in 2024. A new Mortgage Charter journey has enabled customers experiencing short-term payment difficulties to temporarily reduce their payments via the Barclays app, simplifying the experience and helping them to make informed decisions. Our subsidiary, Kensington Mortgages, launched a new Step Down mortgage where payments reduce after two years, helping customers facing financial changes. Kensington is currently the only mortgage provider in the UK to offer this.

Through our Business Banking business, in 2024 we lent £2.17bn to SMEs to help them grow. We have also migrated 650,000 business clients from legacy infrastructure and pricing onto a new standard current account tariff that provides streamlined, competitive pricing for all.

In November 2024, we completed the acquisition of Tesco Bank, which includes credit cards, unsecured personal loans, savings and operating infrastructure. Barclays Bank UK Group has also entered a long-term, exclusive partnership with Tesco Stores Limited for an initial period of 10 years to market and distribute credit cards, unsecured personal loans and deposits using the Tesco brand, as well as to explore other opportunities to offer financial services to Tesco customers. This builds on Barclays Bank UK Group's existing strategic partnerships with other leading brands.

Amazon co-branded credit card

Barclays has launched a co-branded credit card with Amazon that lets customers earn rewards on everyday spending both with Amazon and with other retailers. The card has no annual fee and customers receive a £20 Amazon gift card upon approval.

The Amazon Barclaycard will help the bank further achieve its lending ambitions. It is the only co-branded consumer credit card that Amazon offers in the UK and is the latest in a series of successful collaborations between Amazon and Barclays – including Instalments by Barclays, a reusable credit line that lets Amazon customers in the UK spread the cost of purchases over time.

Business Banking lending

Research from Barclays[2] revealed that business owners value convenience, speed and digital access to lending decisions, with the majority stating they prefer to use online banking to apply. In response, our Business Banking team is making funding more accessible. For example, previously, only clients with pre-assessed limits who were applying for less than £100,000 could apply online; everyone else had to contact Barclays by phone or in person. In October 2024, we redesigned our digital journey to enable existing clients to complete a product suitability assessment online before applying for lending, providing greater convenience.

Notes
1 Premier NPS from © Ipsos 2024, Financial Research Survey (FRS), comparing Premier current accounts.
2 Internal research based on a survey taken in November 2023 with 100 client responses.

Looking ahead

Over the next two years, we will remain focused on improving our products and services, as we deliver for customers and strive to provide a world-class experience. Our customers expect more from us, and we will continue to enhance and evolve our product offerings and how they experience them.

Technology and innovation bring advancements. We will focus on delivering improved capability through functional and scalable technology – simplifying by investing in digitisation, automation and data. Our digital channels – including our onboarding and application processes, and our virtual customer care support – are being regularly upgraded. We are leveraging the use of AI to simplify and improve operations; increasing efficiencies, and enhancing productivity, enabling colleagues to be there for customers and clients when they need us the most.

We have the opportunity to meet our ambitions with a stronger market position in key product lines – becoming more balanced by growing market share, particularly in unsecured and secured lending and business banking. We will leverage the Tesco Bank acquisition and partnership to maximise the opportunity.

Financial performance measures

The performance of Barclays Bank UK PLC contributes to the Barclays Group, against which the delivery of strategy is measured.

Income statement

Barclays Bank UK Group results for the year ended 31 December	2024 £m	2023 £m
Total income	**8,423**	7,670
Operating costs	**(4,412)**	(4,546)
UK regulatory levies[1]	**(78)**	(30)
Litigation and conduct	**(21)**	9
Total operating expenses	**(4,511)**	(4,567)
Loss on disposal of subsidiaries, associates and joint ventures	**—**	(124)
Profit before impairment	**3,912**	2,979
Credit impairment charges	**(352)**	(308)
Profit before tax	**3,560**	2,671
Taxation	**(940)**	(749)
Profit after tax	**2,620**	1,922
Attributable to:		
Equity holders of the parent	**2,422**	1,745
Other equity instrument holders	**198**	177
Profit after tax	**2,620**	1,922

Income statement commentary

Profit before tax increased to £3,560m (2023: £2,671m) and includes continued investment in delivering a simpler, better and more balanced retail bank.

Total income increased 10% to £8,423m, primarily driven by the £558m day 1 gain from the acquisition of Tesco Bank. Excluding the impact of the day 1 gain, income increased 3% to £7,865m:

- Personal Banking income increased 13% to £5,452m, driven primarily by the day 1 gain from the acquisition of Tesco Bank. Excluding the impact of the day 1 gain, income increased to £4,895m as continued structural hedge momentum and the Q4 2024 Tesco Bank NII benefit was partially offset by adverse deposit dynamics and mortgage margin compression

- Barclaycard Consumer UK income decreased 3% to £938m due to lower interest earning lending balances resulting from higher customer spend being more than offset by repayments

- Business Banking income increased 6% to £2,017m driven by continued structural hedge momentum, partially offset by lower government scheme lending as repayments continue and lower deposit volumes

- Head Office income increased to £16m, related primarily to hedge accounting

Total operating expenses decreased 1% to £4,511m (2023: £4,567m) driven by lower structural cost actions and the transfer of Wealth Management & Investments to Barclays Private Bank and Wealth Management within Barclays Bank PLC in May 2023, partially offset by Q4 2024 Tesco Bank costs and inflation. Ongoing efficiency savings continue to be reinvested.

Credit impairment charges of £352m (2023: £308m), driven by the £209m day 1 impact from the acquisition of Tesco Bank partially offset by a resilient credit performance in UK cards and UK Mortgages. UK cards 30 and 90 day arrears remained low at 0.7%[2] (Q4 2023: 0.9%) and 0.2%[2] (Q4 2023: 0.2%) respectively. The UK cards total coverage ratio reduced to 4.8% (2023: 6.8%) following the day 1 impact from the acquisition of Tesco Bank and release of the affordability linked adjustments.

The effective tax rate (ETR) was 26.4% (2023: 28.0%).

Notes
1 Comprises the impact of the Bank of England (BoE) levy scheme and the UK bank levy.
2 Excluding the impact of Tesco Bank acquisition

Balance sheet information

The following assets and liabilities represent key balance sheet items for the Barclays Bank UK Group:

As at 31 December	2024 £m	2023 £m
Assets		
Debt securities at amortised cost	**17,983**	17,794
Loans and advances at amortised cost to banks	**281**	1,213
Loans and advances at amortised cost to customers	**206,435**	200,782
Financial assets at fair value through other comprehensive income	**27,045**	20,409
Cash and balances at central banks	**29,819**	34,948
Liabilities		
Deposits at amortised cost from customers	**244,376**	241,218

Balance sheet commentary

Loans and advances at amortised cost to customers increased 3% to £206.4bn, driven by a c.£8bn increase from the acquisition of Tesco Bank, growth in unsecured lending and mortgage lending, partially offset by securitisation of mortgage balances in Q4 2024 and continued repayment of government scheme lending in Business Banking.

Deposits at amortised cost from customers increased 1% to £244.4bn, driven by a c.£7bn increase from the acquisition of Tesco Bank, partially offset by a reduction in Business Banking and retail current account balances, however these dynamics have stabilised throughout 2024.

The Barclays Bank UK PLC liquidity pool assets, including cash and balances at central banks, increased to £67bn (31 December 2023: £65bn) driven by an increase in customer deposits.

Capital and other metrics[1]

As at 31 December	2024	2023
Common equity tier 1 (CET1) ratio	**14.2%**	14.8%
Total risk weighted assets (RWAs)	**£83.6bn**	£72.1bn
UK leverage ratio	**5.3%**	5.2%
Liquidity coverage ratio[2]	**202%**	180%
Net stable funding ratio[3]	**159%**	165%

The Barclays Bank UK Group CET1 ratio as at 31 December 2024 was 14.2%, which exceeds the CET1 regulatory capital minimum requirement of 12.9%.

As a CRR firm, Barclays Bank UK PLC is required to disclose Return on Assets[4], which was 0.9% in 2024 (2023: 0.6%). The Barclays Bank UK Group Return on Assets was 0.9% in 2024 (2023: 0.7%).

Non-financial performance measures

Barclays Bank UK PLC is part of the Barclays Group which uses a variety of quantitative and qualitative measures to track and assess holistic strategic delivery.

Barclays Bank UK PLC has addressed the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006 (the Act) through the disclosure contained in the Barclays PLC 2024 Annual Report on pages 41 to 44.

Notes
1 Capital, RWAs and leverage are calculated applying the IFRS 9 transitional arrangements in accordance with UK CRR. Effective from 1 January 2025, these transitional arrangements no longer applied.
2 Represents the average of the last 12 spot month end ratios.
3 Represents the average of the last four spot quarter end positions.
4 Return on Assets is calculated as profit after tax divided by total balance sheet assets at the balance sheet date.

The Barclays Bank UK Group is exposed to internal and external risks as part of its ongoing activities. These risks are managed as part of our business model.

Enterprise Risk Management Framework

Within the Barclays Bank UK Group, risks are identified and overseen in accordance with the Enterprise Risk Management Framework (ERMF), which supports the business in its aim to embed effective risk management and a strong risk management culture.

The ERMF governs the way in which the Barclays Bank UK Group identifies and manages its risks. The ERMF is approved by the Barclays PLC Board on the recommendation of the Barclays Group Chief Risk Officer; it is then adopted by the Barclays Bank UK Group with minor modifications where needed.

The management of risk is then embedded into each level of the business, with all colleagues being responsible for identifying and controlling risk.

In 2024, financial crime risk was elevated to a principal risk in the ERMF, 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 Barclays Bank UK Group and reinforce independent assessment, management and oversight of financial crime risk.

On 1 November 2024, the Barclays Bank UK Group completed the acquisition of Tesco Bank. 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 Barclays Bank UK Group policy requirements. Any subsequent changes to the Tesco Bank approach will be part of integration planning activity.

Risk appetite

Risk appetite defines the level of risk we are prepared to accept across the different risk types, taking into consideration varying levels of financial and operational stress. Risk appetite is key to our decision-making processes, including ongoing business planning and setting of strategy, new product approvals and business change initiatives.

The Barclays Bank UK Group may choose to adopt a lower risk appetite than allocated to it by the Barclays Group but cannot approve a higher risk appetite limit than determined by the Barclays PLC Board without its approval.

Three lines of defence

The first line of defence comprises the revenue-generating and client-facing areas, along with all associated support functions, including Finance, Treasury, Human Resources and Operations and Technology. The first line identifies the risks, sets the controls and escalates risk events to the second line of defence. 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 of defence is made up of Risk and Compliance and oversees the first line by setting limits, rules and constraints on their operations, consistent with the risk appetite.

The third line of defence comprises Internal Audit, and provides independent assurance to the Barclays Bank UK PLC Board and the Barclays Bank UK PLC Executive Committee on the effectiveness of governance, risk management and control over current, systemic and evolving risks.

The Legal function provides support to all areas of the Barclays Bank UK Group 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 Barclays Bank UK Group is exposed.

Monitoring the risk profile

Together with a strong governance process, using business and the Barclays Group level Risk Committees as well as Board level forums, the Barclays Bank UK PLC Board receives regular information in respect of the risk profile of the Barclays Bank UK Group. Information received includes measures of risk profile against risk appetite as well as the identification of new and emerging risks, which are derived by mapping risk drivers, identified through horizon scanning, to risk themes, and similar analysis. For further details of monitoring risks please refer to page 43

During 2024, the Barclays Bank UK Group ran a macroeconomic internal stress test to assess its capital adequacy and resilience under a severe but plausible macroeconomic scenario. This stress test targeted risks such as inflation, financial stress and a shock on demand; with terminal low rates set to test the Barclays Bank UK Group's vulnerabilities through NII (Net Interest Income) margin compression. The stress test outcome for macroeconomic tests assesses full financial performance over the horizon of the scenario in terms of profitability, capital, liquidity and leverage to ensure the Barclays Bank UK Group would remain viable.

We believe that our structure and governance supports us in managing risk in changing economic, political and market environments.

For further detailed analysis of approach to risk management and risk performance see the full Risk review on pages 38 to 158.

The Enterprise Risk Management Framework defines ten Principal Risks

		Risks are classified into principal risks, as below	How risks are managed
Principal Risk	Credit risk	The risk of loss to the Barclays Bank UK Group from the failure of clients, customers or counterparties (including sovereigns), to fully honour their obligations to the Barclays Bank UK Group, including the whole and timely payment of principal, interest, collateral and other receivables.	Credit risk teams identify, evaluate, sanction, limit and monitor various forms of credit exposure, individually and in aggregate. The first line deliver business plans and products within risk appetite and all limits set by the second line, by maintaining detailed financial forecasts, applying controls and managing risks to which they are exposed.
	Market risk	The risk of loss arising from potential adverse changes in the value of the Barclays Bank UK 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 teams use a range of complementary approaches to identify and evaluate market risk exposures. These risks are measured, limited and monitored by market risk specialists. The first line conduct their activities within the risk appetite and all mandate & scale limits set by the second line.
	Treasury and Capital risk	Liquidity Risk: The risk that the Barclays Bank UK 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 Barclays Bank UK 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 Barclays Group's pension plans. Interest Rate Risk in the banking book: The risk that the Barclays Bank UK 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 Barclays Bank UK Group is exposed to capital or income volatility because of changes in credit spreads on its (non-traded) assets and liabilities.	Treasury and Capital risk is identified and managed by specialists in capital, liquidity and asset and liability management risks. A range of risk management approaches are used such as limits plan monitoring and stress testing. The first line conduct their activities within the risk appetite and all mandate & scale limits set by the second line. The assessment of Liquidity Risk should be comprehensive in assessing all sources of Liquidity Risk, representing all of the assets and liabilities, on-balance sheet and off-balance sheet items including at the regional and legal entity levels. Capital Risk is predominantly assessed and controlled on a forward-looking basis through the means of capital forecasts and capital plans. Key Capital risks must be identified well in advance to allow for mitigating actions to be agreed and become effective. Pension risks are monitored regularly and reported to relevant stakeholders and committees to support discussions with the relevant pension fund's actuaries and trustees. IRRBB assessment uses earnings and value type metrics and it takes into account the type of IRRBB, the accounting nature and direct impact to earnings or capital; and, the appropriate holding period of the risk. CSRBB assessment must use earnings and value type metrics and it must take into account market liquidity spread, market credit spread and other spread components which impact the market price.
	Climate risk	The risk of financial losses arising from climate change through, physical risks and risks associated with transitioning to a lower carbon economy.	A risk management framework has been implemented for managing financial and operational risks from climate change across Barclays' first and second line activities. A range of risk management practices has been developed and enhanced for identifying, measuring and quantifying the impact of climate physical and transition risks in the financed portfolios. Climate scenario analysis forms a key part of Barclays' approach to assessing and quantifying the impact of both physical and transition risks. In addition, Barclays conducts climate risk management activities at the level of key entities, including proposing Climate Risk Appetite, identifying, assessing and monitoring climate risk drivers, setting limits and other controls to keep the bank within risk appetite, and reporting activities, as appropriate.
	Operational risk	The risk of loss to the Barclays Bank UK 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 risks are managed in accordance with the Operational Risk Framework, owned and overseen by the second line, and the standards within the Barclays Control Framework. The primary responsibility for the management of operational risk rests within the business and functional units where the risk arises. Management complete Risk and Control Self-Assessments to assess operational risks and the effectiveness of the controls within processes. Identified risks, events and issues are escalated to senior management and the Board to ensure timely notification and to agree the appropriate response.

The Enterprise Risk Management Framework defines ten Principal Risks			
		Risks are classified into principal risks, as below	How risks are managed
Principal Risk	Model risk	The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.	The range of controls owned by first line includes: timely model identification, robust model development, testing, documentation, annual assessment, and ongoing performance monitoring. The range of controls owned by second line includes: independent model validation, oversight over on-going model performance, and execution of overall model risk governance covering oversight and reporting and escalation to appropriate forums and committees.
	Compliance risk	The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Barclays Bank UK Group'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 Barclays Bank UK Group (also known as Laws, Rules and Regulations Risk 'LRR Risk').	The first line is accountable for the overall assessment and management of compliance risks in their business or function and are responsible for implementing the requirements outlined in the Compliance Risk Management Framework (CRMF). Compliance must oversee adherence to the CRMF and the management of compliance risk, and provide independent second line of defence oversight to all Barclays businesses, providing advice and challenge where appropriate.
	Reputation risk	The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the Barclays Bank UK Group's integrity and/or competence.	Reputation risk is managed by embedding our purpose and values, and maintaining a controlled culture within the Barclays Bank UK Group, with the objective of acting with integrity, enabling strong and trusted relationships to be built with customers and clients, colleagues and broader society. Each business assesses reputation risk using standardised tools and the governance is fulfilled through management committees and forums, clear escalation and reporting lines to the Barclays Bank UK Group Board.
	Legal risk	The risk of loss or imposition of penalties, damages or fines from the failure of the Barclays Bank UK Group to meet applicable laws, rules and regulations or contractual requirements or to assert or defend its intellectual property rights.	Legal risk is managed by the identification and management of legal risks by the Legal function and the escalation of legal risk as necessary. The Barclays Bank UK Group's businesses and functions have responsibility for engagement of the Legal function in situations that have the potential for legal risk. Legal risk is also mitigated by the requirements of the compliance risk management framework, including the responsibility of the legal professionals to proactively identify, communicate and provide legal advice on applicable laws, rules and regulations.
	Financial crime risk	The risk that the Barclays Bank UK Group and its associated persons (employees or third parties) commit or facilitate financial crime, and/or the Barclays Bank UK Group'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 Barclays Bank UK Group's reputation; regulatory breaches; and/or financial penalties.	The first line is accountable for the overall assessment and management of financial crime risks in their business or function and are responsible for implementing the requirements outlined in the Financial Crime Risk Management Framework (FCRMF). Financial Crime must oversee adherence to the FCRMF and the management of financial crime risk, and provide independent second line of defence oversight to all Barclays businesses, providing advice and challenge where appropriate.

Note
The ERMF defines ten Principal Risks. For further information on the how these Principal Risks apply specifically to Barclays Bank UK Group, please see pages 59 to 70.

The following sub-sections include a summary of the largely Barclays Bank UK PLC items with references to Barclays UK referring to the businesses of Barclays Bank UK PLC and its subsidiaries. For further details, refer to the Customer and Clients section of the Barclays PLC 2024 Annual Report.

Providing an excellent customer and client experience is key to our strategy. We seek to understand our customers' and clients' expectations and aspirations, developing products and services to build their trust and supporting them to achieve their own ambitions.

Engaging with customers and clients

Through our retail bank in the UK we reach over 20 million customers – and our engagement with them helps us to continuously improve the service we provide.

Barclays UK runs on average eight panels per month for Personal, Premier and Business customers and clients, who share their views on our products and services and on their own financial health. These panels provide regular insights to bring us closer to our customers and inform the evolution of our customer journeys, and to identify new opportunities to serve them, based on emerging trends.

In 2024, we collected over 1.2 million additional pieces of customer feedback. Customers told us they wanted their experiences with Barclays to feel more personal, and showed continued demand for increased convenience and functionality from the Barclays app.

In response we have enhanced the app to ensure every new or updated customer experience feels personalised . Our digital experience is one of the reasons we have more active digital users than any other UK bank.[1]

We have made progress in addressing the volume of Barclays UK customer complaints by improving the basics and enhancing customer journeys – in 2024, we saw a 36% reduction in complaints versus 2023. However, we recognise there is still more to do to improve the overall customer experience and address and remove the root causes of complaints.

This focus is at the core of our new vision and strategy as we work towards improving our propositions and execution in order to deliver best-in-class service and ensure we have highly satisfied customers.

When issues do occur, our Complaints team works alongside customer-facing colleagues and Relationship Managers to investigate and provide timely resolution. By logging complaints and analysing the root cause, we can identify underlying issues and trends – ensuring accountability is embedded with the relevant internal teams. We also leverage technology in our call centres to help measure client sentiment.

We are focused on offering an accessible, empathetic and inclusive service for all our customers – including for those who may typically face barriers to banking services, such as people living with disabilities, complex needs or experiencing difficult life events. Please visit our ESG resources hub for further information: home.barclays/sustainability/esg-resource-hub/reporting and disclosures/.

Reducing complaints during ISA season

ISA (Individual Savings Account) season is one of the busiest times in the UK banking calendar. Customers must invest before the end of the tax year to use up their annual savings allowance and maximise their tax-free interest. In the weeks leading up to the deadline, we see an uplift in customers contacting us for our help in making their money work for them.

In 2024, we focused on reducing the waiting time experienced by customers during ISA season, following feedback from customers in 2023. We introduced SMS alerts to keep customers up to date during their ISA application, as well as introducing self-service elements to the process such as transferring money into their ISA via their channel of choice. This led to a 73% reduction in ISA-related complaints.

Note
1 eBenchmarkers, Spring 2024.

Barclays UK Net Promoter Score (NPS)

About this KPI and why we use it

Net Promoter Score (NPS) is used to measure the strength of customer relationships. We track NPS to identify both our strengths and where there is room for improvement, informing how we develop our services and products in the future. Maintaining strong, personal relationships and building trust and advocacy is key across all our divisions, but most observable and material in Barclays UK. With over 20 million customers, Barclays UK represents the largest customer base for which we serve customers throughout their financial lives.

How we performed

We maintained our NPS of +17. Underlying this, we saw significant improvements in Premier and our digital channel NPS. We continue to focus on improving customer experience and service.

Barclays UK complaints

About this KPI and why we use it

The FCA publishes complaints information every six months – a good measure of how well UK institutions are driving customer outcomes. We measure our volume of complaints, tracking against goals and reviewing root causes to inform changes to our products and services.

How we performed

In 2024, we saw a 36% reduction in customer complaints after putting in place a rigorous plan to address issues that cause them, improving the basics and enhancing customer experience. We recognise there is more to do and addressing the root cause of complaints is a continued focus for us.

Our colleagues

The following sub-sections include a summary of the largely Barclays Bank UK PLC items from the Barclays PLC 2024 Annual Report. For full details, refer to the Colleagues section of the Barclays PLC 2024 Annual Report. Figures mentioned are for the Barclays Group, other than where specifically mentioned.

At the heart of achieving our plan to make Barclays Simpler, Better and More balanced are our colleagues. We are united by a shared Purpose, Values and Mindset, delivering to a consistently excellent standard in all we do – and we are making Barclays a great place to work, where every colleague can reach their potential.

Engaging with colleagues

Sharing our strategy and how colleagues can contribute towards delivery has been a key part of our 2024 engagement. Regular, two-way dialogue helps us to understand what is working well across the organisation and where we can improve.

Engagement with colleagues is delivered through townhalls, skip-level meetings, site visits, leader-led sessions, focus groups and surveys. Through our bi-annual all-colleague Your View surveys, our people have the opportunity to share their feedback on working at Barclays – and in 2024 we saw the highest participation to date, with 79% of colleagues taking part. We create a respectful and inclusive environment where colleagues feel safe to speak up. Additionally, our raising concerns and whistleblowing processes provide anonymous channels for colleagues if preferred.

Our long-standing partnership with Unite in the UK also offers further insight into the views of our people. We continue to consult with Unite on major change programmes, to minimise compulsory job losses and focus on reskilling and redeployment.

Continuing to deliver a consistently excellent standard

A consistently excellent standard is an integral part of our culture and a key enabler of our three-year plan. It continues to be embedded through the Barclays Group-wide multi-year Consistently Excellent culture change programme. In 2024, our focus has been supporting colleagues from understanding what it means to deliver to a higher standard to putting it into practice every day, with a focus on strengthening risk management and controls. We have rolled out Consistently Excellent workshops and we've also launched new risk and control focused training.

This standard is now central to our hiring, promotion and colleague performance management processes. We continued to recognise colleagues for high standards through our recognition portal, our CEO Awards and our Exceptional Achievement Awards.

Our leaders are critical here and, for the second year running, members of the Barclays Group Executive Committee visited sites across the world to talk about being consistently excellent – with a focus on how this enables delivery of the strategic plan.

We continue to measure colleague understanding of what it means to be consistently excellent. To learn more about the 2024 Your View survey results, please visit the Colleagues section of the Barclays PLC 2024 Annual Report.

Investing in our talent

Our talent ambition continues to underpin Barclays' approach to talent attraction, retention and development. In 2024 we refreshed, simplified and enhanced our selection experience and introduced a new single Global Talent Framework. We also introduced a new HR platform to deliver these changes at scale to our people. Our leadership framework continues to set the benchmark for what it means to lead at Barclays. It is the foundation for our leaders to improve how they lead and create an environment where colleagues can learn, grow and succeed.

Development opportunities empower colleagues to build skills, advance their career and achieve sustainable high performance. We continue to deliver our key leadership development programmes - Strategic Leaders and Aspire, alongside our People Leader programme, Evolution, equipping our people leaders with effective management skills. All colleagues also have access to online learning addressing an extensive range of development topics.

Our ambitions

Building an inclusive and equitable culture, reflecting a diversity of views and backgrounds, where all colleagues can thrive is a business priority. We are focused on actions and outcomes that support a culture of belonging and diversity of thought. Our initiatives help to develop a leadership pipeline through which qualified candidates are considered for leadership roles regardless of their gender, race, or any other protected characteristic.

Supporting our workforce

Helping our people be at their best remains a priority. Our structured hybrid working model enables colleagues to connect in-person and plan their work to make the most of their time in the office and at home, where appropriate to their role. We continue to test and learn from our approach.

We are also focused on supporting colleague wellbeing. We use data-driven insights and engagement through campaigns to help our people build healthy habits and promote a supportive culture.

Our people policies

Our people policies help us recruit the best people, provide equal opportunities and create an inclusive culture, in line with our Purpose, Values and Mindset, and in support of our long-term success. They are regularly reviewed and updated to ensure they are aligned with our broader people strategy.

The following sub-sections include a summary of the largely Barclays Bank UK PLC items from the Barclays PLC 2024 Annual Report. For full details, refer to the Society section of the Barclays PLC 2024 Annual Report.

Our success is measured not only by our commercial performance, but also by our contribution to society and the way we work together for a better financial future for all our stakeholders. Our focus on society falls broadly into three categories: Climate, Communities and Suppliers. Further information on Climate can be found in the Climate Report in the Barclays PLC 2024 Annual Report and the Climate and Sustainability Report from page 17 to 20.

Communities

We are committed to supporting the communities where we operate by enabling people to develop the skills and confidence they need to succeed, and helping businesses to grow and create jobs. Our focus is on building a stronger and more inclusive economy.

Working together for a better financial future, we regularly engage with our community partners to deepen our understanding of societal issues and evolve our programmes accordingly. Formal quantitative and qualitative information is provided by our charity partners on a quarterly basis and we frequently seek feedback from the business leaders that we support through our programmes.

This feedback and data helps inform and shape our strategic focus to ensure our work best serves the needs of the people and businesses we support.

Skills and employability

A vibrant, skilled workforce ensures local communities and businesses can thrive, and supports economic growth.

Barclays LifeSkills has been delivering positive impact in communities for over a decade, helping millions of people develop the vital employability and financial skills they need to succeed at work and better manage their money. Barclays aims to upskill 8.7 million people and place 250,000 people into work through the LifeSkills programme from 2023 to 2027. In 2024, we upskilled 1.95m people and placed 53,494 people into work.

Our Digital Eagles programme has upskilled 813,877 people in 2024, enabling people to become more confident with technology and stay safe online.

Through our Military and Veterans Outreach we are supporting members of the armed forces community to take the next step in their career, as they transition to life after service.

We continued our work to engage and strengthen communities through sport. The Barclays Community Football Fund now helps more than 3,500 community sports groups make football more accessible to underrepresented groups, reaching more than 550,000 young people. In 2024, Barclays and The Football Association extended their partnership through the Barclays Girl's Football School Partnerships until 2028, with the number of participating schools reaching 20,000,

In 2024, we marked our second year as the Official Banking Partner of Wimbledon. In 2025, we became principal partner of Marylebone Cricket Club (MCC), owners of Lord's Cricket Ground in the UK.

Through our partnership with the Wimbledon Foundation, we connected Barclays LifeSkills to the UK Set for Success programme – engaging over 500 young people from 2023-2024. We also became Official Parks and Participation Partner of the Lawn Tennis Association – aiming to get 150,000 more people playing tennis across Great Britain over the next five years.

Supporting educators across the UK

LifeSkills resources are used in UK schools and colleges, integrated into lessons to support educators to encourage students' learning across a range of skills. The programme positively impacts the young people it engages, with 97% of students reporting an improvement in knowledge and skills.

Partnering with charities that support underserved young people, such as The Talent Foundry, we work to ensure young people who need support the most can develop valuable transferable skills, knowledge and confidence through facilitated workshops.

In 2024, Barclays LifeSkills launched new modules on entrepreneurship, exploring the role of technology and importance of sustainability. We also launched our first lessons for 5 to 7-year-olds, focused on counting money and budgeting.

Empowering female entrepreneurs

Since its 2023 launch, Barclays Eagle Labs' Female Founder Accelerator programme, funded by the UK Government and created in partnership with AccelerateHER, has supported 200 female-led UK technology businesses by providing their founders with access to advice, mentoring and networking opportunities.

Separately in 2024, Barclays Business Banking has provided 1,600 hours of specialist coaching to over 400 female founders on topics including business planning, cash flow forecasts, digital support and accessing finance. Additionally, Barclays' Head of Business Banking, Hannah Bernard, became the co-chair of the UK Government's Invest in Women Taskforce.

Suppliers

The Barclays Group engages with Third Party Service Providers (TPSP[1]), seeking to integrate sustainability considerations across our supply chain and provide inclusive procurement opportunities and drive economic impact to diverse TPSP[2] (in addition to publicly traded, large businesses).

Notes
1 TPSP means any entity that has entered an arrangement with Barclays in order to provide business functions, activities, goods and/or services to Barclays.
2 Diverse TPSP include businesses diverse in size (micro, small and medium-sized businesses), demographic ownership make-up (largely owned and controlled by members of under-represented groups) or mission (social enterprises

Section 172(1) Statement

How the Board has regard to the views of our stakeholders

In accordance with the Companies Act 2006 (the Act), this statement sets out how the Directors have had regard to the matters set out in Section 172(1) of the Act when performing their duty to promote the success of the Company for the benefit of its shareholder, and to have regard to:

a. the likely consequences of any decision in the long term;
b. the interests of employees;
c. the need to foster business relationships with suppliers, customers and others;
d. the impact of operations on the community and the environment;
e. the desirability of maintaining a reputation for high standards of business conduct; and
f. the need to act fairly as between shareholders.

Overview

Throughout the year, the Board and individual Directors engage directly and indirectly with a range of stakeholders to ensure they have a deep understanding of the impact of the Barclays Bank UK Group's operations, as well as their interests and views. This includes meeting with customers and clients, colleagues, regulators, and other stakeholders. This engagement, both directly and through reporting by executive management, to whom the day-to-day operations of the business are delegated, seeks to ensure the Board understands the key issues to enable the Directors to comply with their legal duty under Section 172(1).

For more information on the Company's key stakeholder groups and how we listen and respond to them, please refer to the "Customer & Clients", "Our colleagues" and "Society" sections of the Strategic Report. Further relevant information regarding the Barclays Group's key stakeholder groups and how we listen and respond to them can be found in the "Our stakeholders" section of the Barclays PLC 2024 Annual Report.

You can find out more about how the Directors have had regard to the matters set out in Section 172(1) when discharging their duty, and the effect of those considerations in reaching certain decisions below and in the "Principal activities of the Board in 2024" section of the Governance Report.

Barclays Bank UK Group elements of the Barclays Group strategy

In February 2024, the Barclays Group announced a new three-year plan to create a "Simpler, Better and More Balanced Bank" to improve the Barclays Group's operational and financial performance, and total shareholder returns. The Barclays Group also set financial targets to match this ambition and improve outcomes for all stakeholders. This strategy is reinforced by the redefined purpose: "Working together for a better financial future" which emphasises that the way we operate has a strong connection to the Barclays Group's values. For customers that means helping improve livelihoods. For clients it's growth and scaling business. For communities, it represents upliftment, fulfilling potential beyond circumstance. And for colleagues, it provides a clear direction on why we exist and how we behave.

Ahead of the Barclays Group's announcement, and in line with the Board's responsibility to establish a strategy for both the Company and the Barclays Bank UK Group, in 2023 the Board provided significant input into and oversight of the shaping of the Barclays Bank UK Group elements of the Barclays Group strategy, including the focus areas and related financial targets. As explained in the Strategic Report, for Barclays UK, a "Simpler, Better and More Balanced" retail bank means delivering operational efficiencies to facilitate investment in growth, improving customer experience and product offering, and growing lending market share, particularly in business banking as well as secured and unsecured lending.

Aligned to the focus areas, and throughout the year, the Board received updates from the heads of each business and operations who presented on strategy execution and performance against agreed targets. The Board Audit Committee considered the associated financial reporting and operation of internal controls, while the Board Risk Committee received first and second line reporting to ensure close oversight of the respective risks. This has facilitated greater accountability at a business level and has supported closer monitoring, and measurement, of success.

In support of a "More Balanced" retail bank, in late 2023, the Board first considered the opportunity to acquire Tesco Bank's retail banking business and to enter into a long-term, exclusive partnership with Tesco Stores Limited for an initial period of 10 years to market and distribute credit cards, unsecured personal loans and deposits using the Tesco brand and to explore opportunities to offer financial services to Tesco customers. Key factors in the Board's deliberations included: the alignment of the opportunity with the Barclays Bank UK Group's strategy to grow lending market share; the demands that the acquisition, integration activity and management of the partnership would place on the business – including colleagues – in the short to medium-term; the impact of the acquisition on Tesco Bank colleagues and customers; and whether the acquisition and the partnership would promote the success of the Company thereby creating and delivering long-term, sustainable value for its sole shareholder, Barclays, and – in turn – Barclays' shareholders.

On 9 February 2024, the acquisition and the partnership were announced; completion occurred on 1 November 2024. Throughout the period between signing and completion, the Board and Board Committees exercised regular and robust oversight over preparation for completion and readiness for "day one", including but not limited to the approach to migration, with a particular focus on ensuring a smooth transition for Tesco Bank colleagues and customers.

Post-completion, the Board, Board Audit Committee and Board Risk Committee have continued to receive regular updates on the Tesco Bank business, including but not limited to accounting considerations (including fair value of assets and liabilities acquired), the control environment, risk mitigation, and future plans for the business and the partnership. The Board was kept apprised on appropriate engagement with Tesco Bank colleagues in the lead up to completion and, since November 2024, has encouraged Executive Committee members to strengthen further the close connection with those individuals and drive stronger collaboration. The Board looks forward to meeting Tesco Bank colleagues in due course, including when it visits the Tesco Bank office in Edinburgh later this year.

The Board and Board Committees will continue to receive updates on the Tesco Bank business and the partnership through 2025 and beyond so that the Directors can ensure that any decisions taken – for example, in relation to integration activity and/or other opportunities to offer financial services to Tesco customers pursuant to the partnership – will promote the success of the Company and take into account the interests and views of the Company's stakeholders.

Barclays and the external environment

Global political and societal changes continued to present challenges to the Barclays Group throughout 2024. In response to the conflict in the Middle East, the Barclays Group was subject to ongoing criticism and protest activity, including hundreds of attacks to bank branches across the UK that resulted in significant damage. The Board, which was deeply concerned about the safety of colleagues and the disruption created for customers, oversaw the response to the attacks with the support of the Board Risk Committee. This included, but was not limited to, certain Board and Executive Committee members engaging with colleagues who were at the forefront to understand the impact of the attacks (for example, by visiting affected branches) and putting in place additional measures to ensure the security of colleagues and customers.

Consumer Duty

In the 2023 Annual Report we highlighted the Board's oversight of the implementation of the FCA's Consumer Duty across the Barclays Bank UK Group. This outcomes-based regulation is designed to ensure relevant financial services firms deliver good outcomes for retail customers. During 2024, the Board and the Board Risk Committee have overseen the continued embedment of the Consumer Duty for in-scope products and services as well as planning and readiness for the second implementation deadline of 31 July 2024 for closed products and services (being those products and services that have not been marketed or distributed to customers after 31 July 2023). This has included enhancing fair value assessments in accordance with FCA insights, monitoring customer outcomes via Consumer Duty reporting and the quarterly Customer Outcomes Report, and receiving risks and issues reporting.

The Barclays Bank UK PLC Board Consumer Duty Champion (a nominated Board member) was closely engaged in producing the first Annual Consumer Duty Board Report, which assessed whether the business was delivering good outcomes for retail customers. In July 2024, the Board - supported by its Consumer Duty Champion - considered and approved the Report, concluding that the strategy, purpose and ambition of the Barclays Bank UK Group is aligned with the Consumer Duty.

The Board remains committed to ensuring good customer outcomes and will continue to focus on Consumer Duty embedment during 2025, giving consideration to the impact of any regulatory developments in relation to Consumer Duty.

Sir John Kingman
Chair – Barclays Bank UK PLC
12 February 2025

Embedding Barclays' climate strategy within Barclays Bank UK

The following sub-sections include a summary of the Barclays Bank UK specific items from the Barclays PLC 2024 Annual Report with references to Barclays UK referring to the businesses of Barclays Bank UK PLC and its subsidiaries. The content has been included to the extent this is relates to Barclays Bank UK as a subsidiary of the Barclays Group. For full details on targets and ambitions, refer to the Climate and Sustainability Report in the Barclays PLC 2024 Annual Report.

The aim with the disclosures within this Annual Report is to outline the progress we have made over the past year in relation to climate and sustainability.

Climate related risks

The Barclays climate strategy is underpinned by the way it assesses and manages exposure to climate-related risk. Climate risk is a Principal Risk within the Barclays Enterprise Risk Management Framework.

Barclays faces exposure to climate-related risks either directly through its operations and infrastructure or indirectly through its financing and investment activities. The two main categories of climate risk are physical risks and transition risks.

- Physical risk 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 risk 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.

Physical and transition risks can have varying degrees of impact on Barclays and its clients, influenced by geographic and jurisdictional factors, including differing vulnerabilities to physical hazards like flooding and hurricanes as well as diverse regulatory requirements that must be adhered to for transitioning to a low-carbon economy.

Climate change as a driver of risk

The feedback effects of climate risk drivers through macro and micro transmission channels are observed in Barclays' portfolio through traditional risk categories such as credit risk, market risk, treasury and capital risk, operational risk and reputational risk. The approach for managing climate-related risks is consistent with other key risks, however there remains significant uncertainty around when these risks will materialise.

Barclays has implemented a risk management framework for Climate Risk which integrates within the broader Enterprise Risk Management Framework aiming to guide effective management of climate risk and support the delivery of its climate strategy. Barclays' approach and framework undergoes regular reviews and updates – including changes to the risk taxonomy, definitions and methodology – to align with changing regulatory expectations and external developments.

The potential impacts of physical and transition risk drivers will vary across Barclays' portfolios depending on composition, industry, geographic location, business operations and other contextual factors.

Progress against targets, convergence points and ambitions

UK Housing

During 2024, we further expanded the scope of UK Housing to include our Kensington Mortgage Company Limited book. Our UK Housing portfolio's emissions intensity decreased by 1% during this period. This reflects the dependence of the decarbonisation of UK Housing on external changes and public policy interventions. Without these external changes, Barclays cannot materially decrease the emissions intensity of its UK Housing portfolio, which is why we continue to measure our progress against a 2030 emissions intensity 'convergence point', but not set a formal target at this time. We have made strong progress against our EPC ambition for 55% of in scope properties and collateral with a known EPC to be rated band C or better by 2030, achieving 49.7% by the end of 2024.

UK Agriculture

An improvement in data quality, achieved through the integration of farm-level data, has allowed us to enhance the Dairy & Livestock BlueTrack™ model, now as an asset-based emissions model (see BlueTrack™ financed emissions methodology). Over time, this will enable us to better assess the impact of on-farm emissions reduction measures and where our clients are making positive change. We have re-baselined our 2023 Agriculture model on this basis. This does not impact the existing 21% reduction target from 2023-2030.

In 2024, our UK Agriculture portfolio absolute financed emissions have reduced by 11%. This reflects the alignment of our financing activity towards clients with lower emissions profiles and those taking positive action towards reducing on-farm emissions. We also consider impacts from changes in client company value, which can fluctuate year to year and is reported at a delay due to the size of clients in this portfolio.

However, we continue to face challenges to calculating emissions in the sector, notably a lack of data on the activities and practices of our agricultural customers, and modelling challenges around agricultural emissions intensity. To help advance approaches to Agriculture financed emissions measurement, and target setting in the banking sector more broadly, Barclays is a member of the Banking for Impact on Climate in Agriculture (B4ICA) working group. We are also engaged in a three-year collaboration with Oxford University to develop food type production datasets for the UK, with the aim of quantifying Barclays-financed emissions in more detail and consider additional transition risks.

Barclays UK sustainability strategy

In 2024, we have made progress to deliver our sustainability strategy for Barclays UK. We have continued to enhance our suite of sustainability-related products and propositions to support Barclays UK customers to make more sustainable choices. We are focused on driving performance of these products and propositions via customer insights, targeted marketing, and enhanced sustainability skill sets within Consumer and Business Banking teams, integrating much of the day-to-day operations of sustainability within the business.

However, we also recognise dependency on external factors, such as public policy and supply chain readiness, to drive customer demand. We remain committed to supporting our customers to transition to net zero and growing our sustainable finance business in the UK, aligned with Barclays' three-year plan to grow its UK market.

In Barclays UK, we have grown our Sustainability Champions community, bringing together colleagues to share best practice regarding sustainability across the business and access specialist training. We launched a Sustainability Influencer program, with selected colleagues championing sustainability within their teams, to further embed sustainability in Barclays UK. In 2024 we also delivered a Barclays UK specific training module to over 16,000 colleagues, delivered bespoke senior leader training, delivered role-specific training to colleagues in Business Banking, and launched our inaugural Sustainability Apprenticeships cohort in 2024, made up of colleagues from across Barclays UK who are obtaining a level 4 course with an external provider which aims to educate people to understand and develop ways to support the transition to a low-carbon economy.

Consumer Bank

Sustainability Hub

Barclays UK continues to engage consumers through our online Consumer Sustainability Hub, which provides information on our financial products, services, informative content and partner offers that may support them in making more sustainable choices. In 2025, we will launch our in-app Sustainability Hub for current account customers, in order to drive greater engagement and visibility of our products, services and partner offers, to better support our active mobile app customers.

Greener Homes

An important driver to decarbonise the UK Housing sector is improved energy efficiency of the housing stock. We support our retail mortgage customers to retrofit their properties and reduce their energy consumption by providing financial products, services, and partner offers.

We continue to support customers purchasing EPC A- and B-rated new-build homes with our Green Home Mortgage, launched in 2018 and expanded to buy-to-let in 2022. Our Green Home Mortgage continues to perform strongly, with £1.1bn lent to Green Home Mortgage customers in 2024. Since inception, Barclays UK has lent over £4.7bn to Green Home Mortgage customers.

We also continue to support eligible residential mortgage customers to install eligible energy-efficiency-related measures in their homes, offering a cash reward of up to £2,000 via our Greener Home Reward offer. In 2024 we simplified the registration process and will expand the scheme to include MCS accredited installers in 2025. Microgeneration continues to be the most popular installation since launch, with 63% of reward payments for solar panels and solar battery storage, followed by low carbon heating at 20%.

In 2024, we piloted our Greener Home Loan, offering a cashback of up to £250 for eligible current account customers who take out a loan and use the money for energy-efficiency home improvements. We continue to monitor take-up and retrofit type, with solar being the most popular installation with 62% of claims.

Partnerships Offers

We continue to develop our partnership offers to support customers home energy efficiency measures. This includes our offer of 50% off the purchase of a Home Health Check for eligible residential mortgage customers in collaboration with British Gas, and our offer of a 6-month free trial of the Hugo Pro for eligible residential mortgage customers in collaboration with Hugo Energy to provide insights into home energy usage. We also offer a free to use home energy tool through Energy Saving Trust, which supports residential mortgage customers to understand how energy efficient their homes are and improvements they could make.

Business Bank

Embedding sustainability across the Business Bank

We continue to evolve our colleague training around sustainability, to better support our Business Bank clients. In 2024, 94% of our Relationship Managers completed sustainability related training, including modules on EPC ratings and green assets that are in scope of our green lending offering. In addition, our Net Zero Specialists team, established in 2023, continue to support clients to explore the steps they can take to support their decarbonisation journey.

SMEs

Business Bank is supporting SMEs to invest in low carbon technologies as they transition to net zero. Our Green Loans for Business offer discounted interest rates when customers finance eligible green assets. In 2024, we expanded our Green Loans for Business with several additional eligible loan products; namely, our Green Commercial Mortgage, Green Buy-to-Let Mortgage, SIPP & SSAS Green Property Loans, and Green Agricultural Mortgage. We have also updated our Eligible Green Asset Guide, which lists over 65 eligible green assets for our Green Loans for Business, to improve client access to our green financing options. In 2024 we continued to offer Green Asset Finance via our partner Propel.

Common barriers to SMEs transitioning are the perceived cost of change and time to develop required action plans. SMEs will often start by making changes directly within their control. Recognising this, in 2024, we launched a pilot with SaveMoneyCutCarbon to help clients explore energy, water and carbon saving opportunities, with the aim of helping them transition to net zero in a cost-effective manner.

External engagement

We recognise the opportunity to support the transition to net zero for SMEs via external engagement with policy makers and industry bodies. In 2024, Barclays became a co-chair of the Willow Review, an independent Government-backed review aiming to underline the financial benefits of sustainability for small businesses across the UK. We also became a member of Perseus, which aims to allow individual businesses to securely share their consumption data to create sustainability reports with personalised recommendations. We remain a member of the UK Business Climate Hub advisory board, through which we were a partner in the UK Net Zero Business census released in September 2024.

Climate Tech

We set-up the Barclays Climate Tech Escalator in 2024, a connected pathway dedicated to growing climate tech companies. The Climate Tech Escalator supports scaling by providing tailored, dedicated support as the companies grow and helps them to harness the power of capital markets. We established a Technology & Creatives vertical in our Business Bank, which provides financial services to early-stage climate tech companies. Through Eagle Labs we support these companies with mentorship, webinars, workshops, and provide programs such as the Carbon13 Venture Launchpad and UK Government funded Sustainability Bridge to help them scale.

We recognise the funding challenge inhibiting the success of growth-stage climate tech companies, particularly those at the Series B+ investment stage. In 2024, Barclays published a paper on the role of UK public finance to bridge the financing gap for growth-stage climate tech companies, as well as the common challenges they face. In 2025 we will explore new products which can help address these financing gaps.

Agriculture

In 2024, we launched a Green Agricultural Mortgage to support UK farming clients to undertake more sustainable practices and implement energy-efficiency improvements. We continue to engage with farmers to explore the challenges and opportunities that may emerge from the decarbonisation of the Agricultural sector. In 2024 we undertook two surveys of our UK farming clients to better understand the challenges they face in progressing towards net zero, and published a policy position paper on the opportunity of biodiversity net gain (BNG).

In October 2024, Barclays launched a first of its kind collaboration with the Environment Bank. This collaboration aims to help Barclays' UK farming clients in England understand opportunities in the Biodiversity Net Gain (BNG) market. It also aims to help Barclays UK Corporate Bank clients, including UK-based housebuilders that are seeking to fulfil their BNG scheme obligations, to explore opportunities and their options in the biodiversity credits market. Recognising Barclays' market presence in the Agriculture and Housing sectors, this collaboration supports clients across Barclays UK and UK Corporate Bank to explore new revenue opportunities emerging from the transition to a low-carbon economy.

Barclays Eagle Labs

Barclays Eagle Labs look to help incubate, inspire and educate UK founders, start-ups and scale-ups to help them succeed and grow through virtual support and a network of 42 physical sites across the UK. In 2024 Eagle Labs has expanded into nine new locations and has supported over 4,439 businesses through propositions, programmes, and businesses engaged with our network. Eagle Labs also launched an online learning platform to help support founders with the knowledge and skills needed to launch and grow a tech business as part of the Digital Growth Grant activity funded by UK Government. In 2024 Eagle Labs opened applications for 22 growth programmes including the Black Founders Accelerator programme designed to champion inclusion in entrepreneurship and showcase Black Founder-led businesses.

Cambridge Eagle Lab was relaunched in October 2023 as a dedicated centre for scale-ups and start-ups who are leading in climate innovation. Since the relaunch the Cambridge Eagle Lab has focussed on growing the community and now has 19 climate focussed businesses residing out of the lab including Carbon 13 and Sustainable Ventures.

Carbon 13 Venture Launchpad

The Carbon 13 Venture Launchpad in partnership with Barclays Eagle Labs supports early stage start-ups to launch high-potential, global impact climate tech ventures. This climate tech accelerator helps supports early-stage founding teams to work intensively on their carbon impact, investment readiness and go-to-market strategy.

Sustainable Ventures partnership

Eagle Labs ongoing work in the climate tech ecosystem has led to a partnership with Sustainable Ventures at their flagship site in London, where it has a dedicated Ecosystem Manager providing their members with access to Eagle Labs. In parallel, Sustainable Ventures has joined Cambridge Eagle Lab to add value to Eagle Lab members.

Information provided in climate and sustainability disclosures/Disclaimers

What is important to our investors and stakeholders evolves over time, and we aim to anticipate and respond to these changes. Disclosure expectations in relation to climate change and sustainability matters are particularly fast moving, and differ from more traditional areas of reporting including in relation to the level of detail and forward-looking nature of the information involved and the consideration of impacts on the environment and other persons. We have adapted our approach in relation to the disclosure of such matters. Our climate and sustainability disclosures take into account the wider context relevant to these topics, which may include evolving stakeholder views, the development of our climate strategy, longer timeframes for assessing potential risks and impacts, international long-term climate- and nature-based policy goals and evolving sustainability-related policy frameworks. Our climate and sustainability disclosures are subject to more uncertainty than disclosures relating to other subjects given market challenges in relation to data reliability, consistency and timeliness – the use of estimates, judgements and assumptions which are likely to change over time- the application and development of data, models, scenarios and methodologies, the change in regulatory landscape, and variations in reporting standards.

These factors mean disclosures may be amended, updated, and recalculated in future as market practice and data quality and availability develops, and could cause actual achievements, results, performance or other future events or conditions to differ, in some cases materially, from those stated, implied and/or reflected in any forward-looking statements or metrics included in our climate and sustainability disclosures. We give no assurance as to the likelihood of the achievement or reasonableness of any projections, estimates, forecasts, targets, commitments, ambitions, prospects or returns contained in our climate and sustainability disclosures and make no commitment to revise or update any such disclosures to reflect events or circumstances occurring or existing after the date of such statements.

In preparing the climate and sustainability content within the Barclays Bank UK PLC Annual Report wherever it appears, we have:

- Made certain key judgements, estimations and assumptions. This is, for example, the case in relation to financed emissions, portfolio alignment, classification of environmental and social financing, operational emissions and sustainability metrics, measurement of climate risk and scenario analysis.

- Used climate and sustainability data, models, scenarios and methodologies Barclays consider to be appropriate and suitable for these purposes as at the date on which they were deployed. This includes data, models, scenarios and methodologies made available by third parties (over which we have no control) and which may have been prepared using a range of different methodologies, or where the basis of preparation may not be known to Barclays. Methodologies, interpretations or assumptions may not be capable of being independently verified and may therefore be inaccurate. Climate and sustainability data, models, scenarios and methodologies are subject to future risks and uncertainties and may change over time. Climate and sustainability disclosures in this document, including climate and sustainability-related data, models and methodologies, are not of the same standard as those available in the context of other financial information and use a greater number and level of judgements, assumptions and estimates, including with respect to the classification of climate and sustainable financing activities. Climate and sustainability disclosures are also not subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. Historical data cannot be relied on as a strong indicator of future trajectories in the case of climate change and its evolution. Outputs of models, processed data, scenario analysis and the application of methodologies will also be affected by underlying data quality, which can be hard to assess, or challenges in accessing data on a timely basis.

- Continued (and will continue) to review and develop Barclays approach to data, models, scenarios and methodologies in line with market principles and standards as this subject area matures. The data, models, scenarios and methodologies used (including those made available by third parties) and the judgements, estimates and/or assumptions made in them or by us are rapidly evolving, and this may directly or indirectly affect the metrics, data points, targets, convergence points and milestones contained in the climate and sustainability content within the Annual Report. Further, changes in external factors which are outside of our control such as accounting and/or reporting standards, improvements in data quality, data availability, or updates to methodologies and models and/or updates or restatements of data by third parties, could impact – potentially materially – the performance metrics, data points, targets, convergence points and milestones contained in the climate and sustainability content within the Annual Report. In future reports we may present some or all of the information for this reporting period (including information made available by third parties) using updated or more granular data or improved models, scenarios methodologies, market practices or standards. Equally, we may need to re-baseline, restate, revise, recalculate or recalibrate performance against targets, convergence points or milestones on the basis of such updated data. Such updated information may result in different outcomes than those included in the Annual Report. It is important for readers and users of the Annual Report to be aware that direct, like-for-like comparisons of each piece of information disclosed may not always be possible from one reporting period to another.

There are a variety of internal and external factors which may impact Barclays' reported metrics and progress against targets, convergence points and milestones.

Contents

The Board

The Directors who served during the year ended 31 December 2024 are set out in the table below, together with details of the composition of each of the Board Committees.

	Board	Board Audit Committee	Board Nominations Committee	Board Remuneration Committee	Board Risk Committee
Current Directors (all of whom served up to the date of signing this report)					
Sir John Kingman Chair of the Board	C		C		
Andrew Ratcliffe Deputy Chair of the Board and Independent Non-Executive Director	M	C	M		M
Vanessa Bailey Independent Non-Executive Director	M	M	M		C
Tracy Corrigan Independent Non-Executive Director	M			M	
Avid Larizadeh Duggan OBE Independent Non-Executive Director	M			M	
Michael Jary CBE Independent Non-Executive Director	M		M	C	M
John Liver Independent Non-Executive Director	M	M			M
Chris Pilling Independent Non-Executive Director	M	M			M
Bernadette Wightman Independent Non-Executive Director	M				
Vim Maru (appointed 20 February 2024) Chief Executive	M				
Claire Peel Chief Financial Officer	M				
Former Directors					
Matt Hammerstein (resigned 20 February 2024) Chief Executive	M				

C: Chair of Board or Board Committee.
M: Member of Board or Board Committee.

Charter of Expectations

Executive and Non-Executive Directors share the same statutory duties and are subject to the same constraints. The expectations of each Director, including the behaviours and competencies required for each role, are set out in the Company's Charter of Expectations.

Time commitment

The Company's Charter of Expectations also sets out the time commitment for each role. Non-Executive Directors, including the Chair, are informed of the minimum time commitment required prior to their appointment; they must, on appointment and on an ongoing basis, be able to devote sufficient time to the Company to effectively discharge their responsibilities. A Non-Executive Director's preparation for, and attendance at, Board and Board Committee meetings is only part of their role. In addition, Non-Executive Directors are expected to provide effective oversight and scrutiny, strategic guidance and constructive challenge whilst holding the Executive Directors to account against their agreed performance objectives.

The Directors' time commitments are considered by the Board on appointment and are reviewed annually. Before taking on any new external appointment, such appointment must be agreed with the Chair and disclosed to the Board, with an indication of the time involved. During the year, the Board kept under review the number of external directorships held by each Director and considered the limits on the number of directorships imposed by relevant regulations. The Board is satisfied that there are no Directors whose time commitment is considered to be a matter for concern.

Training and development

All new Directors are provided with a comprehensive induction, which is structured around the core components of the Barclays Bank UK Group's strategy and tailored to their specific experience and knowledge.

In order to enable the Directors to discharge their responsibilities and to undertake their roles with due care, the Directors participate in an ongoing programme of briefing sessions, deep dives, and training and development throughout the year. The focus of this programme is key areas of the Barclays Bank UK Group's strategy through the lenses of customer, community, colleague, control and company as well as law and regulation (for example: Consumer Duty, customer experience, financial crime, growth initiatives, technology, and the Senior Managers Regime). The topics are, where possible, brought to life through interactive sessions with customers and colleagues. This provides the Directors with a more granular understanding of the Barclays Bank UK Group and the business which, in turn, contributes to informed and sound decision-making.

Our corporate governance principles and how we applied them in 2024

During the year ended 31 December 2024, and up to and including the date of this report, the Company has continued to apply and has complied with its own corporate governance arrangements rather than the UK Corporate Governance Code or the Wates Corporate Governance Principles for Large Private Companies. This is on the basis that the Board continues to believe that the Company's own governance arrangements are the most appropriate for it as a wholly owned subsidiary of a listed company which is also a complex financial institution subject to a comprehensive regulatory regime. This approach is consistent with the approach of other significant subsidiaries in the Barclays Group which are subject to the Companies (Miscellaneous Reporting) Regulations 2018 (2018 Regs).

The primary aim of our governance arrangements remains as stated in the Company's 2023 Annual Report, namely that they:

- are effective, in particular to ensure the safety, independence and soundness of the ring-fenced bank
- provide checks and balances and encourage constructive challenge
- drive informed, collaborative and accountable decision-making
- create long-term sustainable value for our shareholder, Barclays, the ultimate shareholders of Barclays and our wider stakeholders

Set out below is an explanation of how the six principles that underpin the Company's corporate governance arrangements have been applied during 2024.

The Barclays Bank UK Group governance framework is set by Barclays and has been designed to facilitate the effective management of the Barclays Group. This includes the setting of Barclays Group policies in relation to matters such as the Barclays Group's Purpose, Values and Mindset and the Barclays Group Remuneration Policy. Where appropriate, this Corporate Governance Statement makes reference to those Barclays Group-wide policies which are relevant to the way in which the Company is governed.

Principle One: Board Leadership and Company Purpose

A successful company is led by an effective and entrepreneurial Board whose role is to establish the company's purpose, values and strategy, aligned to its culture, and make decisions to promote its success for the long-term benefit of its shareholder, having regard to the interests of other relevant stakeholders and factors.

The Board is collectively responsible for the overall leadership of the Company. This involves articulating a clear vision for the Company and establishing a strategy for both the Company and the Barclays Bank UK Group, supported by a framework of effective controls that are designed to mitigate financial and other risks and to protect the reputation of the business.

The Board's role also involves ensuring that the Company is managed in accordance with the ring-fencing legislation, that the necessary resources are in place to enable the Company to meet its objectives, and measuring performance against those objectives.

Principal activities of the Board in 2024

Strategic and operational matters

- Overseeing the shaping of and providing input into the Barclays Bank UK Group elements of the Barclays Group's three-year plan to create a "Simpler, Better and More Balanced Bank", as announced in February 2024, including the focus areas (in respect of which further detail can be found in the "Performance review" section of the Strategic Report) and related financial targets
- In monitoring and overseeing execution of the Barclays Bank UK Group strategy during 2024, receiving enhanced reporting on customer experience and growth initiatives in business banking, secured lending, and unsecured lending and - in July 2024 - participating in a "strategy day" with Executive Committee members to retest the strategy and review early progress against the focus areas
- Receiving updates on the evolving geopolitical, macroeconomic and operational environment and overseeing the Barclays Bank UK Group's ongoing support of customers, clients and colleagues through those lenses
- Considering and, in turn, overseeing Barclays UK's technology strategy, including – in conjunction with the Board Risk Committee – the challenges and opportunities that technology presents for banking products and services (for example, AI and cybersecurity)
- Overseeing customer, commercial, conduct, financial, operational, people, regulatory, risk, societal, sustainability and technology matters, with regular updates from the Chief Executive and Executive Committee members on these key aspects of the business, supported by key performance indicators and other metrics (where considered appropriate)
- Overseeing reputational risk matters, including in relation to protest activity from activists
- Overseeing, in conjunction with the Board Audit Committee and the Board Risk Committee, the acquisition of Tesco Bank, which completed in November 2024, and the entry into a long-term, exclusive partnership with Tesco Stores Limited for an initial period of 10 years
- Overseeing, in conjunction with the Board Risk Committee, the launch of a co-branded credit card with Amazon
- Overseeing the continued embedment of the Consumer Duty and, in that context, approving the first Annual Consumer Duty Board Report, considering planning and readiness for the second implementation deadline of 31 July 2024 for closed products and services, enhancing fair value assessments in accordance with FCA insights, and monitoring customer outcomes via the quarterly Customer Outcomes Report
- Receiving updates on developments in UK banking (for example, the October 2024 Court of Appeal judgments on commission arrangements in the motor finance industry) and the evolving legal, political and regulatory landscape (including but not limited to the draft statutory instrument amending the ring-fencing regime)

Culture, colleagues and inclusion

- Continuing to oversee the embedment of Consistently Excellent and monitoring delivery against that higher operating standard
- Overseeing colleague engagement. Further details can be found in the "Our colleagues" section of the Strategic Report and, separately, in the "Colleagues" section of the Barclays PLC 2024 Annual Report
- Reviewing, in conjunction with the Board Nominations Committee, the Board's progress against the ambitions set out in the Board Diversity and Inclusion Policy and the Company's progress against its ambition to build an inclusive, diverse and equitable culture where all colleagues can thrive. Further information can be found in the "Our colleagues" section of the Strategic Report and, separately, in the "Colleagues" section of the Barclays PLC 2024 Annual Report

Finance

- Reviewing and approving the Barclays Bank UK Group's Medium Term Plan (MTP), in which strategy is embedded, together with related funding and capital plans for the Barclays Bank UK Group
- Overseeing the financial performance of the Barclays Bank UK Group and its main businesses through regular reports from the Chief Financial Officer
- On the recommendation of the Board Audit Committee, approving the Barclays Bank UK Group's full year and half year financial statements, and approving the payment of a 2023 full year dividend and the payment of a 2024 half year dividend
- Overseeing, in conjunction with the Board Risk Committee, the results of a range of stress tests to assess capital adequacy and resilience under severe but plausible macroeconomic scenarios

Risk, control and regulatory matters

- On the recommendation of the Board Risk Committee, approving the adoption of the revised Enterprise Risk Management Framework (ERMF) following its annual refresh, approving the Company's qualitative and quantitative Risk Appetite Statements, and overseeing risk parameters
- On the recommendation of the Board Risk Committee, approving the Barclays Bank UK Group elements of the Barclays Group Recovery and Resolution Plan and Resolvability Assessment Framework and the conclusions of the annual assessment of ring-fencing compliance
- Overseeing key risk matters, including themes and emerging risks, through regular updates from the Chair of the Board Risk Committee, semi-annual reports from the Chief Risk Officer and an annual update from the Barclays Group Chief Risk Officer (in order to better understand the Group risk context)
- Overseeing, in conjunction with the Board Audit Committee and the Board Risk Committee, financial crime activity that impacted the Barclays Bank UK Group in 2024, the elevation of financial crime risk to a Principal Risk and the execution of remediation activities, including but not limited to enhancements to the Barclays Bank UK Group's control environment
- Overseeing, in conjunction with the Board Audit Committee, the effectiveness of the Barclays Bank UK Group control environment underpinning depositor protection pursuant to the Financial Services Compensation Scheme
- Overseeing, with the support of the Board Audit Committee, the Barclays Bank UK Group's internal controls framework through regular reports from the Chief Controls Officer
- Overseeing the Barclays Bank UK Group's operational and technology capacity, including - in conjunction with the Board Risk Committee - the annual self-assessment of operational resilience. The recent severe systems incident impacting the business is a reminder of the need for continued focus in the management of operational risk
- Overseeing, in conjunction with the Board Audit Committee and the Board Risk Committee, the services received from BX through - amongst other reports - an annual update from the BX Chief Executive

Governance

- Approving the Barclays Group Statement on Modern Slavery
- Overseeing, with the support of the Board Nominations Committee, the Chief Executive succession process, which culminated in February 2024 with the appointment of Vim Maru as an Executive Director and Chief Executive
- Overseeing Directors' time commitments and the management of any Non-Executive Director conflicts of interest
- Overseeing, in conjunction with the Board Nominations Committee, the 2024 external Board, Board Committee and Non-Executive Director evaluations and monitoring the Board's progress against recommendations arising
- Receiving regular updates from the Chairs of the Board Committees on matters discussed at meetings and from Tracy Corrigan on matters discussed at Barclays Board Sustainability Committee meetings (in her capacity as the Board's representative on that Committee)
- Receiving updates on the performance of the Company's material subsidiaries, Barclays Insurance Services Company Limited and Kensington Mortgage Company Limited, and - in the case of Kensington Mortgage Company Limited - on integration into the Barclays Bank UK Group
- Reviewing the Board's role in relation to the oversight of material investments in technology initiatives and execution of technology programmes

Principle Two: Division of Responsibilities

An effective Board requires a clear division of responsibilities with the Chair leading the Board and being responsible for its overall effectiveness, and the executive leadership of the company's business being delegated to the Chief Executive. The Board should consist of an appropriate combination of executive and independent Non-Executive Directors each with a clear understanding of their accountability and responsibilities. The Board's policies and procedures should support effective decision-making and independent challenge.

Chair responsibilities

There is a clear division of responsibilities between the Chair and the Chief Executive. The Chair is responsible for leading the Board and its overall effectiveness, demonstrating objective judgement and promoting a culture of openness and constructive debate between all Directors. The Chair also facilitates constructive Board relations and the effective contribution of all Non-Executive Directors, and ensures

Directors receive accurate, clear and timely information. In addition, the Deputy Chair is available, if needed, to deputise for and support the Chair in respect of the authorities and responsibilities conferred on or delegated to him by the Board from time to time.

The duties of the Board are executed in part through the Board Committees, which provide oversight and make recommendations on the matters delegated to them by the Board. The Chair of each Board Committee provides a report on Board Committee business at each Board meeting, including any matters being recommended to the Board for approval. Details on the principal Board Committees and their core responsibilities and activities in 2024 are set out in Principles Three to Five on pages 25 to 30.

Chief Executive responsibilities

Responsibility for the day-to-day management of the Company is delegated to the Chief Executive who is supported by the Company's Executive Committee, which meets weekly. The Executive Committee supports the Chief Executive in ensuring that the Company's values, strategy and culture align, are implemented and are communicated consistently to colleagues; for example, through townhalls, skip-level meetings, site visits, leader-led sessions, focus groups and surveys. Further details are set out in the "Our colleagues" section of the Strategic Report.

Accountability

Accountability is driven through routine evaluations of the Board and Board Committees. For an overview of the recent external evaluation of the Board, Board Committees and Non-Executive Directors (including the Chair), please see page 26.

Decision-making and independent challenge

The Board maintains a formal schedule of powers reserved to it in order to ensure that it has control over key decision-making. These powers include approval of key appointments, strategy, financial statements and any major acquisitions, mergers or disposals; the Board also has the power to approve material non-financial matters impacting the Barclays Bank UK Group including, but not limited to, matters involving material conduct risk and/or reputation risk considerations as well as significant customer remediation matters and strategic business changes.

There are also policies and procedures in place to support effective decision-making and independent challenge, including the Barclays Group Corporate Governance Operating Manual, which sets out how Barclays Group entities and their respective Boards and Board Committees should interact and, where appropriate, escalate issues.

For details of how the Directors have had regard to the matters set out in Section 172(1) of the Act when performing their duty to promote the success of the Company under Section 172, and the effect of those considerations in reaching certain decisions taken by them, please refer to the Section 172(1) Statement on pages 15 to 16 of the Strategic Report.

In accordance with the Act and the Company's Articles of Association, the Board has authority to authorise conflicts of interest, and this ensures that the influence of third parties does not compromise or override the independent judgement of the Board. The Company Secretary maintains a conflicts register, which is a record of actual and potential conflicts, together with any Board authorisation of the conflict. Throughout the year, the Board has authorised a number of potential conflicts and, on occasion, put in place appropriate procedures to manage that potential conflict. Following authorisation, all conflicts - whether actual or potential - are monitored in order to assist the relevant individuals in discharging their duties as a Director.

Principle Three: Composition, Succession and Evaluation

A Board with the right balance of skills, experience and diversity is critical to the sustainable delivery of value to the company's shareholder and broader stakeholders. The size of the Board should be guided by the scale and complexity of the company and appointments should be based on merit and objective criteria and with a view to promoting diversity and subject to a formal, rigorous and transparent procedure which is underpinned by an effective succession plan for the Board and senior management. A successful Board is a cohesive Board that provides informed and constructive challenge to the management team and measures its effectiveness.

Board composition and succession

On 20 February 2024, aligned with Barclays' announcement of the resegmentation of its operating structure into five divisions, Vim Maru was appointed as an Executive Director and Chief Executive. Matt Hammerstein stepped down from the Board as an Executive Director and Chief Executive on the same day and was appointed as Chief Executive of the Barclays Group's UK Corporate Bank operating division. The Board thanks Matt for his hard work, service and significant contribution to the Barclays Bank UK Group.

The Board Nominations Committee led the Chief Executive succession process, which culminated in the Committee recommending to the Board that it appoint Vim. Vim has over 20 years' experience in the financial services sector - specifically, in retail banking - and was previously Barclays Global Head of Consumer Banking and Payments and, prior to that, Group Director for Retail at Lloyds Banking Group. The Board approved Vim's appointment in February 2024, subject to regulatory approval (which was subsequently given.)

The Directors have assessed the composition and size of the Board and have confirmed that they consider both to be appropriate for a large UK retail bank. This assessment is supported by a skills matrix (refreshed annually), which helps the Directors to evaluate the experience and skills on the Board in order to ensure that there is the necessary expertise and knowledge to support and challenge management in its execution of the strategy. There is currently a good balance between the Executive Directors and independent Non-Executive Directors who, together, have a strong combination of financial, retail banking, risk and technical skills as well as experience in colleague engagement, customer experience, culture, financial regulation, government, technology and transformation.

Succession planning will remain an area of focus in 2025 and beyond in order to ensure that there is the appropriate breadth and depth of talent on the Board. The Board Nominations Committee will - on behalf of the Board - continue to review the succession plans for key Board positions, including Chair of the Board Audit Committee (on the basis that Andrew Ratcliffe's third term on the Board will come to an end in early 2026). To the extent that any appointment to the Board is made, such appointment will be based on merit. Objective criteria are used to ensure that the Board has the necessary experience, knowledge and skills to be effective in the execution of the strategy whilst recognising the importance of diversity amongst the Directors including, but not limited to, diversity of experience, gender, ethnicity, geography and thought.

The Board has achieved its gender diversity ambition - as set out in the Board Diversity and Inclusion Policy - to ensure that, by 2025, the proportion of women on the Board is at least 40% (female representation on the Board is currently 45%) and at least one of the following senior Board positions is held by a woman: Chair, Chief Executive, or Chief Financial Officer. We are also pleased to report that the Board has achieved its ethnic diversity ambition to ensure that at least one Board member is from a minority ethnic background (excluding white ethnic groups) and that, having been met, this is maintained. The gender and ethnic diversity ambitions align to the targets adopted by Barclays (which reflect the requirements of the UK Listing Rules) and, in both cases, the ambitions were achieved with due regard to a fair and balanced recruitment process.

With regards to independence, the majority of the Board is considered to be independent. Independence is reviewed annually, using the independence criteria set out in the ring-fencing requirements, and the Chair meets privately with the Non-Executive Directors, where appropriate, in order to promote the required independence.

Board evaluation

During November and December 2024, an external evaluation of the Board, Board Committees and Non-Executive Directors (including the Chair) was facilitated by Christopher Saul Associates (CSA), an independent, external corporate governance advisory firm with no connection to the Barclays Bank UK Group or any individual Director other than as disclosed within the report of the Board Nominations Committee in the Barclays PLC 2024 Annual Report. CSA conducted interviews with the Directors and certain Executive Committee members to obtain feedback on the effectiveness of the Board throughout 2024, and also attended Board and Board Committee meetings. CSA presented its final report to the Board on the findings of the evaluation in February 2025. The overall conclusion of the evaluation was that the Board is operating effectively and that the Board Committees are well integrated into overall Board processes. The Board has a collegiate and constructive culture, is well led, operates at a high standard, and benefits from quality support. However, certain areas were identified for continued focus. These include ensuring that - during 2025 - sufficient time is dedicated to key transformational topics that are relevant to the long-term vision for the Barclays Bank UK Group and that there is an ongoing focus on medium-term Board and Executive Committee succession planning as well as the simplification and timely circulation of Board papers. Work is underway to progress these matters.

The evaluations of the Board Committees and Non-Executive Directors (including the Chair) concluded that they are meeting their required responsibilities and operated effectively during 2024.

Board Nominations Committee

The Board Nominations Committee comprises independent Non-Executive Directors (see page 22).

Meetings are attended by the Chief Executive and the Human Resources Director, at the invitation of the Committee Chair.

The principal role and responsibilities of the Committee are set out in its terms of reference and include:

- Skills and Diversity - evaluating the balance of skills, knowledge, experience and diversity for the Board and Board Committees and more broadly across the senior management of the business
- Director Appointments - identifying, and recommending to the Board, candidates for appointment to the Board and Board Committees
- Director Independence - considering and assessing the independence of the Non-Executive Directors, including recommendations for any steps to manage actual or potential conflicts of interest
- Board Performance - assessing the performance of the Non-Executive Directors and their annual time requirements
- Board Evaluation - considering actions from the Board and Board Committee evaluation process and, in conjunction with the Board, reviewing the Board's progress against the recommendations arising from the evaluation process
- Board Development - leading the development and effective implementation of policies and procedures for the induction, training and professional development of all members of the Board
- Talent - overseeing the adoption of internal policies and talent progression for senior management

During 2024, the principal activities of the Committee were:

- Reviewing the Board's composition, including the skills and experience of Board members and the independence of the Non-Executive Directors (excluding the Chair)
- Leading, on behalf of the Board, the Chief Executive succession process, which culminated in February 2024 with the Committee recommending to the Board that it appoint Vim Maru as an Executive Director and Chief Executive
- Leading, on behalf of the Board, the process to appoint Andrew Ratcliffe's successor as Chair of the Board Audit Committee
- Overseeing, on behalf of the Board, the process to identify Chris Pilling's successor as Consumer Duty Champion (which culminated in the Board appointing John Liver into the role on 1 September 2024)
- Reviewing and monitoring, on behalf of the Board, the Board's progress against the ambitions set out in the Board Diversity and Inclusion Policy and the Company's progress against its ambition to build an inclusive, diverse and equitable culture where all colleagues can thrive. Further information can be found in the "Our colleagues" section of the Strategic Report and, separately, in the "Colleagues" section of the Barclays PLC 2024 Annual Report

- Reviewing the Company's talent and succession plans at Executive Committee level and one level down on a bi-annual basis and, when required, overseeing Executive Committee appointments
- Reviewing the Committee's effectiveness
- Reviewing the results of the 2023 internal Board, Board Committee and Non-Executive Director evaluations, the overall conclusion of which was that the Board, Board Committees and the Non-Executive Directors all operated effectively during 2023 (as reported in the 2023 Annual Report)

The Executive Committee

The Board and Board Nominations Committee regularly review the leadership and succession needs of the business, which helps the Directors to understand the breadth and depth of talent at Executive Committee level and one level down. Talent amongst these populations has, once again, been an area of focus during 2024 - Executive Committee members continued to present spotlights on the senior talent within their teams, and the Non-Executive Directors met with Managing Director and Director colleagues to hear their views on challenges and opportunities within the business.

The Board remains comfortable that the Executive Committee has the capabilities and experience required to support the execution of the strategy against the backdrop of a competitive operating environment, with the changes made during the year serving to strengthen the Executive Committee's skill set. Talent and succession at both Executive Committee level and one level down will remain a key focus for 2025 and beyond.

Principle Four: Audit, Risk and Internal Control

The Board should establish formal and transparent policies and procedures to: (i) identify the nature and extent of principal risks the company is willing to take in order to achieve its long-term strategic objectives; (ii) manage such risks effectively; (iii) oversee the internal control framework; (iv) promote the independence and effectiveness of internal and external audit functions; and (v) satisfy itself on the integrity of financial reporting.

The Company is committed to operating within a strong system of internal controls that enable business to be transacted and risk taken without exposure to unacceptable potential losses or reputational damage. The Principal Risks facing the Barclays Bank UK Group have been identified and robust processes are in place to evaluate and manage such risks including regular reporting to, and oversight by, the Board Risk Committee and the Board. A key component of the risk management framework is the ERMF, which supports the business in its aim to embed effective risk management and a strong risk management culture. The ERMF is designed to identify and set minimum requirements, in respect of the main risks, to achieve the Barclays Bank UK Group's strategic objectives and to provide reasonable assurance that internal controls are effective. Further detail on the Principal Risks and management of them can be found in the "Managing risk" section of the Strategic Report.

The Board has overall responsibility for ensuring that management maintains an effective system of risk management and internal controls and for assessing its effectiveness. Such a system is designed to identify, evaluate and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. However, the effectiveness of the risk management and internal controls system is also reviewed regularly by the Board Risk Committee and the Board Audit Committee. Details of the role, responsibilities and activities of both Committees are set out below.

The Board receives regular reports on risk matters, including reputational risk matters, in order to ensure sufficient focus around strategic and emerging risks, including those arising from within the broader Barclays Group, which may impact the Barclays Bank UK Group.

Board Audit Committee

The Board Audit Committee comprises independent Non-Executive Directors (see page 22).

At the invitation of the Committee Chair, meetings are attended by management and others, including the Chief Executive, Chief Financial Officer, Chief Internal Auditor, Chief Risk Officer, Chief Compliance Officer, Chief Controls Officer, Chief Operating Officer, Financial Controller, General Counsel, the Company's statutory auditor and, at their request, Non-Executive Directors who are not members of the Committee who wish to further their knowledge and understanding of audit matters. The Board, together with the Board Audit Committee, is responsible for ensuring the integrity of the financial statements and the independence and effectiveness of the internal audit function and the statutory auditor. The Committee Chair meets regularly with both the Chief Internal Auditor and the Senior Statutory Auditor throughout the year and Committee members meet with each of them separately without management present at least annually.

The Committee is responsible for overseeing financial reporting processes, reviewing the effectiveness of internal controls, considering whistleblowing arrangements and overseeing the work of the internal auditor and the statutory auditor. Throughout the year ended 31 December 2024 and to date, a comprehensive internal controls framework has been in place within the Barclays Bank UK Group that provides reasonable assurance of effective operations covering all controls, including financial and operational controls and compliance with laws and regulations. The Committee receives a quarterly report on the framework's operation (and its continued enhancements). This includes reports from the internal audit function, the statutory auditor and the Chief Controls Officer, as well as related plans and management actions to remediate control recommendations raised in those reports.

The principal role and responsibilities of the Committee are set out in its terms of reference and include:

- Financial Reporting - assessing the integrity of the Barclays Bank UK Group's financial statements and examining any significant reporting issues and judgements made
- Internal Controls - examining the operation and effectiveness of the Barclays Bank UK Group's system of internal controls
- Internal Audit - monitoring and examining the operation, effectiveness, independence and objectivity of the internal audit function

- Regulatory Reporting - reviewing arrangements established by management for compliance with regulatory and financial reporting, including compliance with the ring-fencing requirements
- External Audit - reviewing and monitoring the statutory auditor's independence, objectivity and effectiveness, including oversight of the regulatory developments within the delivery of audit services
- Whistleblowing - reviewing the integrity, independence and effectiveness of Barclays Bank UK Group's well-established policies and procedures on whistleblowing
- Material Legal Matters - overseeing significant contentious and non-contentious matters, together with current or emerging legal risks

In discharging its responsibilities, the Committee is to have regard to the interests of Barclays Bank UK Group's stakeholders and shall (where appropriate) consider whether the Company and the Barclays Bank UK Group as a whole are delivering good customer outcomes.

During 2024, the principal activities of the Committee were:

- Ahead of the Barclays Group's announcement in February 2024 of its three-year plan to create a "Simpler, Better and More Balanced Bank", overseeing the financial aspects of the Barclays Bank UK Group elements of that strategy, including the financial targets
- Reviewing the Barclays Bank UK Group's full year and half year financial statements and recommending to the Board that it approve the same
- Reviewing the Barclays Bank UK Group's Q1 and Q3 2024 results for incorporation into Barclays PLC's Q1 and Q3 2024 results
- Assessing the appropriateness of key management judgements, including consideration of material conduct and litigation provisions (including collections and recoveries, and other material items) and accounting policy judgements (including expected credit losses, impairment and recoverability of goodwill)
- Considering accounting matters in relation to the acquisition of Tesco Bank, including the fair value of assets and liabilities acquired
- Overseeing financial crime activity that impacted the Barclays Bank UK Group in 2024 and the execution of related remediation activities, including but not limited to enhancements to the Barclays Bank UK Group's control environment (for example, through risk reduction plans)
- Overseeing the Company's Money Laundering Reporting Officer's report, regulatory correspondence and related work
- Receiving reports from the General Counsel on litigation matters pertinent to accounting provisions, including in relation to the October 2024 Court of Appeal judgments on commission arrangements in the motor finance industry
- Receiving reports from the Chief Controls Officer regarding the internal controls framework, its effectiveness and future requirements, as well as conducting timely reviews of internal audits graded "Needs Improvement" for both control environment and Management Control Approach, including the response from management
- Ensuring appropriate oversight of the BX control environment where it impacts the Barclays Bank UK Group's control environment and - post-acquisition - overseeing the control environment in relation to Tesco Bank
- Overseeing the statutory auditor's independence and objectivity and contributing to the Barclays Group's auditor effectiveness exercise
- Overseeing the performance of the internal audit function and approving the 2025 audit plan
- Receiving reports from management on certain areas of the business where reports from the internal audit function had recommended improvements to existing controls (for example, relating to change management and programme governance, and control practices, regarding oversight of large-scale technology programmes) or on areas of new risk (for example, in relation to new product offerings)
- Monitoring management progress on the embedding of a Risk Control Self-Assessment framework
- Reviewing and re-adopting the refreshed Barclays Group policy on the provision of non-audit services by the statutory auditor
- Monitoring the whistleblowing programme, including receiving regular whistleblowing metrics as they relate to the Barclays Bank UK Group, and ensuring that the procedures for protection from detrimental treatment of staff who raise concerns continue to be effective
- Receiving the Company's Data Protection Officer's report
- Reviewing the Committee's effectiveness

Board Risk Committee

The Board Risk Committee comprises independent Non-Executive Directors (see page 22).

At the invitation of the Committee Chair, meetings are attended by management, including the Chief Executive, Chief Risk Officer, Chief Compliance Officer, Chief Financial Officer, General Counsel, Chief Internal Auditor, the Company's statutory auditor, the Company's Treasurer and, at their request, Non-Executive Directors who are not members of the Committee who wish to further their knowledge and understanding of risk matters.

The Committee is responsible for providing oversight and advice to the Board in relation to current and potential future risk exposures, examining reports covering the Principal Risks including those that would threaten its business model, future performance, solvency or liquidity, as well as reports on risk measurement methodologies and risk appetite.

The principal role and responsibilities of the Committee are set out in its terms of reference and include:

- Risk Appetite and Risk Profile – reviewing and ensuring that the risks undertaken by the business are within the risk appetite of the Company, as set by the Board
- Risk Limits – reviewing and adopting risk limits and mandates for financial and non-financial risk, monitoring the risk profile and receiving and considering reports on key risk issues (including emerging risks)
- Regulatory – reviewing and monitoring the Company's capital and liquidity position including considering both the existing and forecasted Company risk profile and the potential impact of stress
- Internal Control and Risk Control – monitoring the internal control and risk control framework
- Credit Risk – reviewing credit risk performance (including concentration of credit risk and expected credit losses)
- Compliance Risk – reviewing the effectiveness of the management of compliance risk, seeking to ensure fair customer outcomes following the implementation of policies and reviewing the effectiveness of the Compliance Risk Management Framework, as it applies to the Company and its subsidiaries

- Climate Risk – considering matters including the impact on financial and operational risks arising from climate change through physical risks, risks associated with transitioning to a lower carbon economy and connected risks
- Risk Culture – monitoring to ensure a robust risk culture (relating to risk awareness, risk taking and risk management)
- Ring-fencing – reviewing the ring-fencing requirements (including attestation and ongoing compliance requirements)

In discharging its responsibilities, the Committee is to have regard to the interests of Barclays Bank UK Group's stakeholders and shall (where appropriate) consider whether the Company and the Barclays Bank UK Group as a whole are delivering good customer outcomes.

During 2024, the principal activities of the Committee were:

- Overseeing the first and second line of defence elements of the risks and controls associated with the execution of the Barclays Bank UK Group's strategy
- Recommending to the Board that it adopt the revised ERMF following its annual refresh and approve the qualitative and quantitative Risk Appetite Statements
- Reviewing and adopting the relevant Barclays Group policies, including the Compliance Risk Management Framework
- Receiving and reviewing regular financial and non-financial risk reporting on each of the Principal Risks (detailed in the "Managing risk" section of the Strategic Report), and reviewing emerging risks
- Reviewing the first and second line of defence reports on the risks associated with the acquisition of Tesco Bank, the entry into a long-term, exclusive partnership with Tesco Stores Limited for an initial period of 10 years and, separately, the launch of a co-branded credit card with Amazon
- Monitoring the risks associated with the evolving geopolitical and macroeconomic environment, including but not limited to receiving updates on operational risk, credit risk (specifically in Business Banking) and market risk exposures (to the extent applicable) as well as a regular focused update on the UK housing and mortgage market and its effect on the Barclays Bank UK Group's mortgage portfolio
- Reviewing compliance risk, with a focus on enhanced reporting in relation to financial crime risks (in light of the heightened financial crime environment, influenced by external factors such as cyber threats), and - in turn - overseeing the elevation of financial crime to a Principal Risk
- Adopting the 2024 Limits and Mandates and monitoring the risk profile in accordance with the same
- Monitoring compliance with key portfolio metrics, including the use of Chief Risk Officer discretion
- Overseeing risk resources and the independence of the Risk and Compliance functions
- Reviewing and recommending to the Board that it approve the Barclays Bank UK Group elements of the 2024 Barclays Group Recovery Plan and the 2024 Barclays Group Resolvability Self-Assessment Report
- Reviewing and challenging the effectiveness of risk management and internal controls systems, including those risks identified by the findings of internal audits
- Monitoring capital and liquidity levels and approving the Company sections of the Barclays Group 2024 Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process
- Reviewing and approving the Barclays Bank UK Group's stress testing scenarios and results
- Monitoring the risks associated with the continued embedment of the Consumer Duty and, in that context, ensuring readiness for the second implementation deadline of 31 July 2024 for closed products and services (with a particular focus on customer understanding and fair value assessments)
- Overseeing the challenges and opportunities that technology presents for banking products and services through regular reporting on operations and technology
- Considering regular reports on the Barclays Bank UK Group's operational resilience (including benchmarking analysis on its maturity) and recommending to the Board that it approve the annual 2024 self-assessment. Monitoring readiness - ahead of the March 2025 regulatory deadline - to demonstrate the Barclays Bank UK Group's ability to recover its important business services in severe but plausible service disruption scenarios within specified impact tolerances
- Approving material new and amended product approvals, where considered necessary due to risk profile, with a particular focus on ensuring good customer outcomes (for example, the Blue Rewards proposition changes)
- Reviewing the Barclays Bank UK Group's ring-fencing compliance
- Reviewing the Committee's effectiveness

Principle Five: Remuneration

The remuneration policies and practices should support strategy and promote long-term sustainable success, and be developed in accordance with formal and transparent procedures, ensuring no Director is involved in deciding their own remuneration outcome. Executive remuneration should be aligned to the company's purpose and values and the successful delivery of the strategy; with outcomes taking account of company and individual performance, and wider circumstances such as pay across the company's workforce and Barclays' Fair Pay agenda.

The Barclays Group Remuneration Policy is set by the Barclays Board Remuneration Committee, and reviewed and adopted by the Company's independent Board Remuneration Committee. The policy ensures that remuneration is aligned to the Barclays Bank UK Group's strategy and risk management approach and is designed to promote the long-term success of the Barclays Bank UK Group.

Remuneration for executives and senior management is considered in the context of the wider workforce remuneration and alignment of incentives and rewards with performance and culture. Their remuneration is reviewed annually by the Board Remuneration Committee and the Barclays Board Remuneration Committee, as appropriate. No individual is involved in deciding their own remuneration.

The Barclays Bank UK Group is committed to paying colleagues fairly, with regards to their specific role, seniority, responsibilities, skills and experience and other factors which properly affect pay, in a way that balances the needs of all the Barclays Bank UK Group's stakeholders. You can find more information on Barclays' Fair Pay agenda, which underpins all our remuneration decisions, in the Barclays Fair Pay Report 2024. The Barclays Bank UK Group also remains focused on closing its gender and ethnicity representation gaps where they exist, and the pay gaps that result, by increasing the representation of females and employees from underrepresented minority groups at more senior levels. You can find more information in the Barclays Group's UK Pay Gaps 2024 disclosure.

Board Remuneration Committee

The Committee comprises independent Non-Executive Directors (see page 22).

At the invitation of the Committee Chair, meetings are attended by management, including the Chief Executive, Chief Financial Officer, Chief Risk Officer, Human Resources Director and Reward Director. The Barclays Group Human Resources Director and Barclays Group Reward and Performance Director also attend the Committee when requested to provide relevant updates.

The principal role and responsibilities of the Committee are set out in its terms of reference and include:

- Remuneration Policy – setting the over-arching principles and parameters of remuneration policy for the Barclays Bank UK Group, within the parameters set by the Barclays Board Remuneration Committee
- Incentive Pay – considering and endorsing the incentive pool for the Company and its subsidiaries and the remuneration of key BBUK executives and other specified individuals as determined by the Committee from time to time
- Approach to Remuneration – exercising oversight of remuneration issues within the Barclays Bank UK Group and matters that more generally concern people and culture within the Barclays Bank UK Group

During 2024, the principal activities of the Committee were:

- Overseeing reward and recognition across the Barclays Bank UK Group's workforce to ensure alignment with the desired culture and behaviours
- Reviewing and adopting the Barclays Group Remuneration Control Framework and the Barclays Group People Risk Reward Policy, in each case for application within the Barclays Bank UK Group
- Reviewing and adopting the methodology and framework for 2024 incentive funding, and reviewing and endorsing the resulting incentive pool, including considering financial performance and risk updates (and the appropriateness of risk adjustments to incentives)
- Reviewing and approving, where appropriate, the remuneration of the Company's Executive Directors and other senior employees of the Barclays Bank UK Group
- Considering the appropriate bonus cap to set for the Barclays Bank UK Group Material Risk Takers and adopting a formal cap of 10:1, effective from performance-year 2024
- Receiving updates on the Barclays Bank UK Group's remuneration initiatives and developments, including Barclays' Fair Pay agenda and gender and ethnicity pay gaps
- Considering regular updates on legal, regulatory and stakeholder matters (including the remuneration aspects of the acquisition of Tesco Bank), and pay round considerations
- Reviewing the Committee's effectiveness

The Committee also participated in a briefing session led by a third party adviser on trends in consumer retail banking and the wider stakeholder environment.

Principle Six: Stakeholder Relationships and Engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose. The Board should recognise the importance of listening to, and understanding the views of its stakeholders, including the workforce, and specifically the impact of the company's behaviour and business on customers and clients, colleagues, suppliers, communities and society more broadly, having regard to these views and impact when taking decisions.

Throughout the year, the Board engages directly and indirectly (through regular reports from the Chief Executive and Executive Committee members) with its stakeholders to ensure it has a comprehensive understanding of the impact of the Barclays Bank UK Group's operations on those stakeholders, as well as their interests and views.

Customers and clients

Customers and clients continue to be at the heart of the decisions we make. The Board is committed to ensuring good customer outcomes and that the Consumer Duty is demonstrably embedded throughout the organisation.

In 2024, the Board engaged with customers and clients in a wide variety of ways, including: hearing from founders from across the climate technology escalator on moving from seed to scale as part of the Board's two-day offsite meeting at the Cambridge Eagle Lab (in respect of which, see "Communities and society" below); hearing from key business introducers as to why they work with Barclays UK; monitoring customer outcomes via Consumer Duty reporting and the quarterly Customer Outcomes Report; and - whilst at Barclays UK's Customer Experience Centre in Sunderland - observing colleague calls with customers and clients and, separately, observing colleagues who were interacting via the "Chat" feature in the Barclays App. This engagement provided first-hand insight into customers' and clients' needs, and how Barclays UK is serving them. Where appropriate, reporting to the Board was supplemented by the results of customer and client research (for example, in relation to customer segmentation).

Colleagues

Details of our colleague engagement model can be found in the "Our colleagues" section of the Strategic Report and, separately, in the "Colleagues" section of the Barclays PLC 2024 Annual Report. The model ensures a regular, two-way dialogue with colleagues and, in this respect, there has been a combination of townhalls, skip-level meetings, site visits, leader-led sessions, focus groups and surveys.

In 2024, direct engagement between the Board and colleagues included the Directors: having regular meetings with senior management; participating in colleague events (such as the Exceptional Achievement Awards); providing mentoring; and visiting branches (including but not limited to branches impacted by protest activity), Eagle Labs, and operational and strategic sites across the UK. The Board participated in a two-day offsite meeting held across a number of locations in the North East, including the Newcastle Eagle Lab and the Customer Experience Centre in Sunderland. The themes of the offsite were “Customer Care” and “Customer Service”, which the Board explored through a colleague lunch to recognise individuals for making Barclays UK simpler, better and more balanced and through different “breakout sessions” with colleagues (including - as mentioned above - observing colleague calls with customers and clients and, separately, observing colleagues who were interacting via the “Chat” feature in the Barclays App). The Non-Executive Directors also met with two cohorts of Managing Director and Director colleagues during the year, which allowed them to hear a broad range of colleague opinions on challenges and opportunities within the bank.

The Board receives feedback from colleagues on a variety of topics via the bi-annual Your View surveys, which - together with the aforementioned direct engagement, both inside and outside of the boardroom - enables the Board to take colleagues’ views into account when making decisions likely to affect their interests.

Suppliers

For information on our engagement with suppliers, please see page 33 of the Directors’ Report.

Communities and society

The Board has continued to engage with both the Barclays Group and management in relation to the Barclays Group’s climate strategy and how the Barclays Bank UK Group can play its part in supporting the transition to a low-carbon economy. Tracy Corrigan’s role as the Board’s representative on the Barclays Board Sustainability Committee has also enabled her to provide the Board with critical insight into the Barclays Board’s oversight of climate and sustainability matters and to represent the retail bank in that forum.

With the climate strategy in mind, the Board participated in a two-day offsite meeting at the Cambridge Eagle Lab, which was relaunched in October 2023 as a dedicated centre for scale-ups and start-ups who are leading in climate innovation. The Board heard about how the site had been retrofitted and the Lab’s partnership with Carbon 13. The Board also met with founders from across the climate technology escalator, who provided insight on their experiences of moving from seed to scale.

For more information on our role in society, please refer to the Society section of the Strategic Report and the Climate and Sustainability Report.

Shareholder

Finally, the Board is committed - in accordance with each Director’s duty under Section 172(1) of the Act - to promoting the success of the Company thereby creating and delivering long-term, sustainable value for its sole shareholder, Barclays. This was one of the key considerations when the Board was overseeing the shaping of and providing input into the Barclays Bank UK Group elements of the Barclay’s Group’s strategy.

The Board regards engagement with the Company’s sole shareholder as being crucial to its ongoing understanding of the Barclays Group’s expectations and priorities. With that in mind, and akin to previous years, the Board was pleased to welcome both the Barclays Group Chairman and the Group Chief Executive to meetings in 2024 - as well as certain Barclays’ Executive Committee members - in order to discuss Barclays Group matters and for those individuals to gain a better understanding of the opportunities and risks of the retail bank. The Chair’s position on the Barclays Board also ensures the views of the Barclays Bank UK Group are represented at the Barclays Group level. The Directors believe that this engagement model works well and intend to use it again in 2025, supported by any informal engagement opportunities that may arise during the course of the year.

For more information about the Barclays Bank UK Group’s key stakeholders, how management and/or the Directors engaged with them, the key issues raised and actions taken, please refer to the Section 172(1) Statement on pages 15 to 16 of the Strategic Report.

The Directors present their report together with the audited accounts for the Company for the year ended 31 December 2024.

Section 414A of the Act requires the Directors to present a Strategic Report in the Annual Report. The information can be found on pages 2 to 16.

The Company has addressed the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Act through the disclosure contained in the Non-Financial and Sustainability Information Statement in the Barclays PLC 2024 Annual Report. In addition, the Company has chosen, in accordance with section 414C(11) of the Act and as noted in this Directors' Report, to include certain matters in its Strategic Report that would otherwise be disclosed in this Directors' Report:

- an indication of likely future developments can be found in the Strategic Report
- the particulars of important events affecting the Company since 31 December 2024 can be found in the Strategic Report and Note 24 (Legal, competition and regulatory matters) to the financial statements

Other information that is relevant to the Directors' Report, and which is incorporated by reference into this report, can be located at:

	Page(s)
Performance measures	5 to 6
Managing risk, including Principal Risks	7 to 9
Society	13 to 14
Climate and Sustainability Report	17 to 20
Governance Report	22 to 31
Disclosures required pursuant to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 (2008 Regs) as updated by the 2018 Regs can be found on the following pages:	
Engagement with employees (Sch.7 Para 11 and 11A 2008/2018 Regs)	12
Financial Instruments (Sch.7 Para 6 2008 Regs)	197 to 213
Hedge accounting policy (Sch.7 Para 6 2008 Regs)	198

Profits and dividends

The results of the Barclays Bank UK Group show statutory profit after tax of £2,620m (2023: £1,922m). The Barclays Bank UK Group had net assets of £18,585m at 31 December 2024 (2023: £16,861m).

The Company will pay a £825m dividend to its parent, Barclays PLC. Further details on dividends on ordinary shares paid in 2024 are set out in Note 10 to the financial statements.

Share capital

There was no increase in ordinary share capital during the year. Barclays PLC owns 100% of the issued ordinary shares. There are no restrictions on the transfer of ordinary shares or agreements between holders of ordinary shares known to the Company, which may result in restrictions on the transfer of ordinary shares or voting rights. Further information on the Company's share capital can be found in Note 26 to the financial statements.

Powers of Directors to issue or buy back the Company's shares

The powers of the Directors are determined by the Act and the Company's Articles of Association. No shares were repurchased in 2024.

Directors

The list of current Directors of the Company can be found in the Governance Report on page 22. Changes to Directors during the year and up to the date of signing this report are set out below.

Name	Role	Effective date of appointment / resignation
Matt Hammerstein	Chief Executive	Resigned 20 February 2024
Vim Maru	Chief Executive	Appointed 20 February 2024

Directors' indemnities

'Qualifying third party indemnity' provisions (as defined by section 234 of the Act) were in force during the course of the financial year ended 31 December 2024 for the benefit of the then Directors of the Company and the then Directors of certain of the Company's subsidiaries and, at the date of this report, are in force for the benefit of the Directors of the Company and the Directors of certain of the Company's subsidiaries in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office. The Barclays Group also maintains Directors' and Officers' Liability Insurance which gives appropriate cover for legal action brought against the Company's Directors.

Political donations

The Barclays Bank UK Group did not give any money for political purposes in the UK, or outside the UK, nor did it make any political donations to political parties or other political organisations, or to any independent election candidates, or incur any political expenditure during the year. Details of any political contributions made by the wider Barclays Group can be found in the Directors Report in the Barclays PLC 2024 Annual Report.

Support for candidates and colleagues with disabilities and long-term conditions

Barclays' commitment to inclusion means we want to ensure that candidates with disabilities and long-term health conditions receive support and adjustments in the application process and beyond. Barclays welcomes applications from all candidates and is committed to ensuring reasonable adjustments (accommodations) are put in place to ensure a fair and inclusive candidate experience. Barclays is committed to providing all colleagues with the support and tools they need to have a productive and fulfilling career. We can consider making adjustments to remove or reduce barriers colleagues might face if they have a disability, health concern or mental health condition. We also ensure opportunities for training, career development and promotion are available to all.

Engagement with customers, suppliers and others in a business relationship with the Company

Barclays must effectively manage, monitor and mitigate risks in our supply chain. The Directors, via management, have regard to the need to foster business relationships with suppliers. We expect our Third Party Service Providers (TPSP) to make responsible decisions that, where relevant, take our stakeholders' needs into account in both the short and the long term. Barclays expects the TPSPs to comply with applicable laws, regulations and standards within the geographies in which they operate. Barclays' standard approach to new TPSP on-boarding and renewal begins by assessing the services that are being provided and ascertaining the level of risk. TPSPs that are assessed as being above a low risk of exposure from a business risk perspective (at the point of onboarding and on an ongoing basis) are subject to Barclays' Supplier Control Obligations (SCOs). TPSPs to whom the SCOs apply become managed TPSPs and are subject to ongoing management and controls assurance during the term of service. Prior to contractual agreement and service go live, these TPSPs are required to complete a pre-contractual questionnaire which captures their adherence to the SCOs and Barclays' TPSP Code of Conduct (TPSP CoC). The TPSP CoC encourages our TPSPs to adopt our approach to doing business and details our expectations for matters including environmental management, and human rights, and also for living the Barclays Values.

Barclays works closely with the Small Business Commissioner and other organisations, including Good Business Pays, to raise awareness to the public and larger businesses on late payments and the impact these can have on businesses and business owners.

For more information on our engagement with customers and clients, please refer to the "Customers and clients" section of the Strategic Report, page 30 of the Governance Report, and the "Customers and clients" section of the Barclays PLC 2024 Annual Report.

Branches and Country-by-Country Reporting

The Barclays Bank UK Group operates through branches, offices and subsidiaries in the UK.

The Company is exempt from publishing information required by The Capital Requirements (Country-by-Country Reporting) Regulations 2013 as the information is published by its parent, Barclays PLC. The information is due to be published on or around 13 February 2025 and will be available at home.barclays/annualreport.

Research and development

In the ordinary course of business, the Barclays Bank UK Group develops new products and services in each of its business divisions.

Statutory auditor

The Barclays Board Audit Committee reviews the appointment of the Barclays Group statutory auditor, as well as their relationship with the Barclays Group, including monitoring the Barclays Group's use of the statutory auditors for non-audit services and the balance of audit and non-audit fees paid to them. The Company's Board Audit Committee also monitors the use of the statutory auditors for non-audit services within the Barclays Bank UK Group.

In December 2024, Barclays announced its intention to conduct a formal tender process for the role of statutory auditor for the Barclays Group (including the Company) with effect from the 2027 financial year onwards. After recommendation by the Board Audit Committee and upon the request of the Barclays Board, the Board approved the commencement of the formal tender process for the statutory auditor. The audit tender process will be overseen by the Barclays Board Audit Committee (with support from the Board Audit Committee) and is expected to conclude in June 2025. An announcement will be made by Barclays following the selection of the preferred firm by the Barclays Board. For more information on the audit tender process, please refer to the report of the Barclays Board Audit Committee in the Barclays PLC 2024 Annual Report.

Disclosure of information to the auditor

Each Director confirms that, so far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware and that each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given pursuant to section 418 of the Act and should be interpreted in accordance with and subject to those provisions.

Directors' responsibilities

The following statement, which should be read in conjunction with the auditor's report set out on pages 160 to 169, is made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditor in relation to the financial statements.

Going concern

In preparing the Barclays Bank UK Group's financial statements, the Directors are required to:

- assess the Barclays Bank UK Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Barclays Bank UK Group or to cease operations, or have no realistic alternative but to do so.

The Barclays Bank UK Group's business activities, financial position, capital, factors likely to affect its future development and performance and its objectives and policies in managing the financial risks to which it is exposed are discussed in the Strategic Report and Risk Management sections.

The Directors have evaluated these risks in the preparation of the financial statements and consider it appropriate to prepare the financial statements on a going concern basis.

Preparation of accounts

The Directors are required by the Act to prepare the Company and the Barclays Bank UK Group accounts for each financial year and, with regard to Barclays Bank UK Group accounts, in accordance with UK-adopted international accounting standards. The Directors have prepared these accounts in accordance with (a) UK-adopted international accounting standards; and (b) International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretations Committee. Pursuant to the Act, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Barclays Bank UK Group and the Company and of their profit or loss for that period.

The Directors consider that, in preparing the financial statements on pages 170 to 243, the Barclays Bank UK Group and Company have used appropriate accounting policies, supported by reasonable judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors are satisfied that the Annual Report and financial statements, taken as a whole, provide the information necessary for the Company's sole shareholder to assess the Barclays Bank UK Group and Company's position and performance, business model and strategy.

The Directors are responsible for such internal controls as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Directors' responsibility statement

The Directors have responsibility for ensuring that the Company and the Barclays Bank UK Group keep accounting records which disclose with reasonable accuracy the financial position of the Company and the Barclays Bank UK Group and which enable them to ensure that the financial statements comply with the Act.

The Directors are also responsible for preparing a Strategic Report, Directors' Report and Corporate Governance Statement in accordance with applicable law and regulations.

The Directors are responsible for the maintenance and integrity of the Annual Report and financial statements as they appear on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The current Directors, whose names and functions are set out on page 22, confirm to the best of their knowledge that:

(a) the financial statements, prepared in accordance with (a) UK-adopted international accounting standards; and (b) IFRS as issued by the IASB, including interpretations issued by the IFRS Interpretations Committee, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

(b) the management report, which is represented by the Strategic Report and the Directors' Report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Katie Marshall
Company Secretary
12 February 2025

Barclays Bank UK PLC
Registered in England. Company No. 9740322
Registered office: 1 Churchill Place, London E14 5HP

Managing data privacy, security and resilience

We have strict policies to protect privacy and keep data secure.

Data privacy

Most of the jurisdictions in which Barclays operates have privacy and data protection laws in effect. While these may vary in detail, generally they reflect internationally recognised privacy principles found in the UN's Universal Declaration of Human Rights, the European Convention on Human Rights and the European Union's Charter of Fundamental Rights.

We strive to operate in accordance with these standards and recognise that respect for privacy rights is a key element of good corporate governance and social responsibility. We strive to be transparent about our use of personal information when delivering our products and services and acknowledge the responsibility we have for safeguarding privacy.

As Barclays increasingly adopts digital solutions to deliver next-generation consumer financial services, we appreciate our clients, customers and others may wish to understand how this may impact the use of their personal information. A globally applicable Barclays Data Privacy Standard sets out what is expected of all Barclays businesses and functions when collecting, using and sharing personal information.

To promote clear accountability, the Standard includes the requirement for each business to appoint an accountable executive who has ultimate responsibility for the processing of personal data within that business. An agreed assurance programme measures compliance with the Data Privacy Standard. Barclays colleagues must complete annual privacy training which is reviewed and refreshed each year, with additional tailored training provided as necessary. The Group Data Protection Officer (DPO) reports on data privacy issues to the highest level of management.

Through client, customer and employee privacy notices, we endeavour to explain clearly and openly how and why we use personal information and the legal grounds we rely on. When we receive complaints, we seek to address them fairly. Several jurisdictions also provide individuals with specific rights, such as the right to have access to or request deletion of their personal information.

Barclays provides a public mailbox and secure channels via its website to enable individuals to make their privacy requests and receive responses from a dedicated team.

Barclays requires its suppliers to comply with data protection and privacy laws, regulations and standards relevant to the jurisdictions in which they operate and relevant to any transferred personal data. Our requirements are set out and principally managed through our supplier contract templates, which require that suppliers commit to ensuring personal data shared with them is safeguarded and respected throughout the supply chain.

Data security

As detailed below, Barclays' Chief Security Office and Chief Information Security Office operate controls aimed at mitigating cybersecurity-related risks and understanding internal and external threats.

Barclays deploys controls designed to protect its sensitive information and the data that has been entrusted to us by customers and clients, in line with our Standards, taking into account findings from internal and external reviews of our controls.

Barclays seeks to protect the security of data we share with third parties, including by conducting remote and on-site inspections with certain suppliers to review their controls against contractual obligations and industry standards. A Third Party Service Provider Framework is in place which sets out control requirements for business units to manage the operational, reputational, conduct and legal risks to Barclays through its supply chain.

In operating under a hybrid working model, we have continued to educate colleagues on cybersecurity risks in order to help minimise risks related to remote working, such as data exploitation or leakage.

Barclays works with industry bodies and cybersecurity vendors to learn from risk events in other organisations. Our teams use such intelligence to simulate plausible cybersecurity and data compromise scenarios that allow us to exercise, review and improve our response and recovery plans in preparation for evolving threats.

Operational resilience

Customers and clients have increased expectations for us to be 'Always On'. The interconnectivity of the financial sector means the stability and resilience of our systems, workforce and the continued provision of third party services, all have a direct impact on the quality of our service.

Resilience and security is a focus for the Board. Barclays continues to strengthen its resilience posture and is focused on its ability to recover from a range of 'severe but plausible' scenarios which could cause detriment to its customers and clients and the broader financial market. To enable this, we define Groupwide business services and their interdependencies across the Group, including technology, third party services and our workforce. Recovery plans and business response plans have been developed for a range of different disruption events, such as cyber or data integrity disruptions, or technology failures. These recovery plans are reviewed and validated through regular testing which supports our aim to reduce the volume and impact of operational incidents year on year. We also conduct regular assurance on third parties to assess their capability.

Operational resilience is delivered through an established and robust Operational Resilience Framework underpinned by a Policy, Standards, methodologies and procedures. These are integrated with the ERMF and set the tone from the top. The Standards are embedded within the Barclays Controls Framework and provide a consistent approach across the firm.

The Operational Recovery Planning Policy and Standards drive the identification of the business services that are most important to Barclays, its customers, clients and the markets in which Barclays operates. The Standards also define requirements for setting recovery targets, mapping of dependencies, planning and testing.

Resilience and security is the responsibility of everyone within the Group. All permanent employees are required to complete annual mandatory training on these topics.

Chief Security Office and Chief Information Security Office

Barclays' Chief Security Office and Chief Information Security Office exist to keep the bank, its customers, clients, and colleagues safe and secure, and to support the resilience of our operations. They support Barclays' ability to operate in a protected and secure environment, and actively promote a culture of security as everyone's responsibility.

The Group Chief Security Officer and Group Chief Information Security Officer (CISO) head Barclays' Chief Security Office and Chief Information Security Office, respectively. Group Chief Security Office is responsible for physical security, threat intelligence, crisis management, and investigations and liaising with law enforcement, among other areas. Barclays' Group Chief Security Officer combines 10 years of law enforcement experience with over 20 years of experience in senior leadership roles managing security at global financial institutions, and is supported by a leadership team with expertise in threat intelligence, investigations, security transformation, and crisis management, as well as other teams of subject matter experts and analysts.

In 2024, Barclays' Group CISO was elevated to report directly to the Group Chief Information Officer (a member of the Group Executive Committee), to leverage the strategic and operational benefits of aligning cybersecurity and technology. The Group Chief Information Officer reports to the Chief Operating Officer, and also sits on the Group Executive Committee. Barclays' Group CISO is responsible for assessing and managing Barclays' material risks from cybersecurity threats. The Group CISO is responsible for areas that, among others, include cybersecurity operations; internal penetration testing; third party security management; cryptography; vulnerability management; governance, risk, and compliance; cyber threat intelligence; and identity access management. The Group CISO has more than 20 years of experience managing cybersecurity for global financial institutions, including responsibility for cybersecurity fusion centres, cyber intelligence, security engineering and architecture, security operations, and network services. The Group CISO is supported by a team of CISOs for individual business units and jurisdictions. Chief Information Security Office leaders manage Barclays' cybersecurity activities and are accountable for the day-to-day monitoring of residual risk, identification of gaps, oversight of remedial actions and implementation of strategy. The Group CISO and supporting leadership team collectively have advanced degrees and senior level experience managing cybersecurity risks in a variety of sectors, including those that represent critical national infrastructure, such as telecommunications and financial institutions. They are supported by teams of subject matter experts and analysts in a variety of specialisations, such as penetration testing, cyber-forensic investigations, security engineering, and vulnerability management.

Supporting the delivery of Barclays' cyber and information security strategy are multiple management committees, forums, and councils, including Cyber Control Councils for each of the eleven Standards supporting the Group Information and Cybersecurity Policy. These Cyber Control Standards Councils feed into the Cybersecurity Horizontal Controls Forum, the Group Controls Committee, the Group Risk Committee, and ultimately the Board Risk Committee. In addition, the Group COO holds standalone business reviews that include management updates on the status of cybersecurity across the Group, and a standalone COO Controls Forum that also escalates to the Group Controls Committee. Barclays' Operational Risk and internal audit functions provide independent views of cyber risk management from second and third line of defence perspectives.

Barclays assesses its cybersecurity activities against the industry-recognised National Institute of Standards and Technology (NIST) Cybersecurity Framework. Under Barclays' Enterprise Risk Management Framework, there is an Information and Cyber Security Policy supported by eleven Standards which define the minimum requirements for cybersecurity matters across the Barclays Group. The Policy leverages key risk indicators defined in the Standards to integrate cybersecurity risk management into the Group's Enterprise Risk Management Framework. The Standards cover the following topics: Cryptography, Network Security, Security Configuration, Data Loss Prevention, Vulnerability Management, Data Security, Incident Response & Threat Intelligence, Threat Management, Governance, Identity & Access Management, and Application Security. The Group CISO approves and is accountable for the Information and Cyber Security Policy and associated Standards. As part of our programme, we periodically assess our performance against these Standards and identify areas for improvement and remediation.

The Board Risk Committee, within its oversight of Operational Risk as a Principal Risk, is responsible for overseeing risks arising from cybersecurity threats. In 2024, the Group Chief Security Officer and Group CISO provided updates to the Board Risk Committee about cybersecurity risks facing the Group. Such updates addressed topics that included the cybersecurity threat environment and ransomware attack preparedness, measurement of Barclays' risk and control posture, cybersecurity incident trends and Barclays' response, plans to improve Barclays' ability to recover from a material cyberattack scenario, Barclays' vulnerability management, privileged access to Barclays' systems, regulatory developments, and risks and opportunities related to emerging technology and artificial intelligence.

Engaging external security consultants to conduct penetration tests, attack simulations and other reviews to independently benchmark Barclays' cybersecurity capabilities is an important part of our cybersecurity programme that allows us to identify and remediate cybersecurity weaknesses. In 2024, Barclays' Group CISO and Group Chief Information Officer briefed the Barclays Board Risk Committee on plans to address the findings of penetration testing and cybersecurity assessments and remediate identified weaknesses.

Barclays also partners with third party security providers on certain activities such as cyber recovery, software vulnerability scanning, penetration testing, distributed denial of service (DDoS) attack prevention, phishing simulations, third party risk management, incident response, intelligence, fraud prevention, and industry benchmarking.

An important part of Barclays' cybersecurity environment is its Joint Operations Centres (JOCs), which operate 24x7x365 from three globally strategic locations, linking Barclays' security professionals and incident response managers with control functions and business unit representatives. The JOCs deliver security responsiveness by uniting core security functions and providing a central information and coordination point for security incident management and escalation, based on defined severity levels. During live incidents, the Barclays Crisis Management Team monitors the response by Incident Management Teams, Resilience Leads, and others, and has discretion to invoke one or more Barclays Crisis Leadership Teams (CLTs). CLTs are business-led teams at entity, business unit, and regional levels that provide strategic leadership in a crisis, maintain incident management oversight, and coordinate key decision making.

To manage security risk from Barclays' third party suppliers, many of which perform critical services for Barclays businesses and handle sensitive Barclays data, we have a set of contractual Information and Cyber Security Supplier Control Obligations that are based on requirements in our internal Standards. Using our dedicated Third Party Security Management team's capabilities, as well as third party tooling, we conduct assurance over our third and fourth parties against those obligations. Activity is structured on a risk-based approach that prioritises suppliers that underpin our most important business services. Identified issues are managed formally, but we also engage proactively with third party suppliers to help them strengthen their security and resilience posture. To recognise the risk presented by third party suppliers, which are increasingly targeted by threat actors, we regularly alert third party suppliers where we anticipate that they may be more vulnerable and should take preventative action.

Notwithstanding such third party risk management efforts, Barclays does not have direct control over the cybersecurity of the systems of its third and fourth parties, limiting the Group's ability to effectively protect and defend against certain threats.

Certifications

Barclays holds three ISO27001 certifications (i.e., the international standard on how to manage information security), Cyber Essentials / Cyber Essentials Plus Certification, and a UK certification for Digital Banking.

Training

Barclays requires colleagues to complete mandatory information security training at least annually. Topics covered include incident reporting procedures, protecting sensitive data, device security, data leakage prevention, social engineering awareness, and password management. Consequences of noncompletion may include disciplinary action and impact to compensation.

Barclays performs a number of key activities related to identifying, investigating, responding to and containing phishing, including an operational process that provides education and awareness through phishing simulation exercises, and management interventions for employees who demonstrate susceptibility to phishing lures. To report suspected phishing to Barclays' JOCs for further investigation, colleagues have a reporting tool integrated into their email account and receive feedback on whether the reported email was suspect or genuine. Barclays uses metrics to continually refine its phishing education and training.

Contents

The management of risk is a critical underpinning to the execution of the Barclays Bank UK Group's strategy. The material risks and uncertainties the Barclays Bank UK Group faces across its business and portfolios are key areas of management focus.

Risk performance

Supervision and regulation

The Barclays Bank UK Group's risk management strategy

This section introduces Barclays Bank UK 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 Barclays Bank UK 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 Barclays Bank UK Group. It is approved by the Barclays PLC Board on recommendation of the Barclays Group Board Risk Committee and the Barclays Bank UK Group Chief Risk Officer (CRO). The Barclays Bank UK PLC Board then approves its adoption on the recommendation of its Risk Committee, with modifications where needed.

The ERMF sets out:
- risk management and segregation of duties: The ERMF defines a Three Lines of Defence model
- principal risks faced by the Barclays Bank UK Group, which guide the organisation of risk management processes
- risk appetite requirements: this helps define the level of risk the Barclays Bank UK Group is willing to undertake in its business
- roles and responsibilities for risk management and governance.

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 a 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 Barclays Bank UK Group and all associated support functions, including Finance, Operations, Treasury, and Human Resources. 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 Barclays Bank UK Group, and to oversee the performance of the Barclays Bank UK 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 Barclays Bank UK 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 Barclays Bank UK Group policy requirements. Any subsequent changes to the Tesco Bank approach will be part of integration planning activity.

Principal risks

The ERMF identifies ten principal risks (see managing risk in the strategic report section) 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 Barclays Bank UK Group and reinforce independent assessment, management and oversight of financial crime risk.

Each of the principal risks is overseen by an accountable executive at the Barclays Group level 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.

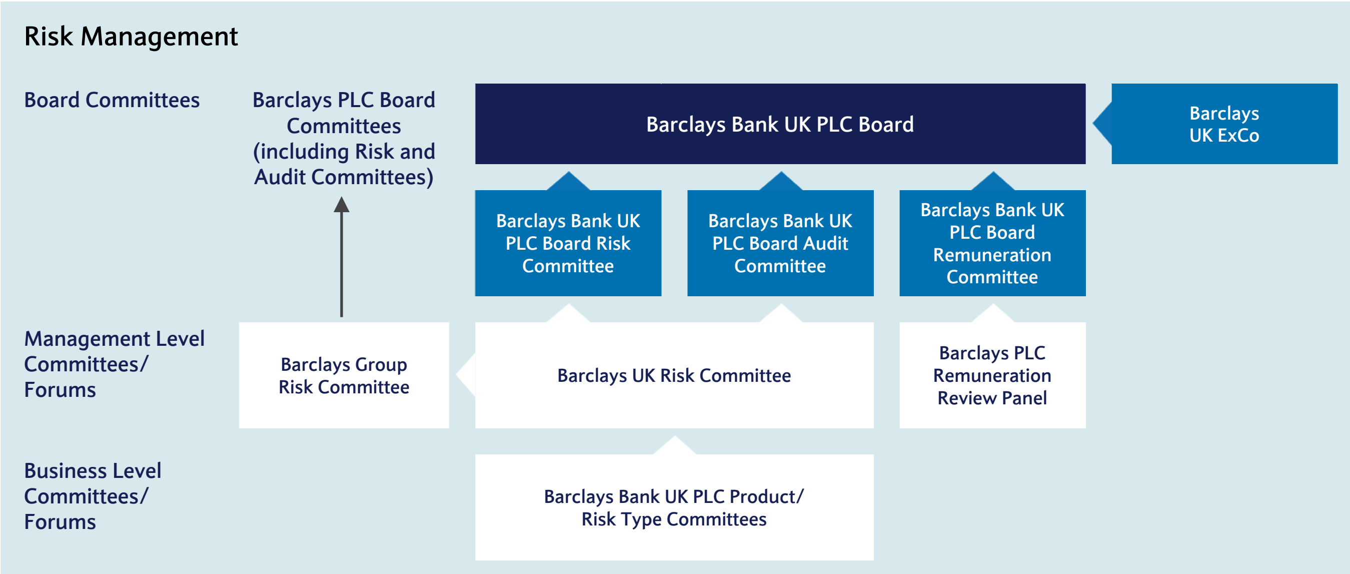
Risk appetite

Risk appetite is defined as the level of risk which the Barclays 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 Barclays Bank UK 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, including the Barclays Bank UK Group. The Barclays Bank UK Board cannot approve a higher risk appetite than that determined by the Barclays PLC Board without the approval of the Barclays PLC Board, but may choose to operate at a lower level of risk appetite than that approved by the Barclays PLC Board. The Barclays Group total risk appetite and its allocation to the Barclays Bank UK Group are supported by limits to enable and control specific exposures and activities that have material concentration risk implications.

Risk committees

The various Barclays Bank UK Group risk committees consider risk matters relevant to their business, and escalate as required to the Barclays UK Risk Committee, whose Chair, in turn, escalates to the Barclays Group Risk Committee, Barclays Bank UK PLC Board Risk Committee and the Barclays Bank UK PLC Board.



The Barclays UK Risk Committee is the most senior executive body responsible for reviewing and monitoring the risk profile of the Barclays Bank UK Group. This includes coverage of all principal risks and any other material risks, to which the Barclays Bank UK Group is exposed. The Barclays UK Risk Committee reviews and recommends the proposed risk appetite and relative limits to the Barclays Group Risk Committee and the Barclays Bank UK PLC Board Risk Committee.

The Barclays Group Risk Committee receives regular updates on the risk profile of the Barclays Bank UK Group and will approve the risk appetite and limits for consideration by the Barclays PLC Board Risk Committee.

The Barclays Bank UK PLC Board receives regular information on the risk profile of the Barclays Bank UK Group, and has ultimate responsibility for risk appetite and capital plans, within the parameters set by the Barclays PLC Board. The Barclays Bank UK PLC Board is also responsible for the adoption of the ERMF.

Further, there are two Board-level committees which oversee the application of the ERMF and review and monitor risk across the Barclays Bank UK Group. These are: the Barclays Bank UK PLC Board Risk Committee and the Barclays Bank UK PLC Board Audit Committee. Additionally, the Barclays Bank UK PLC Board Remuneration Committee oversees pay practices focusing on aligning pay to sustainable performance.

- **The Barclays Bank UK PLC Board Risk Committee (BRC)**: The BRC monitors Barclays Bank UK 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 committee is comfortable with them. The Barclays Bank UK Group CRO regularly presents a report to the BRC summarising developments in the risk environment and performance trends in the key portfolios. The BRC also reviews certain key risk methodologies, the effectiveness of risk management, and Barclays Bank UK 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 Barclays Bank UK Group CRO or senior risk managers in the business.

- **The Barclays Bank UK PLC Board Audit Committee (BAC)**: The BAC receives regular reports on the effectiveness of internal control systems, on material control issues of significance and on accounting judgements, including a review of the adequacy of impairment allowances.

- **The Barclays Bank UK 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.

Key themes and horizon scanning reports, highlighting emerging and forward looking risks, are regularly presented to the BRC for discussion and analysis. The themes are derived and quantified from principal risk horizon scanning and risk registers, complemented by senior management and BRC input. Watching brief items are collated and informed alongside the key themes as a list of risks which may have a more limited impact and likelihood in the near-term but have the potential to develop and meet the key theme definition in the future. The inventory of key themes is updated regularly with key changes presented to the BRC. The BRC reviews and discusses a report entitled 'Key Risk Themes and Management Actions ' on a quarterly basis.

The Barclays Bank UK Group's 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 Barclays Bank UK Group identifies, escalates and manages risk matters.

The Barclays Bank UK Group is committed to maintaining a robust risk culture in which:
- management expect, model and reward the right behaviours from a risk and control perspective
- colleagues identify, manage and escalate risk and control matters, and meet their responsibilities around risk management

The Barclays Bank UK Group CEO works with the Executive Management to embed a sound risk culture within the Barclays Bank UK Group, 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 by as by setting a standard of consistent excellence. Specifically, all employees regardless of their positions, functions or locations must play their part in the Barclays Bank UK 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.

Material existing and emerging risks to the Barclays Bank UK Group's future performance

The Barclays Bank UK Group has identified a broad range of risks to which its businesses are exposed. Material risks are those to which senior management pay particular attention and which could cause the delivery of the Barclays Bank UK Group's strategy, results of operations, financial condition and/or prospects to differ materially from expectations. Emerging risks are those which have unknown components, the impact of which could crystallise over a longer time period. The factors set out below should not be regarded as a complete and comprehensive statement of all the potential risks and uncertainties which the Barclays Bank UK Group faces For example, certain other factors beyond the Barclays Bank UK Group's control, including escalation of global conflicts, acts of terrorism, natural disasters, pandemics and similar events, although not detailed below, could have a similar impact on the Barclays Bank UK Group.

Material existing and emerging risks potentially impacting more than one principal risk

i) Business conditions, general economy and geopolitical issues

The Barclays Bank UK Group's operations are subject to changes in global and local economic and market conditions, as well as geopolitical developments, which may have a material impact on the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

A deterioration in global or local economic and market conditions may result in (among other things): (i) deteriorating business, consumer or investor confidence and lower levels of investment and productivity, which in turn may lead to lower customer and client activity, including lower demand for borrowing; (ii) higher default rates, delinquencies, write-offs and impairment charges as borrowers struggle with their debt commitments; (iii) subdued asset prices, which may impact the value of collateral held by the Barclays Bank UK Group and require the Barclays Bank UK Group and its clients to post additional collateral in order to satisfy margin calls; and (iv) revisions to calculated expected credit losses (ECLs) leading to increases in impairment allowances. In addition, the Barclays Bank UK Group's ability to borrow from other financial institutions or raise funding from external investors may be affected by deteriorating economic conditions and market disruption. Geopolitical events can also cause financial instability and affect economic growth.

During 2024, global economic growth has remained muted, mainly driven by a more uncertain geopolitical environment, a high interest rate environment, an economic slowdown in China and continued structural economic issues in the UK and EU. Without limitation, the Barclays Bank UK Group has observed the following macroeconomic risk themes / trends:

- Limitations on economic output growth, mostly driven by: (i) tight labour markets and low productivity growth in the main western economies; (ii) large fiscal deficits; and (iii) high energy prices and strained global supply chains driven by geopolitical events such as the Ukraine war and the conflict in the Middle East have made central banks pursue a slower than expected reduction path for interest rates. In 2024 these 'higher-for-longer' rates have dampened economic activity, increasing fears of a hard-landing scenario across the US, Europe and the UK which could have a material adverse effect on the Barclays Bank UK Group's results of operations and profitability.

- The adoption of tariffs and other protectionist measures or countermeasures, particularly by the US, would further complicate the economic outlook for the EU, China and other export-driven emerging markets given their trade surpluses. This could have a material adverse effect on the Barclays Bank UK Group's business in the affected region.

- The UK, which is the Barclays Bank UK Group's main retail banking market, faces a number of structural challenges. The Labour government has identified economic growth as a priority. However, the long-term impacts of the latest budget and tax increases remain uncertain with risks to the Barclays Bank UK Group's retail and corporate businesses in case of economic underperformance. This could have a material adverse effect on the Barclays Bank UK Group's results of operations and profitability.

- The loss of 'the presumption of conformity' is widely reported to have raised costs for UK customers exporting to the EU as it results in their products no longer presumed to be in line with corresponding EU rules, which, together with the risk of regulatory divergence between the UK and the EU, could adversely impact the Barclays Bank UK Group operations.

A deterioration in the aforementioned economic and business environment could result in (among other things):

- A prolonged slowdown in the markets where the Barclays Bank UK Group operates, with lower economic output, higher unemployment, and depressed property prices, which could lead to increased impairments in relation to a number of Barclays Bank UK Group's portfolios (including, but not limited to, the mortgage portfolio, the unsecured lending portfolio (including credit cards) and commercial real estate exposures).

- Increased market volatility (in particular in currencies and interest rates), which could affect the underlying value of assets held in the banking book including securities held by the Barclays Bank UK Group for liquidity purposes. In addition, market confidence and depositor perceptions of banking fragility as seen in certain institutions in 2023 could increase the severity and velocity of deposit outflows, impacting Barclays Bank UK Group's liquidity position;

- A credit rating downgrade for one or more members of the Barclays Bank UK Group's parent entity, Barclays PLC (either directly or indirectly as a result of a downgrade in the UK sovereign credit ratings), which could significantly increase the Barclays Bank UK Group's cost of funding and/or reduce its access to funding, widen credit spreads and have a material adverse impact on the Barclays Bank UK Group's interest margins and liquidity position; and/or

- A market-wide widening of credit spreads or reduced investor appetite for Barclays Bank UK Group's debt securities, which could negatively impact the Barclays Bank UK Group's cost of and/or access to funding.

In addition to subdued economic growth, other risk factors could adversely affect the business environment in which Barclays Bank UK Group operates:

- Economic activity is becoming increasingly dependent on data, technology, networks, infrastructure and cybersecurity, heightening the risk and potential impact of service disruptions, either accidental or driven by bad actors such as cybercriminals or states using asymmetric tactics.

- Financial institutions are often perceived to have a role in global developments or events like climate change, digitalisation, conflict in the Middle East, fraud, money laundering and sanctions, which give rise to reputational risks which are complicated to navigate.

- Recent disruptions to global supply chains, including as a result of the Covid-19 pandemic, semi-conductor shortages, the Russia-Ukraine conflict, the Red Sea freight disruptions and the Panama Canal drought have all had an impact and underlined the potential for further adverse impacts on the markets in which the Barclays Bank UK Group operates. Further geopolitical deterioration, in particular in the Middle East and/or South China Sea and trade war related de-coupling of production chains could also have a negative impact on the markets in which the Barclays Bank UK Group operates.

The circumstances mentioned above could have a material adverse effect on Barclays Bank UK Group's business, results of operations, financial condition, prospects, liquidity, capital position and credit ratings (including potential credit rating agency changes of outlooks or ratings), as well as on Barclays Bank UK Group's customers, clients, employees and suppliers.

ii) The impact of interest rate changes on the Barclays Bank UK Group's profitability

The impact from changes to the Bank of England base interest rate and swap rates are potentially significant for the Barclays Bank UK Group, especially given the uncertainty as to the size and frequency of such changes.

Lower interest rates could put pressure on the Barclays Bank UK Group's net interest margins (the difference between lending income and borrowing costs) due to either a delay in passthrough or a smaller passthrough of the interest rate cuts to customer deposits. This could adversely affect the profitability and prospects of the Barclays Bank UK Group.

Higher interest rates could result in higher funding costs either due to higher refinancing costs or due to deposit balance mix changes as customers prefer switching into deposits that pay a higher rate. In addition, interest rates remaining higher for longer (due to either smaller or less frequent than expected interest rate cuts, or larger or more frequent than expected interest rate increases), could lead to generally weaker than expected growth, reduced business confidence and higher unemployment. This, combined with the impact that higher interest rates may have on the affordability of loan arrangements for borrowers (especially when combined with inflationary pressures), could cause stress in the lending portfolio. This could result in higher credit losses driving increased impairment charges which would most notably impact retail unsecured portfolios and could have a material effect on the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

In addition, changes in interest rates could have an adverse impact on the value of the securities held in the Barclays Bank UK Group's liquid asset portfolio. Consequently, this could create more volatility than expected through the Barclays Bank UK Group's fair value through other comprehensive income (FVOCI) reserve and could adversely affect the profitability and prospects of the Barclays Bank UK Group.

iii) Competition in the banking and financial services industry

The Barclays Bank UK Group operates in a highly competitive environment in which it must evolve and adapt to significant changes as a result of regulatory reform, technological advances, increased public scrutiny and changes to market and economic conditions. The Barclays Bank UK Group expects that competition in the financial services industry will remain intense and may have a material adverse effect on the Barclays Bank UK Group's future business, results of operations, financial condition and prospects.

New competitors in the financial services industry continue to emerge. For example, technological advances and the growth of e-commerce have made it possible for non-banks to offer products and services that traditionally were banking products such as electronic securities trading, payments processing and online automated algorithmic-based investment advice. Furthermore, payments processing and other services could be significantly disrupted by technologies, such as blockchain (used in cryptocurrency systems) and 'buy now pay later' lending, both of which are currently subject to lower levels of regulatory oversight compared to many activities undertaken by banks. Furthermore, the introduction of central bank digital currencies could have a significant impact on the banking system and the role of commercial banks by disrupting the current provision of banking products and services. This disruption could allow new competitors, some previously hindered by banking regulation (such as certain FinTechs), to provide customers with access to banking facilities and increase the disintermediation of banking services.

New technologies and changing consumer behaviour have previously required, and could continue to require, the Barclays Bank UK Group to incur additional costs to modify or adapt its products or make additional capital investments in its businesses to attract and retain clients and customers or to match products and services offered by its competitors, including technology companies. For example, the Barclays Bank UK Group has begun to take steps to expand its investment in and to integrate AI technologies, including generative AI. Such AI technologies and services are rapidly evolving, and require significant investment, including development and operational costs, to meet the changing needs and expectations of the Barclays Bank UK Group's customers and clients. Failure to efficiently develop or integrate such AI technologies may impact the Barclays Bank UK Group's competitive position and its ability to increase the efficiency of and reduce costs associated with its operations and to offer innovative products and services to customers.

Ongoing or increased competition and/or disintermediation of banking services may put pressure on the pricing of the Barclays Bank UK Group's products and services, which could reduce the Barclays Bank UK Group's revenues and profitability, or may cause the Barclays Bank UK Group to lose market share, particularly with respect to traditional banking products such as deposits, bank accounts and mortgage lending. This competition may be on the basis of the quality and variety of products and services offered, transaction execution, innovation, reputation and/or price. These factors may be exacerbated by further regulatory change. The failure of any of the Barclays Bank UK Group's businesses to meet the expectations of clients and customers, whether due to general market conditions, underperformance, a decision not to offer a particular product or service, branch closures, changes in client and customer expectations or other factors, could affect the Barclays Bank UK Group's ability to attract or retain clients and customers. Any such impact could, in turn, reduce the Barclays Bank UK Group's revenues.

iv) Regulatory change agenda and impact on business model

The Barclays Bank UK Group's businesses are subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations of the foregoing in the UK and, in some cases, other jurisdictions. Many legislative and regulatory changes that are relevant to the Barclays Bank UK Group's business may have an effect beyond the country in which they are enacted, either because sectoral regulators within the banking and finance industries and legislators in national and supranational governments deliberately enact laws and/or regulations with extra-territorial effect or because the nature or location of its operations mean that the Barclays Bank UK Group gives effect to local laws and regulations on a wider basis.

In recent years, regulators and governments have focused on reforming both the prudential regulation of the financial services industry and the ways in which the business of financial services is conducted. Measures taken include enhanced capital, liquidity and funding requirements, the structural separation or prohibition of certain activities by banks, the introduction of tax levies and transaction taxes, changes in compensation practices, and more detailed requirements on how business is conducted and customers are treated. Governments and regulators in the UK or elsewhere may intervene further in relation to areas of industry risk and/or regulatory risk already identified, or in new areas, which could adversely affect the Barclays Bank UK Group.

Current and anticipated areas of particular focus for the Barclays Bank UK Group's regulators, where regulatory changes could have a material effect on the Barclays Bank UK Group's business, financial condition, results of operations, prospects, capital, liquidity or funding position, and reputation include, but are not limited to:

- the continued focus by regulators, international bodies, organisations and unions on how institutions conduct business, particularly with regard to the delivery of fair outcomes for customers, promoting effective competition in the interests of consumers and ensuring the orderly and transparent operation of global financial markets, including the Consumer Duty in the UK and review of the provision of financial advice to consumers;

- the implementation of any conduct measures as a result of regulators' focus on and review of organisational culture, employee behaviour and whistleblowing, as well as proposals for a new regulatory framework on diversity and inclusion in the UK, with a particular focus on firms' management of non-financial misconduct matters;

- the UK regulators' strategy for and promotion of competitive markets and growth, both domestically and internationally;

- the increasing regulatory expectations and requirements relating to various aspects of operational resilience, including an increasing focus on minimising the impact of operational disruptions (including digital operational disruptions) on the UK financial sector, the role of critical third-party service providers to financial institutions, and operational incident and third party reporting requirements;

- the focus globally on technology adoption and digital delivery, including the use of artificial intelligence (AI), digital assets and digital money (including central bank digital currencies), payments and related infrastructure, and cybersecurity. This also includes the introduction of new and/or enhanced laws and/or regulatory standards in these areas, underpinned by customer protection principles, and actions by regulators that are designed to support the use of AI in the financial sector;

- the continued evolution of the UK's regulatory framework following the UK's withdrawal from the EU, particularly following the implementation of the Financial Services and Markets Act 2023 (FSMA 2023) which provides for the ongoing revocation and repeal of assimilated law relating to financial services and, where relevant, its replacement with rules made (or to be made) by UK regulators, as well as any areas of divergence between the UK and EU regulatory regimes;

- the implementation of the reforms to the finalisation of the Basel III package, which includes changes to the RWA approaches to credit risk, market risk, counterparty risk, operational risk, and credit valuation adjustments risk, the application of input and output floors and the leverage ratio, as well as potential reforms to other aspects of prudential regulation, including the large exposures framework, the UK policy framework for capital buffers, and amendments to the Bank of England's approach to setting a minimum requirement for own funds and eligible liabilities (MREL);

- greater monitoring of and implementation of policies to address capital requirements, liquidity risk and credit risk management; and continuing focus on review of and assurance activities in relation to reporting methodology and data quality;

- increasing regulatory expectations of firms around governance and risk management frameworks, particularly for the management of climate change and other ESG risks, enhanced ESG disclosure and reporting obligations corporate sustainability due diligence obligations, anti-greenwashing rules and requirements to develop and disclose a climate transition plan;

- the incorporation of climate change considerations, including transition risks in particular, within the global prudential framework;
- the operation of, and recent reforms to, the UK ring-fencing regime. The ring-fencing regime requires among other things, the separation of the retail and SME deposit-taking activities of UK banks from wholesale and investment banking operations into a legally distinct, operationally separate and economically independent entity (i.e., a 'ring-fenced' bank), which is not permitted to undertake a range of activities;
- the introduction of measures in the UK designed to preserve access to cash for consumers (including the retention of specific branches) and, more generally, access to payment accounts;
- changes in national or supra-national requirements regarding the ability to offshore or outsource the provision of services and resources or transfer material risk or data to companies located in other countries, which could impact the Barclays Bank UK Group's ability to implement globally consistent and efficient operating models;
- the continued focus by regulators worldwide and industry bodies on benchmark reform and market transition to new risk-free reference rates. Given the unpredictable consequences of benchmark reform, there could be an adverse impact on market participants, including the Group, in respect of financial instruments linked to, or referencing any ceasing benchmarks or their replacement rates;
- financial crime, fraud and market abuse standards and increasing expectations for related control frameworks, to ensure firms are adapting to new threats and are protecting customers from cyber-enabled crime and, in the UK, reforms relating to authorised push payment fraud reimbursements and the ability of payment service providers to delay the processing of transactions in certain circumstances;
- the reform of corporate criminal liability in the Economic Crime and Corporate Transparency Act 2023 in the UK, which includes a failure to prevent fraud offence;
- the application and enforcement of economic sanctions, including those with extra-territorial effect and those arising from geopolitical tensions;
- requirements flowing from arrangements for the resolution strategy of the Barclays Group and its individual operating entities (including the Barclays Bank UK Group) that may have different effects in different countries;
- continuing regulatory focus on data privacy, including the collection and use of personal data, and protection against loss and unauthorised or improper access to, or disclosure of, such data;
- ongoing requirements to allocate and monitor management accountability within the Barclays Bank UK Group (for example, the requirements of the Senior Managers and Certification Regime in the UK and similar regimes elsewhere that are either in effect, are due to come into effect in the future or are under consideration, including new rules in the EU applicable to appointing senior managers), as well as requirements relating to executive remuneration and, separately, potential reforms to the UK's Certification Regime; and
- continuing regulatory focus on the effectiveness of internal controls and risk management frameworks, as evidenced in regulatory fines and other measures imposed on the Barclays Bank UK Group and other financial institutions.

For further details on the regulatory supervision of, and regulations applicable to, the Barclays Bank UK Group, refer to the Supervision and regulation section.

v) Change delivery and execution risks

The Barclays Bank UK Group constantly adapts and transforms the way it conducts business in response to changing customer behaviour and needs, technological developments, regulatory expectations, increased competition and cost management initiatives. The Barclays Group announced, as part of the Investor Update in February 2024, a plan to become simpler, better and more balanced. This strategic plan is intended to enable the Barclays Group to improve its customer service, provide more support to consumers and businesses, deliver higher quality income growth and build returns. Accordingly, effective management of transformation projects is required to successfully deliver the Barclays Bank UK Group's strategic priorities, involving delivering both on externally driven programmes, as well as key business initiatives to deliver revenue growth, product enhancement and operational efficiency outcomes. The magnitude, complexity and, at times, concurrent demands of the projects required to meet these priorities can result in heightened execution risk.

The ability to execute the Barclays Bank UK Group's strategy may be limited by operational capacity and the increasing complexity of the regulatory environment in which the Barclays Bank UK Group operates. In addition, whilst the Barclays Bank UK Group continues to pursue cost management initiatives, they may not be as effective as expected and cost saving targets may not be met.

The failure to successfully deliver or achieve any of the expected benefits of these strategic initiatives and/or the failure to meet customer and stakeholder expectations could have a material adverse effect on the Barclays Bank UK Group's business, results of operations, financial condition, customer outcomes, prospects and reputation.

vi) Acquisition of Tesco Bank

On 1 November 2024, the Barclays Bank UK Group acquired the retail banking business ("Tesco Bank") from Tesco Personal Finance PLC (the "Tesco Bank acquisition") and entered into a 10 year strategic partnership with Tesco Stores Limited (the "Tesco Partnership") to continue to originate banking products and services using the Tesco Bank brand.

Actual results associated with the acquisition of Tesco Bank and entry into the Tesco Partnership may differ from the anticipated results, including with respect to: (i) the overall future performance of the assets and liabilities acquired through the Tesco Bank acquisition; (ii) the level of integration achieved, and the cost and timing of any integration, for Tesco Bank; and (iii) the cost and timing to achieve full separation of Tesco Bank from the businesses that remain with Tesco Personal Finance PLC (i.e. Tesco Insurance and Money Services).

The success of the transaction, including anticipated benefits and cost savings, will depend, in part, on the ability to successfully integrate the operations of both firms. Integrating an acquired business can be both challenging and costly, requiring changes to accounting systems, data processing systems and management controls. The integration process could disrupt ongoing operations or lead to inconsistencies in controls, procedures and policies, which could negatively impact the Barclays Bank UK Group's ability to maintain relationships with customers, suppliers and other business stakeholders, including Tesco Stores Limited. The establishment of the Tesco Partnership introduces complexity and could adversely impact the overall benefits achieved. Additionally, the loss of key colleagues in connection with the acquisition could adversely affect the Barclays Bank UK Group's ability to successfully conduct its business.

While the Barclays Bank UK Group has completed the Tesco Bank acquisition, certain infrastructure continues to be shared with the business retained by Tesco Personal Finance PLC (i.e., Tesco Insurance and Money Services) to ensure continuity of both operations. The cost and timing to complete this separation may vary from anticipated plans, and will require changes to accounting systems, data processing systems and management controls.

vii) Card Partnerships

The Barclays Bank UK Group maintains several co-branded credit cards and credit card partnership agreements. Such arrangements are a means of reaching new customers and expanding brand reach, but there is significant competition among card issuers for these relationships. A deterioration in or failure to maintain these credit card relationships with co-brand partners, including non-renewal of contracts with existing partners, early termination of partnership arrangements due to a contractual breach and changes in consumer behaviour regarding spending patterns, could have a negative impact on the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

Material existing and emerging risks impacting individual principal risks

i) Climate risk

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

The effects of climate change may be highly significant in their breadth and magnitude and could affect a large number of firms operating in different sectors and geographies, leading to potential downstream effects to the financial system.

There is a potential direct impact on banks and other financial institutions through their operations, as well as indirectly through customers and clients. Given this context and to support the Group's ambition to be a net zero bank by 2050, Climate Risk is a Principal Risk under Barclays' ERMF. It manages the financial and operational risks of climate change.

Physical risks, such as acute weather events (e.g. cyclones, hurricanes and floods) and long-term climate pattern shifts (e.g. droughts, temperature and precipitation levels) can lead to damage to fixed assets, operational disruptions, changes in production outputs and increased costs. The potential impacts of physical risk events on the economy may include lower GDP growth, higher unemployment, shortage of raw materials and products, supply chain disruptions, significant fluctuations in prices of assets (such as in the real estate sector) and shifting demands for goods and service. These factors could subsequently impact the business model and profitability of Barclays Bank UK Group and its clients by negatively impacting, among other things: (1) the creditworthiness of clients which may result in higher defaults, delinquencies, write-offs and impairment charges in Barclays Bank UK Group's portfolios; (ii) the creditworthiness of the sovereigns of countries in which they occur. The deterioration in the credit ratings of sovereign bonds could affect their access to capital and their eligibility for inclusion in banks' liquidity buffers; and (iii) the value of investments which the Bank holds.

A transition to a low-carbon economy requires policy and regulatory changes, new national and regional commitments, new technological innovations and changes to supply and demand systems within industries. The transition to a low-carbon economy may also trigger changes in consumer behaviour and market sentiment. This gives rise to transition risks from increased costs and reduced demand for the products and services of a company including early retirement and impairment of assets, or decreased revenue and profitability.

Barclays Bank UK Group's clients that are more susceptible and exposed to these changes may face operational and financial difficulties which in turn may impact their creditworthiness. In addition, climate-related legal actions or investigations may have material financial impacts on the Barclays Bank UK Group's clients, customers and counterparties (particularly in high carbon sectors). This in turn can increase credit risk within group portfolios (for further details on credit risk, refer to ii) Credit Risk on page 50).

Both physical risk and transition risk factors have the potential to trigger large, sudden and negative price adjustments where climate risk has not yet been incorporated into prices, which could increase market risk in the Barclays Bank UK Group's portfolios. Fluctuations in markets and prices of assets in susceptible sectors or countries could drive losses to the value of the Barclays Bank UK Group's assets and liabilities.

Physical risk and transition risk factors can lead to impacts on the Barclays Bank UK Group's own operations including damage or unsuitability of premises, disruption to business operations and supply chains and it's ability to recover from outages (e.g. caused by workforce, technology and third-party service providers). For example, extreme weather events can impact the operation of bank offices, branches, and support facilities such as data centres. Additionally, Barclays Bank UK Group has experienced and may continue to experience in the future, disruptions in its operations as a result of branch closures and security breaches due to climate-related protests against the Group due to its lending activities. Transition risk can also lead to secondary impacts on operational risks, such as the risk of misreporting as a result of enhanced regulatory disclosures requirements.

There is significant uncertainty surrounding the timeframes in which both physical and transition risks may manifest, driven by the interplay of environmental, political and societal factors. Physical risks, such as acute weather events and long-term climate pattern shifts, are difficult to predict due to complex interactions between climate system dynamics and human activities. Similarly, the timing of transition risks arising from factors like policy changes, technological innovations or shifts in market sentiment are equally unpredictable. This poses significant challenges to the Barclays Bank UK Group in assessment, quantification, and management of climate risk.

Barclays Bank UK Group also needs to ensure that its strategy and business model adapt to changing national and international standards, industry and scientific practices, regulatory requirements and market expectations regarding climate change, which remain under continuous development. The Barclays Bank UK Group may face challenges from changing circumstances and external factors which are beyond the Group's control, including geopolitical issues, energy security, energy poverty and other considerations such as a just transition to a low-carbon economy. Achieving the Group's climate-related ambitions and targets (which includes the Bank's portfolio's) will also depend on a number of factors outside the Group's control, including reliable forecasts of hazards from physical climate models and availability of data / models to measure / assess climate impact on clients. The pathway to net zero is uncertain, complex and dependent on progress in various areas such as advances in low-carbon technologies, collective action by clients to meet their own net zero goals, and supportive public policies in markets where Barclays operates. If there is a lack of progress in the aforementioned areas, Barclays may fail to achieve its climate-related ambitions and targets, and this could have a material adverse effect on Barclays' business, operations, financial condition, prospects and reputation.

For further detail on how Barclays Bank UK Group manages the risks associated with climate change, refer to the Climate Risk Management section.

ii) Credit risk

Credit risk is the risk of loss to the Barclays Bank UK Group from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to members of the Barclays Bank UK Group, including the whole and timely payment of principal, interest, collateral, and other receivables. Credit risk is impacted by a number of factors outside the Barclays Bank UK Group's control, including wider economic conditions.

a) Impairment

Impairment is calculated in line with the requirements of IFRS9. Loss allowances, based on ECLs, are measured on a forward-looking basis using a broad range of financial metrics and application of complex judgements. Accordingly, impairment charges are potentially volatile and may not successfully predict actual credit losses, particularly under stressed conditions. Failure by the Barclays Bank UK Group to accurately estimate credit losses through ECLs could have a material adverse effect on the Barclays Bank UK Group's business, results of operations, financial condition, and prospects. For further details, refer to Note 8.

b) Specific portfolios, sectors, and concentrations

The Barclays Bank UK Group is subject to risks arising from changes in credit quality and recovery rates for loans and advances due from borrowers and counterparties. Additionally, the Barclays Bank UK Group is subject to a concentration of those risks where it has significant exposures to borrowers and counterparties in specific sectors, or to particular types of borrowers and counterparties. Any deterioration in the credit quality of such borrowers and counterparties could lead to lower recoverability from loans and advances, and higher impairment charges. Accordingly, any of the following areas of uncertainty could have a material adverse impact on the Barclays Bank UK Group's business, results of operations, financial condition, and prospects:

- **Consumer affordability:** whilst the pressures from increased cost of living eased in the latter half of 2024 as interest rates and inflation fell, this remains an area of focus. Macroeconomic factors, such as unemployment, high interest rates or broader inflationary pressures, which impact a customer's ability to service debt payments, could lead to increased arrears in both unsecured and secured products.

- **UK Retail, Hospitality and Leisure**: despite holding up reasonably well during most of 2024, continuing cost of living pressures, falling consumer confidence, or other macroeconomic factors adversely affecting consumers could trigger a contraction in demand which, together with rising business costs and, for UK retail, a structural shift to online shopping, would add pressure to sectors heavily reliant on consumer discretionary spending. This represents a potential risk in the Barclays Bank UK Group's corporate portfolio as a higher probability of default exists for retailers, hospitality providers and their landlords while these pressures remain.

- **Real Estate:** UK property represents a significant portion of the Barclays Bank UK Group's overall retail credit exposure, and the Barclays Bank UK Group remains at risk of increased impairment from a material fall in property prices. Following interest rate cuts in 2024, housing market activity increased and is likely to continue with further interest rate cuts. However, as mortgages continue to roll off existing rates onto new higher rates, there is an increased risk of borrower defaults. This could put further downward pressure on property prices and, in turn, impact the Barclays Bank UK Group's impairment and capital position. Furthermore, certain segments of the housing market could be subject to specific valuation impacts (for example, certain properties within the Barclays Bank UK Group's residential loan portfolio may be subject to remediation activities relating to fire safety standards; similarly, certain properties within the Barclays Bank UK Group's buy-to-let portfolio may be subject to remediation activities to meet minimum Energy Performance Certificate rating requirements).

Impact to the creditworthiness of the Barclays Bank UK Group's clients, customers and counterparties (particularly in high carbon sectors), can also arise out of climate-related legal actions or investigations commenced against the Barclays Bank UK Group's clients, customers and counterparties (particularly in high carbon sectors), where outcomes of such actions have material financial impacts, which can in turn increase credit risk within the Barclays Bank UK Group portfolios. For further details on the Barclays Bank UK Group's approach to credit risk, refer to the credit risk management and credit risk performance section.

iii) Treasury and capital risk

There are three primary types of treasury and capital risk faced by the Barclays Bank UK Group:

a) Liquidity risk

Liquidity risk is the risk that the Barclays Bank UK 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. This could cause the Barclays Bank UK Group to fail to meet regulatory and/or internal liquidity requirements, make repayments of principal or interest as they fall due or to support day-to-day business activities. Key liquidity risks that the Barclays Bank UK Group faces include:

- Stability of the Barclays Bank UK Group's deposit funding profile: deposits which are payable on demand or at short notice could be adversely affected by the Barclays Bank UK Group failing to preserve the current level of customer and investor confidence or as a result of competition in the banking industry.

- Impacts of market volatility: adverse market conditions, with increased volatility in asset prices, could: (i) negatively impact the Barclays Bank UK Group's liquidity position through increased derivative margin requirements and/or wider haircuts when monetising liquidity pool securities; (ii) make it more difficult to execute secured financing transactions; and (iii) expose the Barclays Bank UK Group to currency risk leading to increased cash flow currency mismatch.

- Intraday liquidity usage: increased cash and collateral requirements for payments and securities settlement systems could negatively impact the Barclays Bank UK Group's liquidity position, as cash and liquid assets required for intraday purposes are unavailable to meet other outflows.

- Off-balance sheet commitments: deterioration in economic and market conditions could cause customers to draw on off-balance sheet commitments provided to them, for example, revolving credit facilities, negatively affecting the Barclays Bank UK Group's liquidity position.

- Credit rating changes and impact on funding costs: any reductions in a credit rating (in particular, any downgrade below investment grade) may affect the Barclays Bank UK Group's access to money markets and/or the terms on which the Barclays Bank UK Group is able to obtain market funding. For example, this could lead to increased costs of funding and wider credit spreads, the triggering of additional collateral or other requirements in derivative contracts and other secured funding arrangements, or limits on the range of counterparties who are willing to enter into transactions with the Barclays Bank UK Group.

These liquidity risks were not materially changed by the acquisition of the retail banking assets and liabilities of Tesco Bank on 1 November 2024. Primary liquidity risks from this acquisition relate to the deposit book and off-balance sheet commitments in the form of available credit on Credit Cards.

b) Capital risk

Capital risk is the risk that the Barclays Bank UK 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 stress testing purposes). This also includes the risk from the Barclays Group's pension plans. Key capital risks that the Barclays Bank UK Group faces include:

- **Failure to meet prudential capital requirements**: this could lead to the Barclays Bank UK Group being unable to support some or all of its business activities, a failure to pass regulatory stress tests, increased cost of funding due to deterioration in investor appetite or credit ratings, restrictions on distributions and/or the need to take additional measures to strengthen the Barclays Bank UK Group's capital or leverage position.

- **Adverse changes in FX rates impacting capital ratios**: the Barclays Bank UK Group share capital is denominated in sterling. However, some capital resources and MREL are denominated in foreign currencies. Changes in foreign currency exchange rates may adversely impact the sterling equivalent value of these items. As a result, the Barclays Bank UK Group's regulatory capital ratios are sensitive to foreign currency movements. Failure to appropriately manage the Barclays Bank UK Group's balance sheet to take account of foreign currency movements could result in an adverse impact on its regulatory capital.

c) Interest rate risk in the banking book

Interest rate risk in the banking book is the risk that the Barclays Bank UK 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 Barclays Bank UK Group is exposed to capital or income volatility because of changes in credit spreads on its (non-traded) assets and liabilities. The Barclays Bank UK Group's hedging programmes for interest rate risk in the banking book rely on behavioural assumptions and, as a result, the effectiveness of the hedging strategy cannot be guaranteed. A potential mismatch in the balance or duration of the hedging assumptions could lead to earnings deterioration if there are interest rate movements which are not adequately hedged. A decline in sterling interest rates may also compress net interest margins on retail portfolios. In addition, the Barclays Bank UK Group's liquid asset portfolio is exposed to potential capital and/or income volatility due to movements in market rates and prices which may have a material adverse effect on the capital position of the Barclays Bank UK Group.

For further details on the Barclays Bank UK Group's approach to treasury and capital risk, refer to the treasury and capital risk management and treasury and capital risk performance sections.

iv) Operational risk

Operational risk is the risk of loss to the Barclays Bank UK 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. Examples include:

a) Operational resilience

The Barclays Bank UK Group functions in a highly competitive market, with customers and clients that expect consistent and smooth business processes. The loss of or disruption to business processing is a material inherent risk within the Barclays Bank UK Group and across the financial services industry, which has impacted the Barclays Bank UK Group in the past and may continue to impact the Barclays Bank UK Group in the future, whether arising through failures in the Barclays Bank UK Group's technology systems, cyber and/or data integrity disruptions, unavailability of a Barclays Bank UK Group site, or unavailability of personnel or services supplied by third parties. A challenge for the Barclays Bank UK Group, as for virtually all companies, is the ability to recover from and remain within impact tolerance for a pervasive cyberattack which impacts a number of applications, data and infrastructure services. Failure to build resilience and recovery capabilities into business processes, or into the services on which the Barclays Bank UK Group's business processes depend, may result in significant customer harm, costs to reimburse losses incurred by the Barclays Bank UK Group's customers and clients, and reputational damage. There are also risks associated with increasing regulatory focus and new developments on operational resilience, which are considered in risk factor (iv) 'Regulatory change agenda and impact on business model' above.

b) Cyberattacks

Cyberattacks continue to be a global threat inherent across all industries, with the number and severity of attacks continuing to rise. The financial sector remains a primary target for cybercriminals, hostile nation states (including nation-state-sponsored groups), opportunists and hacktivists. The Barclays Bank UK Group experiences numerous attempts to compromise its cybersecurity protections. In 2024, cybersecurity incidents experienced by the Barclays Bank UK Group included distributed denial of service (DDoS), phishing, and credential stuffing.

The Barclays Bank UK Group cannot provide absolute security against cyberattacks. Malicious actors, who are increasingly sophisticated in their methods, tactics, techniques and procedures, seek to steal money, gain unauthorised access to, destroy or manipulate data, and disrupt operations. Further, some attacks may not be recognised or discovered until launched or after initial entry into the environment, such as novel or zero-day attacks that are launched before patches are available and defences can be readied. Other attacks may take advantage of the window during which patching or the deployment of other defences is underway, but not yet complete. Malicious actors are also increasingly developing methods to avoid detection and alerting capabilities, including by employing counter-forensic tactics making response activities more difficult.

Cyberattacks can originate from a wide variety of sources and target the Barclays Bank UK Group in numerous ways, including via the Barclays Bank UK Group's networks, systems, applications, devices, or parties such as service providers and other suppliers, counterparties, employees, contractors, customers or clients, presenting the Barclays Bank UK Group with a vast and complex defence perimeter. Moreover, the Barclays Bank UK Group does not have direct control over the cybersecurity of the systems of its clients, customers, counterparties and third party service providers and suppliers, limiting the Barclays Bank UK Group's ability to effectively protect and defend against certain threats. Some of the Barclays Bank UK Group's third party service providers and suppliers have experienced successful attempts to compromise their cybersecurity. These have included incidents resulting in the compromise of the Barclays Bank UK Group's data and ransomware attacks that disrupted service providers' or suppliers' operations and, in some cases, have had impacts on the Barclays Bank UK Group's operations. Such cyberattacks are likely to continue. Many of the Barclays Bank UK Group's agreements with third parties include liability or indemnification provisions, but the Barclays Bank UK Group may not be able to recover sufficiently, or at all, under these provisions to adequately offset any losses or other adverse impacts the Barclays Bank UK Group may incur from third party incidents.

Inadequacies in, or failures in the adherence to, the Barclays Bank UK Group's cybersecurity policies, procedures or controls; failure to keep pace with evolving technology; instances of employee negligence, recklessness, malfeasance, poor password management, or susceptibility to social engineering; misconfigurations in technology and security infrastructure; authentication and access management lapses; imperfect control frameworks or operational effectiveness; and human, governance or technological error could also compromise the Barclays Bank UK Group's ability to successfully prevent and defend against cyberattacks. Furthermore, certain legacy technologies that are at or approaching end-of-life may not be able to maintain acceptable levels of security. The Barclays Bank UK Group's assessment of its cybersecurity risk in 2024 highlighted an elevated cybersecurity risk profile, due to factors such as the onset of AI, which may be used to facilitate increasingly sophisticated attacks, including AI-enabled social engineering; ongoing work to address areas in need of enhancement identified through cybersecurity testing; bad actors' increasing ability to elude our defences and take advantage of customer and employee behaviours in novel ways; and geopolitical turmoil that could impact the Barclays Bank UK Group directly, or indirectly through its critical suppliers or national infrastructure, including escalating conflicts in Eastern Europe and the Middle East.

Certain cybersecurity risks to the Barclays Bank UK Group may be unknown to management and therefore not fully accounted for in the Barclays Bank UK Group's cybersecurity assessments, strategy and programme priorities. For example, we continue to implement enhancements identified through cybersecurity testing and reviews in 2024.

Common types of cyberattacks include deployment of malware to obtain covert access to systems and data; ransomware attacks that render systems and data unavailable through encryption and attempts to leverage business interruption or stolen data for extortion; novel or zero-day exploits; denial of service and distributed denial of service attacks; infiltration via business email compromise; social engineering, including phishing, vishing and smishing; automated attacks using botnets; third party customer, vendor, service provider and supplier account takeover; malicious activity facilitated by an insider; and credential validation or stuffing attacks using login and password pairs from unrelated breaches. A successful cyberattack of any type has the potential to cause serious harm to the Barclays Bank UK Group or its clients and customers, including exposure to potential contractual liability, claims, litigation, regulatory or other government action, loss of existing or potential customers, damage to the Barclays Bank UK Group's brand and reputation, and other financial loss. The impact of a successful cyberattack is also likely to include operational consequences (such as unavailability of services, networks, systems, devices or data), remediation of which could come at significant cost. While Barclays Bank UK Group maintains insurance coverage that may, subject to relevant retentions, cover certain types of losses related to cybersecurity incidents, such insurance coverage may be insufficient to cover all losses and may not take into account potential loss of business or other financial harm.

Regulators worldwide continue to recognise cybersecurity as a systemic risk to financial markets and have highlighted the need for financial institutions to improve their monitoring and control of, and resilience to, cyberattacks. A successful cyberattack may, therefore, result in significant fines and penalties to the Barclays Bank UK Group. In addition, any new regulatory measures introduced to mitigate these risks are likely to result in increased technology and compliance costs for the Barclays Bank UK Group.

c) New and emergent technology

Technology is fundamental to the Barclays Bank UK Group's business and the financial services industry. Technological advancements present opportunities to develop new and innovative ways of doing business across the Barclays Bank UK Group, with new solutions being developed both in-house and in association with third party companies. For example, the digitalisation of payment services and securities, as well as futures and options trading, increasingly occurring electronically, both on the Barclays Bank UK Group's own systems and through other alternative systems, and becoming automated.

The rapid development in AI is another area the Barclays Bank UK Group is monitoring closely. This includes the identification of potential use cases for responsible adoption of AI in the Barclays Bank UK Group's own operations as well as managing the salient risks and other threats third party usage of AI may pose, including with respect to intellectual property ownership and infringement, cybersecurity, antitrust and fraud. For example, while the Barclays Bank UK Group may use AI technologies in connection with the creation or development of various materials, including software code, the Barclays Bank UK Group may be unable to protect such materials with copyrights or patents given the position of courts and intellectual property offices in the United States and in some other jurisdictions that human inventorship is required for patent protection of an AI-generated invention and human authorship is required for copyright protection of an AI-generated work of authorship. This is still an evolving area of the law, which creates uncertainty that could impact the Barclays Bank UK Group's ability to obtain intellectual property protection in AI-generated inventions and works of authorship.

Introducing new forms of technology has the potential to increase inherent risk. Failure to evaluate, actively manage and closely monitor risk during all phases of business development and implementation could introduce new vulnerabilities and security flaws and have a material adverse effect on the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

d) Fraud

The nature of fraud is wide-ranging and continues to evolve, as criminals seek opportunities to target the Barclays Bank UK Group's business activities and exploit changes in customer behaviour and product and channel use (such as the increased use of digital products and enhanced online services). Fraud attacks vary, can be highly sophisticated, and can be orchestrated by organised crime groups or individuals. Fraudsters use various techniques to target customers and colleagues directly (i.e. third party fraud) or Barclays Bank UK Group directly (i.e. first party fraud). In the UK, APP (Authorised Push Payment) scams are a growing fraud type where customers are deceived to transfer funds from their accounts to bad actors. Fraud can also be committed by one or more employees and workers of an entity (i.e. internal fraud) or may manifest as unauthorised trading fraud. The impact from fraud can lead to customer harm, financial losses to both Barclays Bank UK Group and its customers, loss of business, missed business opportunities and reputational damage, all of which could have a material adverse impact on the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

e) Data management, information protection and AI

The Barclays Bank UK Group holds and processes large volumes of data, including personal information, financial data and other confidential information, and the Barclays Bank UK Group's businesses are subject to complex and evolving laws and regulations governing the privacy and protection of data, including Regulation (EU) 2016/679 (the General Data Protection Regulation as it applies in the EU and the UK). This data could relate to: (i) the Barclays Bank UK Group's clients, customers, prospective clients and customers and their employees; (ii) clients and customers of the Barclays Bank UK Group's clients and customers and their employees (iii) the Barclays Bank UK Group's suppliers, counterparties and other external parties, and their employees; and (iv) the Group's employees and prospective employees. This data may also be held and processed for the Barclays Bank UK Group by third-party vendors, partners, or suppliers which therefore exposes the Barclays Bank UK Group to risks from vulnerabilities and non-compliance in its supply chain.

Data, including personal information, is subject to external as well as internal (whether intentional or accidental) security risks. Concerns regarding the effectiveness of the Barclays Bank UK Group's measures to safeguard data, including personal information, or even the perception that those measures are inadequate, could expose the Barclays Bank UK Group to the risk of loss or unavailability of data or data integrity issues and/or cause the Barclays Bank UK Group to lose existing or potential clients and customers, and thereby reduce the Barclays Bank UK Group's revenues. Furthermore, any failure or perceived failure by the Barclays Bank UK Group to comply with applicable privacy or data protection laws and regulations may subject it to potential contractual liability, claims, litigation, regulatory or other government action (including significant regulatory fines) and require changes to certain operations or practices which could also inhibit the Barclays Bank UK Group's development or marketing of certain products or services, or increase the costs of offering them to customers. Any of these events could damage the Barclays Bank UK Group's reputation, subject the Barclays Bank UK Group to material fines or other monetary penalties, make the Barclays Bank UK Group liable for the payment of compensatory damages, divert management's time and attention, lead to enhanced regulatory oversight and otherwise materially adversely affect its business, results of operations, financial condition and prospects.

In addition, increased adoption of AI technologies, which rely on the collection of large amounts of data, including personal information, and use of such data for training purposes, has led legislators in numerous jurisdictions to propose and adopt new laws addressing AI-related usage of personal information and data protection authorities around the world to adopt new and evolving interpretations of existing data protection laws in light of such technology, in both cases, imposing specific obligations with respect to the processing of personal information, including required notices, consents and opt-outs. These obligations may be burdensome and costly to comply with and may affect the ways in which the Barclays Bank UK Group can collect, process, or use personal information for AI technologies, thus negatively impacting the Barclays Bank UK Group's business. Further, there is increased risk of inadvertent disclosure of confidential information or personal information in connection with the utilisation of AI technologies, whether through AI model errors, data breaches, or other vulnerabilities, which may also result in stronger regulatory scrutiny, leading to legal and regulatory investigations and enforcement actions that could negatively impact the Barclays Bank UK Group's business, even if unfounded.

For further details on data protection regulation applicable to the Barclays Bank UK Group, refer to the supervision and regulation section.

f) Processing errors

The Barclays Bank UK Group's businesses are highly dependent on its ability to process and monitor, on a daily basis, a very large number of transactions, many of which are complex and occur at high volumes and frequencies. Given Barclays Bank UK Group's diverse customer base and the increase in volume, speed, frequency and complexity of transactions, developing, maintaining and upgrading operational systems and infrastructure becomes more challenging. The risk of systems or human error, including errors produced through the integration of AI technologies, in connection with such transactions increases with these developments, as well as the potential consequences of such errors due to the speed and volume of transactions involved and the potential difficulty associated with discovering errors quickly enough to limit the resulting consequences. As the Barclays Bank UK Group works to implement AI technologies into the Barclays Bank UK Group's product and service offerings, these challenges may become more significant, as AI technologies give rise to risk of bias, errors and hallucinations which may impact the Barclays Bank UK Group's ability to accurately execute, track or report transactions. There can be no assurances that AI usage will enhance the Barclays Bank UK Group's product or services offerings, and any such errors or inaccuracies resulting from AI usage could result in competitive or reputational harm or increased legal liability. Furthermore, events that are wholly or partially beyond the Barclays Bank UK Group's control, such as a spike in transaction volume, could adversely affect the Barclays Bank UK Group's ability to process transactions or provide banking and payment services.

Processing errors could result in the Barclays Bank UK Group, among other things: (i) failing to provide information, services and liquidity to clients and counterparties in a timely manner; (ii) failing to settle and/or confirm transactions; (iii) causing funds transfers and/or other transactions to be executed erroneously, illegally or with unintended consequences; and (iv) adversely affecting financial markets. Any of these events could materially disadvantage the Barclays Bank UK Group's customers, clients and counterparties (including them suffering financial loss) and/or result in a loss of confidence in the Barclays Bank UK Group which, in turn, could have a material adverse effect on the Barclays Bank UK Group's business, results of operations, financial condition and prospects. Any of these events could also lead to breaches of laws, rules or regulations and, hence, regulatory enforcement actions, which could result in significant financial loss, imposition of additional capital requirements, enhanced regulatory supervision and reputational damage.

g) Supplier exposure

The Barclays Bank UK Group depends on suppliers for the provision of many of its services and the development of technology, including AI technology. Whilst the Barclays Bank UK Group depends on suppliers, it remains fully accountable to its customers and clients for risks arising from the actions of suppliers and may not be able to recover from its suppliers any amounts paid to customers and clients for losses suffered by them. The dependency on suppliers and sub-contracting of outsourced services introduces concentration risk where the failure of specific suppliers could have an impact on the Barclays Bank UK Group's ability to continue to provide material services to its customers. In addition, the use of third party AI technologies may also expose the Barclays Bank UK Group to third party infringement or misappropriation claims, as well as privacy and data protection related claims, as it can be very difficult, if not impossible, to validate the processes used by third-party AI technology providers in their collection and use of data in developing and training AI technologies or the conversion of inputs to outputs. Failure to adequately manage supplier risk could have a material adverse effect on the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

h) Estimates and judgements relating to critical accounting policies and regulatory disclosures

The preparation of financial statements requires the application of accounting policies and judgements to be made in accordance with IFRS. Regulatory returns and capital disclosures are prepared in accordance with the relevant capital reporting and liquidity requirements and also require assumptions and estimates to be made. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements and regulatory returns and disclosures, include credit impairment provisions fair value of financial instruments, goodwill and intangible assets, the calculation of RWAs, capital and liquidity metrics, and provisions including conduct and legal, competition and regulatory matters (please refer to the notes to the audited financial statements for further details). There is a risk that if the judgement exercised, or the estimates or assumptions used, subsequently turn out to be incorrect or are altered as a result of assurance work or subsequent feedback from the Barclays Bank UK Group's regulators, this could result in material losses to the Barclays Bank UK Group, beyond what was anticipated or provided for, including as a result of changes to treatments or stated capital or liquidity in regulatory returns and capital and liquidity disclosures. If capital and liquidity requirements are not met as a result of changes in interpretation, compliance with the Barclays Bank UK Group's distribution policy could be impacted and/or additional measures may be required to strengthen the Barclays Bank UK Group's capital or leverage position, which may also lead to the Barclays Bank UK Group's inability to achieve stated targets. Further development of accounting standards and regulatory interpretations could also materially impact the Barclays Bank UK Group's results of operations, financial condition and prospects.

i) Tax risk

The Barclays Bank UK Group is required to comply with the tax laws and practice of all countries in which it has business operations. There is a risk that the Barclays Bank UK Group could suffer losses due to additional tax charges, other financial costs or reputational damage as a result of failing to comply with such laws and practice (including where the Barclays Bank UK Group's interpretation of such laws differs from the interpretation of tax authorities), or by failing to manage its tax affairs in an appropriate manner. In addition, increasing tax authority focus on customer tax reporting requirements for UK and international customers and the digitalisation of the administration of tax has potential to increase the Barclays Bank UK Group's tax compliance obligations further. In 2023, the UK Government enacted legislation on the OECD Inclusive Framework on Base Erosion and Profit Shifting Pillar Two Framework introducing a global minimum tax rate of 15%. The UK's Pillar Two rules applied from 1 January 2024 and increased the Barclays Bank UK Group's tax compliance obligations. This tax regime requires systems and process changes that introduce potential additional operational risks.

j) Ability to hire and retain appropriately qualified employees

As a regulated financial institution, the Barclays Bank UK Group requires diversified and specialist skilled colleagues. The Barclays Bank UK Group's ability to attract, develop and retain a diverse mix of talent is key to the delivery of its core business activity and strategy. This is impacted by a range of external and internal factors, such as macroeconomic factors, labour, immigration and related policies in the jurisdiction in which the Barclays Bank UK Group operates, and regulatory limits on compensation for senior executives. Failure to attract or prevent the departure of appropriately qualified and skilled employees could have a material adverse effect on the Barclays Bank UK Group's business, results of operations, financial condition and prospects. Additionally, this may result in disruption to service which could in turn lead to customer harm and reputational damage.

For further details on the Barclays Bank UK Group's approach to operational risk, refer to the operational risk management and operational risk performance sections.

v) Model risk

Model risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. The Barclays Bank UK Group relies on models to support a broad range of business and risk management activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures (including the calculation of impairment), conducting stress testing, calculating RWAs and assessing capital adequacy, supporting new business acceptance, risk and reward evaluation, managing client assets, and meeting reporting requirements.

Models are imperfect representations of reality as they rely on simplifying assumptions; as such they are subject to intrinsic uncertainty as well as errors and inappropriate use. This may be exacerbated when dealing with unprecedented scenarios, as was the case during the COVID-19 pandemic, when simplifying assumptions were required due to the lack of reliable historical reference points and data. Model uncertainty, errors and inappropriate use may result in (among other things) the Barclays Bank UK Group making inappropriate business decisions and/or inaccuracies or errors in the Barclays Bank UK Group's risk management and regulatory reporting processes. This could result in a significant financial loss, imposition of additional capital requirements, enhanced regulatory supervision and reputational damage, all of which could have a material adverse effect on the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

For further details on the Barclays Bank UK Group's approach to model risk, refer to the model risk management and model risk performance sections.

vi) Compliance Risk

Compliance Risk is the risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Barclays Bank UK's products and services (conduct risk) and the risk to Barclays Bank UK Group, its clients, customers or markets from a failure to comply with the laws, rules and regulations (LRR) applicable to the firm (LRR risk). This risk could manifest itself in a variety of ways, including:

a) Market conduct

The Barclays Bank UK businesses are exposed to risk from potential non-compliance with its policies and standards (which incorporates regulatory requirements set by law and the Barclays Bank UK Group's regulators) and instances of wilful and negligent misconduct by employees, all of which could result in potential customer and client harm, enforcement action (including regulatory fines and/or sanctions), increased operation and compliance costs, redress or remediation or reputational damage which in turn could have a material adverse effect on the Barclays Bank UK business, financial condition and prospects. Examples of employee misconduct which could have a material adverse effect on the Barclays Bank UK business include: (i) improperly selling or marketing the Barclays Bank UK products and services; (ii) engaging in insider trading, market manipulation or anti-competitive or collusive behaviour (iii) misappropriating confidential or proprietary information belonging to Barclays Bank UK, its customers or third parties. These risks may be exacerbated in circumstances where the Barclays Bank UK is unable to rely on physical oversight and supervision of employees, noting the move to a hybrid working model for many colleagues.

b) Customer protection

The Barclays Bank UK must ensure that its customers, particularly those that are vulnerable, are able to make well-informed decisions on how best to use the Barclays Bank UK financial services and understand the protection available to them if something goes wrong. Poor customer outcomes can result from the failure to: (i) communicate fairly and clearly with customers; (ii) provide services in a timely and fair manner; (iii) handle and protect customer data appropriately; (iv) undertake appropriate activity to address customer harm, including the adherence to regulatory and legal requirements on complaint handling: and (v) provide fair value for the product. Barclays Bank UK is at risk of financial loss and reputational damage, and also at risk of regulatory censure or enforcement action resulting from failure to manage and oversee customer outcomes and fully embed compliance with Consumer Duty requirements.

c) Product design and review risk

Products and services must meet the needs of clients, customers, markets and the Barclays Bank UK throughout their life cycle. However, there is a risk that the design and review of the Barclays Bank UK's products and services fail to reasonably consider and address potential or actual negative outcomes for customers, which may result in customer harm, enforcement action (including regulatory fines and/or sanctions), redress and remediation and reputational damage. Both the design and review of products and services are a key area of focus for regulators and the Barclays Bank UK.

d) Conflicts of interest

Identifying and managing conflicts of interest is fundamental to the conduct of Barclays Bank UK business, relationships with customers, and the markets in which the Barclays Bank UK operates. Understanding the conflicts of interest that impact or potentially impact the Barclays Bank UK enables them to be identified, managed and mitigated appropriately. Even if there is no evidence of improper actions, a conflict of interest can create an appearance of impropriety that undermines confidence in the Barclays Bank UK Group and its employees. If the Barclays Bank UK does not identify and manage conflicts of interest (business or personal) appropriately, it could have an adverse effect on the Barclays Bank UK's business, customers and the markets within which it operates.

e) Regulatory focus on culture and accountability

Regulators around the world continue to emphasise the importance of culture and personal accountability and enforce the adoption of adequate internal reporting and whistleblowing procedures to help to promote appropriate conduct and drive positive outcomes for customers, colleagues, clients and markets. The requirements and expectations of the UK Senior Managers Regime, Certification Regime and Conduct Rules reinforce additional accountabilities for individuals across the Barclays Bank UK with an increased focus on governance and rigour. Failure to meet these requirements and expectations may lead to regulatory sanctions, both for the individuals and the Barclays Bank UK.

f) Laws, rules and regulations

Barclays is subject to a range of laws, rules and regulations. A failure to comply with these may have an adverse effect on the Barclays Bank UK's business, customers and the markets within which it operates and could result in reputational damage, penalties, damages or fines.

For further details on the Barclays Bank UK's approach to Compliance Risk, refer to the compliance risk management and compliance risk performance sections.

vii) Reputation risk

Reputation risk is the risk that an action, transaction, investment, event, decision or business relationship will reduce trust in the Barclays Bank UK Group's integrity and/or competence.

Any material lapse in standards of integrity, compliance, customer service or operating efficiency may represent a potential reputation risk. Stakeholder expectations constantly evolve, and so reputation risk is dynamic and varies between geographical regions, groups and individuals. A risk arising in one business area can have an adverse effect upon the Barclays Bank UK Group's overall reputation and any one transaction, investment or event (in the perception of key stakeholders) can reduce trust in the Barclays Bank UK Group's integrity and competence. The Barclays Bank UK Group's association with sensitive topics and sectors has been, and in some instances continues to be, an area of concern for stakeholders, including: (i) the financing of, and investments in, businesses which operate in sectors that are sensitive because of their relative carbon intensity or local environmental impact; (ii) potential association with human rights violations (including combating modern slavery) in the Barclays Bank UK Group's operations or supply chain and by clients and customers; and (iii) the financing of businesses which manufacture and export military and riot control goods and services.

Reputation risk could also arise from negative public opinion about the actual, or perceived, manner in which the Barclays Bank UK Group (including its employees, clients and other associations) conducts its business activities, or the Barclays Bank UK Group's financial performance, as well as actual or perceived practices in banking and the financial services industry generally. Modern technologies, in particular online social media channels and other broadcast tools that facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the distribution and effect of damaging information and allegations. Negative public opinion may adversely affect the Barclays Bank UK Group's ability to retain and attract customers, in particular, corporate and retail depositors, and to retain and motivate staff. It could also have a material adverse effect on the Barclays Bank UK Group's business, results of operations, financial condition and prospects. Claims of potential greenwashing arising from sustainability-related statements made by the Barclays Group may also give rise to reputation risk.

In addition to the above, reputation risk has the potential to arise from operational issues or conduct matters which cause harm to customers, clients, market integrity, effective competition or the Barclays Bank UK Group (refer to 'iv) Operational risk' above).

For further details on the Barclays Bank UK Group's approach to reputation risk, refer to the reputation risk management and reputation risk performance sections.

viii) Legal risk and legal, competition and regulatory matters

The Barclays Bank UK Group conducts diverse activities in a highly regulated global market which exposes it and its employees to legal risk arising from: (i) the multitude of laws, rules and regulations that apply to the activities it undertakes, which are highly dynamic and may be unclear in their application to particular circumstances especially in new and emerging areas; and (ii) the diversified and evolving nature of the Barclays Bank UK Group's businesses and business practices. In each case, this exposes the Barclays Bank UK Group and its employees to the risk of loss or the imposition of penalties, damages or fines from the failure of members of the Barclays Bank UK Group to meet applicable laws, rules, regulations or contractual requirements or to assert or defend their intellectual property rights. Legal risk may arise in relation to any number of the material existing and emerging risks identified above.

A breach of applicable laws, rules and/or regulations by the Barclays Bank UK Group or its employees could result in criminal prosecution, regulatory censure, potentially significant fines, remedial orders and other sanctions. Where clients, customers or other third parties are harmed by the Barclays Bank UK Group's conduct, this may also give rise to civil legal proceedings, including class actions. Other legal disputes may also arise between the Barclays Bank UK Group and third parties relating to matters such as breaches or enforcement of legal rights or obligations arising under contracts, statutes or common law. Adverse findings in any such matters may result in the Barclays Bank UK Group being liable to third parties or may result in the Barclays Bank UK Group's rights not being enforced or not being enforced in the manner intended or desired by the Barclays Bank UK Group.

Although the Barclays Bank UK Group never operated in the motor finance market in the UK, the wider financial industry may be impacted by the October 2024 Court of Appeal judgments on commission arrangements in the motor finance industry, subject to the result of the appeals of those judgments to the Supreme Court, and to the FCA's ongoing review of the motor finance market. In December 2024, the FCA announced an extension to the time motor finance firms have to handle complaints on lender commissions until after 4 December 2025, following on from the Court of Appeal's judgments in Johnson v FirstRand Bank, Wrench v FirstRand Bank and Hopcroft v Close Brothers Ltd [2024] EWCA Civ 1282. The decisions in these cases could, subject to these appeals, impact the availability and terms of financing, risk of future claims, and likelihood of a FCA consumer redress scheme. There could also be wider market and industry implications of the judgments and/or the appeals, which could adversely affect the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

Further details of legal, competition and regulatory matters to which the Barclays Bank UK Group is currently exposed are set out in Note 24. In addition to matters specifically described in Note 24, the Barclays Bank UK Group is engaged in various other legal proceedings which arise in the ordinary course of business. The Barclays Bank UK Group is also subject to requests for information, investigations and other reviews (including skilled person reviews) by regulators, governmental and other public bodies. These may be in connection with business activities in which the Barclays Bank UK Group is, or has been, engaged, or areas of particular regulatory focus, such as financial crime, money laundering or terrorist financing. The Barclays Bank UK Group may also (from time to time) be subject to claims and/or legal proceedings and other investigations relating to financial and non-financial disclosures made by members of the Barclays Bank UK Group (including, but not limited to, regulatory capital and liquidity reporting and ESG disclosures). Additionally, due to the increasing number of new climate and sustainability-related laws and regulations, growing demand from investors and customers for sustainable products and services, and regulatory and NGO scrutiny, financial institutions, including the Barclays Bank UK Group, may through their business activities face increasing litigation, conduct, enforcement and contract liability risks related to climate change, environmental degradation and other social, governance and sustainability-related issues. In particular, there has been an increasing focus on greenwashing risk this year. Certain stakeholders have taken legal action (including under "soft law" mechanisms) against the Barclays Bank UK Group, and others (including regulators, campaign groups and customers) may decide to do so in the future for allegedly financing or contributing to climate change, environmental degradation and other social, governance and sustainability-related issues, or because the Barclays Bank UK Group's response to climate change or other ESG factors is perceived to be ineffective, insufficient or inappropriate, including relative to the Barclays Bank UK Group's stated ambitions. Furthermore, there are laws and regulatory processes and policies seeking to restrict or prohibit doing certain business with entities identified as "boycotting" or "discriminating" against particular industries or considering ESG factors in their investment processes, including to protect the energy and other high carbon sectors from any risks of divestment or challenges in accessing finance.

The outcome of legal, competition and regulatory matters, both those to which the Barclays Bank UK Group is currently exposed and any others which may arise in the future, is difficult to predict (and any provision made in the Barclays Bank UK Group's financial statements relating to those matters may not be sufficient to cover actual losses). In connection with such matters, the Barclays Bank UK Group may incur significant expense, regardless of the ultimate outcome, and any such matters could expose the Barclays Bank UK Group to any of the following outcomes: substantial monetary damages, settlements and/or fines; remediation of affected customers and clients; other penalties and injunctive relief; additional litigation; criminal prosecution; the loss of any existing agreed protection from prosecution; regulatory restrictions on the Barclays Bank UK Group's business operations including the withdrawal of authorisations; increased regulatory compliance requirements or changes to laws or regulations; suspension of operations; public reprimands or censure; loss of significant assets or business; a negative effect on the Barclays Bank UK Group's reputation; loss of confidence by investors, counterparties, clients and/or customers; risk of credit rating agency downgrades; potential negative impact on the availability and/or cost of funding and liquidity; and/or dismissal or resignation of key individuals. In light of the uncertainties involved in legal, competition and regulatory matters, there can be no assurance that the outcome of a particular matter or matters (including formerly active matters or those arising after the date of this Annual Report) will not have a material adverse effect on the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

ix) Financial crime risk

Financial crime risk is the risk that the Barclays Bank UK Group and its associated persons (employees or third parties) commit or facilitate financial crime, and/or the Barclays Bank UK Group's products and services are used to facilitate financial crime.

Financial crime is categorised into four areas of risk, relating to, bribery & corruption, money laundering & terrorist financing, tax evasion facilitation and sanctions, including proliferation financing. The Barclays Bank UK Group is subject to numerous laws and regulations governing these areas, including certain "failure to prevent" offences whereby the Barclays Bank UK Group may be liable for failure to prevent crimes carried out by persons associated with it.

Bribery and corruption occur where a person improperly obtains or retains business, improperly secures a business or personal advantage and induces another person to perform their role in breach of an expectation of good faith, impartiality, or trust. Risks related to bribery and corruption may arise for the Barclays Bank UK Group in connection with (i) employees/prospective employees who have connections to external stakeholders, Politically Exposed Persons, or public officials; (ii) different types of payments and expenses such as facilitation payment requests, gifts and entertainment, charitable donations, commercial sponsorships and political donations; (iii) certain types of funding provided to customers with increased exposure to public officials; (iv) third parties who are engaged by the Barclays Bank UK Group to win or retain business; (v) the Barclays Bank UK Group's proprietary investments, joint ventures and mergers and acquisition or (vi) suppliers who act for and on behalf of the Barclays Bank UK Group.

Money laundering and terrorist financing have been identified as major threats to the international financial services community and therefore to the Barclays Bank UK Group. The Barclays Bank UK Group must comply globally with UK legislation designed to prevent, detect and disrupt money laundering and to combat terrorism. As a transatlantic bank, the Barclays Group also takes into account European Union (EU) and United States (US) Anti-Money Laundering and Counter Terrorist Financing requirements, as well as guidance issued by bodies such as the Wolfsberg Group and the European Banking Authority.

Tax evasion is a financial crime and a predicate offence to money laundering in the UK and in many other countries in which we operate. The Barclays Bank UK Group may be exposed to risks associated with tax evasion by virtue of its interactions with customers and clients or in connection with employees or third parties acting on our behalf.

As a global financial institution, the Barclays Bank UK Group must comply with applicable sanctions laws and regulations in every jurisdiction in which it operates, or which apply to it because of its place of incorporation. Sanctions restrict activities with targeted countries, governments, entities, individuals, and industries.

The laws and regulations associated with financial crime risks can have broad application and, in certain circumstances, may have extraterritorial application. Failure to appropriately manage the risks associated with these four areas undermines market integrity and may result in harm to the Barclays Bank UK Group's clients, customers, counterparties or employees, diminished confidence in financial products and services, damage to the Barclays Bank UK Group's reputation, regulatory breaches and/or financial penalties.

Climate risk management

In Barclays' Climate Risk Framework, Climate Risk is defined as the risk of financial losses arising from climate change, through physical risks and risks associated with transitioning to a lower carbon economy.

Physical risk: 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 risk: 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 physical and transition risks of climate change have the potential to drive other Principal Risks. For Barclays Bank UK Group, the impacts of climate risks are most pronounced in our 'elevated' portfolios, UK Mortgages and Business Banking Agriculture, through credit risk. These portfolios are therefore the primary focus for scenario analysis and carbon modelling within Barclays Bank UK Group. In the UK Mortgages portfolio this could materialise as impacts to affordability (i.e. through damage caused by flooding, or high insurance premiums) and devaluation of house prices (i.e. due to poor energy efficiency). Within Business Banking Agriculture, physical risks have the potential to drive declines in yield, whilst transition risks such as emissions taxation have the potential to increase costs, both impacting profitability.

Given the significance of climate change, and to support the Barclays Group's ambition to be a net zero bank by 2050, Climate Risk is a Principal Risk under Barclays' ERMF.

The Barclays Group has developed a Climate Risk Framework (CRF) for financial and operational risks stemming from climate change. This enables Barclays to foster a 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 (including Operational) 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 definitions 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 the 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 Climate Risk Framework, Climate Risk Policy and Climate Risk Standard are applicable for Barclays' business activities, with a focus on lending, 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 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 ones. The Group regularly reviews its approach and practices for alignment with regulatory developments and leading practices for climate risk.

Organisation, Roles & Responsibilities

The Barclays Group Head of Climate Risk is the Principal Risk owner accountable for the management and oversight of the climate risk profile. The Barclays 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 Head of Barclays Bank UK Climate Risk chairs the Barclays UK Climate Risk Forum. The Barclays UK Climate Risk Forum oversees the management of climate risk within Barclays Bank UK Group and undertakes duties such as recommending climate risk mandates and limits, monitoring the Barclays Bank UK Group climate risk profile, adherence with risk appetite, and considering emerging risks or expected trends pertaining to Barclays Bank UK Group elevated and non-elevated sectors. The Barclays UK Climate Risk Forum also monitors physical and transition risk exposure and reviews risk measurement developments in relation to risk appetite, stress testing, scenario analysis and stress loss quantification. The Barclays UK Climate Risk Forum escalates to the Barclays UK Risk Committee and also to the Barclays Group Climate Risk Committee (CRC). The Barclays UK Sustainability Oversight Forum was introduced in 2024 to formalise second line oversight of the first line's sustainability strategy and ensure review and challenge of the Barclays UK business' integration of Climate Risk.

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

Governance	Board Risk Committee (BRC)	Board Sustainability Committee (BSC)
	Group Risk Committee (GRC)	Group Sustainability Committee (GSC)
Risk	Credit, market, treasury & capital and operational risks	Sustainability matters and reputation risk associated with climate change

A control environment for Climate Risk has been established in alignment with 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 are responsible for performing climate risk specific reviews to support the embedding of the Climate Risk Framework.

Risk Appetite

Barclays' approach to setting risk appetite for climate risk is aligned to its ambition to be a net zero bank by 2050 and reducing financed emissions in line with 2030 financed emissions targets. Barclays has established a risk appetite for climate risk at the Group level. The 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.

Climate risk appetite is managed through 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. 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. The Climate Risk Appetite Constraint requires that financed emissions are managed in line with disclosed targets. Barclays Bank UK came into scope of the Climate Risk Appetite Constraint in Q1 2024 following the announcement of the BlueTrack Dairy and Livestock sector financed emissions target. Barclays Bank UK were tested against, and passed, the Climate Risk Appetite Constraint in late 2024. Alongside regular monitoring of the Dairy & Livestock sector's financed emissions, Barclays Bank UK has introduced key risk indicators and limits to manage risk and track progress towards our targets.

Risk Identification

Physical and transition risk drivers can lead to adverse financial impacts through various transmission channels. Transmission channels are causal chains that explain how climate risk drivers impact firms such as the Barclays Bank Group, either directly through their own operations and infrastructure or indirectly through their financing and investment activities. Through these transmission channels, risks for Barclays may materialise in its traditional risk categories such as credit risk, market risk, treasury and capital risk, and operational risk. The impact of climate risk drivers may be significant and widespread, affecting companies, households and the general economy leading to potential financial system contagion.

Barclays' work on assessing climate-related risks have been focused on the short (0-1 year) and medium term (1-5 years) horizons, in line with our financial planning cycle. The longer-term climate (> 5years) risks have been considered using both quantitative approaches, such as reverse stress testing, and qualitative analysis. The effects of climate risk drivers through macro and micro transmissions channels are observed in Barclays' portfolio through traditional risk categories such as credit risk, market risk, treasury and capital risk, operational risk (including legal risk). The below table provides examples of how Barclays' Climate Risk framework considers potential key effects of climate risk drivers on Barclays' Principal Risk types.

Principal risk	Example effects of climate risk drivers
Credit risk	A changing climate (i.e. more frequent and more intense physical hazards) and society's response (i.e. increased transition factors such as new policies or technologies to reduce carbon emissions) impacts Credit Risk. The impact on Credit Risk relates to the failure of clients, customers or counterparties to meet their obligations as a result of physical and transition risks, which may lead to potential losses and/or exposures outside the bank risk appetite in retail and wholesale credit portfolios. Climate change can drive direct impacts such as damage to fixed assets from physical hazards, leading to changes in output and increased costs. Indirect impacts may include material disruptions to supply chains and shifting demand for goods and services. Transition factors such as low-carbon policies or technologies could also change the value and creditworthiness of counterparties clients and customers.
Market risk	The impact on Market Risk relates to potential adverse changes in the value of the firm's assets and liabilities from fluctuations in market variables as a result of physical and transition risks, which may lead to potential losses due to changes in equity and commodity prices and credit spreads. Either physical hazards or transition risk factors have the potential to trigger large, sudden and negative price adjustments where climate risk has not yet been incorporated into prices, driving additional Market Risk. Fluctuations in markets and prices in susceptible sectors or countries could drive losses to the value of the Bank's assets and liabilities.
Treasury & capital risk	The impact on Treasury & Capital Risk relates to the impact on the capital requirements and liquidity funding requirements as a result of physical and transition risks, which may lead to changes in capital plans, funding plan requirements, asset and liabilities management (ALM) and exposures to changes in interest rates. Climate events can drive Treasury & Capital Risk as counterparties draw down deposits and credit lines. Physical hazards, or transition factors could lead to increased volatility which could in turn change the value of investments and drive changes to funding requirements and accessibility, capital planning, capital requirements, or hedging methodologies.
Operational risk	Physical hazards and transition risk factors can lead to impacts on the firm's own operations including damage or unsuitability of premises, disruption to business operations and supply chain and ability to recover from outages (e.g. caused by workforce, technology and third-party service providers). For example, extreme weather events can impact the operation of bank offices, branches, and support facilities such as data centres. The transition to a low-carbon economy can lead to changes in operational processes, for example to mitigate climate impacts we need to decarbonise our buildings or requirements to achieve more carbon efficient buildings. Transition risks can also drive secondary impacts on operational risks such as the risk of misreporting as a result of enhanced regulatory disclosures requirements, or physical security breaches and branch closures as a result of protests related to Barclays' lending activities.

Barclays' climate risk identification includes monitoring of the external environment including regulatory developments, climate-related litigations and market developments for identifying climate risk drivers that could affect Barclays Bank UK Group's portfolios. In addition to horizon scanning, Barclays has also developed processes to identify sectors which other Principal Risks must prioritise for further analysis and risk management activities. Following this assessment, the industry sectors that are highly exposed to climate risks are deemed to be of elevated risk. These assessments are regularly reviewed and benchmarked against external studies and research and incorporate inputs from the subject matter experts.

In the UK Retail and Business Banking portfolios, Barclays is using both internal and external data sources to identify portfolio segments that are vulnerable to subsidence and flood risks. Additionally, Energy Performance Certificate (EPC) ratings have been identified for portfolios that are particularly vulnerable to transition risk. Methodology and breakdown of exposure to these risks is available on page 71.

Risk Assessment

The Barclays Bank UK Group uses its Risk Register process to assess the potential effects of climate risk drivers on its portfolios. The Barclays Bank UK Group Risk Register contains key risks that may impact forward-looking business plans across Barclays Bank UK Group. The materiality of climate risks is derived either quantitatively (typically based on stress testing) or through qualitative estimations. The potential impact is evaluated based on adverse but plausible scenario. The Barclays Bank UK Risk Register is refreshed on at least an annual basis and is subsequently used to support strategic planning, risk management, scenario design, sensitivity analysis and capital adequacy assessments.

Barclays Bank UK has enhanced its approach to engaging with clients on climate risk, through developing a Client Transition Tool, which is a data set compiled for Barclays Bank UK Business Banking clients in Dairy & Cattle sectors for all new or refinanced lending to assess transition trajectories against Barclays' targets and benchmarks. Barclays Bank UK also implemented an enhanced Climate & Environment Lens questionnaire for clients in elevated climate risk sectors.

Across Barclays' portfolios, scenario analysis continues to form a key part of the Group's approach to assessing and quantifying the impact of climate change. In 2024, Barclays Bank UK Group was included in the Internal Stress Test, a single scenario was designed to assess Barclays' financial resiliency to both climate and traditional macroeconomic risk– and the extent to which Barclays would remain within risk appetite. Additionally, Climate factors were incorporated into a climate-based Reverse Stress Test (RST). The climate-based RST assessed both transition and physical climate risks, over a longer term horizon to understand the impact from more extreme tail events, and better understand the plausible triggers that could lead to these events unfolding sooner, or that Barclays Bank UK Group should monitor to prevent such losses. For further detail on scenario analysis, please see the Scenario Analysis section of the Climate and Sustainability report, within the Barclays PLC Annual Report.

Client Level Assessment

At a client level, the Climate & Environment Lens questionnaire is used to evaluate physical, transition and environmental risks associated with the firms operating in elevated risk sectors. During 2024, the evaluation method and the scoring criteria associated with the Climate & Environment Lens has been enhanced to deliver more accurate and improved materiality assessments. The questionnaire is completed by the Barclays Bank UK banking teams, with data collected from conversations with clients. Each question is rated as Low, Moderate or High based on the client's exposure and vulnerability to various climate and environmental risk factors. The final rating is based on scoring from all questions but not mechanically linked to them.

The Agriculture Net Zero Forum was established to review all new lending or refinancing requests over a certain threshold from clients in the Dairy and Cattle sectors. The review is focused on the clients' plans to adapt and transition to a low-carbon economy and a recommendation is made for further lending decisions. As of 2024, it is a requirement that the Client Transition Tool form is completed for clients in Dairy & Cattle sectors for all new or refinanced lending. This allows Barclays Bank UK Group to enhance our understanding of the transition risk profiles of clients in these sectors.

Capital & Liquidity Risk Assessment

For Treasury and Capital Risk (TCR), climate risk considerations have also been incorporated into the Internal Capital Adequacy Assessment Process (ICAAP) and Liquidity Adequacy assessment Process (ILAAP). Barclays has integrated climate risk variables and climate stress scenarios in the Group-wide internal stress testing framework to understand and quantify potential impact on Barclays' capital position. For liquidity risk, the assessment is informed by the application of industry and country classifications and evaluated using internal stress testing and portfolio specific analysis to determine material areas of risk (e.g. by asset class or product type) that could impact funding and liquidity ratios. For Pension Risk, key risk indicators based on the impact of physical and transition risk drivers on the pension fund have been defined. These are reviewed and monitored on a quarterly basis.

Operational Risk Assessment

For operational risk, climate-related risks continue to be assessed as part of existing business-as-usual operational risk processes. This includes working with Premises and Operational Recovery Planning teams to evaluate and respond to climate-related impacts and regulatory requirements. Climate factors have been integrated into Structured Scenario Assessments, which capture extreme but plausible operational tail risks.

Risk Monitoring and Reporting

Barclays' monitoring approach for climate risk is designed to track climate-related exposures across portfolios, leveraging risk metrics, latest insights and periodic assessments for alignment with risk appetite and climate goals.

Mandate & scale

Mandate & scale exposure controls translate risk appetite into a detailed series of limits to control day-to-day risk taking. Barclays has implemented climate-aware limits and controls for priority sectors, including BlueTrack™ measures of emissions intensity. For Barclays Bank UK Group, physical and transition risk mandates are in place for the UK Mortgages and Business Banking Agriculture portfolios.

Barclays UK Climate Risk Dashboard

The Barclays UK Climate Risk Dashboard contains quantitative metrics on the climate risk profile of Barclays Bank UK Group portfolios. The Barclays UK Climate Risk Dashboard is reviewed at the Barclays UK Climate Risk Forum & Barclays UK Risk Committee on a quarterly basis. This is used to inform progress against sector targets, current exposure to portfolios with high physical and transition risks, concentrations, trends across industry sectors, portfolios and regions. As of 2024, the Barclays UK Concentration Risk Framework was introduced to provide enhanced granularity of Barclays Bank UK Group's climate risk profile. The Concentration Risk Framework is reviewed at the Barclays UK Climate Risk Forum on a quarterly basis. For further detail on this, see climate risk Performance.

Credit risk management (audited)

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

Overview

The credit risk that the Barclays Bank UK Group faces arises from retail and wholesale loans and advances together with the counterparty credit risk arising from derivative contracts with market counterparties; trading activities, including: debt securities, settlement balances with market counterparties, Fair value through other comprehensive income (FVOCI) assets and reverse repurchase loans. Wholesale lending in the Barclays Bank UK Group includes Business Banking and Education, Social Housing and Local Authorities (ESHLA).

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 Barclays Bank UK 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, 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 Barclays Bank UK Group, 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 Barclays UK Risk Committee.

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.

The responsibilities of the credit risk management teams in the businesses, the sanctioning team and other shared services include: sanctioning new credit agreements; 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 and maintaining robust collections and recovery processes/units for retail portfolios. The credit risk management teams in the Barclays Bank UK Group are accountable to the Barclays Bank UK Group CRO who, in turn, reports to the Barclays Group CRO.

For wholesale portfolios, credit risk managers are organised in sanctioning teams by client portfolio. In the 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 entrusted with the higher levels of delegated authority. The largest credit exposures require the support of the Barclays Bank UK PLC Senior Credit Officer. For exposures in excess of the Barclays Bank UK PLC Senior Credit Officer's authority, approval by the Barclays Bank UK PLC CRO is also required. Where exposures are also of Barclays Group level significance, the Barclays Group Credit Risk Committee, attended by the Barclays Bank UK PLC Senior Credit Officer, provides a formal mechanism for the Barclays Group Senior Credit Officer to exercise the highest level of credit authority.

Credit risk mitigation

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

- netting and set-off
- collateral
- risk transfer

Netting and set-off

Credit risk exposures can be reduced by applying netting and set-off. For derivative transactions, the Barclays Bank UK Group's normal practice is 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.

Collateral

The Barclays Bank UK Group has the ability to call on collateral in the event of default of the counterparty, comprising:

- **home loans:** a fixed charge over residential property in the form of houses, flats and other dwellings
- **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 and finance lease receivables
- **derivatives:** the Barclays Bank UK Group also often seeks to enter into a margin agreement (e.g. Credit Support Annex) with counterparties with which the Barclays Bank UK 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
- **reverse repurchase agreements:** collateral typically comprises highly liquid securities which have been legally transferred to the Barclays Bank UK Group subject to an agreement to return them for a fixed price
- **financial guarantees and similar off-balance sheet commitment**s: cash collateral may be held against these arrangements

Risk transfer

A range of instruments including guarantees 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 (credit lending notes) issuance. As these are fully funded upfront, they provide for a direct reduction in credit risk exposure on referenced pools

Market risk management (audited)

The risk of loss arising from potential adverse changes in the value of the Barclays Bank UK Group's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, credit spreads, implied volatilities and asset correlations.

Overview

Market Risk within the Barclays Bank UK Group arises from the risk management of the assets held within the liquidity pool. As a result, the market risk in the Barclays Bank UK Group is minimal. Transactions carrying market risk are executed by the Barclays Bank UK Group Treasury function.

Organisation, roles and responsibilities

The objectives of market risk management are to:

- understand and control market risk by robust measurement, limit setting, reporting and oversight
- control market risk within the allocated risk appetite

To meet the above objectives, a governance structure is in place to manage these risks consistent with the ERMF.

The Barclays Bank UK PLC Board Risk Committee recommends market risk appetite to the Barclays Bank UK PLC Board for their approval, within the parameters set by the Barclays PLC Board. The Barclays Bank UK Group CRO confirms the Barclays Bank UK Group market risk appetite with the Barclays Group CRO. The Market Risk Committee (MRC) reviews and makes recommendations concerning the Barclays Group-wide market risk profile to the Barclays Group Risk Committee. 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 Market Risk Principal Risk Lead and attendees include the business heads of market risk and business aligned market risk managers.

The Barclays Bank UK Group Treasurer is accountable for all market risks associated with its activities, whilst the Barclays Bank UK Group CRO is the senior manager accountable for oversight of market risk, in line with the Barclays Group Framework.

Treasury and capital risk management (audited)

This comprises:

Liquidity risk: The risk that the Barclays Bank UK 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 Barclays Bank UK 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 Barclays Group's pension plans.

Interest rate risk in the banking book: The risk that the Barclays Bank UK 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 Barclays Bank UK Group is exposed to capital or income volatility because of changes in credit spreads on its (non-traded) assets and liabilities.

Barclays Bank UK Group Treasury manages treasury and capital risk exposure on a day-to-day basis with the Barclays Bank UK PLC Asset and Liability Committee (ALCO) acting as the principal management body. The Barclays Bank UK Group Treasury and Capital Risk function is responsible for oversight and provides insight into key capital, liquidity, interest rate risk in the banking book (IRRBB) and pension risk management activities.The assessment and management of the Barclays Bank UK 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 beginning on page 45 of this Annual Report for further details on such judgements, assumptions and estimates, including the potential risks involved.

Liquidity risk management (audited)

Overview

The efficient management of liquidity is essential to the Barclays Bank UK Group in order to retain the confidence of the financial markets and maintain the sustainability of the business. Treasury and Capital Risk have created 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 Bank UK 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 Barclays Bank UK Treasury and Capital Risk function is responsible for the management and governance of the liquidity risk framework, consistently with Barclays PLC Group policies and framework and with Barclays Bank UK CRO mandates.

The framework established by Treasury and Capital Risk is designed to deliver the appropriate term and structure of funding, consistent with the liquidity risk appetite set by the Board.

The framework incorporates a range of ongoing business management tools to monitor and stress test the Barclays Bank UK Group's balance sheet, 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. In addition, Barclays Group maintains a recovery plan which includes application to the Barclays Bank UK Group. Adherence to limits reduces the likelihood that a liquidity stress event could lead to an inability to meet the Barclays Bank UK Group's obligations as they fall due.

The Barclays Bank UK PLC Board approves the Barclays Bank UK Group funding plan, internal stress tests, regulatory stress test results, and the Barclays Bank UK contribution to the Barclays Group recovery plan. The Barclays Bank UK PLC ALCO is responsible for monitoring and managing liquidity risk in line with the Barclays Bank UK Group's funding management objectives, funding plan and risk framework. The Barclays UK Risk Committee monitors and reviews the liquidity risk profile and control environment, providing second line oversight of the management of liquidity risk. The Barclays Bank UK PLC Board Risk Committee reviews the risk profile and approved liquidity limits at least annually and the impact of stress scenarios on the Barclays Bank UK Group funding plan/forecast in order to agree the Barclays Bank UK Group's projected funding abilities.

Capital risk management (audited)

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 Barclays Bank UK Group 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 Barclays Bank UK 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 Barclays Bank UK 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 adequacy. The Barclays Bank UK Group Treasury and Capital Risk function provides oversight of capital risk. Production of the Barclays Bank UK PLC Internal Capital Adequacy Assessment Process is the responsibility of Barclays Bank UK Group Treasury.

Capital risk management is underpinned by a control framework and policies. Capital plans reflect the capital management strategy and are implemented to deliver on the Barclays Bank UK Group's objectives, which are aligned to those of Barclays Group. The Barclays Bank UK Group-specific capital plans are developed in conformance with the Barclays Group control framework and policies for capital risk.

The Barclays Bank UK PLC Board approves the Barclays Bank UK Group capital plan, internal stress tests and results of regulatory stress tests. The Barclays Bank UK PLC Board also approves the recovery options documented in the Barclays Group recovery plan pertaining to the Barclays Bank UK Group. The Barclays Bank UK PLC ALCO is responsible for monitoring and managing capital risk in line with the Barclays Bank UK Group's capital management objectives, capital plan and risk frameworks. The Barclays UK Risk Committee monitors and reviews the capital risk profile and control environment, providing second line oversight of the management of capital risk. The Barclays Bank UK PLC Board Risk Committee reviews the risk profile, and sets risk appetite at a minimum annually and the impact of stress scenarios on the Barclays Bank UK Group capital plan/forecast in order to agree Barclays Bank UK Group's projected capital resources.

Management assures compliance with minimum regulatory capital requirements by reporting to the Barclays Bank UK PLC ALCO with oversight by the Barclays 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.

Barclays Bank UK PLC is a participating employer in the UK Retirement Fund (UKRF), whose assets and liabilities are currently held on the Barclays Bank PLC balance sheet. It is Barclays intention to sectionalise the UKRF in July 2025, with Barclays Bank UK PLC employees moving to one section and other members in a separate section. Until that date, the nature of pension risk for Barclays Bank UK PLC is contingent, specifically on a Barclays Bank PLC default. Refer to Note 28 Staff Costs for further detail.

Interest rate risk in the banking book management (IRRBB)

Overview

Interest rate risk in the banking book is driven by customer deposit taking and lending activities, investments in the liquid asset portfolio and funding activities. As per the Barclays Bank UK 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 Barclays Bank UK 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 that net interest income could be adversely impacted by 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 that net interest income could be adversely impacted by the discretion that customers and counterparties may have in respect of being able to vary from their contractual obligations with the Barclays Bank UK Group. 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 Barclays Bank UK Group ALCO, together with the Barclays Group Treasury Committee, are responsible for monitoring and managing IRRBB risk in line with the Barclays Bank UK Group's management objectives and risk frameworks. The Barclays UK Risk Committee and Treasury and Capital Risk Committee monitor and review the IRRBB risk profile and control environment, providing second line oversight of the management of IRRBB. The Barclays Bank UK Group Board Risk Committee reviews the interest rate risk profile, including setting of risk appetite at a minimum annually and the impact of stress scenarios on the interest rate risk of the Barclays Bank UK Group's banking books.

In addition, the Barclays Bank UK Group's IRRBB 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.

Operational risk management

The risk of loss to the Barclays Bank UK 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 and oversee an operational risk capability owned and used by business leaders to enable sound risk decisions over the long term
- 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 Barclays Bank UK Group's strategy, the stated risk appetite and stakeholder needs

The Barclays Bank UK Group operates within a system of internal controls that enables business to be transacted and risk taken without exposing the Barclays Bank UK Group to unacceptable potential losses or reputational damages.

Organisation, roles and responsibilities

The prime responsibility for the management of operational risk and the compliance with control requirements rests with the business and functional units where the risk arises. The operational risk profile and control environment is reviewed by business management through business risk committees 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 Profile Forum, the Operational Risk Committee, the Barclays UK Operational Risk Committee, the Barclays UK Risk Committee, the Barclays Bank UK PLC Board Risk Committee or the Barclays Bank UK PLC Board Audit Committee. In addition, specific reports are prepared by Operational Risk on a regular basis for the GRC and the Barclays Bank UK PLC Board Risk Committee.

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. Specific reports are prepared by the business and Barclays Bank UK Group Operational Risk on a regular basis for the Barclays UK Operational Risk Committee, the Barclays UK Risk Committee, and the BRC.

The Barclays Group Head of Operational Risk is responsible for establishing, owning and maintaining an appropriate Barclays Group-wide Operational Risk Framework, meanwhile the Barclays Bank UK PLC Head of Operational Risk is responsible for overseeing the portfolio of operational risk across all Barclays Bank UK Group businesses.

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 Barclays Bank UK Group's operational risk profile, including risk-based review and challenge. 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.

Operational risk categories

Operational risks are grouped into risk categories to support effective risk management, measurement and reporting. These comprise: Change Delivery Management Risk; Data & Records Management Risk; Financial Reporting Risk; Fraud Risk; Information Security Risk; Operational Recovery Planning Risk; Payments Process Risk; People Risk; Premises Risk; Physical Security Risk; Risk Reporting; Supplier Risk; Tax Risk; Technology Risk and Transaction Operations Risk.

In addition to the above, operational risk encompasses the risk associated with compliance with Group Resolution Planning Prudential regulatory requirements.

For definitions of the Barclays Bank UK Group's Operational Risk Categories and Connected Risks, refer to pages 139 to 140 of the Barclays Bank UK PLC Pillar 3 Report 2024.

Model risk management

The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.

Overview

The Barclays Bank UK 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. Strong model risk culture, appropriate technological environment, and adequate focus on understanding and resolving model limitations are crucial components.

Organisation, roles and responsibilities

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.

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.

Compliance risk management

The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Barclays Bank UK Group's products and services (Compliance Risk), and the risk its clients, customers or markets from a failure to comply with the laws, rules and regulations (LRR) applicable to the firm.

Overview

Compliance Risk incorporates market integrity, customer protection, financial crime, product design and review and the newly created Laws, Rules and Regulations risks. Barclays acts at all times to operate its business in full accordance with all applicable laws, rules and regulations, and to deliver good outcomes for / avoid harm to customers, clients and markets. Barclays will act in good faith; avoid causing foreseeable harm and enable and support customers to pursue their financial objectives.

Organisation, roles and responsibilities

The Compliance Risk Management Framework (CRMF) outlines how the Barclays Bank UK Group manages and measures its Compliance Risk Profile. The Group Chief Compliance Officer is accountable for developing, maintaining and overseeing a group-wide CRMF. The Barclays Bank UK Group Chief Compliance Officer is responsible for providing effective oversight, management and escalation of Compliance Risk in line with the CRMF at the Entity and Subsidiary level. This includes overseeing the development and maintenance of the relevant Compliance Risk policies and standards including monitoring and reporting on the consistent application and effectiveness of the implementation of controls to manage Compliance Risk. It is the responsibility of the first line of defence to establish conduct related 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 and support senior managers in 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.

The governance of Compliance Risk within the Barclays Bank UK Group is fulfilled through management committees and forums operated by the first and second lines of defence with clear escalation and reporting lines into Board level committees. The Barclays UK Risk Committee is the primary second line governance committee for the oversight of the Compliance Risk profile. The Barclays UK Risk Committee's responsibilities include the identification and discussion of any emerging Compliance Risk exposures in the Barclays Bank UK Group. A new sub-committee of the Barclays PLC Group Risk Committee was established to provide oversight on LRR risk across the Barclays PLC Group, including Barclays Bank UK. This committee is chaired by the Barclays PLC Group Chief Compliance Officer.

Reputation risk management

The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the Barclays Bank UK Group's integrity and/or competence.

Overview

A reduction of trust in the Barclays Bank UK Group's integrity and competence may reduce the attractiveness of the Barclays Bank UK 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, roles and responsibilities

The Barclays PLC Board is responsible for reviewing and monitoring the effectiveness of the Barclays Bank UK Group's management of reputation risk.

The Barclays Bank UK Group Chief Compliance Officer is responsible for overseeing the management of Reputation Risk for Barclays Bank UK Group and the Head of Public Policy and Corporate Responsibility is responsible for the publication of appropriate Reputation Risk and associated standards, including tolerances against which data is monitored, reported on and escalated, as required. The Reputation Risk Management Framework sets out what is required to manage reputation risk across the Barclays Bank UK Group, including escalations to the Group Reputation Risk Committee, as required.

Each colleague is responsible for identifying, assessing and escalating reputation risk.

The Barclays Bank UK Group is required to operate within established reputation risk appetite, and its component businesses prepare reports for its respective Risk and Board Risk Committees 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 the Barclays UK Risk Committee and the Barclays Bank UK PLC Board.

Legal risk management

The risk of loss or imposition of penalties, damages or fines from the failure of the Barclays Bank UK 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), which applies to Barclays Bank UK, comprises a number of integrated components that details how the Barclays Group identifies, manages and measures its legal risk profile.

The multitude of laws and regulations that the Barclays Bank UK Group is subject to 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, including through the implementation of Barclays 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, Barclays Bank UK Group operates with a level of residual legal risk, for which Barclays Bank UK Group has limited tolerance.

Organisation, roles and responsibilities

The Barclays Bank UK Group 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 Barclays Bank UK Group receives legal advice and support from appropriate legal professionals, working in partnership proactively to identify, manage and escalate legal risks 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 Barclays 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 Barclays Group General Counsel is responsible for developing and maintaining a Barclays Group wide LRMF. This includes defining the relevant legal risk policies, and producing the Barclays Group wide qualitative statement for legal risk as part of Barclays' risk appetite statement. The legal entity General Counsels are responsible for the adoption and effective implementation of legal risk policies in the respective legal entity.

The legal risk profile and control environment is reviewed by management through business risk committees and control committees. The Barclays UK Risk Committee is the most senior executive body responsible for reviewing and monitoring the effectiveness of risk management across Barclays Bank UK. Escalation paths from this committee exist to the Barclays Group Risk Committee and Barclays Bank UK PLC Board Risk Committee.

Financial crime risk management

The risk that the Barclays Bank UK Group and its associated persons (employees or third parties) commit or facilitate financial crime, and/or Barclays 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 Barclays reputation; regulatory breaches; and/or financial penalties.

Overview

Financial Crime risk incorporates anti-bribery and corruption, anti-money laundering, anti-tax evasion facilitation and sanctions risks.

The Barclays Bank UK Group 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 enable and support clients and customers to safely pursue their financial objectives and avoid causing negative impacts to the same through regulatory or legislative breaches, including potential or foreseeable harm, caused by financial crime.

Barclays strives to prevent exposure to, detect and/or disrupt financial crime through the execution of its end to end control framework.

Organisation, roles and responsibilities

The Financial Crime Risk Management Framework (FCRMF) outlines how the Barclays Bank UK Group manages and measures its Financial Crime risk profile. The Group Chief Compliance Officer is accountable for developing, maintaining and overseeing the Group wide FCRMF. The Legal Entity Money Laundering Reporting Officers are responsible for providing effective oversight, management and escalation of financial crime risk in line with the FCRMF at the Entity and Subsidiary level. This includes defining and owning the relevant financial crime 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 financial crime related 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 financial crime risk in accordance with the FCRMF, as defined within their regulatory Statement of Responsibilities.

Financial Crime Compliance is an independent second line function oversees that financial crime 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.

The governance of financial crime 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 the Barclays UK Risk Committee are the primary second line governance committees for the oversight of the Financial Crime Risk Profile. The risk committees' responsibilities include the identification and discussion of any emerging financial crime risk exposures in the Barclays Group and Barclays Bank Group.

Overview

Barclays has assessed the physical and transition risks associated with Corporate and Financials sectors to identify and categorise industry segments / activities with heightened vulnerability to climate risks as elevated sectors. In each sector there are a range of vulnerabilities; whilst Barclays distinguishes elevated activities within high-level sectors, not all our clients in sectors classified as elevated will have high carbon intensity or physical risk vulnerability.

For Barclays Bank UK PLC, UK Mortgages and Business Banking Agriculture have been identified as portfolios with 'elevated' exposure to the physical and transition risks of climate change. Barclays Bank UK Group has exposure to other elevated sectors in the Business Bank portfolio which are of lower materiality. Climate risk considerations have been incorporated into annual mandate and scale reviews across Barclays Bank UK Group's portfolios.

The UK Mortgages portfolio is affected by physical risks, including flooding, subsidence and coastal erosion. From a transition risk perspective, the UK Mortgages portfolio is exposed to potential changes in energy efficiency performance requirements. Both the physical and transition risks that the UK Mortgages portfolio is exposed to may impact property valuations and affordability.

The Business Banking Agriculture portfolio is exposed to the physical risks of climate change such as flooding and drought. The Dairy & Cattle sub-sector is exposed to the transition risks of climate change, including changes in consumer behaviour, as well as the potential introduction of emissions taxation given the sector's significant contribution to the UK's methane emissions.

Subsidence: Total Volume of stock (as % of total UK Mortgages portfolio) per risk band
Subsidence is driven by the interplay of precipitation, temperature and soil type factors, which result in volumetric changes to the soil. Increased volatility in weather conditions, as a result of climate change, contributes to the acceleration of subsidence impacts. Some areas, particularly those with high concentrations of clay soil for example, London, are more susceptible to subsidence. This shrink-swell impact can cause localised property level impacts, resulting in impacts to the valuation of a property, or impacts to affordability through remediation costs and high insurance premiums.

The Barclays Bank UK Group works with a third-party climate data provider to support climate risk data enhancements within the UK Mortgages portfolio. This includes the ability to map the subsidence risk at a property level. The subsidence risk scoring is based on soil properties, in particular the extent to which the soil will shrink under hot and dry weather conditions, as well as the predicted temperature and probability of extreme rainfall. These variables are combined with subsidence claims per postcode to generate a pseudo-quantitative score, where a property in class 9 is around nine times more likely as a property in class 1 to make a subsidence claim. A small proportion of the UK Mortgages portfolio is not mapped to a subsidence risk score (c.5.6%). This is due either to a lack of data coverage (i.e. the property is not covered by underlying maps), or a lack of certainty in address matching.

		As at 30 September 2024[1]	As at 30 September 2023
Risk Band	**Qualitative Risk Score**	**Volume %**	**Volume %**
0	No Subsidence Risk	—	—
1	Low	9.6	9.5
2	Low	36.1	36.0
3	Low	23.4	23.5
4	Moderate	4.7	4.7
5	Moderate	4.6	4.7
6	Moderate	3.3	3.4
7	High	2.4	2.4
8	High	—	—
9	High	0.2	0.3
10	Very High	5.3	5.4
11	Very High	—	—
12	Very High	2.6	2.6
13	Very High	—	—
14	Very High	—	—
15	Very High	2.2	2.3
Missing		5.6	5.2

Note
1 Data collected from 3rd party source based on one quarter lag, 30 September 2024 closest available dataset.

Flood: Total Volume of stock (as % of total UK Mortgages portfolio) per risk band
Flooding in the UK is forecast to increase over time, with the potential for this increase to accelerate if greenhouse gas emissions are not reduced. The increased risk of flooding has the potential to impact the valuation of properties directly, as well as indirectly where areas may become high risk and property demand falls. Remediation costs, high insurance premiums or potential lack of insurance coverage have the potential to impact affordability.

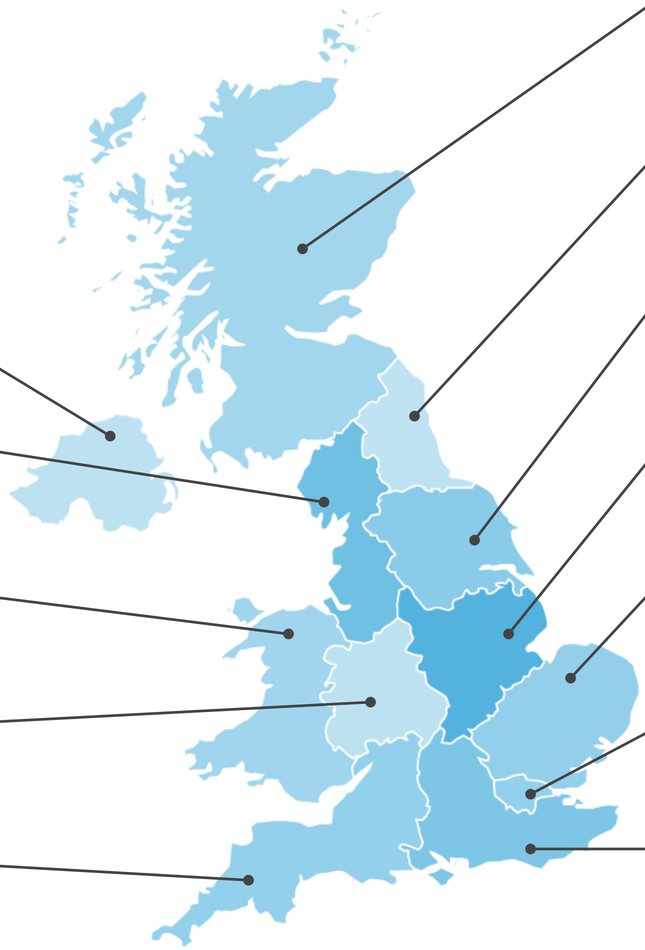
The Barclays Bank UK Group works with a third-party climate data provider to support climate risk data enhancements within the UK Mortgages portfolio. This has enabled the Barclays Bank UK Group to move from postcode level to property level flood data granularity. Flood Risk bands are based on average annual loss, generated using flood hazard frequency and flood depth from tidal, surface, pluvial and fluvial flooding and accounting for the mitigating impact of flood defences where these are present. Properties in the Moderate and High Risk bands are expected to face above average insurance costs given their elevated exposure to flood risk. Those within the Very High band and which meet certain requirements (e.g. owner occupied, built before-2009, are a single residential unit or a building comprising of two or three residential units) are considered likely to be eligible for Flood Re (a government subsidised flood insurance scheme).

	As at 30 September 2024[1]	As at 30 September 2023
Risk Band	Volume %	Volume %
Negligible	80.9	81.3
Very Low	7.6	7.6
Low	1.8	1.8
Moderate	1.6	1.6
High	2.6	2.6
Very High	1.2	1.2
Missing	4.3	3.9

Note
1 Data collected from 3rd party source based on one quarter lag, 30 September 2024 closest available dataset.

Flood: Very High & High Flood Risk Exposure per region (as % of Total Regional Exposure)
The map below represents the proportion of properties within the UK Mortgages portfolio at High and Very High risk of flood per region as a percentage of the total regional exposure (excluding Kensington Mortgage Company originated properties). The flood metrics are presented on current risk levels and are based on average annual loss, generated using flood hazard frequency and flood depth from tidal, surface, pluvial and fluvial flooding and accounting for the mitigating impact of flood defences where these are present. The mapping covers c.95% of the UK Mortgages portfolio on a total exposure basis - the remaining c.5% of properties are not currently mapped to flood risk ratings on a property level basis as a result of a lack of data coverage (i.e. the property is not covered by underlying maps), or a lack of certainty in address matching.

% of Total Lending
(as % of total UK Mortgages balances)
- High: 2.5%
- Very High: 1.0%



N. Ireland
% of Total Lending: 0.9%
of which:
- High: 1.1%
- Very High: 0.5%

North West
% of Total Lending: 6.0%
of which:
- High: 2.7%
- Very High: 1.7%

Wales
% of Total Lending: 2.3%
of which:
- High: 2.2%
- Very High: 0.6%

West Midlands
% of Total Lending: 5.2%
of which:
- High: 1.5%
- Very High: 0.5%

South West
% of Total Lending: 6.3%
of which:
- High: 2.4%
- Very High: 0.9%

Scotland
% of Total Lending: 3.7%
of which:
- High: 1.9%
- Very High: 0.9%

North East
% of Total Lending: 1.9%
of which:
- High: 1.2%
- Very High: 0.7%

Yorks & the Humber
% of Total Lending: 4.0%
of which:
- High: 2.3%
- Very High: 1.3%

East Midlands
% of Total Lending: 4.5%
of which:
- High: 2.9%
- Very High: 2.5%

East of England
% of Total Lending: 12.2%
of which:
- High: 2.4%
- Very High: 0.9%

London
% of Total Lending: 32.5%
Of which
- High: 2.6%
- Very High: 0.6%

South East
% of Total Lending: 20.6%
of which:
- High: 3.0%
- Very High: 1.0 %

Darker shades indicate higher proportion of high or very high flood risk exposure
High and Very High Flood Risk are shown as % of regional exposure

Note
Data collected from 3rd party source based on one quarter lag, 30 September 2024 closest available dataset

Coastal Erosion: Total Volume of stock (as % of total UK Mortgages portfolio) per risk band

Coastal Erosion is defined as the loss or displacement or land, or the long-term removal of sediment and rocks along the coastline due to the action of waves, currents, tides, wind-driven water, waterborne ice, or other impacts of storms. The increased volatility of weather conditions, as a result of climate change contribute to the acceleration of coastal erosion impacts.

Coastal erosion risk is calculated using the modelled hazard level and the likelihood of that particular hazard impacting the value of the property. For example, a score of 100 (Very High Risk) might be assigned to a property within an area of predicted coastline retreat. In this situation, the likelihood of the ground collapsing is high (the coastal erosion data has determined that the current surface will no longer exist in n years) and the potential severity of damage to the property is also high (the building itself could partially or completely collapse into the sea).

	As at 30 September 2024[1]	As at 30 September 2023
Risk Band	Volume %	Volume %
Negligible	94.4	94.8
Low	0.0	0.0
Moderate	0.0	0.0
Very High	0.0	0.0
Missing	5.6	5.2

Note
1 Data collected from 3rd party source based on one quarter lag, 30 September 2024 closest available dataset.

Current and Potential Energy Performance Certificate (EPC): Total Volume of stock (as % of total UK Mortgages portfolio) per EPC rating

The transition risk in the UK Mortgages portfolio is assessed via the distribution of Current & Potential EPC ratings across the portfolio. One of the levers to decarbonise the UK housing stock for the UK Government is to tighten energy efficiency requirements. In 2024, the UK Government announced that the minimum EPC rating of rental properties will be raised to EPC C (from EPC E) by 2030. It is anticipated that any tightening of minimum energy efficiency standards (MEES) will focus initially on buy-to-let properties. Buy-to-Let properties which are privately rented are currently required to have a minimum EPC rating of E. The transition risk identified has the potential to impact the valuation of properties directly, alongside impacting affordability as properties which fall under MEES may no longer be able to be rented out or the landlord may need to pay for retrofitting to be brought up to standard.

EPC ratings range from A (most efficient) to G (least efficient). Current and Potential EPC ratings are used as the basis for assessing expected energy costs but do not give a precise picture of emission intensity. The UK Mortgages portfolio is mapped to the Government EPC Register. Properties may not feature on the Government EPC Register as some properties may have never been required to have an EPC rating (not been sold or rented out since 2007), their EPC rating may have expired (EPC ratings are valid for 10 years) or the property may be in Scotland or Northern Ireland (which use separate databases). Whilst Barclays' proportion of 'missing EPC ratings' has declined year on year, the issue of missing EPC ratings is prevalent across the industry.

Current EPC: Residential and Buy-to-let balances and volume of stock per EPC rating as at September 2024[1]

Current EPC Rating	Residential Mortgage Balances	Balance as % of Residential Mortgages portfolio	Volume as % of Residential Mortgages portfolio	Buy-to-Let Mortgage Balances	Balance as % of Buy-to-Let Mortgages portfolio	Volume as % of Buy-to-Let Mortgages portfolio
	£m	%	%	£m	%	%
A	601	0.4	0.3	19	0.1	0.1
B	23,205	16.5	15.2	1,940	11.0	9.1
C	26,952	19.1	18.4	5,456	30.9	31.8
D	42,000	29.8	27.4	5,986	33.9	34.2
E	16,695	11.9	9.9	1,587	9.0	9.2
F	3,817	2.7	2.1	98	0.6	0.6
G	723	0.5	0.4	25	0.1	0.1
Missing	26,769	19.1	26.3	2,529	14.4	14.9
Total	140,762	100	100	17,640	100	100

Note
1 Data matching provided by 3rd party source based on one quarter lag, 30 September 2024 closest available dataset - EPC monitoring based on 30 September 2024 portfolio and 30 September 2024 Government EPC Register. If no valid EPC is mapped, the expired EPC (where available) is included as a proxy.

EPC: Residential and Buy-to-let balances and volume of stock per EPC rating as at September 2023[1]

Current EPC Rating	Residential Mortgage Balances	Balance as % of Residential Mortgages portfolio	Volume as % of Residential Mortgages portfolio	Buy-to-Let Mortgage Balances	Balance as % of Buy-to-Let Mortgages portfolio	Volume as % of Buy-to-Let Mortgages portfolio
	£m	%	%	£m	%	%
A	487	0.3	0.2	20	0.1	0.1
B	22,514	15.8	14.3	2,144	10.7	8.9
C	24,954	17.5	16.6	5,781	28.9	29.6
D	41,575	29.3	26.4	6,842	34.3	34.4
E	17,546	12.3	10.2	1,991	10	10.1
F	4,132	2.9	2.2	129	0.6	0.7
G	780	0.5	0.4	31	0.2	0.2
Missing	30,528	21.4	29.7	3,033	15.2	16.0
Total	142,516	100	100	19,971	100	100

Note
1 Data matching provided by 3rd party source based on one quarter lag, 30 September 2023 closest available dataset - EPC monitoring based on 30 September 2023 portfolio and 30 September 2023 Government EPC Register. If no valid EPC is mapped, the expired EPC (where available) is included as a proxy.

Potential EPC[1]: Residential and Buy-to-let balances and volume of stock per EPC rating as at September 2024[2]

Potential EPC Rating	Residential Mortgage Balances	Balance as % of Residential Mortgages portfolio	Volume as % of Residential Mortgages portfolio	Buy-to-Let Mortgage Balances	Balance as % of Buy-to-Let Mortgages portfolio	Volume as % of Buy-to-Let Mortgages portfolio
	£m	%	%	£m	%	%
A	**13,892**	**9.9**	**9.3**	**474**	**2.7**	**2.9**
B	**52,672**	**37.4**	**36**	**8,017**	**45.4**	**45.8**
C	**37,461**	**26.6**	**22.4**	**5,802**	**32.9**	**31.8**
D	**7,471**	**5.3**	**4.6**	**716**	**4.1**	**4**
E	**2,012**	**1.4**	**1.1**	**87**	**0.5**	**0.5**
F	**398**	**0.3**	**0.2**	**13**	**0.1**	**0.1**
G	**87**	**0.1**	**0.1**	**3**	**0**	**0**
Missing	**26,769**	**19**	**26.3**	**2,528**	**14.3**	**14.9**
Total	**140,762**	**100**	**100**	**17,640**	**100**	**100**

Notes
1 The potential EPC is the EPC rating that a property can reasonably be expected to achieve if the recommended energy efficiency upgrades are undertaken.
2 Data matching provided by 3rd party source based on one quarter lag, 30 September 2024 closest available dataset - EPC monitoring based on 30 September 2024 portfolio and 30 September 2024 Government EPC Register. If no valid EPC is mapped, the expired EPC (where available) is included as a proxy.

Potential EPC[1]: Residential and Buy-to-let balances and volume of stock per EPC rating as at September 2023[2]

Potential EPC Rating	Residential Mortgage Balances	Balance as % of Residential Mortgages portfolio	Volume as % of Residential Mortgages portfolio	Buy-to-Let Mortgage Balances	Balance as % of Buy-to-Let Mortgages portfolio	Volume as % of Buy-to-Let Mortgages portfolio
	£m	%	%	£m	%	%
A	13,193	9.3	0.2	516	2.6	2.9
B	50,094	35.1	14.3	8,783	44	44.2
C	37,594	26.4	16.6	6,585	33	31.8
D	8,244	5.8	26.4	915	4.6	4.5
E	2,297	1.6	10.1	118	0.6	0.6
F	468	0.3	2.2	17	0.1	0.1
G	100	0.1	0.4	4	0	0
Missing	30,526	21.4	29.8	3,033	15.1	15.9
Total	142,516	100	100	19,971	100	100

Note
1 The potential EPC is the EPC rating that a property can reasonably be expected to achieve if the recommended energy efficiency upgrades are undertaken.
2 Data matching provided by 3rd party source based on one quarter lag, 30 September 2023 closest available dataset - EPC monitoring based on 30 September 2023 portfolio and 30 September 2023 Government EPC Register. If no valid EPC is mapped, the expired EPC (where available) is included as a proxy.

Business Banking Agriculture - Dairy & Cattle Exposure

Given methane's global warming potential the Dairy & Cattle sector is a significant contributor to the UK's emissions footprint and is therefore susceptible to the transition risks of climate change, namely consumer preference changes and potential emissions taxation. In 2024 Barclays Bank UK launched a Client Transition Tool, which is a form completed for Barclays Bank UK Business Banking clients in Dairy & Cattle sectors for all new or refinanced lending to assess transition trajectories against Barclays' targets and benchmarks. This tool will provide further granularity on clients' transition plans and progress. Coverage of the Client Transition Tool across the portfolio will increase over time. In 2024 Barclays Bank UK also implemented an enhanced Climate & Environment Lens questionnaire for clients in elevated climate risk sectors.

The Barclays Bank UK Group utilises exposure data to identify what proportion of the Business Banking Agriculture portfolio consists of lending to Dairy & Cattle clients.

Carbon-related assets

According to Task Force on Carbon-Related Financial Disclosures (TCFD), certain industry segments are more likely to be financially impacted than others due to their exposure to certain transition and physical risk factors for example, greenhouse gas (GHG) emissions, extreme weather events like storms, hurricanes etc. and dependencies on stable weather conditions for their operations and products. These higher risk industry segments are grouped into four key areas: Energy; Transportation; Materials and Buildings; and Agriculture, Food, and Forest Products. Barclays Bank UK Group's exposures to the industries within these groups are reported as carbon-related assets and can be found in the table on the following page.

Residential Real Estate exposures are also included in this table. Barclays recognises the Mortgage portfolio within the UK as an elevated climate risk portfolio, although it is not an economic sector. On that basis they have been included in the table.

Carbon-related assets (Incl. sub-sector breakdown)[1,2]

			2024				2023				
	Physical risk[3]	Transition risk[3]	Loans and advances[4]	Loan commit ments	Total	Of which elevated	Loans and advances[4]	Loan commit ments	Total	Of which elevated	% Change
			£m	£m	£m	£m	£m	£m	£m	£m	%
Agriculture, Food and Forest Products (logging)			**3,318**	**691**	**4,009**	**3,988**	3,518	799	4,317	4,295	(7)%
Agriculture	✓	✓	**3,318**	**691**	**4,009**	**3,988**	3,518	799	4,317	4,295	
Energy & Waters			**26**	**5**	**31**	**25**	34	8	42	34	(26)%
Power Utilities	✓	✓	**20**	**2**	**22**	**22**	26	5	31	31	
Metals (waste & recycling)			**4**	**2**	**6**	**—**	6	2	8	—	
Water Utilities	✓		**2**	**1**	**3**	**3**	2	1	3	3	
Manufacturing			**368**	**114**	**482**	**100**	454	119	573	108	(16)%
Automotive		✓	**12**	**3**	**15**	**10**	11	3	14	10	
Cements		✓	**5**	**1**	**6**	**6**	6	1	7	7	
Chemicals		✓	**15**	**5**	**20**	**6**	20	6	26	10	
Food, Bev and Tobacco		✓	**45**	**10**	**55**	**14**	55	11	66	13	
Manufacturing - Others		✓	**257**	**84**	**341**	**60**	327	86	413	65	
Metals		✓	**15**	**5**	**20**	**1**	15	5	20	1	
Packaging Manufacturers: Metal, Glass and Plastics	✓	✓	**2**	**—**	**2**	**—**	3	1	4	—	
Paper and Forest Products (excluding logging)			**15**	**5**	**20**	**—**	15	5	20	—	
Steel			**2**	**1**	**3**	**3**	2	1	3	2	
Material and Building			**7,053**	**478**	**7,531**	**333**	8,283	295	8,578	449	(12)%
Construction and Materials	✓		**643**	**196**	**839**	**333**	931	195	1,126	449	
Real Estate Management and Development			**6,410**	**282**	**6,692**	**—**	7,352	100	7,452	—	
Mining and Quarrying			**8**	**3**	**11**	**10**	6	2	8	6	38 %
Mining	✓	✓	**4**	**2**	**6**	**5**	4	1	5	3	
Oil and Gas (extraction)	✓	✓	**4**	**1**	**5**	**5**	2	1	3	3	
Transport & storage			**243**	**55**	**298**	**131**	345	58	403	179	(26)%
Aviation	✓	✓	**2**	**—**	**2**	**2**	3	1	4	4	
Other Transport Services			**112**	**17**	**129**	**—**	154	17	171	—	
Road Haulage		✓	**118**	**33**	**151**	**113**	170	35	205	152	
Shipping		✓	**11**	**5**	**16**	**16**	18	5	23	23	
Wholesale and retail distribution and leisure			**353**	**87**	**440**	**147**	465	86	551	183	(20)%
Oil and Gas (wholesale)		✓	**7**	**3**	**10**	**2**	10	3	13	5	
Others		✓	**346**	**84**	**430**	**145**	455	83	538	178	
Home Loans			**163,105**	**11,415**	**174,520**	**174,520**	163,510	8,184	171,694	171,694	2 %
Residential Real Estate	✓		**163,105**	**11,415**	**174,520**	**174,520**	163,510	8,184	171,694	171,694	
Carbon-related Assets/ Elevated Risk Sector Grand Total			**174,474**	**12,848**	**187,322**	**179,254**	176,615	9,551	186,166	176,948	1 %
Total loans & advances and loan commitments			**224,699**	**66,959**	**291,658**	**291,658**	219,789	49,820	269,609	269,609	8 %
Total loans & advances and loan commitments			**78%**	**19%**	**64%**	**61%**	80%	19%	69%	66%	
Sub-total of sectors spanning in multiple industries											
Oil and Gas	✓	✓	**11**	**4**	**15**	**7**	12	4	16	8	(6)%

Notes
1 The scope of elevated risk sector mapping has been revised based on our periodic assessment of climate risk sectors, resulting in activities such as renewable energy within Power Utilities, Water Utilities, Construction and Material, Food and fashion related activities (Others) now being classified as elevated risk sectors/carbon related assets. The prior year comparatives have been re-presented to align with the updated sector mapping.
2 As industries decarbonise, sectors will increasingly include both carbon and non-carbon related activities e.g. Power Utilities will also include, in part, their generation capacity from renewable energy sources.
3 Physical & Transition risk indicators are added for elevated risk sectors to indicate the driver of risk. See page 49 for further details.
4 Loans & advances includes debt securities at amortised cost amounting to £17,983m (2023: £17,794m) of which carbon related assets are £nil (2023: £nil) in Material & Buildings.

Summary of Contents

All disclosures in this section, pages 78 to 133, are unaudited unless otherwise stated.

Overview

Credit risk represents a significant risk to the Barclays Bank UK Group and mainly arises from exposure to loans and advances.

Credit risk disclosures are materially aligned to the recommendations of the Taskforce on Disclosures about Expected Credit Losses (DECL).

Acquisition of Tesco Bank

Barclays Bank UK PLC has acquired Tesco bank's retail banking business effective 1 November 2024. Gross loans and advances at amortised cost as at 31 December 2024 includes £8.3bn of unsecured lending balances from the acquisition of Tesco Bank, comprising of £4.2bn of credit card receivables and £4.1bn of unsecured personal loans, with corresponding impairment allowance of £0.2bn. On the acquisition date, balances were originated into Stage 1 with £0.06bn in purchased or originated credit-impaired (POCI) balances. POCI balances represent a fixed pool of assets purchased at a deep discount to face value reflecting credit losses incurred from the point of origination to date of acquisition.

Summary of performance in the year

Gross exposure: Gross loans and advances at amortised cost to customers and banks have increased to £226bn (2023: £221bn), driven by the £8.3bn acquisition of Tesco Bank, partially offset by £(2.1)bn continued repayment of government scheme lending in Business Banking and £(0.8)bn securitisation of mortgage balances in Q424.

Maximum exposure: The Barclays Bank UK Group's net exposure to credit risk has increased to £171bn (2023: £143bn). This is primarily driven by the acquisition of Tesco Bank (leading to an increase of £13.2bn in loan commitments and £8.3bn in loans and advances at amortised cost), £7bn increase in government issued debt securities, partially offset by a £(5)bn reduction in cash and balances at central banks. Overall mitigation held against the total exposure has decreased to 53% (2023: 58%), primarily due to increase in unsecured portfolio driven by the Tesco Bank acquisition and an increase in government issued debt securities considered low risk.

Credit quality: Delinquencies remain broadly stable. UK Cards provisioning continues to be underpinned by low delinquencies and strong credit quality. A range of activities are in place to protect our existing defensive positioning against macroeconomic headwinds. Further analysis on the credit quality of assets is presented in the approach to management and representation of credit quality section.

Stage decomposition: A net decrease of £1.1bn is observed in Stage 2 gross exposure driven by an improved GDP forecast and repayments in Business Banking. Stage 3 balances remains broadly stable at £3.5bn (2023: £3.4bn). Refer to page 99 for further details.

Scenario: The economy is gradually recovering and is further stimulated as restrictive monetary policy continues loosening. For Q424, macroeconomic scenarios have been refreshed and are designed around a broad range of economic outcomes. The Downside 2 (DS2) scenario has been broadly aligned to Barclays 2024 Internal Stress Test (IST24) which includes climate drivers. Refer to the Barclays resilience to climate scenarios on page 62 for further details.

ECL: Impairment allowances on loans and advances at amortised cost including off-balance sheet remains broadly stable at £1,626m (2023: £1,686m) underpinned by an improved macroeconomic outlook and the acquisition of Tesco Bank. On-balance sheet coverage remains strong and stable at 0.8% (2023: 0.8%).

Charge: Credit impairment charges were £352m (2023: £308m), driven by the charge on the acquisition of Tesco Bank partially offset by a resilient credit performance in UK cards and UK Mortgages.

Management adjustments: Economic uncertainty adjustments have decreased to £78m (2023: £181m), informed by lower inflationary risk and a resilient credit performance in UK retail lending. Refer to the Management adjustment to models for impairment section on page 100 for further details.

Climate: Barclays has performed a credit risk assessment of physical and transition risk due to climate change through a combination of a scenario approach and targeted reviews on specific portfolios identified as more susceptible to climate risk. As further enhancements during the year, the DS2 scenario has been aligned to the IST24 which is climate aware and for specific portfolios new climate modelling techniques were utilised to assess physical and transition risk due to climate change at customer level.

Further detail can be found in the Financial statements section in Note 8 Credit impairment charges. Description of terminology can be found in the glossary, available at home.barclays/annualreport. Refer to the credit risk management section for details of governance, policies and procedures.

Maximum exposure and effects of netting, collateral and risk transfer

The following tables present a reconciliation between the Barclays Bank UK Group's maximum exposure and its net exposure to credit risk, reflecting the financial effects of risk mitigation reducing the bank's exposure.

The Barclays Bank UK Group mitigates the credit risk to which it is exposed through netting and set-off, collateral and risk transfer. Further detail on the Barclays Bank UK Group's policies to each of these forms of credit enhancement is presented on pages 63 to 64 of the credit risk management section.

Collateral obtained (audited)
Where collateral has been obtained in the event of default, the Barclays Bank UK Group does not, ordinarily, use such assets for its own operations and they are usually sold on a timely basis. The carrying value of assets held by the Barclays Bank UK Group as at 31 December 2024, as a result of the enforcement of collateral, was £nil (2023: £nil).

Maximum exposure and effects of netting, collateral and risk transfer (audited)

Barclays Bank UK Group	Maximum exposure	Netting and set-off	Cash collateral	Non-cash collateral	Risk transfer	Exposure net of risk mitigation
As at 31 December 2024	£m	£m	£m	£m	£m	£m
On-balance sheet:						
Cash and balances at central banks	29,819	—	—	—	—	29,819
Cash collateral and settlement balances	6,002	—	—	—	—	6,002
Loans and advances at amortised cost:						
Retail mortgages	163,105	—	—	(163,104)	—	1
Retail credit cards	15,030	—	—	—	—	15,030
Retail other	8,331	—	—	(61)	(3)	8,267
Corporate loans	20,250	—	(23)	(10,451)	(7,012)	2,764
Total loans and advances at amortised cost	206,716	—	(23)	(173,616)	(7,015)	26,062
Of which credit-impaired (Stage 3):						
Retail mortgages	*1,597*	—	—	*(1,596)*	—	*1*
Retail credit cards - excluding POCI	*88*	—	—	—	—	*88*
Retail credit cards - POCI	*40*	—	—	—	—	*40*
Retail other - excluding POCI	*18*	—	—	*(12)*	—	*6*
Retail other - POCI	*17*	—	—	—	—	*17*
Corporate loans	*1,227*	—	—	*(725)*	*(328)*	*174*
Total credit-impaired loans and advances at amortised cost	*2,987*	—	—	*(2,333)*	*(328)*	*326*
Debt securities at amortised cost	17,983	—	—	—	(50)	17,933
Reverse repurchase agreements and other similar secured lending	5,894	—	—	(5,894)	—	—
Trading portfolio assets:						
Debt securities	242	—	—	—	—	242
Total trading portfolio assets	242	—	—	—	—	242
Financial assets at fair value through the income statement						
Loans and advances	1,543	—	—	(1,366)	—	177
Total financial assets at fair value through the income statement	1,543	—	—	(1,366)	—	177
Derivative financial instruments	1,901	(211)	(1,688)	—	—	2
Financial assets at fair value through other comprehensive income	27,045	—	—	—	(145)	26,900
Other assets	265	—	—	—	—	265
Total on-balance sheet	297,410	(211)	(1,711)	(180,876)	(7,210)	107,402
Off-balance sheet:						
Contingent liabilities	710	—	—	—	—	710
Loan commitments	66,959	—	—	(3,514)	(58)	63,387
Total off-balance sheet	67,669	—	—	(3,514)	(58)	64,097
Total	365,079	(211)	(1,711)	(184,390)	(7,268)	171,499

Off-balance sheet exposures are shown gross of provisions of £16m (2023: £27m). See Note 23 Contingent liabilities and commitments for further details. Corporate loans at amortised cost include £3.1bn (2023: £5bn) of BBLS and CBILS supported by UK Government guarantees of £3.1bn (2023: £4.9bn), which are included within the Risk transfer column in the table.

Maximum exposure and effects of netting, collateral and risk transfer (audited)

Barclays Bank UK Group	Maximum exposure	Netting and set-off	Cash collateral	Non-cash collateral	Risk transfer	Exposure net of risk mitigation
As at 31 December 2023	£m	£m	£m	£m	£m	£m
On-balance sheet:						
Cash and balances at central banks	34,948	—	—	—	—	34,948
Cash collateral and settlement balances	5,507	—	—	—	—	5,507
Loans and advances at amortised cost:						
Retail mortgages	163,510	—	—	(163,508)	—	2
Retail credit cards	9,710	—	—	—	—	9,710
Retail other	4,292	—	(21)	(303)	—	3,968
Corporate loans	24,483	—	(28)	(10,787)	(9,494)	4,174
Total loans and advances at amortised cost	201,995	—	(49)	(174,598)	(9,494)	17,854
Of which credit-impaired (Stage 3):						
Retail Mortgages	*1,602*	—	—	*(1,601)*	—	*1*
Retail credit cards - excluding POCI	*91*	—	—	—	—	*91*
Retail credit cards - POCI	—	—	—	—	—	—
Retail other - excluding POCI	*35*	—	—	*(18)*	—	*17*
Retail other - POCI	—	—	—	—	—	—
Corporate loans	*1,068*	—	—	*(497)*	*(418)*	*153*
Total credit-impaired loans and advances at amortised cost	*2,796*	—	—	*(2,116)*	*(418)*	*262*
Debt securities at amortised cost	17,794	—	—	—	(77)	17,717
Reverse repurchase agreements and other similar secured lending	3,567	—	—	(3,567)	—	—
Trading portfolio assets:						
Debt securities	43	—	—	—	—	43
Total trading portfolio assets	43	—	—	—	—	43
Financial assets at fair value through the income statement						
Loans and advances	1,715	—	—	(1,336)	—	379
Total financial assets at fair value through the income statement	1,715	—	—	(1,336)	—	379
Derivative financial instruments	1,566	(232)	(1,280)	(52)	—	2
Financial assets at fair value through other comprehensive income	20,409	—	—	—	(65)	20,344
Other assets	186	—	—	—	—	186
Total on-balance sheet	287,730	(232)	(1,329)	(179,553)	(9,636)	96,980
Off-balance sheet:						
Contingent liabilities	661	—	—	—	—	661
Loan commitments	49,820	—	(20)	(4,265)	(64)	45,471
Total off-balance sheet	50,481	—	(20)	(4,265)	(64)	46,132
Total	338,211	(232)	(1,349)	(183,818)	(9,700)	143,112

Maximum exposure and effects of netting, collateral and risk transfer (audited)

Barclays Bank UK PLC As at 31 December 2024	Maximum exposure £m	Netting and set-off £m	Cash collateral £m	Non-cash collateral £m	Risk transfer £m	Exposure net of risk mitigation £m
On-balance sheet:						
Cash and balances at central banks	29,819	—	—	—	—	29,819
Cash collateral and settlement balances	6,002	—	—	—	—	6,002
Loans and advances at amortised cost:						
Retail mortgages	163,087	—	—	(163,085)	—	2
Retail credit cards	15,030	—	—	—	—	15,030
Retail other	8,331	—	—	(61)	(3)	8,267
Corporate loans	20,654	—	(3)	(10,451)	(7,012)	3,188
Total loans and advances at amortised cost	207,102	—	(3)	(173,597)	(7,015)	26,487
Of which credit-impaired (Stage 3):						
Retail mortgages	*1,597*	—	—	*(1,596)*	—	*1*
Retail credit cards - excluding POCI	*88*	—	—	—	—	*88*
Retail credit cards - POCI	*40*					*40*
Retail other - excluding POCI	*18*	—	—	*(12)*	—	*6*
Retail other - POCI	*17*					*17*
Corporate loans	*1,227*	—	—	*(725)*	*(328)*	*174*
Total credit-impaired loans and advances at amortised cost	*2,987*	—	—	*(2,333)*	*(328)*	*326*
Debt securities at amortised cost	17,983	—	—	—	(50)	17,933
Reverse repurchase agreements and other similar secured lending	5,894	—	—	(5,894)	—	—
Trading portfolio assets:						
Debt securities	242	—	—	—	—	242
Total trading portfolio assets	242	—	—	—	—	242
Financial assets at fair value through the income statement						
Loans and advances	1,543	—	—	(1,366)	—	177
Total financial assets at fair value through the income statement	1,543	—	—	(1,366)	—	177
Derivative financial instruments	1,901	(211)	(1,680)	—	—	10
Financial assets at fair value through other comprehensive income	27,045	—	—	—	(145)	26,900
Other assets	284	—	—	—	—	284
Total on-balance sheet	297,815	(211)	(1,683)	(180,857)	(7,210)	107,854
Off-balance sheet:						
Contingent liabilities	710	—	—	—	—	710
Loan commitments	66,574	—	—	(3,514)	(58)	63,002
Total off-balance sheet	67,284	—	—	(3,514)	(58)	63,712
Total	365,099	(211)	(1,683)	(184,371)	(7,268)	171,566

Off-balance sheet exposures are shown gross of provisions of £16m (2023: £27m). See Note 23 Contingent liabilities and commitments for further details. Corporate loans at amortised cost include £3.1bn (2023 £5bn) of BBLS and CBILS supported by UK Government guarantees of £3.1bn (2023: £4.9bn), which are included within the Risk transfer column in the table.

Maximum exposure and effects of netting, collateral and risk transfer (audited)

Barclays Bank UK PLC As at 31 December 2023	Maximum exposure £m	Netting and set-off £m	Cash collateral £m	Non-cash collateral £m	Risk transfer £m	Exposure net of risk mitigation £m
On-balance sheet:						
Cash and balances at central banks	34,948	—	—	—	—	34,948
Cash collateral and settlement balances	5,507	—	—	—	—	5,507
Loans and advances at amortised cost:						
Retail mortgages	163,473	—	—	(163,471)	—	2
Retail credit cards	9,710	—	—	—	—	9,710
Retail other	4,292	—	(21)	(303)	—	3,968
Corporate loans	25,072	—	(6)	(10,787)	(9,494)	4,785
Total loans and advances at amortised cost	202,547	—	(27)	(174,561)	(9,494)	18,465
Of which credit-impaired (Stage 3):						
Retail mortgages	*1,602*	—	—	*(1,601)*	—	*1*
Retail credit cards - excluding POCI	*91*	—	—	—	—	*91*
Retail credit cards - POCI	—	—	—	—	—	—
Retail other - excluding POCI	*35*	—	—	*(18)*	—	*17*
Retail other - POCI	—	—	—	—	—	—
Corporate loans	*1,068*	—	—	*(497)*	*(418)*	*153*
Total credit-impaired loans and advances at amortised cost	*2,796*	—	—	*(2,116)*	*(418)*	*262*
Debt securities at amortised cost	*17,794*	—	—	—	*(77)*	*17,717*
Reverse repurchase agreements and other similar secured lending	3,567	—	—	(3,567)	—	—
Trading portfolio assets:						
Debt securities	43	—	—	—	—	43
Total trading portfolio assets	43	—	—	—	—	43
Financial assets at fair value through the income statement						
Loans and advances	1,715	—	—	(1,336)	—	379
Total financial assets at fair value through the income statement	1,715	—	—	(1,336)	—	379
Derivative financial instruments	1,566	(232)	(1,265)	(52)	—	17
Financial assets at fair value through other comprehensive income	20,409	—	—	—	(65)	20,344
Other assets	193	—	—	—	—	193
Total on-balance sheet	288,289	(232)	(1,292)	(179,516)	(9,636)	97,613
Off-balance sheet:						
Contingent liabilities	661	—	—	—	—	661
Loan commitments	49,646	—	(20)	(4,265)	(64)	45,297
Total off-balance sheet	50,307	—	(20)	(4,265)	(64)	45,958
Total	338,596	(232)	(1,312)	(183,781)	(9,700)	143,571

Expected credit losses

Loans and advances at amortised cost by product

Total loans and advances at amortised cost in the credit risk performance section includes loans and advances at amortised cost to banks and loans and advances at amortised cost to customers.

The table below presents a product breakdown by stages of loans and advances at amortised cost and the impairment allowance, including purchased or originated credit-impaired (POCI) balances. POCI balances represent a fixed pool of assets purchased at a deep discount to face value reflecting credit losses incurred from the point of origination to date of acquisition. Also included are stage allocation of debt securities by gross exposure, impairment allowance and coverage ratio.

Impairment allowance under IFRS 9 considers both the drawn and the undrawn counterparty exposure. For retail portfolios, the total impairment allowance is allocated to gross loans and advances to the extent allowance does not exceed the drawn exposure and any excess is reported on the liabilities side of the balance sheet as a provision. For corporate portfolios, impairment allowance on undrawn exposure is reported on the liability side of the balance sheet as a provision.

Barclays Bank UK Group (audited)		Stage 2						
As at 31 December 2024	Stage 1	Not past due	<=30 days past due	>30 days past due	Total	Stage 3 excluding POCI	Stage 3 POCI	Total[1]
Gross exposure	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	142,153	16,781	2,034	631	19,446	1,652	—	163,251
Retail credit cards	13,497	1,986	47	31	2,064	179	40	15,780
Retail other	7,645	790	49	32	871	130	17	8,663
Corporate loans	16,146	2,905	6	108	3,019	1,464	—	20,629
Total loans and advances at amortised cost	179,441	22,462	2,136	802	25,400	3,425	57	208,323
Debt securities at amortised cost	17,911	75	—	—	75	—	—	17,986
Total loans and advances at amortised cost including debt securities	197,352	22,537	2,136	802	25,475	3,425	57	226,309
Impairment allowance								
Retail mortgages	30	41	13	7	61	55	—	146
Retail credit cards	219	407	17	16	440	91	—	750
Retail other	119	70	15	16	101	112	—	332
Corporate loans	65	76	1	—	77	237	—	379
Total loans and advances at amortised cost	433	594	46	39	679	495	—	1607
Debt securities at amortised cost	3	—	—	—	—	—	—	3
Total loans and advances at amortised cost including debt securities	436	594	46	39	679	495	—	1,610
Net exposure								
Retail mortgages	142,123	16,740	2,021	624	19,385	1,597	—	163,105
Retail credit cards	13,278	1,579	30	15	1,624	88	40	15,030
Retail other	7,526	720	34	16	770	18	17	8,331
Corporate loans	16,081	2,829	5	108	2,942	1,227	—	20,250
Total loans and advances at amortised cost	179,008	21,868	2,090	763	24,721	2,930	57	206,716
Debt securities at amortised cost	17,908	75	—	—	75	—	—	17,983
Total loans and advances at amortised cost including debt securities	196,916	21,943	2,090	763	24,796	2,930	57	224,699
Coverage ratio	%	%	%	%	%	%	%	%
Retail mortgages	—	0.2	0.6	1.1	0.3	3.3	—	0.1
Retail credit cards	1.6	20.5	36.2	51.6	21.3	50.8	—	4.8
Retail other	1.6	8.9	30.6	50.0	11.6	86.2	—	3.8
Corporate loans	0.4	2.6	16.7	—	2.6	16.2	—	1.8
Total loans and advances at amortised cost	0.2	2.6	2.2	4.9	2.7	14.5	—	0.8
Debt securities at amortised cost	—	—	—	—	—	—	—	—
Total loans and advances at amortised cost including debt securities	0.2	2.6	2.2	4.9	2.7	14.5	—	0.7

Note
1 Other financial assets subject to impairment excluded in the table above include cash collateral and settlement balances, reverse repurchase agreements and other similar secured lending, financial assets at fair value through other comprehensive income and other assets. These have a total gross exposure of £39.3bn and an impairment allowance of £2m. This comprises £2m on £39.1bn Stage 1 exposure, £0m on £0.2bn Stage 2 exposure and £0m on £0m Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £16m.

As at 31 December 2023	Stage 1	Stage 2				Stage 3 excluding POCI	Stage 3 POCI	Total[1]
		Not past due	<=30 days past due	>30 days past due	Total			
Gross exposure	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	142,943	16,492	1,957	632	19,081	1,709	—	163,733
Retail credit cards	8,094	2,040	53	35	2,128	198	—	10,420
Retail other	3,476	848	50	29	927	148	—	4,551
Corporate loans	19,292	4,318	13	4	4,335	1,320	—	24,947
Total loans and advances at amortised cost	173,805	23,698	2,073	700	26,471	3,375	—	203,651
Debt securities at amortised cost	17,639	158	—	—	158	—	—	17,797
Total loans and advances at amortised cost including debt securities	191,444	23,856	2,073	700	26,629	3,375	—	221,448
Impairment allowance								
Retail mortgages	39	50	17	10	77	107	—	223
Retail credit cards	111	452	21	19	492	107	—	710
Retail other	38	76	16	16	108	113	—	259
Corporate loans	107	104	1	—	105	252	—	464
Total loans and advances at amortised cost	295	682	55	45	782	579	—	1,656
Debt securities at amortised cost	3	—	—	—	—	—	—	3
Total loans and advances at amortised cost including debt securities	298	682	55	45	782	579	—	1,659
Net exposure								
Retail mortgages	142,904	16,442	1,940	622	19,004	1,602	—	163,510
Retail credit cards	7,983	1,588	32	16	1,636	91	—	9,710
Retail other	3,438	772	34	13	819	35	—	4,292
Corporate loans	19,185	4,214	12	4	4,230	1,068	—	24,483
Total loans and advances at amortised cost	173,510	23,016	2,018	655	25,689	2,796	—	201,995
Debt securities at amortised cost	17,636	158	—	—	158	—	—	17,794
Total loans and advances at amortised cost including debt securities	191,146	23,174	2,018	655	25,847	2,796	—	219,789
Coverage ratio	%	%	%	%	%	%	%	%
Retail mortgages	—	0.3	0.9	1.6	0.4	6.3	—	0.1
Retail credit cards	1.4	22.2	39.6	54.3	23.1	54.0	—	6.8
Retail other	1.1	9.0	32.0	55.2	11.7	76.4	—	5.7
Corporate loans	0.6	2.4	7.7	—	2.4	19.1	—	1.9
Total loans and advances at amortised cost	0.2	2.9	2.7	6.4	3.0	17.2	—	0.8
Debt securities at amortised cost	—	—	—	—	—	—	—	—
Total loans and advances at amortised cost including debt securities	0.2	2.9	2.7	6.4	2.9	17.2	—	0.7

Note
1 Other financial assets subject to impairment excluded in the table above include cash collateral and settlement balances, reverse repurchase agreements and other similar secured lending, financial assets at fair value through other comprehensive income and other assets. These have a total gross exposure of £29.8bn and an impairment allowance of £3m. This comprises £2m on £29.4bn Stage 1 exposure, £1m on £0.4bn Stage 2 exposure and £0m on £0m Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £27m.

Barclays Bank UK PLC (audited)		Stage 2						
As at 31 December 2024	Stage 1	Not past due	<=30 days past due	>30 days past due	Total	Stage 3 excluding POCI	Stage 3 POCI	Total[1]
Gross exposure	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	142,135	16,781	2,034	631	19,446	1,652	—	163,233
Retail credit cards	13,497	1,986	47	31	2,064	179	40	15,780
Retail other	7,645	790	49	32	871	130	17	8,663
Corporate loans	16,550	2,905	6	108	3,019	1,464	—	21,033
Total loans and advances at amortised cost	179,827	22,462	2,136	802	25,400	3,425	57	208,709
Debt securities at amortised cost	17,911	75	—	—	75	—	—	17,986
Total loans and advances at amortised cost including debt securities	197,738	22,537	2,136	802	25,475	3,425	57	226,695
Impairment allowance								
Retail mortgages	30	41	13	7	61	55	—	146
Retail credit cards	219	407	17	16	440	91	—	750
Retail other	119	70	15	16	101	112	—	332
Corporate loans	65	76	1	—	77	237	—	379
Total loans and advances at amortised cost	433	594	46	39	679	495	—	1607
Debt securities at amortised cost	3	—	—	—	—	—	—	3
Total loans and advances at amortised cost including debt securities	436	594	46	39	679	495	—	1,610
Net exposure								
Retail mortgages	142,105	16,740	2,021	624	19,385	1,597	—	163,087
Retail credit cards	13,278	1,579	30	15	1,624	88	40	15,030
Retail other	7,526	720	34	16	770	18	17	8,331
Corporate loans	16,485	2,829	5	108	2,942	1,227	—	20,654
Total loans and advances at amortised cost	179,394	21,868	2,090	763	24,721	2,930	57	207,102
Debt securities at amortised cost	17,908	75	—	—	75	—	—	17,983
Total loans and advances at amortised cost including debt securities	197,302	21,943	2,090	763	24,796	2,930	57	225,085
Coverage ratio	%	%	%	%	%	%	%	%
Retail mortgages	—	0.2	0.6	1.1	0.3	3.3	—	0.1
Retail credit cards	1.6	20.5	36.2	51.6	21.3	50.8	—	4.8
Retail other	1.6	8.9	30.6	50.0	11.6	86.2	—	3.8
Corporate loans	0.4	2.6	16.7	—	2.6	16.2	—	1.8
Total loans and advances at amortised cost	0.2	2.6	2.2	4.9	2.7	14.5	—	0.8
Debt securities at amortised cost	—	—	—	—	—	—	—	—
Total loans and advances at amortised cost including debt securities	0.2	2.6	2.2	4.9	2.7	14.5	—	0.7

Note
1 Other financial assets subject to impairment excluded in the table above include cash collateral and settlement balances, reverse repurchase agreements and other similar secured lending, financial assets at fair value through other comprehensive income and other assets. These have a total gross exposure of £39.4bn and an impairment allowance of £2m. This comprises £2m on £39.1bn Stage 1 exposure, £0m on £0.2bn Stage 2 exposure and £0m on £0m Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £16m.

As at 31 December 2023	Stage 1	Stage 2 Not past due	Stage 2 <=30 days past due	Stage 2 >30 days past due	Stage 2 Total	Stage 3 excluding POCI	Stage 3 POCI	Total[1]
Gross exposure	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	142,906	16,492	1,957	632	19,081	1,709	—	163,696
Retail credit cards	8,094	2,040	53	35	2,128	198	—	10,420
Retail other	3,476	848	50	29	927	148	—	4,551
Corporate loans	19,881	4,318	13	4	4,335	1,320	—	25,536
Total loans and advances at amortised cost	174,357	23,698	2,073	700	26,471	3,375	—	204,203
Debt securities at amortised cost	17,639	158	—	—	158	—	—	17,797
Total loans and advances at amortised cost including debt securities	191,996	23,856	2,073	700	26,629	3,375	—	222,000
Impairment allowance								
Retail mortgages	39	50	17	10	77	107	—	223
Retail credit cards	111	452	21	19	492	107	—	710
Retail other	38	76	16	16	108	113	—	259
Corporate loans	107	104	1	—	105	252	—	464
Total loans and advances at amortised cost	295	682	55	45	782	579	—	1,656
Debt securities at amortised cost	3	—	—	—	—	—	—	3
Total loans and advances at amortised cost including debt securities	298	682	55	45	782	579	—	1,659
Net exposure								
Retail mortgages	142,867	16,442	1,940	622	19,004	1,602	—	163,473
Retail credit cards	7,983	1,588	32	16	1,636	91	—	9,710
Retail other	3,438	772	34	13	819	35	—	4,292
Corporate loans	19,774	4,214	12	4	4,230	1,068	—	25,072
Total loans and advances at amortised cost	174,062	23,016	2,018	655	25,689	2,796	—	202,547
Debt securities at amortised cost	17,636	158	—	—	158	—	—	17,794
Total loans and advances at amortised cost including debt securities	191,698	23,174	2,018	655	25,847	2,796	—	220,341
Coverage ratio	%	%	%	%	%	%	%	%
Retail mortgages	—	0.3	0.9	1.6	0.4	6.3	—	0.1
Retail credit cards	1.4	22.2	39.6	54.3	23.1	54.0	—	6.8
Retail other	1.1	9.0	32.0	55.2	11.7	76.4	—	5.7
Corporate loans	0.5	2.4	7.7	—	2.4	19.1	—	1.8
Total loans and advances at amortised cost	0.2	2.9	2.7	6.4	3.0	17.2	—	0.8
Debt securities at amortised cost	—	—	—	—	—	—	—	—
Total loans and advances at amortised cost including debt securities	0.2	2.9	2.7	6.4	2.9	17.2	—	0.7

Note
1 Other financial assets subject to impairment excluded in the table above include cash collateral and settlement balances, reverse repurchase agreements and other similar secured lending, financial assets at fair value through other comprehensive income and other assets. These have a total gross exposure of £29.8bn and an impairment allowance of £3m. This comprises £2m on £29.4bn Stage 1 exposure, £1m on £0.4bn Stage 2 exposure and £0m on £0m Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £27m.

Movement in gross exposure and impairment allowance including provisions for loan commitments and financial guarantees (audited)

The following tables present a reconciliation of the opening to the closing balance of the exposure and impairment allowance.

Transfers between stages in the tables have been reflected as if they had taken place at the beginning of the year. 'Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes' includes additional drawdowns and partial repayments from existing facilities. Additionally, the below tables do not include other financial assets subject to impairment such as debt securities at amortised cost, reverse repurchase agreements and other similar secured lending, cash collateral and settlement balances, financial assets at fair value through other comprehensive income and other assets.

The movements are measured over a 12-month period.

Loans and advances at amortised cost (audited)

Barclays Bank UK Group	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Retail mortgages										
As at 1 January 2024	142,943	39	19,081	77	1,709	107	—	—	163,733	223
Transfers from Stage 1 to Stage 2	(9,782)	(4)	9,782	4	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	6,501	26	(6,501)	(26)	—	—	—	—	—	—
Transfers to Stage 3	(307)	—	(499)	(7)	806	7	—	—	—	—
Transfers from Stage 3	63	2	131	1	(194)	(3)	—	—	—	—
Business activity in the year	22,249	8	791	4	4	—	—	—	23,044	12
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(7,493)	(37)	(915)	29	(121)	(16)	—	—	(8,529)	(24)
Final repayments	(11,787)	(3)	(2,055)	(10)	(308)	(21)	—	—	(14,150)	(34)
Disposals[1]	(234)	(1)	(369)	(11)	(238)	(13)	—	—	(841)	(25)
Write-offs	—	—	—	—	(6)	(6)	—	—	(6)	(6)
As at 31 December 2024	142,153	30	19,446	61	1,652	55	—	—	163,251	146
Retail credit cards										
As at 1 January 2024	8,094	111	2,128	492	198	107	—	—	10,420	710
Transfers from Stage 1 to Stage 2	(590)	(14)	590	14	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	763	141	(763)	(141)	—	—	—	—	—	—
Transfers to Stage 3	(86)	(3)	(203)	(77)	289	80	—	—	—	—
Transfers from Stage 3	15	4	17	5	(32)	(9)	—	—	—	—
Business activity in the year[2]	5,710	152	194	60	12	11	40	—	5,956	223
Refinements to models used for calculation[3]	—	—	—	(31)	—	—	—	—	—	(31)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(381)	(171)	110	121	34	168	—	—	(237)	118
Final repayments	(28)	(1)	(9)	(3)	(4)	(2)	—	—	(41)	(6)
Disposals[1]	—	—	—	—	(155)	(101)	—	—	(155)	(101)
Write-offs	—	—	—	—	(163)	(163)	—	—	(163)	(163)
As at 31 December 2024	13,497	219	2,064	440	179	91	40	—	15,780	750
Retail other										
As at 1 January 2024	3,476	38	927	108	148	113	—	—	4,551	259
Transfers from Stage 1 to Stage 2	(322)	(5)	322	5	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	320	25	(320)	(25)	—	—	—	—	—	—
Transfers to Stage 3	(47)	(1)	(89)	(28)	136	29	—	—	—	—
Transfers from Stage 3	1	1	4	4	(5)	(5)	—	—	—	—
Business activity in the year[2]	5,936	100	214	27	22	20	17	—	6,189	147
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(933)	(33)	(127)	14	(23)	79	—	—	(1,083)	60
Final repayments	(786)	(6)	(60)	(4)	(28)	(16)	—	—	(874)	(26)
Disposals[1]	—	—	—	—	(46)	(34)	—	—	(46)	(34)
Write-offs	—	—	—	—	(74)	(74)	—	—	(74)	(74)
As at 31 December 2024	7,645	119	871	101	130	112	17	—	8,663	332

Notes

1 The £841m of gross disposals reported within Retail mortgages relate to transfer of facilities to a non-consolidated SPV for the purpose of securitisation. The £155m of gross disposals reported within Retail credit cards and £46m of gross disposals reported within Retail other relate to debt sales undertaken during the year.

2 Business activity in the year reported within Retail credit cards and Retail other includes the acquisition of Tesco Bank, comprising £4.2bn of credit card receivables and £4.1bn of unsecured personal loans.

3 Refinements to models used for calculation include a £(31)m movement in calculated ECL for the UK Cards portfolio. These reflect model enhancements made during the year. Barclays Bank UK Group continually review the output of models to determine accuracy of the ECL calculation including review of model monitoring, external benchmarking and experience of model operation over an extended period of time. This help to ensure that the models used continue to reflect the risks inherent across the businesses.

Loans and advances at amortised cost (audited)

Barclays Bank UK Group	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Corporate loans										
As at 1 January 2024	19,292	107	4,335	105	1,320	252	—	—	24,947	464
Transfers from Stage 1 to Stage 2	(1,224)	(13)	1,224	13	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	1,218	33	(1,218)	(33)	—	—	—	—	—	—
Transfers to Stage 3	(669)	(5)	(500)	(16)	1,169	21	—	—	—	—
Transfers from Stage 3	127	13	206	17	(333)	(30)	—	—	—	—
Business activity in the year	1,760	6	86	2	232	7	—	—	2,078	15
Refinements to models used for calculation[1]	—	(24)	—	(9)	—	—	—	—	—	(33)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes[2]	(1,921)	(46)	(729)	5	(637)	70	—	—	(3,287)	29
Final repayments	(2,437)	(6)	(385)	(7)	(221)	(17)	—	—	(3,043)	(30)
Disposals	—	—	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(66)	(66)	—	—	(66)	(66)
As at 31 December 2024	16,146	65	3,019	77	1,464	237	—	—	20,629	379

Reconciliation of ECL movement to credit impairment charge/(release) for the year ended 31 December 2024

	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m
Retail mortgages	(8)	(5)	(33)	—	(46)
Retail credit cards	108	(52)	248	—	304
Retail other	81	(7)	107	—	181
Corporate loans	(42)	(28)	51	—	(19)
ECL movement excluding disposals and write-offs[3]	139	(92)	373	—	420
ECL movement on loan commitments and financial guarantees	(3)	(8)	—	—	(11)
ECL movement on other financial assets	—	(1)	—	—	(1)
ECL movement on debt securities at amortised cost	—	—	—	—	—
Recoveries and reimbursements[4]	(1)	(3)	(48)	—	(52)
Total exchange and other adjustments					(4)
Total credit impairment charge for the year					352

Notes
1 Refinements to models used for calculation include a £(33)m movement in calculated ECL for the ESHLA portfolio. These reflect model enhancements made during the year. Barclays Bank UK Group continually review the output of models to determine accuracy of the ECL calculation including review of model monitoring, external benchmarking and experience of model operation over an extended period of time. This help to ensure that the models used continue to reflect the risks inherent across the businesses.
2 'Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes' reported within Corporate loans also include assets of £2.7bn de-recognised due to payment received on defaulted loans from government guarantees issued under the Government's Bounce Back Loans Scheme.
3 In 2024, gross write-offs amounted to £309m and post write-off recoveries amounted to £48m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £261m.
4 Recoveries and reimbursements include post write off recoveries of £4m and reimbursements expected to be received under the arrangement where Barclays Bank UK Group has entered into financial guarantee contracts which provide credit protection over certain assets with third parties of £48m.

Loan commitments and financial guarantees (audited)

	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
Barclays Bank UK Group	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Retail mortgages										
As at 1 January 2024	7,734	—	446	—	3	—	—	—	8,183	—
Net transfers between stages	(47)	—	41	—	6	—	—	—	—	—
Business activity in the year	8,048	—	—	—	—	—	—	—	8,048	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(4,320)	—	(106)	—	(7)	—	—	—	(4,433)	—
Limit management and final repayments	(341)	—	(43)	—	(1)	—	—	—	(385)	—
As at 31 December 2024	11,074	—	338	—	1	—	—	—	11,413	—
Retail credit cards										
As at 1 January 2024	33,465	11	1,041	16	134	—	—	—	34,640	27
Net transfers between stages	(258)	5	178	(5)	80	—	—	—	—	—
Business activity in the year	15,887	2	66	2	1	—	6	—	15,960	4
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(13)	(8)	(393)	(1)	(79)	—	—	—	(485)	(9)
Limit management and final repayments	(641)	(2)	(25)	(5)	(21)	—	—	—	(687)	(7)
As at 31 December 2024	48,440	8	867	7	115	—	6	—	49,428	15
Retail other										
As at 1 January 2024	4,300	—	414	—	11	—	—	—	4,725	—
Net transfers between stages	26	—	(31)	—	5	—	—	—	—	—
Business activity in the year	4	—	—	—	—	—	—	—	4	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(511)	—	(50)	—	(7)	—	—	—	(568)	—
Limit management and final repayments	(269)	—	—	—	—	—	—	—	(269)	—
As at 31 December 2024	3,550	—	333	—	9	—	—	—	3,892	—
Corporate loans										
As at 1 January 2024	2,554	—	337	—	42	—	—	—	2,933	—
Net transfers between stages	(19)	—	(9)	—	28	—	—	—	—	—
Business activity in the year	40	—	14	1	—	—	—	—	54	1
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(22)	—	(13)	—	(7)	—	—	—	(42)	—
Limit management and final repayments	(9)	—	—	—	—	—	—	—	(9)	—
As at 31 December 2024	2,544	—	329	1	63	—	—	—	2,936	1

Loans and advances at amortised cost (audited)

Barclays Bank UK PLC	Stage 1 Gross £m	Stage 1 ECL £m	Stage 2 Gross £m	Stage 2 ECL £m	Stage 3 excluding POCI Gross £m	Stage 3 excluding POCI ECL £m	Stage 3 POCI Gross £m	Stage 3 POCI ECL £m	Total Gross £m	Total ECL £m
Retail mortgages										
As at 1 January 2024	142,906	39	19,081	77	1,709	107	—	—	163,696	223
Transfers from Stage 1 to Stage 2	(9,782)	(4)	9,782	4	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	6,501	26	(6,501)	(26)	—	—	—	—	—	—
Transfers to Stage 3	(307)	—	(499)	(7)	806	7	—	—	—	—
Transfers from Stage 3	63	2	131	1	(194)	(3)	—	—	—	—
Business activity in the year	22,249	8	791	4	4	—	—	—	23,044	12
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(7,474)	(37)	(915)	29	(121)	(16)	—	—	(8,510)	(24)
Final repayments	(11,787)	(3)	(2,055)	(10)	(308)	(21)	—	—	(14,150)	(34)
Disposals[1]	(234)	(1)	(369)	(11)	(238)	(13)	—	—	(841)	(25)
Write-offs	—	—	—	—	(6)	(6)	—	—	(6)	(6)
As at 31 December 2024	142,135	30	19,446	61	1,652	55	—	—	163,233	146
Retail credit cards										
As at 1 January 2024	8,094	111	2,128	492	198	107	—	—	10,420	710
Transfers from Stage 1 to Stage 2	(590)	(14)	590	14	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	763	141	(763)	(141)	—	—	—	—	—	—
Transfers to Stage 3	(86)	(3)	(203)	(77)	289	80	—	—	—	—
Transfers from Stage 3	15	4	17	5	(32)	(9)	—	—	—	—
Business activity in the year[2]	5,710	152	194	60	12	11	40	—	5,956	223
Refinements to models used for calculation[3]	—	—	—	(31)	—	—	—	—	—	(31)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(381)	(171)	110	121	34	168	—	—	(237)	118
Final repayments	(28)	(1)	(9)	(3)	(4)	(2)	—	—	(41)	(6)
Disposals[1]	—	—	—	—	(155)	(101)	—	—	(155)	(101)
Write-offs	—	—	—	—	(163)	(163)	—	—	(163)	(163)
As at 31 December 2024	13,497	219	2,064	440	179	91	40	—	15,780	750
Retail other										
As at 1 January 2024	3,476	38	927	108	148	113	—	—	4,551	259
Transfers from Stage 1 to Stage 2	(322)	(5)	322	5	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	320	25	(320)	(25)	—	—	—	—	—	—
Transfers to Stage 3	(47)	(2)	(89)	(27)	136	29	—	—	—	—
Transfers from Stage 3	1	1	4	4	(5)	(5)	—	—	—	—
Business activity in the year[2]	5,936	100	214	27	22	20	17	—	6,189	147
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(933)	(32)	(127)	13	(23)	79	—	—	(1,083)	60
Final repayments	(786)	(6)	(60)	(4)	(28)	(16)	—	—	(874)	(26)
Disposals[1]	—	—	—	—	(46)	(34)	—	—	(46)	(34)
Write-offs	—	—	—	—	(74)	(74)	—	—	(74)	(74)
As at 31 December 2024	7,645	119	871	101	130	112	17	—	8,663	332

Notes
1 The £841m of gross disposals reported within Retail mortgages relate to transfer of facilities to a non-consolidated SPV for the purpose of securitisation. The £155m of gross disposals reported within Retail credit cards and £46m of gross disposals reported within Retail other relate to debt sales undertaken during the year.
2 Business activity in the year reported within Retail credit cards and Retail other includes the acquisition of Tesco Bank of £4.2bn in credit card receivables and £4.1bn in unsecured personal loans.
3 Refinements to models used for calculation include a £(31)m movement in the calculated ECL for the UK Cards. These reflect model enhancements made during the year. Barclays Bank UK PLC continually review the output of models to determine accuracy of the ECL calculation including review of model monitoring, external benchmarking and experience of model operation over an extended period of time. This help to ensures that the models used continue to reflect the risks inherent across the businesses.

Barclays Bank UK PLC	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Corporate loans										
As at 1 January 2024	19,881	107	4,335	105	1,320	252	—	—	25,536	464
Transfers from Stage 1 to Stage 2	(1,224)	(13)	1,224	13	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	1,218	33	(1,218)	(33)	—	—	—	—	—	—
Transfers to Stage 3	(669)	(5)	(500)	(16)	1,169	21	—	—	—	—
Transfers from Stage 3	127	13	206	17	(333)	(30)	—	—	—	—
Business activity in the year	1,690	6	86	2	232	7	—	—	2,008	15
Refinements to models used for calculation[1]	—	(24)	—	(9)	—	—	—	—	—	(33)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes[2]	(1,881)	(46)	(729)	5	(637)	70	—	—	(3,247)	29
Final repayments	(2,592)	(6)	(385)	(7)	(221)	(17)	—	—	(3,198)	(30)
Disposals	—	—	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(66)	(66)	—	—	(66)	(66)
As at 31 December 2024	16,550	65	3,019	77	1,464	237	—	—	21,033	379

Reconciliation of ECL movement to credit impairment charge/(release) for the year ended 31 December 2024

	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m
Retail mortgages	(8)	(5)	(33)	—	(46)
Retail credit cards	108	(52)	248	—	304
Retail other	81	(7)	107	—	181
Corporate loans	(42)	(28)	51	—	(19)
ECL movement excluding disposals and write-offs[3]	139	(92)	373	—	420
ECL movement on loan commitments and financial guarantees	(3)	(8)	—	—	(11)
ECL movement on other financial assets	—	(1)	—	—	(1)
ECL movement on debt securities at amortised cost	—	—	—	—	—
Recoveries and reimbursements[4]	(1)	(3)	(48)	—	(52)
Total exchange and other adjustments					(4)
Total credit impairment charge for the year					352

Notes
1 Refinements to models used for calculation include a £(33)m movement in the calculated ECL for the ESHLA portfolio. These reflect model enhancements made during the year. Barclays Bank UK PLC continually review the output of models to determine accuracy of the ECL calculation including review of model monitoring, external benchmarking and experience of model operation over an extended period of time. This help to ensures that the models used continue to reflect the risks inherent across the businesses.
2 'Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes' reported within Corporate loans also include assets of £2.7bn de-recognised due to payment received on defaulted loans from government guarantees issued under the Government's Bounce Back Loans Scheme.
3 In 2024, gross write-offs amounted to £309m and post write-off recoveries amounted to £48m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £261m.
4 Recoveries and reimbursements include post write off recoveries of £4m and reimbursements expected to be received under the arrangement where Barclays Bank UK PLC has entered into financial guarantee contracts which provide credit protection over certain assets with third parties of £48m.

Loan commitments and financial guarantees (audited)

Barclays Bank UK PLC	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Retail mortgages										
As at 1 January 2024	7,560	—	446	—	3	—	—	—	8,009	—
Net transfers between stages	(47)	—	41	—	6	—	—	—	—	—
Business activity in the year	7,662	—	—	—	—	—	—	—	7,662	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(4,145)	—	(106)	—	(7)	—	—	—	(4,258)	—
Limit management and final repayments	(341)	—	(43)	—	(1)	—	—	—	(385)	—
As at 31 December 2024	10,689	—	338	—	1	—	—	—	11,028	—
Retail credit cards										
As at 1 January 2024	33,465	11	1,041	16	134	—	—	—	34,640	27
Net transfers between stages	(258)	5	178	(5)	80	—	—	—	—	—
Business activity in the year	15,887	2	66	2	1	—	6	—	15,960	4
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(13)	(8)	(393)	(1)	(79)	—	—	—	(485)	(9)
Limit management and final repayments	(641)	(2)	(25)	(5)	(21)	—	—	—	(687)	(7)
As at 31 December 2024	48,440	8	867	7	115	—	6	—	49,428	15
Retail other										
As at 1 January 2024	4,300	—	414	—	11	—	—	—	4,725	—
Net transfers between stages	26	—	(31)	—	5	—	—	—	—	—
Business activity in the year	4	—	—	—	—	—	—	—	4	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(511)	—	(50)	—	(7)	—	—	—	(568)	—
Limit management and final repayments	(269)	—	—	—	—	—	—	—	(269)	—
As at 31 December 2024	3,550	—	333	—	9	—	—	—	3,892	—
Corporate loans										
As at 1 January 2024	2,554	—	337	—	42	—	—	—	2,933	—
Net transfers between stages	(19)	—	(9)	—	28	—	—	—	—	—
Business activity in the year	40	—	14	1	—	—	—	—	54	1
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(22)	—	(13)	—	(7)	—	—	—	(42)	—
Limit management and final repayments	(9)	—	—	—	—	—	—	—	(9)	—
As at 31 December 2024	2,544	—	329	1	63	—	—	—	2,936	1

Loans and advances at amortised cost (audited)

	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
Barclays Bank UK Group	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Retail mortgages										
As at 1 January 2023	143,214	17	17,838	48	1,436	58	—	—	162,488	123
Transfers from Stage 1 to Stage 2	(9,283)	(2)	9,283	2	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	5,959	15	(5,959)	(15)	—	—	—	—	—	—
Transfers to Stage 3	(368)	—	(473)	(7)	841	7	—	—	—	—
Transfers from Stage 3	16	1	95	1	(111)	(2)	—	—	—	—
Business activity in the year[1]	22,991	12	978	7	26	11	—	—	23,995	30
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(8,990)	—	(1,036)	49	(238)	48	—	—	(10,264)	97
Final repayments	(10,071)	(2)	(1,641)	(8)	(240)	(12)	—	—	(11,952)	(22)
Disposals[2]	(525)	(2)	(4)	—	(2)	—	—	—	(531)	(2)
Write-offs	—	—	—	—	(3)	(3)	—	—	(3)	(3)
As at 31 December 2023	142,943	39	19,081	77	1,709	107	—	—	163,733	223
Retail credit cards										
As at 1 January 2023	7,119	127	2,569	493	251	137	—	—	9,939	757
Transfers from Stage 1 to Stage 2	(891)	(26)	891	26	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	1,344	216	(1,344)	(216)	—	—	—	—	—	—
Transfers to Stage 3	(121)	(4)	(244)	(82)	365	86	—	—	—	—
Transfers from Stage 3	44	27	25	14	(69)	(41)	—	—	—	—
Business activity in the year	847	15	101	36	5	5	—	—	953	56
Refinements to models used for calculation[3]	—	(1)	—	52	—	37	—	—	—	88
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(122)	(237)	170	177	(27)	145	—	—	21	85
Final repayments	(126)	(6)	(40)	(8)	(24)	(18)	—	—	(190)	(32)
Disposals[2]	—	—	—	—	(159)	(100)	—	—	(159)	(100)
Write-offs	—	—	—	—	(144)	(144)	—	—	(144)	(144)
As at 31 December 2023	8,094	111	2,128	492	198	107	—	—	10,420	710
Retail other										
As at 1 January 2023	4,026	42	896	125	163	111	—	—	5,085	278
Transfers from Stage 1 to Stage 2	(443)	(8)	443	8	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	276	25	(276)	(25)	—	—	—	—	—	—
Transfers to Stage 3	(66)	(2)	(92)	(32)	158	34	—	—	—	—
Transfers from Stage 3	10	2	6	4	(16)	(6)	—	—	—	—
Business activity in the year	1,279	12	158	17	18	14	—	—	1,455	43
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(994)	(29)	(157)	15	(18)	89	—	—	(1,169)	75
Final repayments	(612)	(4)	(51)	(4)	(31)	(18)	—	—	(694)	(26)
Disposals[2]	—	—	—	—	(49)	(34)	—	—	(49)	(34)
Write-offs	—	—	—	—	(77)	(77)	—	—	(77)	(77)
As at 31 December 2023	3,476	38	927	108	148	113	—	—	4,551	259

Notes
1 Business activity in the year reported within Retail mortgages includes the acquisition of Kensington Mortgage Company of £2.4bn.
2 The £531m of gross disposals reported within Retail mortgages relate to transfer of facilities to a non-consolidated special purpose vehicle for the purpose of securitisation. The £159m of gross disposals reported within Retail credit cards and £49m of gross disposals reported within Retail other relate to debt sales undertaken during the year.
3 Refinements to models used for calculation include a £88m movement in UK Cards. These reflect model enhancements made during the year. Barclays Bank UK Group continually review the output of models to determine accuracy of the ECL calculation including review of model monitoring, external benchmarking and experience of model operation over an extended period of time. This ensures that the models used continue to reflect the risks inherent across the businesses.

Loans and advances at amortised cost (audited)

	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
Barclays Bank UK Group	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Corporate loans										
As at 1 January 2023	20,901	153	6,334	149	1,632	249	—	—	28,867	551
Transfers from Stage 1 to Stage 2	(1,625)	(16)	1,625	16	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	2,104	55	(2,104)	(55)	—	—	—	—	—	—
Transfers to Stage 3	(429)	(3)	(637)	(11)	1,066	14	—	—	—	—
Transfers from Stage 3	127	16	206	19	(333)	(35)	—	—	—	—
Business activity in the year	2,523	7	87	2	166	16	—	—	2,776	25
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes[1]	(984)	(99)	(863)	(8)	(1,016)	92	—	—	(2,863)	(15)
Final repayments	(3,325)	(6)	(313)	(7)	(124)	(13)	—	—	(3,762)	(26)
Disposals	—	—	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(71)	(71)	—	—	(71)	(71)
As at 31 December 2023	19,292	107	4,335	105	1,320	252	—	—	24,947	464

Reconciliation of ECL movement to credit impairment charge/(release) for the year ended 31 December 2023

	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m
Retail mortgages	24	29	52	—	105
Retail credit cards	(16)	(1)	214	—	197
Retail other	(4)	(17)	113	—	92
Corporate loans	(46)	(44)	74	—	(16)
ECL movement excluding disposals and write-offs[2]	(42)	(33)	453	—	378
ECL movement on loan commitments and financial guarantees	2	(22)	—	—	(20)
ECL movement on other financial assets	(1)	—	—	—	(1)
ECL movement on debt securities at amortised cost	1	—	—	—	1
Recoveries and reimbursements[3]	(2)	(3)	(28)	—	(33)
Total exchange and other adjustments					(17)
Total credit impairment charge for the year					308

Notes
1 'Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes' reported within Corporate loans also include assets of £0.8bn de-recognised due to payment received on defaulted loans from government guarantees issued under the Government's Bounce Back Loans Scheme.
2 In 2023, gross write-offs amounted to £295m and post write-off recoveries amounted to £28m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £267m.
3 Recoveries and reimbursements include post write off recoveries of £28m and reimbursements expected to be received under the arrangement where Barclays Bank UK Group has entered into financial guarantee contracts which provide credit protection over certain assets with third parties of £5m.

Loan commitments and financial guarantees (audited)

Barclays Bank UK Group	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Retail mortgages										
As at 1 January 2023	11,653	—	448	—	2	—	—	—	12,103	—
Net transfers between stages	(62)	—	53	—	9	—	—	—	—	—
Business activity in the year	4,159	—	—	—	—	—	—	—	4,159	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(7,672)	—	(11)	—	(8)	—	—	—	(7,691)	—
Limit management and final repayments	(344)	—	(44)	—	—	—	—	—	(388)	—
As at 31 December 2023	7,734	—	446	—	3	—	—	—	8,183	—
Retail credit cards										
As at 1 January 2023	33,813	9	3,387	38	221	—	—	—	37,421	47
Net transfers between stages	1,880	30	(1,961)	(30)	81	—	—	—	—	—
Business activity in the year	1,695	4	41	2	1	—	—	—	1,737	6
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(1,442)	(30)	(328)	16	(93)	—	—	—	(1,863)	(14)
Limit management and final repayments	(2,481)	(2)	(98)	(10)	(76)	—	—	—	(2,655)	(12)
As at 31 December 2023	33,465	11	1,041	16	134	—	—	—	34,640	27
Retail other										
As at 1 January 2023	5,402	—	437	—	15	—	—	—	5,854	—
Net transfers between stages	(46)	—	41	—	5	—	—	—	—	—
Business activity in the year	21	—	—	—	—	—	—	—	21	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(837)	—	(64)	—	(9)	—	—	—	(910)	—
Limit management and final repayments	(240)	—	—	—	—	—	—	—	(240)	—
As at 31 December 2023	4,300	—	414	—	11	—	—	—	4,725	—
Corporate loans										
As at 1 January 2023	3,034	—	417	—	53	—	—	—	3,504	—
Net transfers between stages	19	—	(30)	—	11	—	—	—	—	—
Business activity in the year	4	—	—	—	—	—	—	—	4	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(433)	—	(50)	—	(22)	—	—	—	(505)	—
Limit management and final repayments	(70)	—	—	—	—	—	—	—	(70)	—
As at 31 December 2023	2,554	—	337	—	42	—	—	—	2,933	—

Loans and advances at amortised cost (audited)

Barclays Bank UK PLC	Stage 1 Gross £m	Stage 1 ECL £m	Stage 2 Gross £m	Stage 2 ECL £m	Stage 3 excluding POCI Gross £m	Stage 3 excluding POCI ECL £m	Stage 3 POCI Gross £m	Stage 3 POCI ECL £m	Total Gross £m	Total ECL £m
Retail mortgages										
As at 1 January 2023	143,169	17	17,838	48	1,436	58	—	—	162,443	123
Transfers from Stage 1 to Stage 2	(9,283)	(2)	9,283	2	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	5,959	15	(5,959)	(15)	—	—	—	—	—	—
Transfers to Stage 3	(368)	—	(473)	(8)	841	8	—	—	—	—
Transfers from Stage 3	16	1	95	1	(111)	(2)	—	—	—	—
Business activity in the year[1]	22,991	12	978	7	26	11	—	—	23,995	30
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(8,990)	—	(1,036)	50	(238)	47	—	—	(10,264)	97
Final repayments	(10,071)	(2)	(1,641)	(8)	(240)	(12)	—	—	(11,952)	(22)
Disposals[2]	(517)	(2)	(4)	—	(2)	—	—	—	(523)	(2)
Write-offs	—	—	—	—	(3)	(3)	—	—	(3)	(3)
As at 31 December 2023	142,906	39	19,081	77	1,709	107	—	—	163,696	223
Retail credit cards										
As at 1 January 2023	7,119	127	2,569	493	251	137	—	—	9,939	757
Transfers from Stage 1 to Stage 2	(891)	(26)	891	26	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	1,344	216	(1,344)	(216)	—	—	—	—	—	—
Transfers to Stage 3	(121)	(4)	(244)	(82)	365	86	—	—	—	—
Transfers from Stage 3	45	27	25	14	(70)	(41)	—	—	—	—
Business activity in the year	847	15	101	36	5	5	—	—	953	56
Refinements to models used for calculation[3]	—	(1)	—	52	—	37	—	—	—	88
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(123)	(237)	170	177	(26)	145	—	—	21	85
Final repayments	(126)	(6)	(40)	(8)	(24)	(18)	—	—	(190)	(32)
Disposals[2]	—	—	—	—	(159)	(100)	—	—	(159)	(100)
Write-offs	—	—	—	—	(144)	(144)	—	—	(144)	(144)
As at 31 December 2023	8,094	111	2,128	492	198	107	—	—	10,420	710
Retail other										
As at 1 January 2023	4,025	42	896	125	163	111	—	—	5,084	278
Transfers from Stage 1 to Stage 2	(443)	(8)	443	8	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	276	25	(276)	(25)	—	—	—	—	—	—
Transfers to Stage 3	(66)	(2)	(92)	(32)	158	34	—	—	—	—
Transfers from Stage 3	10	2	6	4	(16)	(6)	—	—	—	—
Business activity in the year	1,279	12	158	17	18	14	—	—	1,455	43
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(993)	(29)	(157)	15	(18)	89	—	—	(1,168)	75
Final repayments	(612)	(4)	(51)	(4)	(31)	(18)	—	—	(694)	(26)
Disposals[2]	—	—	—	—	(49)	(34)	—	—	(49)	(34)
Write-offs	—	—	—	—	(77)	(77)	—	—	(77)	(77)
As at 31 December 2023	3,476	38	927	108	148	113	—	—	4,551	259

Notes
1 Business activity in the year reported within Retail mortgages includes the acquisition of Kensington Mortgage Company of £2.2bn.
2 The £523m of gross disposals reported within Retail mortgages relate to transfer of facilities to a non-consolidated special purpose vehicle for the purpose of securitisation. The £159m of gross disposals reported within Retail credit cards and £49m of gross disposals reported within Retail other relate to debt sales undertaken during the year.
3 Refinements to models used for calculation include a £88m movement in UK Cards, these reflect model enhancements made during the year. Barclays Bank UK PLC continually review the output of models to determine accuracy of the ECL calculation including review of model monitoring, external benchmarking and experience of model operation over an extended period of time. This ensures that the models used continue to reflect the risks inherent across the businesses.

Loans and advances at amortised cost (audited)

Barclays Bank UK PLC	Stage 1		Stage 2		Stage 3 excluding POCI		Stage 3 POCI		Total	
	Gross	ECL	Gross	ECL	Gross	ECL	Gross	ECL	Gross	ECL
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Corporate loans										
As at 1 January 2023	21,776	153	6,334	149	1,632	249	—	—	29,742	551
Transfers from Stage 1 to Stage 2	(1,625)	(16)	1,625	16	—	—	—	—	—	—
Transfers from Stage 2 to Stage 1	2,104	55	(2,104)	(55)	—	—	—	—	—	—
Transfers to Stage 3	(429)	(3)	(637)	(11)	1,066	14	—	—	—	—
Transfers from Stage 3	127	16	206	19	(333)	(35)	—	—	—	—
Business activity in the year	2,723	7	87	2	166	16	—	—	2,976	25
Refinements to models used for calculation	—	—	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes[1]	(1,350)	(99)	(863)	(8)	(1,016)	92	—	—	(3,229)	(15)
Final repayments	(3,445)	(6)	(313)	(7)	(124)	(13)	—	—	(3,882)	(26)
Disposals	—	—	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(71)	(71)	—	—	(71)	(71)
As at 31 December 2023	19,881	107	4,335	105	1,320	252	—	—	25,536	464

Reconciliation of ECL movement to credit impairment charge/(release) for the year ended 31 December 2023

	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total
	£m	£m	£m	£m	£m
Retail mortgages	24	29	52	—	105
Retail credit cards	(16)	(1)	214	—	197
Retail other	(4)	(17)	113	—	92
Corporate loans	(46)	(44)	74	—	(16)
ECL movement excluding disposals and write-offs[2]	(42)	(33)	453	—	378
ECL movement on loan commitments and financial guarantees	2	(22)	—	—	(20)
ECL movement on other financial assets	—	—	—	—	—
ECL movement on debt securities at amortised cost	1	—	—	—	1
Recoveries and reimbursements[3]	(2)	(3)	(27)	—	(32)
Total exchange and other adjustments					(18)
Total credit impairment charge for the year					309

Notes
1 'Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes' reported within Corporate loans also include assets of £0.8bn de-recognised due to payment received on defaulted loans from government guarantees issued under the Government's Bounce Back Loans Scheme.
2 In 2023, gross write-offs amounted to £295m and post write-off recoveries amounted to £27m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £268m.
3 Recoveries and reimbursements include post write off recoveries of £27m and reimbursements expected to be received under the arrangement where Barclays Bank UK PLC has entered into financial guarantee contracts which provide credit protection over certain assets with third parties of £5m.

Loan commitments and financial guarantees (audited)

Barclays Bank UK PLC	Stage 1 Gross £m	Stage 1 ECL £m	Stage 2 Gross £m	Stage 2 ECL £m	Stage 3 excluding POCI Gross £m	Stage 3 excluding POCI ECL £m	Stage 3 POCI Gross £m	Stage 3 POCI ECL £m	Total Gross £m	Total ECL £m
Retail mortgages										
As at 1 January 2023	11,653	—	448	—	2	—	—	—	12,103	—
Net transfers between stages	(62)	—	53	—	9	—	—	—	—	—
Business activity in the year	3,985	—	—	—	—	—	—	—	3,985	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(7,672)	—	(11)	—	(8)	—	—	—	(7,691)	—
Limit management and final repayments	(344)	—	(44)	—	—	—	—	—	(388)	—
As at 31 December 2023	7,560	—	446	—	3	—	—	—	8,009	—
Retail credit cards										
As at 1 January 2023	33,813	9	3,387	38	221	—	—	—	37,421	47
Net transfers between stages	1,880	30	(1,961)	(30)	81	—	—	—	—	—
Business activity in the year	1,695	4	41	2	1	—	—	—	1,737	6
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(1,442)	(30)	(328)	16	(93)	—	—	—	(1,863)	(14)
Limit management and final repayments	(2,481)	(2)	(98)	(10)	(76)	—	—	—	(2,655)	(12)
As at 31 December 2023	33,465	11	1,041	16	134	—	—	—	34,640	27
Retail other										
As at 1 January 2023	5,402	—	437	—	15	—	—	—	5,854	—
Net transfers between stages	(46)	—	41	—	5	—	—	—	—	—
Business activity in the year	21	—	—	—	—	—	—	—	21	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(837)	—	(64)	—	(9)	—	—	—	(910)	—
Limit management and final repayments	(240)	—	—	—	—	—	—	—	(240)	—
As at 31 December 2023	4,300	—	414	—	11	—	—	—	4,725	—
Corporate loans										
As at 1 January 2023	3,034	—	417	—	53	—	—	—	3,504	—
Net transfers between stages	19	—	(30)	—	11	—	—	—	—	—
Business activity in the year	4	—	—	—	—	—	—	—	4	—
Net drawdowns and repayments, net re-measurement and movement due to exposure and risk parameter changes	(433)	—	(50)	—	(22)	—	—	—	(505)	—
Limit management and final repayments	(70)	—	—	—	—	—	—	—	(70)	—
As at 31 December 2023	2,554	—	337	—	42	—	—	—	2,933	—

Stage 2 decomposition

Stage 2 exposures are predominantly identified using quantitative tests where the lifetime probability of default (PD) has deteriorated more than a pre-determined amount since origination during the year. This is augmented by inclusion of accounts meeting the designated high risk criteria (including watchlist) for the portfolio under the qualitative test.

A small number of other accounts (0.7% of impairment allowance and 2.9% of gross exposure) are included in Stage 2. These accounts are not otherwise identified by the quantitative or qualitative tests but are more than 30 days past due. The percentage triggered by these backstop criteria is a measure of the effectiveness of the Stage 2 criteria in identifying deterioration prior to delinquency.

Loans and advances at amortised cost[1]

	Gross Exposure				Impairment Allowance			
Barclays Bank UK Group	Quantitative test	Qualitative test	30 days past due backstop	Total Stage 2	Quantitative test	Qualitative test	30 days past due backstop	Total Stage 2
As at 31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	9,143	9,672	631	19,446	42	15	4	61
Retail credit cards	1,719	345	—	2,064	367	73	—	440
Retail other	668	196	7	871	88	12	1	101
Corporate loans	2,196	715	108	3,019	61	16	—	77
Total Stage 2	13,726	10,928	746	25,400	558	116	5	679
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	8,904	9,564	613	19,081	49	22	6	77
Retail credit cards	1,798	330	—	2,128	416	76	—	492
Retail other	752	172	3	927	99	8	1	108
Corporate loans	3,573	758	4	4,335	92	13	—	105
Total Stage 2	15,027	10,824	620	26,471	656	119	7	782

Note
1 Where balances satisfy more than one of the above three criteria for determining a significant increase in credit risk, the corresponding gross exposure and impairment allowance have been assigned in order of categories presented.

Stage 3 decomposition

Stage 3 comprises exposures that are considered to be credit impaired. An asset is considered credit impaired when one or more events occur that have a detrimental impact on the estimated future cash flows of the financial asset. This comprises assets defined as defaulted, other individually assessed exposures and POCI as part of the Tesco Bank acquisition where imminent default or actual loss is identified.

Loans and advances at amortised cost

	Gross Exposure					Impairment Allowance				
	Stage 3 excluding POCI					Stage 3 excluding POCI				
Barclays Bank UK Group	Exposures not charged-off	Exposures individually assessed or in recovery book	Total	POCI	Total Stage 3	Exposures not charged-off	Exposures individually assessed or in recovery book	Total	POCI	Total Stage 3
As at 31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	1,365	287	1,652	—	1,652	22	33	55	—	55
Retail credit cards	179	—	179	40	219	88	3	91	—	91
Retail other	90	40	130	17	147	68	44	112	—	112
Corporate loans	1,219	245	1,464	—	1,464	89	148	237	—	237
Total Stage 3	2,853	572	3,425	57	3,482	267	228	495	—	495
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	1,408	301	1,709	—	1,709	63	44	107	—	107
Retail credit cards	198	—	198	—	198	107	—	107	—	107
Retail other	106	42	148	—	148	71	42	113	—	113
Corporate loans	1,099	221	1,320	—	1,320	117	135	252	—	252
Total Stage 3	2,811	564	3,375	—	3,375	358	221	579	—	579

Management adjustments to models for impairment (audited)

Management adjustments to impairment models are applied in order to factor in certain conditions or changes in policy that are not fully incorporated into the impairment models, or to reflect additional facts and circumstances at the period end. Management adjustments are reviewed and incorporated into future model development where applicable.

Management adjustments are captured through "Economic uncertainty" and "Other" adjustments, and are presented by product below:

Management adjustments to models for impairment allowance presented by product (audited)[1]

Barclays Bank UK Group	Impairment allowance pre management adjustments[2]	Economic uncertainty adjustments (a)	Other adjustments (b)	Management adjustments (a+b)	Total impairment allowance[3]	Proportion of Management adjustments to total impairment allowance
As at 31 December 2024	£m	£m	£m	£m	£m	%
Retail mortgages	42	36	68	104	146	71.2
Retail credit cards	787	—	(22)	(22)	765	(2.9)
Retail other	257	—	75	75	332	22.6
Corporate loans	295	42	43	85	380	22.4
Total	**1,381**	**78**	**164**	**242**	**1,623**	**14.9**
Debt securities at amortised cost	3	—	—	—	3	—
Total including debt securities at amortised cost	**1,384**	**78**	**164**	**242**	**1,626**	**14.9**
As at 31 December 2023	£m	£m	£m	£m	£m	%
Retail mortgages	45	57	121	178	223	79.8
Retail credit cards	701	45	(9)	36	737	4.9
Retail other	187	8	64	72	259	27.8
Corporate loans	358	71	35	106	464	22.8
Total	1,291	181	211	392	1,683	23.3
Debt securities at amortised cost	3	—	—	—	3	—
Total including debt securities at amortised cost	1,294	181	211	392	1,686	23.3

Economic uncertainty adjustments presented by stage (audited)

Barclays Bank UK Group	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2024	£m	£m	£m	£m
Retail mortgages	**7**	**18**	**11**	**36**
Retail credit cards	—	—	—	—
Retail other	—	—	—	—
Corporate loans	**26**	**10**	**6**	**42**
Total	**33**	**28**	**17**	**78**
	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2023	£m	£m	£m	£m
Retail mortgages	12	32	13	57
Retail credit cards	8	37	—	45
Retail other	2	6	—	8
Corporate loans	48	12	11	71
Total	70	87	24	181

Notes
1 Positive values reflect an increase in impairment allowance and negative values reflect a reduction in the impairment allowance.
2 Includes £1.0bn (2023: £1.1bn) of modelled ECL, £0.1bn (2023: £0.1bn) of individually assessed impairments and £0.3bn (2023: £0.1bn) of ECL from non-modelled exposures and debt securities.
3 Total impairment allowance consists of ECL stock on drawn and undrawn exposure.

Economic uncertainty adjustments

Economic uncertainty adjustments continue to be captured in two ways. Firstly, customer uncertainty: the identification of customers and clients who may be more vulnerable to economic instability; and secondly, model uncertainty: to capture the impact from model limitations and sensitivities to specific macroeconomic parameters which are applied at a portfolio level.

The previously held uncertainty adjustments reflecting affordability concerns were reduced during the year, informed by lower inflationary risk and a resilient credit performance in UK retail lending.

The balance as at 31 December 2024 is £78m (2023: £181m) and includes:

Customer and client uncertainty provisions of £53m (2023: £149m):

Retail mortgages £11m (2023: £25m): This adjustment reflects the risk of borrowers refinancing onto higher rates in the medium term and was partially utilised during the year.

Retail credit cards £nil (2023: £45m) and Retail other £nil (2023: £8m): The previously held affordability linked adjustments in the UK unsecured lending portfolio have been retired, supported by a resilient credit performance from UK customers, evidenced by continued low and stable delinquencies.

Corporate loans £42m (2023: £71m): This adjustment reflects the possible cross default risk on Barclays Bank UK Group's lending in respect of clients who have taken bounce back loans and is partially reduced on account of the latest credit performance.

Model uncertainty provisions of £25m (2023: £32m):

Retail mortgages £25m (2023: £32m): This adjustment remediates the higher recovery expectations impacted by model oversensitivity to certain macroeconomic variables and has reduced following the updated macroeconomic outlook.

Other adjustments

Other adjustments are operational in nature and are expected to remain in place until they can be reflected in the underlying models. These adjustments result from data limitations and model performance related issues identified through model monitoring and other established governance processes.

Other adjustments of £164m (2023: £211m) includes:

Adjustments for definition of default (DOD) under the Capital Requirements Regulation and model monitoring across products.

Retail mortgages £68m (2023: £121m): The reduction is driven by the adoption of a new LGD2 (Loss Given Default) model for the default book and re-sizing of model monitoring adjustments.

Retail credit cards £(22)m (2023: £(9)m): The movement is driven by a model monitoring adjustment to correct for 12m PD over prediction.

Retail other £75m (2023: £64m): The increase reflects a re-sizing of adjustments for model monitoring.

Corporate loans £43m (2023: £35m): Adjustments remain broadly stable compared to the previous year.

Climate risk ECL assessment

Barclays Bank UK Group performed a credit risk assessment of physical and transition risk due to climate change. This was delivered through a combination of a scenario approach and targeted reviews on specific portfolios identified as more susceptible to climate risk.

Scenario Approach: The IFRS 9 Downside 2 scenario has been updated and aligned to the 2024 Internal Stress Test scenario which is climate aware, ensuring that climate is being considered within the modelled ECL output via existing macroeconomic variables.

Specific Approach: The approach reviewed portfolios previously identified from both internal and external stress tests as more susceptible to climate risks. In particular, new climate modelling techniques were utilised to inform customer level PD and LGD spreads of physical and transition risk due to climate change for the UK Mortgages portfolio (both PD and LGD). The output of this review did not provide variances in ECL deemed sufficiently certain to warrant raising an additional climate-related charge in 2024.

Barclays Bank UK Group acknowledges that impairment could increase over time as risks become more tangible and impact consumers and clients through physical risks or via impacts from the transition to a low carbon economy. Therefore, Barclays Bank UK Group continues to review credit risk outputs to determine if any additional physical or transition climate risks are identified that are not sufficiently captured via model output.

Measurement uncertainty and sensitivity analysis

The measurement of modelled ECL involves complexity and judgement, including estimation of probabilities of default (PD), loss given default (LGD), a range of unbiased future economic scenarios, estimation of expected lives, estimation of exposures at default (EAD) and assessing significant increases in credit risk. The Barclays Bank UK Group uses a five-scenario model to calculate ECL. An external consensus forecast is assembled from key sources, including HM Treasury (short and medium term forecasts) and Bloomberg (based on median of economic forecasts), which forms the Baseline scenario. In addition, two adverse scenarios (Downside 1 and Downside 2) and two favourable scenarios (Upside 1 and Upside 2) are derived, with associated probability weightings. The adverse scenarios are calibrated to a broadly similar severity to the internal stress tests and stress scenarios provided by regulators whilst also considering IFRS 9 specific sensitivities and non-linearity. The favourable scenarios are designed to reflect plausible upside risks to the Baseline scenario which are broadly consistent with the economic narrative approved by the Senior Scenario Review Committee. All scenarios are regenerated at a minimum semi-annually. The scenarios include key economic variables, (including GDP, unemployment, House Price Index (HPI) and base rate), and expanded variables using statistical models based on historical correlations. The upside and downside shocks are designed to evolve over a five-year stress horizon, with all five scenarios converging to a steady state after approximately seven years. The same scenarios used in the estimation of expected credit losses are also used to inform the Barclays Bank UK Group's internal planning.

Scenarios used to calculate the Barclays Bank UK Group's ECL charge were refreshed in Q424 with the Baseline scenario reflecting the latest consensus macroeconomic forecasts available at the time of the scenario refresh. In the Baseline scenario, following an encouraging first half of 2024, UK economic growth slowed in H224. However, it is further stimulated as restrictive monetary policy continues to loosen. GDP growth in 2025 is expected to be 1.4%. Labour markets in major economies remain broadly resilient with unemployment rates relatively close to historic lows and are only expected to increase moderately. The UK unemployment rate peaks at 4.5% in 2026 before returning to 4.4% for the reminder of the 5-year projection period. The Bank of England cuts rates three times by 25bp in 2025. As lower rates feed into new mortgages, UK house prices stabilise and resume the upward trend from 2025.

The Downside 2 scenario has been broadly aligned to the Barclays Bank UK Group's 2024 internal stress test which includes climate drivers. Under this scenario, long-standing structural issues, restrictive monetary policy and persistent household affordability loss leads to a sharp demand-driven economic contraction that precipitates into a severe global recession and disinflation process. The economic slowdown leads to rising unemployment rates as lay-offs intensify. UK unemployment peaks at 8.4% during 2026. The combination of high interest rates and subdued growth leads to inflation declines which in turn causes the Bank of England to reduce rates. In the Upside 2 scenario, a rise in labour force participation and higher productivity contribute to accelerated economic growth, without creating new inflationary pressures. The Bank of England lowers interest rates stimulating private consumption and investment growth. Demand for labour increases. and the unemployment rate stabilises and starts falling again. As geopolitical tensions ease, low inflation supports consumer purchasing power and contributes further to a healthy GDP growth. The strong economic outlook and lower interest rates provide a boost to house prices growth and support bullish financial markets.

The methodology for estimating scenario probability weights involves simulating a range of future paths for UK GDP using historical data with five scenarios mapped against the distribution of these future paths. The median is centred around the Baseline with scenarios further from the Baseline attracting a lower weighting before the five weights are normalised to equate to 100%. The decrease in Downside and increase in Upside scenario weights is driven by the improvement in GDP actuals and near-term outlook, bringing the Baseline scenario closer to the Upside and further away from the Downside scenarios. For further details see page 104.

The economic uncertainty adjustments of £78m (2023: £181m) have been applied as overlays to the modelled ECL output. Previously held uncertainty adjustments reflecting affordability concerns were reduced during the year, informed by lower inflationary risk and a resilient credit performance in retail lending. For further details see page 101.

The tables below show the key UK macroeconomic variables used in the five scenarios (5 year annual paths), the probability weights applied to each scenario and the macroeconomic variables by scenario using 'specific bases' i.e. the most extreme position of each variable in the context of the scenario, for example, the highest unemployment for downside scenarios and the lowest unemployment for upside scenarios. 5-year average tables and movement over time graphs provide additional transparency. Annual paths show quarterly averages for the year (unemployment and base rate) or change in the year (GDP and HPI).

Baseline average macroeconomic variables used in the calculation of ECL

As at 31 December 2024	2024 %	2025 %	2026 %	2027 %	2028 %
UK GDP[1]	1.0	1.4	1.5	1.6	1.5
UK unemployment[2]	4.3	4.4	4.5	4.4	4.4
UK HPI[3]	2.8	3.3	1.6	4.5	3.0
UK bank rate	5.1	4.3	4.0	4.0	3.8
Downside 2					
UK GDP[1]	1.0	(2.3)	(1.3)	2.6	2.3
UK unemployment[2]	4.3	6.2	8.1	6.6	5.5
UK HPI[3]	2.8	(24.8)	(5.2)	10.0	14.6
UK bank rate	5.1	3.5	1.7	0.6	1.1
Downside 1					
UK GDP[1]	1.0	(0.5)	0.1	2.1	1.9
UK unemployment[2]	4.3	5.3	6.3	5.5	5.0
UK HPI[3]	2.8	(11.6)	(1.8)	7.2	8.7
UK bank rate	5.1	3.9	2.9	2.3	2.4
Upside 2					
UK GDP[1]	1.0	3.0	3.7	2.9	2.4
UK unemployment[2]	4.3	3.8	3.4	3.5	3.5
UK HPI[3]	2.8	11.9	8.4	5.1	4.1
UK bank rate	5.1	3.9	2.9	2.8	2.8
Upside 1					
UK GDP[1]	1.0	2.2	2.6	2.2	2.0
UK unemployment[2]	4.3	4.1	4.0	4.0	4.0
UK HPI[3]	2.8	7.6	4.9	4.8	3.5
UK bank rate	5.1	4.1	3.5	3.4	3.3

Notes
1 Average Real GDP seasonally adjusted change in year.
2 Average UK unemployment rate 16-year+.
3 Change in year end UK HPI = Halifax All Houses, All Buyers index, relative to prior year end.

Baseline As at 31 December 2023	2023 %	2024 %	2025 %	2026 %	2027 %
UK GDP[1]	0.5	0.3	1.2	1.6	1.6
UK unemployment[2]	4.2	4.7	4.7	4.8	5.0
UK HPI[3]	(3.3)	(5.1)	0.7	3.1	5.3
UK bank rate	4.7	4.9	4.1	3.8	3.5
Downside 2					
UK GDP[1]	0.5	(1.5)	(2.6)	2.4	1.6
UK unemployment[2]	4.2	5.2	7.9	6.3	5.5
UK HPI[3]	(3.3)	(19.3)	(16.8)	14.5	12.4
UK bank rate	4.7	6.6	1.3	1.0	1.0
Downside 1					
UK GDP[1]	0.5	(0.6)	(0.7)	2.0	1.6
UK unemployment[2]	4.2	4.9	6.3	5.6	5.2
UK HPI[3]	(3.3)	(12.4)	(8.3)	8.7	8.8
UK bank rate	4.7	5.8	2.7	2.5	2.3
Upside 2					
UK GDP[1]	0.5	2.4	3.7	2.9	2.4
UK unemployment[2]	4.2	3.9	3.5	3.6	3.6
UK HPI[3]	(3.3)	7.8	7.6	4.5	5.6
UK bank rate	4.7	4.3	2.7	2.5	2.5
Upside 1					
UK GDP[1]	0.5	1.4	2.5	2.3	2.0
UK unemployment[2]	4.2	4.3	4.1	4.2	4.3
UK HPI[3]	(3.3)	1.2	4.1	3.8	5.4
UK bank rate	4.7	4.6	3.4	3.3	3.0

Notes
1 Average Real GDP seasonally adjusted change in year.
2 Average UK unemployment rate 16-year+.
3 Change in year end UK HPI = Halifax All Houses, All Buyers index, relative to prior year end.

Scenario probability weighting (audited)[1]

	Upside 2 %	Upside 1 %	Baseline %	Downside 1 %	Downside 2 %
As at 31 December 2024					
Scenario probability weighting	**17.4**	**26.8**	**32.5**	**14.7**	**8.6**
As at 31 December 2023					
Scenario probability weighting	13.8	24.7	32.4	18.3	10.8

Note
1 For further details on changes to scenario weights see page 102.

Specific bases show the most extreme position of each variable in the context of the downside/upside scenarios, for example, the highest unemployment for downside scenarios, average unemployment for baseline scenarios and lowest unemployment for upside scenarios. GDP and HPI downside and upside scenario data represents the lowest and highest cumulative position relative to the start point in the 20 quarter period.

Macroeconomic variables used in the calculation of ECL (specific bases) (audited)[1]

	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
	%	%	%	%	%
As at 31 December 2024					
UK GDP[2]	**15.0**	**11.6**	**1.4**	**0.2**	**(2.9)**
UK unemployment[3]	**3.4**	**3.9**	**4.4**	**6.5**	**8.4**
UK HPI[4]	**36.3**	**25.9**	**3.0**	**(11.3)**	**(26.8)**
UK bank rate[3]	**2.8**	**3.3**	**4.2**	**5.3**	**5.3**
As at 31 December 2023					
UK GDP[2]	13.4	9.6	1.1	(1.3)	(4.1)
UK unemployment[3]	3.5	3.9	4.7	6.5	8.3
UK HPI[4]	23.8	11.5	0.1	(22.5)	(35.0)
UK bank rate[3]	2.5	3.0	4.2	6.8	8.5

Average basis represents the average quarterly value of variables in the 20 quarter period with GDP and HPI based on yearly average and quarterly CAGRs respectively.

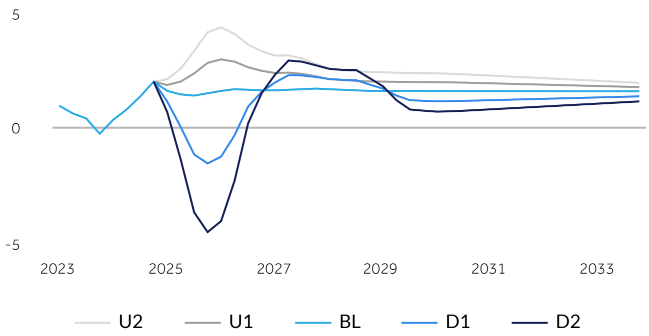
Macroeconomic variables used in the calculation of ECL (5-year averages) (audited)[1]

	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
	%	%	%	%	%
As at 31 December 2024					
UK GDP[5]	**2.6**	**2.0**	**1.4**	**0.9**	**0.5**
UK unemployment[6]	**3.7**	**4.0**	**4.4**	**5.3**	**6.1**
UK HPI[7]	**6.4**	**4.7**	**3.0**	**0.8**	**(1.6)**
UK bank rate[6]	**3.5**	**3.9**	**4.2**	**3.3**	**2.4**
As at 31 December 2023					
UK GDP[5]	2.4	1.7	1.1	0.6	0.1
UK unemployment[6]	3.7	4.2	4.7	5.2	5.8
UK HPI[7]	4.4	2.2	0.1	(1.7)	(3.5)
UK bank rate[6]	3.3	3.8	4.2	3.6	2.9

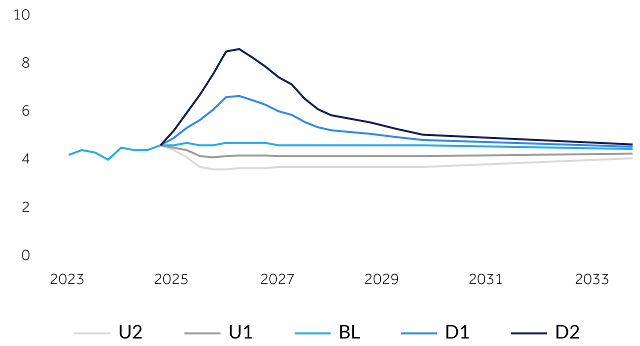
Notes
1 UK GDP = Real GDP growth seasonally adjusted; UK unemployment = UK unemployment rate 16-year+; UK HPI = Halifax All Houses, All Buyers Index. 20 quarter period starts from Q124 (2023: Q123).
2 Maximum growth relative to Q423 (2023: Q422), based on 20 quarter period in Upside scenarios; 5-year yearly average CAGR in Baseline; minimum growth relative to Q423 (2023: Q422), based on 20 quarter period in Downside scenarios.
3 Lowest quarter in Upside scenarios; 5-year average in Baseline; highest quarter in Downside scenarios. Period based on 20 quarters from Q124 (2023: Q123).
4 Maximum growth relative to Q423 (2023: Q422), based on 20 quarter period in Upside scenarios; 5-year quarter end CAGR in Baseline; minimum growth relative to Q423 (2023: Q422), based on 20 quarter period in Downside scenarios.
5 5-year yearly average CAGR, starting 2023 (2023: 2022).
6 5-year average. Period based on 20 quarters from Q124 (2023: Q123).
7 5-year quarter end CAGR, starting Q423 (2023: Q422).

The graphs below plot the historical data for the quarterly, year on year GDP growth rate (Q v Q-4) and the quarterly unemployment rate in the UK as well as the forecasted data under each of the five scenarios.

UK GDP
(%)



UK unemployment
(%)



GDP growth based on year on year growth each quarter (Q/(Q-4)).

ECL sensitivity analysis (audited)

The table below shows the ECL assuming scenarios have been 100% weighted with the dispersion of results around the Baseline, highlighting the impact on exposure and ECL across the scenarios.

Model exposure uses exposure at default (EAD) values and is not directly comparable to gross exposure used in prior disclosures.

Barclays Bank UK Group (audited)	Scenarios					
As at 31 December 2024	Weighted[1]	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
Stage 1 Model exposure (£m)						
Retail mortgages	139,077	140,818	140,070	139,179	136,661	134,852
Retail credit cards	18,560	18,493	18,507	18,517	18,551	18,514
Retail other	6,416	6,535	6,487	6,432	6,274	6,093
Corporate loans	20,032	21,312	20,802	20,142	18,800	17,077
Stage 1 Model ECL (£m)						
Retail mortgages	1	—	1	1	3	6
Retail credit cards	114	102	106	110	129	148
Retail other	29	26	27	28	31	34
Corporate loans	33	29	31	32	39	45
Stage 1 Coverage (%)						
Retail mortgages	—	—	—	—	—	—
Retail credit cards	0.6	0.6	0.6	0.6	0.7	0.8
Retail other	0.5	0.4	0.4	0.4	0.5	0.6
Corporate loans	0.2	0.1	0.1	0.2	0.2	0.3
Stage 2 Model exposure (£m)						
Retail mortgages	20,398	18,175	19,069	20,131	23,356	26,336
Retail credit cards	2,313	2,231	2,264	2,299	2,392	2,558
Retail other	1,199	1,079	1,128	1,183	1,340	1,522
Corporate loans	3,428	2,149	2,659	3,319	4,661	6,384
Stage 2 Model ECL (£m)						
Retail mortgages	4	1	2	3	7	16
Retail credit cards	449	411	423	436	497	587
Retail other	78	65	69	73	97	130
Corporate loans	68	50	57	67	86	118
Stage 2 Coverage (%)						
Retail mortgages	—	—	—	—	—	0.1
Retail credit cards	19.4	18.4	18.7	19.0	20.8	22.9
Retail other	6.5	6.0	6.1	6.2	7.2	8.5
Corporate loans	2.0	2.3	2.1	2.0	1.8	1.8
Stage 3 Model exposure (£m)[2]						
Retail mortgages	1,037	1,037	1,037	1,037	1,037	1,037
Retail credit cards	192	192	192	192	192	192
Retail other	127	127	127	127	127	127
Corporate loans	4,017	4,017	4,017	4,017	4,017	4,017
Stage 3 Model ECL (£m)						
Retail mortgages	15	8	10	13	24	36
Retail credit cards	91	89	89	90	93	96
Retail other	68	67	67	68	71	72
Corporate loans[3]	47	41	43	44	54	65
Stage 3 Coverage (%)						
Retail mortgages	1.4	0.8	1.0	1.3	2.3	3.5
Retail credit cards	47.4	46.4	46.4	46.9	48.4	50.0
Retail other	53.5	52.8	52.8	53.5	55.9	56.7
Corporate loans[3]	1.2	1.0	1.1	1.1	1.3	1.6
Total Model ECL (£m)						
Retail mortgages	20	9	13	17	34	58
Retail credit cards	654	602	618	636	719	831
Retail other	175	158	163	169	199	236
Corporate loans[3]	148	120	131	143	179	228
Total Model ECL	997	889	925	965	1,131	1,353

Reconciliation to total ECL	£m
Total weighted model ECL	997
ECL from individually assessed exposures[3]	133
ECL from non-modelled exposures and others[4]	251
ECL from debt securities at amortised cost	3
ECL from post model management adjustments	242
Of which: ECL from economic uncertainty adjustments	*78*
Total ECL	**1,626**

Notes
1 Model exposures are allocated to a stage based on an individual scenario rather than a probability-weighted approach, as required for Barclays reported impairment allowances. As a result, it is not possible to back solve the final reported weighted ECL from individual scenarios given balances may be assigned to a different stage dependent on the scenario.
2 Model exposures allocated to Stage 3 does not change in any of the scenarios as the transition criteria relies only on an observable evidence of default as at 31st December 2024 and not on macroeconomic scenario.
3 Material corporate loan defaults are individually assessed across different recovery strategies. As a result, ECL of £133m is reported as an individually assessed impairment in the reconciliation table.
4 ECL from non-modelled exposures and others includes ECL on Tesco Bank of £209m calculated using a benchmarked approach based on UK cards and UK retail loans. The sensitivity of the non-modelled exposures would materially reflect the sensitivity of the benchmarked model.

The use of five scenarios with associated weightings results in a total weighted ECL uplift from the Baseline ECL of 3.3%.

Retail mortgages: Total weighted ECL of £20m represents a 17.6% increase over the Baseline ECL (£17m), with coverage ratios remaining steady across the Upside scenarios, Baseline and Downside 1 scenario. Under the Downside 2 scenario, total ECL increases to £58m driven by a fall in UK HPI.

Retail credit cards: Total weighted ECL of £654m represents a 2.8% increase over the Baseline ECL (£636m). Total ECL increases to £831m under the Downside 2 scenario, driven by an increase in UK unemployment rate.

Retail other: Total weighted ECL of £175m represents a 3.6% increase over the Baseline ECL (£169m). Total ECL increases to £236m under the Downside 2 scenario, largely driven by an increase in UK unemployment rate.

Corporate loans: Total weighted ECL of £148m represents a 3.5% increase over the Baseline ECL (£143m). Total ECL increases to £228m under the Downside 2 scenario, driven by a decrease in UK GDP.

Barclays Bank UK Group (audited)	Scenarios					
As at 31 December 2023	Weighted[1]	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
Stage 1 Model exposure (£m)						
Retail mortgages	142,368	144,524	143,776	142,549	139,715	136,140
Retail credit cards	17,425	17,438	17,441	17,438	17,419	17,338
Retail other	6,432	6,593	6,521	6,439	6,320	6,176
Corporate loans	18,114	20,325	19,363	18,221	16,897	15,343
Stage 1 Model ECL (£m)						
Retail mortgages	5	—	1	2	7	17
Retail credit cards	116	105	110	115	124	131
Retail other	24	23	24	24	24	23
Corporate loans	34	32	33	33	38	42
Stage 1 Coverage (%)						
Retail mortgages	—	—	—	—	—	—
Retail credit cards	0.7	0.6	0.6	0.7	0.7	0.8
Retail other	0.4	0.3	0.4	0.4	0.4	0.4
Corporate loans	0.2	0.2	0.2	0.2	0.2	0.3
Stage 2 Model exposure (£m)						
Retail mortgages	20,258	17,445	18,364	19,790	23,449	28,392
Retail credit cards	2,452	2,362	2,399	2,442	2,503	2,630
Retail other	1,334	1,173	1,245	1,326	1,445	1,590
Corporate loans	4,744	2,533	3,495	4,637	5,961	7,515
Stage 2 Model ECL (£m)						
Retail mortgages	12	1	2	5	22	82
Retail credit cards	493	441	459	479	533	615
Retail other	79	66	73	78	89	99
Corporate loans	147	119	130	145	165	198
Stage 2 Coverage (%)						
Retail mortgages	0.1	—	—	—	0.1	0.3
Retail credit cards	20.1	18.7	19.1	19.6	21.3	23.4
Retail other	5.9	5.6	5.9	5.9	6.2	6.2
Corporate loans	3.1	4.7	3.7	3.1	2.8	2.6
Stage 3 Model exposure (£m)[2]						
Retail mortgages	1,114	1,114	1,114	1,114	1,114	1,114
Retail credit cards	231	231	231	231	231	231
Retail other	129	129	129	129	129	129
Corporate loans	3,391	3,391	3,391	3,391	3,391	3,391
Stage 3 Model ECL (£m)						
Retail mortgages	21	6	9	14	32	66
Retail credit cards	86	85	85	86	88	90
Retail other	69	68	68	69	69	70
Corporate loans[3]	47	42	44	45	53	60
Stage 3 Coverage (%)						
Retail mortgages	1.9	0.5	0.8	1.3	2.9	5.9
Retail credit cards	37.2	36.8	36.8	37.2	38.1	39.0
Retail other	53.5	52.7	52.7	53.5	53.5	54.3
Corporate loans[3]	1.4	1.2	1.3	1.3	1.6	1.8
Total Model ECL (£m)						
Retail mortgages	38	7	12	21	61	165
Retail credit cards	695	631	654	680	745	836
Retail other	172	157	165	171	182	192
Corporate loans[3]	228	193	207	223	256	300
Total Model ECL	**1,133**	**988**	**1,038**	**1,095**	**1,244**	**1,493**

Reconciliation to total ECL	£m
Total model ECL	1,133
ECL from individually assessed exposures[3]	112
ECL from non-modelled exposures and others	46
ECL from debt securities at amortised cost	3
ECL from post model management adjustments	392
Of which: ECL from economic uncertainty adjustments	*181*
Total ECL	**1,686**

Notes
1 Model exposures are allocated to a stage based on an individual scenario rather than a probability-weighted approach, as required for Barclays reported impairment allowances. As a result, it is not possible to back solve the final reported weighted ECL from individual scenarios given balances may be assigned to a different stage dependent on the scenario.
2 Model exposures allocated to Stage 3 does not change in any of the scenarios as the transition criteria relies only on an observable evidence of default as at 31st December 2023 and not on macroeconomic scenario.
3 Material corporate loan defaults are individually assessed across different recovery strategies. As a result, ECL of £112m is reported as an individually assessed impairment in the reconciliation table.

Analysis of the concentration of credit risk

A concentration of credit risk exists when a number of counterparties are located in a common geographical region or are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Barclays Bank UK Group implements limits on concentrations in order to mitigate the risk.

The table below presents an industry credit risk concentration analysis of loans and advances at amortised cost net of impairment allowance including breakdown by geographical location of the counterparty or customers. Further includes debt securities at amortised cost, off-balance sheet commitments and financial guarantees and contingent liabilities at amortised cost by geography.

Further detail on Barclays Bank UK Group's policies with regard to managing concentration risk is presented in the Barclays Bank UK PLC Pillar 3 report (unaudited).

Credit risk concentration by industry and geography (audited)

Loans and advances at amortised cost net of impairment allowance					
Industry	Geography				
	United Kingdom	Americas	Europe	Others	Total
Barclays Bank UK Group					
As at 31 December 2024	£m	£m	£m	£m	£m
Agriculture, Food and Forest Products	3,318	—	—	—	3,318
Mining and Quarrying	8	—	—	—	8
Manufacturing	410	—	—	—	410
Government and central bank	3,153	—	—	—	3,153
Banks	260	1	21	—	282
Energy and water	42	—	—	—	42
Materials and Building	7,247	—	—	1	7,248
Wholesale and retail distribution and leisure	2,003	—	—	—	2,003
Transport and storage	243	—	—	—	243
Home Loans	163,105	—	—	—	163,105
Business and other services	3,283	—	—	—	3,283
Other Financial Institutions	260	—	—	—	260
Cards, unsecured loans and other personal lending	23,353	5	1	2	23,361
Total loans and advances at amortised cost	206,685	6	22	3	206,716
Debt securities at amortised cost	10,118	1,657	434	5,774	17,983
Total loans and advances at amortised cost including debt securities[1]	216,803	1,663	456	5,777	224,699
Contingent liabilities	710	0	0	0	710
Loan commitments	66,946	7	5	1	66,959
Total off-balance sheet	67,656	7	5	1	67,669
As at 31 December 2023	£m	£m	£m	£m	£m
Agriculture, Food and Forest Products	3,518	—	—	—	3,518
Mining and Quarrying	6	—	—	—	6
Manufacturing	507	—	—	—	507
Government and central bank	4,722	—	—	—	4,722
Banks	174	61	56	—	291
Energy and water	58	—	—	—	58
Materials and Building	8,520	3	2	5	8,530
Wholesale and retail distribution and leisure	2,489	—	—	—	2,489
Transport and storage	345	—	—	—	345
Home Loans	163,510	—	—	—	163,510
Business and other services	3,766	4	—	—	3,770
Other Financial Institutions	247	—	—	—	247
Cards, unsecured loans and other personal lending	13,997	2	3	—	14,002
Total loans and advances at amortised cost	201,859	70	61	5	201,995
Debt securities at amortised cost	8,584	1,771	282	7,157	17,794
Total loans and advances at amortised cost including debt securities	210,443	1,841	343	7,162	219,789
Contingent liabilities	661	—	—	—	661
Loan commitments	49,800	10	6	4	49,820
Total off-balance sheet	50,461	10	6	4	50,481

Notes
1 Loans and advances for 2024 include POCI assets of £57m
2 Refer to Carbon related assets table on page 76 for more details on the "Exposures towards sectors that highly contribute to carbon related assets" under the respective Industry sectors.

Loans and advances at amortised cost net of impairment allowance

Industry	Geography				
	United Kingdom	Americas	Europe	Others	Total
Barclays Bank UK PLC					
As at 31 December 2024	£m	£m	£m	£m	£m
Agriculture, Food and Forest Products	3,318	—	—	—	3,318
Mining and Quarrying	8	—	—	—	8
Manufacturing	410	—	—	—	410
Government and central bank	3,153	—	—	—	3,153
Banks	295	1	21	—	317
Energy and water	42	—	—	—	42
Materials and Building	7,247	—	—	1	7,248
Wholesale and retail distribution and leisure	2,003	—	—	—	2,003
Transport and storage	243	—	—	—	243
Home Loans	163,087	—	—	—	163,087
Business and other services	3,281	—	—	—	3,281
Other Financial Institutions	631	—	—	—	631
Cards, unsecured loans and other personal lending	23,353	5	1	2	23,361
Total loans and advances at amortised cost	207,071	6	22	3	207,102
Debt securities at amortised cost	10,118	1,657	434	5,774	17,983
Total loans and advances at amortised cost including debt securities	217,189	1,663	456	5,777	225,085
Contingent liabilities	710	—	—	—	710
Loan commitments	66,561	7	5	1	66,574
Total off-balance sheet	67,271	7	5	1	67,284

As at 31 December 2023	£m	£m	£m	£m	£m
Agriculture, Food and Forest Products	3,518	—	—	—	3,518
Mining and Quarrying	6	—	—	—	6
Manufacturing	507	—	—	—	507
Government and central bank	4,722	—	—	—	4,722
Banks	267	61	56	—	384
Energy and water	58	—	—	—	58
Materials and Building	8,520	3	2	5	8,530
Wholesale and retail distribution and leisure	2,489	—	—	—	2,489
Transport and storage	345	—	—	—	345
Home Loans	163,473	—	—	—	163,473
Business and other services	3,743	4	—	—	3,747
Other Financial Institutions	766	—	—	—	766
Cards, unsecured loans and other personal lending	13,997	2	3	—	14,002
Total loans and advances at amortised cost	202,411	70	61	5	202,547
Debt securities at amortised cost	8,584	1,772	282	7,156	17,794
Total loans and advances at amortised cost including debt securities	210,995	1,842	343	7,161	220,341
Contingent liabilities	661	—	—	—	661
Loan commitments	49,626	10	6	4	49,646
Total off-balance sheet	50,287	10	6	4	50,307

The Barclays Bank UK Group's approach to management and representation of credit quality

Asset credit quality

The credit quality distribution is based on the IFRS 9 12 month probability of default (PD) at the reporting date to ensure comparability with other ECL disclosures in the Expected Credit Losses section on pages 83 to 112.

The Barclays Bank UK Group uses the following internal measures to determine credit quality for loans:

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

For retail clients, a range of analytical tools are used to derive the probability of default of clients at inception and on an ongoing basis.

For loans that are not past due, these descriptions can be summarised as follows:

Strong: there is a very high likelihood of the asset being recovered in full.

Satisfactory: while there is a high likelihood that the asset will be recovered and therefore of no cause for concern to the Barclays Bank UK Group, the asset may not be collateralised, or may relate to unsecured retail facilities. At the lower end of this grade there are customers that are being more carefully monitored, for example, corporate customers which are indicating some evidence of deterioration, mortgages with a high loan to value, and unsecured retail loans operating outside normal product guidelines.

Higher Risk: there is concern over the obligor's ability to make payments when due. However, these have not yet converted to actual delinquency. There may also be doubts over the value of collateral or security provided. However, the borrower or counterparty is continuing to make payments when due and is expected to settle all outstanding amounts of principal and interest.

Loans that are past due are monitored closely, with impairment allowances raised as appropriate and in line with the Barclays Bank UK Group's impairment policies. These loans are all considered higher risk for the purpose of this analysis of credit quality.

Debt securities

For assets held at fair value, the carrying value on the balance sheet will include, among other things, the credit risk of the issuer. Most listed and some unlisted securities are rated by external rating agencies. The Barclays Bank UK Group mainly uses external credit ratings provided by Standard & Poor's, Fitch or Moody's. Where such ratings are not available or are not current, the Barclays Bank UK Group will use its own internal ratings for the securities.

Balance sheet credit quality

The following tables present the credit quality of Barclays Bank UK Group assets exposed to credit risk.

Overview

As at 31 December 2024 the ratio of the Barclays Bank UK Group's on-balance sheet assets classified as strong (0.0 < 0.60%) at 87% (2023: 89%) of total assets exposed to credit risk.

Balance sheet credit quality (audited)

Barclays Bank UK Group	PD Range	0.0 to <0.60%	0.60 to <11.35%	11.35 to 100%	Total	0.0 to <0.60%	0.60 to <11.35%	11.35 to 100%	Total
As at 31 December 2024		£m	£m	£m	£m	%	%	%	%
Cash and balances at central banks		29,819	—	—	29,819	100	—	—	100
Cash collateral and settlement balances		6,002	—	—	6,002	100	—	—	100
Loans and advances at amortised cost									
Retail mortgages		155,917	5,178	2,010	163,105	96	3	1	100
Retail credit cards		3,670	10,715	645	15,030	24	72	4	100
Retail other		1,725	6,416	190	8,331	21	77	2	100
Corporate loans		9,073	9,405	1,772	20,250	45	46	9	100
Total loans and advances at amortised cost		170,385	31,714	4,617	206,716	83	15	2	100
Debt securities at amortised cost		17,757	226	—	17,983	99	1	—	100
Reverse repurchase agreements and other similar secured lending		5,894	—	—	5,894	100	—	—	100
Trading portfolio assets:									
Debt securities		242	—	—	242	100	—	—	100
Total trading portfolio assets		242	—	—	242	100	—	—	100
Financial assets at fair value through the income statement:									
Loans and advances		1,455	88	—	1,543	94	6	—	100
Other financial assets		—	—	—	—	—	—	—	—
Total financial assets at fair value through the income statement		1,455	88	—	1,543	94	6	—	100
Derivative financial instruments		1,901	—	—	1,901	100	—	—	100
Financial assets at fair value through other comprehensive income - Debt securities		27,045	—	—	27,045	100	—	—	100
Other assets		265	—	—	265	100	—	—	100
Total on-balance sheet		260,765	32,028	4,617	297,410	87	11	2	100

Balance sheet credit quality (audited)

Barclays Bank UK Group As at 31 December 2023	PD Range	0.0 to <0.60% £m	0.60 to <11.35% £m	11.35 to 100% £m	Total £m	0.0 to <0.60% %	0.60 to <11.35% %	11.35 to 100% %	Total %
Cash and balances at central banks		34,948	—	—	34,948	100	—	—	100
Cash collateral and settlement balances		5,507	—	—	5,507	100	—	—	100
Loans and advances at amortised cost									
Retail mortgages		155,200	6,200	2,110	163,510	95	4	1	100
Retail credit cards		3,123	5,967	620	9,710	32	62	6	100
Retail other		1,756	2,376	160	4,292	41	55	4	100
Corporate loans		11,188	11,485	1,810	24,483	46	47	7	100
Total loans and advances at amortised cost		171,267	26,028	4,700	201,995	85	13	2	100
Debt securities at amortised cost		17,596	198	—	17,794	99	1	—	100
Reverse repurchase agreements and other similar secured lending		3,567	—	—	3,567	100	—	—	100
Trading portfolio assets:									
Debt securities		43	—	—	43	100	—	—	100
Total trading portfolio assets		43	—	—	43	100	—	—	100
Financial assets at fair value through the income statement:									
Loans and advances		1,689	23	3	1,715	99	1	—	100
Other financial assets		—	—	—	—	—	—	—	—
Total financial assets at fair value through the income statement		1,689	23	3	1,715	99	1	—	100
Derivative financial instruments		1,566	—	—	1,566	100	—	—	100
Financial assets at fair value through other comprehensive income - Debt securities		20,409	—	—	20,409	100	—	—	100
Other assets		186	—	—	186	100	—	—	100
Total on-balance sheet		256,778	26,249	4,703	287,730	89	9	2	100

Balance sheet credit quality (audited)

Barclays Bank UK PLC As at 31 December 2024	PD Range	0.0 to <0.60% £m	0.60 to <11.35% £m	11.35 to 100% £m	Total £m	0.0 to <0.60% %	0.60 to <11.35% %	11.35 to 100% %	Total %
Cash and balances at central banks		29,819	—	—	29,819	100	—	—	100
Cash collateral and settlement balances		6,002	—	—	6,002	100	—	—	100
Loans and advances at amortised cost									
Retail mortgages		155,899	5,178	2,010	163,087	96	3	1	100
Retail credit cards		3,670	10,715	645	15,030	24	72	4	100
Retail other		1,725	6,416	190	8,331	21	77	2	100
Corporate loans		9,478	9,404	1,772	20,654	46	45	9	100
Total loans and advances at amortised cost		170,772	31,713	4,617	207,102	83	15	2	100
Debt securities at amortised cost		17,757	226	—	17,983	99	1	—	100
Reverse repurchase agreements and other similar secured lending		5,894	—	—	5,894	100	—	—	100
Trading portfolio assets:									
Debt securities		242	—	—	242	100	—	—	100
Total trading portfolio assets		242	—	—	242	100	—	—	100
Financial assets at fair value through the income statement:									
Loans and advances		1,455	88	—	1,543	94	6	—	100
Other financial assets		—	—	—	—	—	—	—	—
Total financial assets at fair value through the income statement		1,455	88	—	1,543	94	6	—	100
Derivative financial instruments		1,901	—	—	1,901	100	—	—	100
Financial assets at fair value through other comprehensive income - Debt securities		27,045	—	—	27,045	100	—	—	100
Other assets		284	—	—	284	100	—	—	100
Total on-balance sheet		261,171	32,027	4,617	297,815	87	11	2	100

Balance sheet credit quality (audited)

Barclays Bank UK PLC As at 31 December 2023	PD Range	0.0 to <0.60% £m	0.60 to <11.35% £m	11.35 to 100% £m	Total £m	0.0 to <0.60% %	0.60 to <11.35% %	11.35 to 100% %	Total %
Cash and balances at central banks		34,948	—	—	34,948	100	—	—	100
Cash collateral and settlement balances		5,507	—	—	5,507	100	—	—	100
Loans and advances at amortised cost									
Retail mortgages		155,163	6,200	2,110	163,473	95	4	1	100
Retail credit cards		3,123	5,967	620	9,710	32	62	6	100
Retail other		1,756	2,376	160	4,292	41	55	4	100
Corporate loans		11,778	11,485	1,809	25,072	47	46	7	100
Total loans and advances at amortised cost		171,820	26,028	4,699	202,547	85	13	2	100
Debt securities at amortised cost		17,596	198	—	17,794	99	1	—	100
Reverse repurchase agreements and other similar secured lending		3,567	—	—	3,567	100	—	—	100
Trading portfolio assets:									
Debt securities		43	—	—	43	100	—	—	100
Total trading portfolio assets		43	—	—	43	100	—	—	100
Financial assets at fair value through the income statement:									
Loans and advances		1,689	23	3	1,715	99	1	—	100
Other financial assets		—	—	—	—	—	—	—	—
Total financial assets at fair value through the income statement		1,689	23	3	1,715	99	1	—	100
Derivative financial instruments		1,566	—	—	1,566	100	—	—	100
Financial assets at fair value through other comprehensive income - Debt securities		20,409	—	—	20,409	100	—	—	100
Other assets		193	—	—	193	100	—	—	100
Total on-balance sheet		257,338	26,249	4,702	288,289	89	9	2	100

Credit exposures by internal PD grade

The below tables represent credit risk profiles by PD grade for loans and advances at amortised cost, contingent liabilities and loan commitments.

Stage 1 higher risk assets, presented gross of associated collateral held, are of weaker credit quality but have not significantly deteriorated since origination.

IFRS 9 Stage 1 and Stage 2 classification is not dependent solely on the absolute probability of default but on elements that determine a Significant Increase in Credit Risk, including relative movement in probability of default since initial recognition. There is therefore no direct relationship between credit quality and IFRS 9 stage classification.

Credit risk profile by internal PD grade for retail mortgages (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	26,799	649	—	—	27,448	1	—	—	—	1	27,447	—
4-5	0.05 to <0.15%	Strong	90,418	6,864	—	—	97,282	15	3	—	—	18	97,264	—
6-8	0.15 to <0.30%	Strong	18,572	4,417	—	—	22,989	10	6	—	—	16	22,973	0.1
9-11	0.30 to <0.60%	Strong	5,301	2,945	—	—	8,246	3	10	—	—	13	8,233	0.2
12-14	0.60 to <2.15%	Satisfactory	859	2,741	—	—	3,600	1	19	—	—	20	3,580	0.6
15-19	2.15 to <11.35%	Satisfactory	82	1,532	—	—	1,614	—	16	—	—	16	1,598	1.0
20-21	11.35 to <100%	Higher Risk	122	298	—	—	420	—	7	—	—	7	413	1.7
22	100%	Credit Impaired	—	—	1,652	—	1,652	—	—	55	—	55	1,597	3.3
Total			142,153	19,446	1,652	—	163,251	30	61	55	—	146	163,105	0.1

Credit risk profile by internal PD grade for retail credit cards (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	118	—	—	—	118	—	—	—	—	—	118	—
4-5	0.05 to <0.15%	Strong	1,141	3	—	—	1,144	1	—	—	—	1	1,143	0.1
6-8	0.15 to <0.30%	Strong	1,031	3	—	—	1,034	2	—	—	—	2	1,032	0.2
9-11	0.30 to <0.60%	Strong	1,375	6	—	—	1,381	4	—	—	—	4	1,377	0.3
12-14	0.60 to <2.15%	Satisfactory	7,392	54	—	—	7,446	142	3	—	—	145	7,301	1.9
15-19	2.15 to <11.35%	Satisfactory	2,311	1,330	—	—	3,641	48	179	—	—	227	3,414	6.2
20-21	11.35 to <100%	Higher Risk	129	668	—	—	797	22	258	—	—	280	517	35.1
22	100%	Credit Impaired	—	—	179	40	219	—	—	91	—	91	128	41.6
Total			13,497	2,064	179	40	15,780	219	440	91	—	750	15,030	4.8

Credit risk profile by internal PD grade for retail other (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	35	1	—	—	36	1	—	—	—	1	35	2.8
4-5	0.05 to <0.15%	Strong	300	5	—	—	305	1	—	—	—	1	304	0.3
6-8	0.15 to <0.30%	Strong	378	6	—	—	384	1	—	—	—	1	383	0.3
9-11	0.30 to <0.60%	Strong	952	59	—	—	1,011	5	3	—	—	8	1,003	0.8
12-14	0.60 to <2.15%	Satisfactory	5,298	209	—	—	5,507	74	11	—	—	85	5,422	1.5
15-19	2.15 to <11.35%	Satisfactory	615	435	—	—	1,050	20	36	—	—	56	994	5.3
20-21	11.35 to <100%	Higher Risk	67	156	—	—	223	17	51	—	—	68	155	30.5
22	100%	Credit Impaired	—	—	130	17	147	—	—	112	—	112	35	76.2
Total			7,645	871	130	17	8,663	119	101	112	—	332	8,331	3.8

Credit risk profile by internal PD grade for corporate loans (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	4,908	107	—	—	5,015	2	—	—	—	2	5,013	—
4-5	0.05 to <0.15%	Strong	2,135	—	—	—	2,135	2	—	—	—	2	2,133	0.1
6-8	0.15 to <0.30%	Strong	542	10	—	—	552	1	—	—	—	1	551	0.2
9-11	0.30 to <0.60%	Strong	1,330	52	—	—	1,382	5	1	—	—	6	1,376	0.4
12-14	0.60 to <2.15%	Satisfactory	4,655	778	—	—	5,433	32	23	—	—	55	5,378	1.0
15-19	2.15 to <11.35%	Satisfactory	2,477	1,611	—	—	4,088	21	40	—	—	61	4,027	1.5
20-21	11.35 to <100%	Higher Risk	99	461	—	—	560	2	13	—	—	15	545	2.7
22	100%	Credit Impaired	—	—	1,464	—	1,464	—	—	237	—	237	1,227	16.2
Total			16,146	3,019	1,464	—	20,629	65	77	237	—	379	20,250	1.8

Credit risk profile by internal PD grade for loans and advances at amortised cost (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	31,860	757	—	—	32,617	4	—	—	—	4	32,613	—
4-5	0.05 to <0.15%	Strong	93,994	6,872	—	—	100,866	19	3	—	—	22	100,844	—
6-8	0.15 to <0.30%	Strong	20,523	4,436	—	—	24,959	14	6	—	—	20	24,939	0.1
9-11	0.30 to <0.60%	Strong	8,958	3,062	—	—	12,020	17	14	—	—	31	11,989	0.3
12-14	0.60 to <2.15%	Satisfactory	18,204	3,782	—	—	21,986	249	56	—	—	305	21,681	1.4
15-19	2.15 to <11.35%	Satisfactory	5,485	4,908	—	—	10,393	89	271	—	—	360	10,033	3.5
20-21	11.35 to <100%	Higher Risk	417	1,583	—	—	2,000	41	329	—	—	370	1,630	18.5
22	100%	Credit Impaired	—	—	3,425	57	3,482	—	—	495	—	495	2,987	14.2
Total			179,441	25,400	3,425	57	208,323	433	679	495	—	1,607	206,716	0.8

Credit risk profile by internal PD grade for retail mortgages (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	25,758	587	—	—	26,345	1	—	—	—	1	26,344	—
4-5	0.05 to <0.15%	Strong	58,652	3,384	—	—	62,036	11	2	—	—	13	62,023	—
6-8	0.15 to <0.30%	Strong	51,237	7,235	—	—	58,472	19	8	—	—	27	58,445	—
9-11	0.30 to <0.60%	Strong	5,958	2,447	—	—	8,405	5	12	—	—	17	8,388	0.2
12-14	0.60 to <2.15%	Satisfactory	1,029	3,037	—	—	4,066	2	23	—	—	25	4,041	0.6
15-19	2.15 to <11.35%	Satisfactory	191	1,993	—	—	2,184	1	24	—	—	25	2,159	1.1
20-21	11.35 to <100%	Higher Risk	118	398	—	—	516	—	8	—	—	8	508	1.6
22	100%	Credit Impaired	—	—	1,709	—	1,709	—	—	107	—	107	1,602	6.3
Total			142,943	19,081	1,709	—	163,733	39	77	107	—	223	163,510	0.1

Credit risk profile by internal PD grade for retail credit cards (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	123	—	—	—	123	—	—	—	—	—	123	—
4-5	0.05 to <0.15%	Strong	975	4	—	—	979	1	—	—	—	1	978	0.1
6-8	0.15 to <0.30%	Strong	980	4	—	—	984	2	—	—	—	2	982	0.2
9-11	0.30 to <0.60%	Strong	1,038	6	—	—	1,044	4	—	—	—	4	1,040	0.4
12-14	0.60 to <2.15%	Satisfactory	2,650	48	—	—	2,698	27	3	—	—	30	2,668	1.1
15-19	2.15 to <11.35%	Satisfactory	2,168	1,386	—	—	3,554	62	193	—	—	255	3,299	7.2
20-21	11.35 to <100%	Higher Risk	160	680	—	—	840	15	296	—	—	311	529	37.0
22	100%	Credit Impaired	—	—	198	—	198	—	—	107	—	107	91	54.0
Total			8,094	2,128	198	—	10,420	111	492	107	—	710	9,710	6.8

Credit risk profile by internal PD grade for retail other (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	29	—	—	—	29	1	—	—	—	1	28	3.4
4-5	0.05 to <0.15%	Strong	218	3	—	—	221	1	—	—	—	1	220	0.5
6-8	0.15 to <0.30%	Strong	365	6	—	—	371	1	—	—	—	1	370	0.3
9-11	0.30 to <0.60%	Strong	1,099	50	—	—	1,149	8	3	—	—	11	1,138	1.0
12-14	0.60 to <2.15%	Satisfactory	1,234	235	—	—	1,469	11	15	—	—	26	1,443	1.8
15-19	2.15 to <11.35%	Satisfactory	513	473	—	—	986	14	39	—	—	53	933	5.4
20-21	11.35 to <100%	Higher Risk	18	160	—	—	178	2	51	—	—	53	125	29.8
22	100%	Credit Impaired	—	—	148	—	148	—	—	113	—	113	35	76.4
Total			3,476	927	148	—	4,551	38	108	113	—	259	4,292	5.7

Credit risk profile by internal PD grade for corporate loans (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	7,460	3	—	—	7,463	6	—	—	—	6	7,457	0.1
4-5	0.05 to <0.15%	Strong	1,845	—	—	—	1,845	2	—	—	—	2	1,843	0.1
6-8	0.15 to <0.30%	Strong	387	27	—	—	414	1	1	—	—	2	412	0.5
9-11	0.30 to <0.60%	Strong	1,422	64	—	—	1,486	9	1	—	—	10	1,476	0.7
12-14	0.60 to <2.15%	Satisfactory	5,303	1,282	—	—	6,585	53	37	—	—	90	6,495	1.4
15-19	2.15 to <11.35%	Satisfactory	2,748	2,326	—	—	5,074	34	50	—	—	84	4,990	1.7
20-21	11.35 to <100%	Higher Risk	127	633	—	—	760	2	16	—	—	18	742	2.4
22	100%	Credit Impaired	—	—	1,320	—	1,320	—	—	252	—	252	1,068	19.1
Total			19,292	4,335	1,320	—	24,947	107	105	252	—	464	24,483	1.9

Credit risk profile by internal PD grade for loans and advances at amortised cost (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	33,370	590	—	—	33,960	8	—	—	—	8	33,952	—
4-5	0.05 to <0.15%	Strong	61,690	3,391	—	—	65,081	15	2	—	—	17	65,064	—
6-8	0.15 to <0.30%	Strong	52,969	7,272	—	—	60,241	23	9	—	—	32	60,209	0.1
9-11	0.30 to <0.60%	Strong	9,517	2,567	—	—	12,084	26	16	—	—	42	12,042	0.3
12-14	0.60 to <2.15%	Satisfactory	10,216	4,602	—	—	14,818	93	78	—	—	171	14,647	1.2
15-19	2.15 to <11.35%	Satisfactory	5,620	6,178	—	—	11,798	111	306	—	—	417	11,381	3.5
20-21	11.35 to <100%	Higher Risk	423	1,871	—	—	2,294	19	371	—	—	390	1,904	17.0
22	100%	Credit Impaired	—	—	3,375	—	3,375	—	—	579	—	579	2,796	17.2
Total			173,805	26,471	3,375	—	203,651	295	782	579	—	1,656	201,995	0.8

Credit risk profile by internal PD grade for contingent liabilities (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	710	—	—	—	710	—	—	—	—	—	710	—
4-5	0.05 to <0.15%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
6-8	0.15 to <0.30%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
9-11	0.30 to <0.60%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
12-14	0.60 to <2.15%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
15-19	2.15 to <11.35%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
20-21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	—	—	—
22	100%	Credit Impaired	—	—	—	—	—	—	—	—	—	—	—	—
Total			710	—	—	—	710	—	—	—	—	—	710	—

Credit risk profile by internal PD grade for contingent liabilities (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	661	—	—	—	661	—	—	—	—	—	661	—
4-5	0.05 to <0.15%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
6-8	0.15 to <0.30%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
9-11	0.30 to <0.60%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
12-14	0.60 to <2.15%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
15-19	2.15 to <11.35%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
20-21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	—	—	—
22	100%	Credit Impaired	—	—	—	—	—	—	—	—	—	—	—	—
Total			661	—	—	—	661	—	—	—	—	—	661	—

Credit risk profile by internal PD grade for loan commitments (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	5,045	24	—	—	5,069	—	—	—	—	—	5,069	—
4-5	0.05 to <0.15%	Strong	14,081	248	—	—	14,329	1	—	—	—	1	14,328	—
6-8	0.15 to <0.30%	Strong	6,102	120	—	—	6,222	1	—	—	—	1	6,221	—
9-11	0.30 to <0.60%	Strong	15,262	164	—	—	15,426	1	—	—	—	1	15,425	—
12-14	0.60 to <2.15%	Satisfactory	22,621	457	—	—	23,078	3	1	—	—	4	23,074	—
15-19	2.15 to <11.35%	Satisfactory	1,727	739	—	—	2,466	2	4	—	—	6	2,460	0.2
20-21	11.35 to <100%	Higher Risk	60	115	—	—	175	—	3	—	—	3	172	1.7
22	100%	Credit Impaired	—	—	188	6	194	—	—	—	—	—	194	—
Total			64,898	1,867	188	6	66,959	8	8	—	—	16	66,943	—

Credit risk profile by internal PD grade for loan commitments (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK Group														
1-3	0.0 to <0.05%	Strong	5,102	23	—	—	5,125	—	—	—	—	—	5,125	—
4-5	0.05 to <0.15%	Strong	12,334	202	—	—	12,536	1	—	—	—	1	12,535	—
6-8	0.15 to <0.30%	Strong	7,531	260	—	—	7,791	1	—	—	—	1	7,790	—
9-11	0.30 to <0.60%	Strong	10,867	192	—	—	11,059	2	—	—	—	2	11,057	—
12-14	0.60 to <2.15%	Satisfactory	9,478	526	—	—	10,004	2	1	—	—	3	10,001	—
15-19	2.15 to <11.35%	Satisfactory	1,907	914	—	—	2,821	1	5	—	—	6	2,815	0.2
20-21	11.35 to <100%	Higher Risk	173	121	—	—	294	4	10	—	—	14	280	4.8
22	100%	Credit Impaired	—	—	190	—	190	—	—	—	—	—	190	—
Total			47,392	2,238	190	—	49,820	11	16	—	—	27	49,793	0.1

Credit risk profile by internal PD grade for retail mortgages (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	26,799	649	—	—	27,448	1	—	—	—	1	27,447	—
4-5	0.05 to <0.15%	Strong	90,418	6,864	—	—	97,282	17	3	—	—	20	97,262	—
6-8	0.15 to <0.30%	Strong	18,572	4,417	—	—	22,989	8	6	—	—	14	22,975	0.1
9-11	0.30 to <0.60%	Strong	5,283	2,945	—	—	8,228	3	10	—	—	13	8,215	0.2
12-14	0.60 to <2.15%	Satisfactory	859	2,741	—	—	3,600	1	19	—	—	20	3,580	0.6
15-19	2.15 to <11.35%	Satisfactory	82	1,532	—	—	1,614	—	16	—	—	16	1,598	1.0
20-21	11.35 to <100%	Higher Risk	122	298	—	—	420	—	7	—	—	7	413	1.7
22	100%	Credit Impaired	—	—	1,652	—	1,652	—	—	55	—	55	1,597	3.3
Total			142,135	19,446	1,652	—	163,233	30	61	55	—	146	163,087	0.1

Credit risk profile by internal PD grade for retail credit cards (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	118	—	—	—	118	—	—	—	—	—	118	—
4-5	0.05 to <0.15%	Strong	1,141	3	—	—	1,144	1	—	—	—	1	1,143	0.1
6-8	0.15 to <0.30%	Strong	1,031	3	—	—	1,034	2	—	—	—	2	1,032	0.2
9-11	0.30 to <0.60%	Strong	1,375	6	—	—	1,381	4	—	—	—	4	1,377	0.3
12-14	0.60 to <2.15%	Satisfactory	7,392	54	—	—	7,446	142	3	—	—	145	7,301	1.9
15-19	2.15 to <11.35%	Satisfactory	2,311	1,330	—	—	3,641	48	179	—	—	227	3,414	6.2
20-21	11.35 to <100%	Higher Risk	129	668	—	—	797	22	258	—	—	280	517	35.1
22	100%	Credit Impaired	—	—	179	40	219	—	—	91	—	91	128	41.6
Total			13,497	2,064	179	40	15,780	219	440	91	—	750	15,030	4.8

Credit risk profile by internal PD grade for retail other (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	35	1	—	—	36	1	—	—	—	1	35	2.8
4-5	0.05 to <0.15%	Strong	300	5	—	—	305	1	—	—	—	1	304	0.3
6-8	0.15 to <0.30%	Strong	378	6	—	—	384	1	—	—	—	1	383	0.3
9-11	0.30 to <0.60%	Strong	952	59	—	—	1,011	5	3	—	—	8	1,003	0.8
12-14	0.60 to <2.15%	Satisfactory	5,298	210	—	—	5,508	75	11	—	—	86	5,422	1.6
15-19	2.15 to <11.35%	Satisfactory	615	434	—	—	1,049	19	36	—	—	55	994	5.2
20-21	11.35 to <100%	Higher Risk	67	156	—	—	223	17	51	—	—	68	155	30.5
22	100%	Credit Impaired	—	—	130	17	147	—	—	112	—	112	35	76.2
Total			7,645	871	130	17	8,663	119	101	112	—	332	8,331	3.8

Credit risk profile by internal PD grade for corporate loans (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	5,334	107	—	—	5,441	2	—	—	—	2	5,439	—
4-5	0.05 to <0.15%	Strong	2,135	—	—	—	2,135	2	—	—	—	2	2,133	0.1
6-8	0.15 to <0.30%	Strong	542	10	—	—	552	1	—	—	—	1	551	0.2
9-11	0.30 to <0.60%	Strong	1,309	52	—	—	1,361	5	1	—	—	6	1,355	0.4
12-14	0.60 to <2.15%	Satisfactory	4,654	778	—	—	5,432	31	23	—	—	54	5,378	1.0
15-19	2.15 to <11.35%	Satisfactory	2,477	1,611	—	—	4,088	22	40	—	—	62	4,026	1.5
20-21	11.35 to <100%	Higher Risk	99	461	—	—	560	2	13	—	—	15	545	2.7
22	100%	Credit Impaired	—	—	1,464	—	1,464	—	—	237	—	237	1,227	16.2
Total			16,550	3,019	1,464	—	21,033	65	77	237	—	379	20,654	1.8

Credit risk profile by internal PD grade for loans and advances at amortised cost (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	32,286	757	—	—	33,043	4	—	—	—	4	33,039	—
4-5	0.05 to <0.15%	Strong	93,994	6,872	—	—	100,866	21	3	—	—	24	100,842	—
6-8	0.15 to <0.30%	Strong	20,523	4,436	—	—	24,959	12	6	—	—	18	24,941	0.1
9-11	0.30 to <0.60%	Strong	8,919	3,062	—	—	11,981	17	14	—	—	31	11,950	0.3
12-14	0.60 to <2.15%	Satisfactory	18,203	3,783	—	—	21,986	249	56	—	—	305	21,681	1.4
15-19	2.15 to <11.35%	Satisfactory	5,485	4,907	—	—	10,392	89	271	—	—	360	10,032	3.5
20-21	11.35 to <100%	Higher Risk	417	1,583	—	—	2,000	41	329	—	—	370	1,630	18.5
22	100%	Credit Impaired	—	—	3,425	57	3,482	—	—	495	—	495	2,987	14.2
Total			179,827	25,400	3,425	57	208,709	433	679	495	—	1,607	207,102	0.8

Credit risk profile by internal PD grade for retail mortgages (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	25,758	587	—	—	26,345	1	—	—	—	1	26,344	—
4-5	0.05 to <0.15%	Strong	58,652	3,384	—	—	62,036	11	2	—	—	13	62,023	—
6-8	0.15 to <0.30%	Strong	51,237	7,235	—	—	58,472	19	8	—	—	27	58,445	—
9-11	0.30 to <0.60%	Strong	5,921	2,447	—	—	8,368	5	12	—	—	17	8,351	0.2
12-14	0.60 to <2.15%	Satisfactory	1,029	3,037	—	—	4,066	2	23	—	—	25	4,041	0.6
15-19	2.15 to <11.35%	Satisfactory	191	1,993	—	—	2,184	1	24	—	—	25	2,159	1.1
20-21	11.35 to <100%	Higher Risk	118	398	—	—	516	—	8	—	—	8	508	1.6
22	100%	Credit Impaired	—	—	1,709	—	1,709	—	—	107	—	107	1,602	6.3
Total			142,906	19,081	1,709	—	163,696	39	77	107	—	223	163,473	0.1

Credit risk profile by internal PD grade for retail credit cards (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	123	—	—	—	123	—	—	—	—	—	123	—
4-5	0.05 to <0.15%	Strong	975	4	—	—	979	1	—	—	—	1	978	0.1
6-8	0.15 to <0.30%	Strong	980	4	—	—	984	2	—	—	—	2	982	0.2
9-11	0.30 to <0.60%	Strong	1,038	6	—	—	1,044	4	—	—	—	4	1,040	0.4
12-14	0.60 to <2.15%	Satisfactory	2,650	48	—	—	2,698	27	3	—	—	30	2,668	1.1
15-19	2.15 to <11.35%	Satisfactory	2,168	1,386	—	—	3,554	62	193	—	—	255	3,299	7.2
20-21	11.35 to <100%	Higher Risk	160	680	—	—	840	15	296	—	—	311	529	37.0
22	100%	Credit Impaired	—	—	198	—	198	—	—	107	—	107	91	54.0
Total			8,094	2,128	198	—	10,420	111	492	107	—	710	9,710	6.8

Credit risk profile by internal PD grade for retail other (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	29	—	—	—	29	1	—	—	—	1	28	3.4
4-5	0.05 to <0.15%	Strong	218	3	—	—	221	1	—	—	—	1	220	0.5
6-8	0.15 to <0.30%	Strong	365	6	—	—	371	1	—	—	—	1	370	0.3
9-11	0.30 to <0.60%	Strong	1,099	50	—	—	1,149	8	3	—	—	11	1,138	1.0
12-14	0.60 to <2.15%	Satisfactory	1,234	235	—	—	1,469	11	15	—	—	26	1,443	1.8
15-19	2.15 to <11.35%	Satisfactory	513	473	—	—	986	14	39	—	—	53	933	5.4
20-21	11.35 to <100%	Higher Risk	18	160	—	—	178	2	51	—	—	53	125	29.8
22	100%	Credit Impaired	—	—	148	—	148	—	—	113	—	113	35	76.4
Total			3,476	927	148	—	4,551	38	108	113	—	259	4,292	5.7

Credit risk profile by internal PD grade for corporate loans (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	8,029	3	—	—	8,032	6	—	—	—	6	8,026	0.1
4-5	0.05 to <0.15%	Strong	1,845	—	—	—	1,845	2	—	—	—	2	1,843	0.1
6-8	0.15 to <0.30%	Strong	387	27	—	—	414	1	1	—	—	2	412	0.5
9-11	0.30 to <0.60%	Strong	1,443	64	—	—	1,507	9	1	—	—	10	1,497	0.7
12-14	0.60 to <2.15%	Satisfactory	5,303	1,282	—	—	6,585	53	37	—	—	90	6,495	1.4
15-19	2.15 to <11.35%	Satisfactory	2,748	2,326	—	—	5,074	34	50	—	—	84	4,990	1.7
20-21	11.35 to <100%	Higher Risk	126	633	—	—	759	2	16	—	—	18	741	2.4
22	100%	Credit Impaired	—	—	1,320	—	1,320	—	—	252	—	252	1,068	19.1
Total			19,881	4,335	1,320	—	25,536	107	105	252	—	464	25,072	1.8

Credit risk profile by internal PD grade for loans and advances at amortised cost (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	33,939	590	—	—	34,529	8	—	—	—	8	34,521	—
4-5	0.05 to <0.15%	Strong	61,690	3,391	—	—	65,081	15	2	—	—	17	65,064	—
6-8	0.15 to <0.30%	Strong	52,969	7,272	—	—	60,241	23	9	—	—	32	60,209	0.1
9-11	0.30 to <0.60%	Strong	9,501	2,567	—	—	12,068	26	16	—	—	42	12,026	0.3
12-14	0.60 to <2.15%	Satisfactory	10,216	4,602	—	—	14,818	93	78	—	—	171	14,647	1.2
15-19	2.15 to <11.35%	Satisfactory	5,620	6,178	—	—	11,798	111	306	—	—	417	11,381	3.5
20-21	11.35 to <100%	Higher Risk	422	1,871	—	—	2,293	19	371	—	—	390	1,903	17.0
22	100%	Credit Impaired	—	—	3,375	—	3,375	—	—	579	—	579	2,796	17.2
Total			174,357	26,471	3,375	—	204,203	295	782	579	—	1,656	202,547	0.8

Credit risk profile by internal PD grade for contingent liabilities (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	710	—	—	—	710	—	—	—	—	—	710	—
4-5	0.05 to <0.15%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
6-8	0.15 to <0.30%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
9-11	0.30 to <0.60%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
12-14	0.60 to <2.15%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
15-19	2.15 to <11.35%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
20-21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	—	—	—
22	100%	Credit Impaired	—	—	—	—	—	—	—	—	—	—	—	—
Total			710	—	—	—	710	—	—	—	—	—	710	—

Credit risk profile by internal PD grade for contingent liabilities (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 excluding POCI £m	Stage 3 POCI £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	661	—	—	—	661	—	—	—	—	—	661	—
4-5	0.05 to <0.15%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
6-8	0.15 to <0.30%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
9-11	0.30 to <0.60%	Strong	—	—	—	—	—	—	—	—	—	—	—	—
12-14	0.60 to <2.15%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
15-19	2.15 to <11.35%	Satisfactory	—	—	—	—	—	—	—	—	—	—	—	—
20-21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	—	—	—
22	100%	Credit Impaired	—	—	—	—	—	—	—	—	—	—	—	—
Total			661	—	—	—	661	—	—	—	—	—	661	—

Credit risk profile by internal PD grade for loan commitments (audited)

As at 31 December 2024			Gross carrying amount					Allowance for ECL						
Grading	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	5,044	24	—		5,068	—	—	—	—	—	5,068	—
4-5	0.05 to <0.15%	Strong	14,082	247	—		14,329	1	—	—	—	1	14,328	—
6-8	0.15 to <0.30%	Strong	6,102	120	—		6,222	1	—	—	—	1	6,221	—
9-11	0.30 to <0.60%	Strong	14,877	164	—		15,041	1	—	—	—	1	15,040	—
12-14	0.60 to <2.15%	Satisfactory	22,621	458	—		23,079	3	1	—	—	4	23,075	—
15-19	2.15 to <11.35%	Satisfactory	1,727	739	—		2,466	2	4	—	—	6	2,460	0.2
20-21	11.35 to <100%	Higher Risk	60	115	—		175	—	3	—	—	3	172	1.7
22	100%	Credit Impaired	—	—	188	6	194	—	—	—	—	—	194	—
Total			**64,513**	**1,867**	**188**	**6**	**66,574**	**8**	**8**	**—**	**—**	**16**	**66,558**	**—**

Credit risk profile by internal PD grade for loan commitments (audited)

As at 31 December 2023			Gross carrying amount					Allowance for ECL						
Grading	PD range	Credit quality description	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Stage 1	Stage 2	Stage 3 excluding POCI	Stage 3 POCI	Total	Net exposure	Coverage ratio
	%		£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
Barclays Bank UK PLC														
1-3	0.0 to <0.05%	Strong	5,101	23	—	—	5,124	—	—	—	—	—	5,124	—
4-5	0.05 to <0.15%	Strong	12,334	202	—	—	12,536	1	—	—	—	1	12,535	—
6-8	0.15 to <0.30%	Strong	7,531	260	—	—	7,791	1	—	—	—	1	7,790	—
9-11	0.30 to <0.60%	Strong	10,694	192	—	—	10,886	2	—	—	—	2	10,884	—
12-14	0.60 to <2.15%	Satisfactory	9,478	526	—	—	10,004	2	1	—	—	3	10,001	—
15-19	2.15 to <11.35%	Satisfactory	1,907	914	—	—	2,821	1	5	—	—	6	2,815	0.2
20-21	11.35 to <100%	Higher Risk	173	121	—	—	294	4	10	—	—	14	280	4.8
22	100%	Credit Impaired	—	—	190	—	190	—	—	—	—	—	190	—
Total			47,218	2,238	190	—	49,646	11	16	—	—	27	49,619	—

Analysis of specific portfolios and asset types

Secured home loans

The UK home loan portfolio primarily comprises first lien mortgages and accounts for 100% of the Barclays Bank UK Group's total home loans balance.

Home loans principal portfolios		
As at 31 December 2024	2024	2023
Gross loans and advances (£m)	163,197	163,639
>90 day arrears, excluding recovery book (%)	0.2	0.2
Annualised gross charge-off rates (%)	0.5	0.5
Recovery book proportion of outstanding balances (%)	0.6	0.6
Recovery book impairment coverage ratio (%)[1]	3.7	7.2

Note
1 Recovery Book Impairment Coverage Ratio excludes KMC.

Within the UK home loans portfolio:

- Gross loans and advances decreased by £0.4bn (0.3%) reflecting a £2.0bn (10.3%) decrease in Buy to Let, partially offset by a £1.6bn (1.1%) increase in Residential.
- Owner-occupied interest-only home loans comprised 15% (2023: 17%) of total balances. The average balance weighted LTV on owner occupied loans decreased to 52.7% (2023: 53.1%).
- BTL home loans comprised 11.0% (2023: 12.3%) of total balances. In BTL, the average balance weighted LTV decreased to 55.7% (2023: 56.9.%).

Home loans principal portfolios - distribution of balances by LTV[1]	Distribution of Balances				Distribution of impairment allowance				Coverage ratio			
	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total
	%	%	%	%	%	%	%	%	%	%	%	%
As at 31 December 2024												
<=75%	74.5	10.7	0.9	86.1	8.3	15.8	18.7	42.8	—	0.1	1.8	—
>75% and <=90%	11.8	1.2	0.1	13.1	10.2	24.2	9.7	44.1	0.1	1.7	13.0	0.3
>90% and <=100%	0.8	—	—	0.8	1.3	2.3	4.0	7.6	0.1	4.9	35.8	0.8
>100%	—	—	—	—	0.2	1.4	3.9	5.5	1.6	45.9	68.7	24.8
As at 31 December 2023												
<=75%	73.5	10.4	0.9	84.8	8.5	16.2	26.7	51.4	—	0.2	3.8	0.1
>75% and <=90%	12.3	1.2	0.1	13.6	7.4	16.7	12.8	36.9	0.1	1.9	27.9	0.4
>90% and <=100%	1.5	0.1	—	1.6	1.2	2.5	3.6	7.3	0.1	2.6	63.3	0.6
>100%	—	—	—	—	0.3	0.7	3.4	4.4	1.0	12.1	100.0	12.4

Note
1 Portfolio marked to market based on the most updated valuation including recovery book balances. Updated valuations reflect the application of the latest HPI available as at 31 December 2024.

Home loans principal portfolios – average LTV		
As at 31 December 2024	2024	2023
Overall portfolio LTV (%):		
Balance weighted %	53.0	53.6
Valuation weighted %	39.7	40.0
For >100% LTVs:		
Balances £m	30	75
Marked to market collateral £m	26	65
Average LTV: Balance weighted %	190.3	146.7
Average LTV: Valuation weighted %	142.0	123.6
% of Balances in Recoveries	30.7	11.5

Home loans principal portfolios - new lending		
As at 31 December 2024	2024	2023
New Home loan bookings (£m)	**23,895**	22,669
New home loan proportion above 90% LTV (%)	**0.9**	0.6
Average LTV on new home loan: balance weighted (%)	**65.5**	62.6
Average LTV on new home loan: valuation weighted (%)	**56.3**	53.8

New home loans bookings increased 5% to £23.9bn (2023: £22.7bn), mainly driven by interest rate reductions leading to lower mortgage pricing and a corresponding increase in mortgage affordability and demand, along with a strategy to increase mortgage market share.

Retail Credit Cards and Retail Other

The principal portfolios listed below accounted for 98% (2023: 94%) of Barclays Bank UK Group's total retail credit cards and retail other.

Retail Credit Cards and Retail Other	Gross Exposure	30 Day Arrears, excluding recoveries book	90 Day Arrears, excluding recoveries book	Annualised Gross Write-off Rates	Annualised Net Write-off Rates
	£m	%	%	%	%
As at 31 December 2024					
UK cards[1]	**15,781**	**0.7**	**0.2**	**1.1**	**0.9**
UK cards – excluding Tesco Bank cards	**11,611**	**0.7**	**0.2**	**1.4**	**1.1**
Tesco Bank cards[1]	**4,170**	**0.8**	**0.3**	**0.1**	**0.1**
UK personal loans[1]	**8,051**	**1.0**	**0.4**	**0.7**	**0.5**
UK personal loans – excluding Tesco Bank personal loans	**3,993**	**1.4**	**0.6**	**1.3**	**1.0**
Tesco Bank personal loans[1]	**4,058**	**0.5**	**0.2**	**0.1**	**0.0**
As at 31 December 2023					
UK cards	10,420	0.9	0.2	1.4	1.3
UK personal loans	3,641	1.5	0.6	1.3	1.0

Note
1 Tesco Bank arrears rates calculated using POCI balances adjusted to fair value. This has the impact of reducing the Tesco Bank arrears rates.

UK cards: Gross exposure increased from £10.4bn to £15.8bn due to the acquisition of Tesco Bank (£4.2bn) and growth in spend and promotional balances. The inclusion of Tesco Bank had limited impact on arrears rates. Excluding Tesco Bank, 30 day arrears rates reduced to 0.7% (2023: 0.9%) following lower inflow whilst 90 day arrears rates remained stable at 0.2% (2023: 0.2%). Gross and net write off rates reduced to 1.1% (2023: 1.4%) and 0.9% (2023: 1.3%) reflecting limited write offs in the Tesco Bank cards portfolio post the acquisition. Excluding Tesco Bank, gross and net write off rates remained relatively stable at 1.4% (2023: 1.4%) and 1.1% (2023: 1.3%) respectively.

UK personal loans: Gross exposure increased from £3.6bn to £8.1bn due to the purchase of Tesco Bank (£4.1bn) and growth in new lending. 30 and 90 day arrears rates reduced to 1.0% (2023: 1.5%) and 0.4% (2023: 0.6%) respectively, reflecting the inclusion of Tesco Bank. Excluding Tesco Bank, 30 and 90 day arrears rates remained broadly stable at 1.4% (2023: 1.5%) and 0.6% (2023: 0.6%) respectively. Gross and net write off rates reduced to 0.7% (2023: 1.3%) and 0.5% (2023: 1.0%) reflecting limited write offs in the Tesco Bank loans portfolio post the acquisition. Excluding Tesco Bank, gross and net write off rates remained stable at 1.3% (2023: 1.3%) and 1.0% (2023: 1.0%) respectively.

All disclosures in this section are unaudited unless otherwise stated.

Overview

Market Risk within the Barclays Bank UK Group arises from the risk management of the assets held within the liquidity pool. As a result, the market risk in the Barclays Bank UK Group is minimal. Transactions carrying market risk are executed by the Barclays Bank UK Group Treasury function.

Management VaR (audited)

Management VaR estimates 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.

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.

Average management VaR in the Barclays Bank UK Group in 2024 was £0.5m (2023: £0.8m) and remained broadly stable throughout the year. Management VaR in the Barclays Bank UK Group in 2024 was driven by interest rate risk and foreign exchange risk in Barclays Bank UK Group Treasury.

Barclays Bank UK PLC adopts a standardised methodology for calculating capital requirements and as a result regulatory VaR is not applicable while management VaR is used only for internal risk calculations.

Summary of Contents

Liquidity risk

All disclosures in this section, pages 136 to 143, are unaudited unless otherwise stated.

Overview

The efficient management of liquidity is essential to the Barclays Bank UK Group in order to retain the confidence of markets and maintain the sustainability of the business. The liquidity risk framework is used to manage all liquidity risk exposures under both Business-As-Usual and stressed conditions. The framework is designed to maintain liquidity resources that are sufficient in amount, quality and funding tenor profile to support the liquidity risk appetite as expressed by the Barclays Bank UK PLC Board. The liquidity risk appetite is monitored against both internal and regulatory liquidity metrics.

Liquidity regulation

The Barclays Bank UK Group monitors its position against both the LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio) according to the PRA regulatory requirements which include certain Basel III standards that were retained in the UK regulatory framework from 1 January 2022 as part of the UK's withdrawal from the EU.

The LCR is designed to promote short-term resilience of a bank's liquidity risk profile by holding sufficient High Quality Liquid Assets (HQLA) to survive an acute stress scenario lasting for 30 days. The LCR requirement takes into account the relative stability of different sources of funding and potential incremental funding requirements in a stress. The NSFR has been developed to promote a sustainable and stable structure of assets and liabilities.

Liquidity risk stress testing

The Internal Liquidity Stress Test (ILST) measures the potential contractual and contingent stress outflows under a range of stress scenarios, which are then used to determine the size of the Liquidity Pool that is needed to meet anticipated outflows if a stress were to occur. The scenarios include a 30 day Barclays-specific stress event, a 90 day market-wide stress event and a 30 day combined scenario consisting of both a Barclays-specific and market-wide stress event. Barclays Bank UK Group also runs a liquidity stress test which measures the anticipated outflows over a 12 month market-wide scenario.

As at 31 December 2024, Barclays Bank UK Group held eligible liquidity assets in excess of 100% of the net stress outflows as measured according to its internal and external regulatory requirements. This includes the stress outflows derived from the acquisition of Tesco Bank's retail banking business on 1 November 2024. A significant portion of the Liquidity Pool was held in cash and deposits with the Bank of England.

The Liquidity Pool increased to £67bn (December 2023: £65bn) and the LCR to 202% (December 2023: 180%) driven by an increase in customer deposits.

	As at 31.12.24	As at 31.12.23
	£bn	£bn
Barclays Bank UK Group liquidity pool	**67**	65
	%	%
Barclays Bank UK Group liquidity coverage ratio[1]	**202**	180

Note
1 Represents the average of the last 12 spot month end ratios.

Barclays Bank UK Group maintains access to a variety of sources of wholesale funds in major currencies, including those available from term investors across a variety of distribution channels and geographies, short-term funding markets and repo markets. Key sources of wholesale funding include money markets, certificates of deposit, commercial paper, covered bonds and other securitisations. This funding capacity enables Barclays Bank UK Group to maintain a stable and diversified funding base.

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). These are reported under 'repurchase agreements and other similar secured borrowing' on the balance sheet. Barclays Bank UK Group had £15bn TFSME balances outstanding at the year-end.

Net Stable Funding Ratio (NSFR)

The NSFR metric requires banks to maintain a stable funding profile taking into account both on and certain off-balance sheet exposures over a medium to long-term period. The ratio is defined as the Available Stable Funding (capital and certain liabilities which are treated as stable sources of funding) relative to the Required Stable Funding (a measure of assets on the balance sheet and certain off-balance sheet exposures which may require long term funding). The NSFR (average of the last four spot quarter end positions) was 159% at December 2024, equivalent to a surplus of £95bn above the regulatory requirement and demonstrates Barclays Bank UK Group's stable funding balance sheet profile.

Net Stable Funding Ratio[1]	As at 31.12.24 £bn	As at 31.12.23 £bn
Total Available stable funding	**255**	259
Total Required stable funding	**160**	157
Surplus	**95**	102
Net stable funding ratio	**159%**	165%

Note
1 Represents the average of the last four spot quarter end ratios.

As part of the liquidity risk appetite, Barclays establishes minimum LCR, NSFR and ILST limits. Barclays Bank UK Group plans to maintain its surplus to the internal and regulatory requirements at an efficient level. Risks to market funding conditions, the liquidity position and funding profile are assessed on an ongoing basis, and actions are taken to manage the size of the Liquidity Pool and the funding profile as appropriate.

Contractual maturity of financial assets and liabilities

The table below provides detail on the contractual maturity of all financial instruments and other assets and liabilities. Derivatives (other than those designated in a hedging relationship) and trading portfolio assets and liabilities are included in the 'not more than one month' column at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity since they are not held for settlement according to such maturity and will frequently be settled before contractual maturity at fair value. Derivatives designated in a hedging relationship are included according to their contractual maturity.

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank UK Group As at 31 December 2024	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
Assets								
Cash and balances at central banks	29,819	—	—	—	—	—	—	29,819
Cash collateral and settlement balances	6,002	—	—	—	—	—	—	6,002
Debt securities at amortised cost	—	658	508	2,397	4,838	479	9,103	17,983
Loans and advances at amortised cost to banks and customers	2,748	877	1,184	2,576	12,640	11,194	175,497	206,716
Reverse repurchase agreements and other similar secured lending	1,233	—	236	704	3,721	—	—	5,894
Trading portfolio assets	242	—	—	—	—	—	—	242
Financial assets at fair value through the income statement	—	1	22	17	73	78	1,352	1,543
Derivative financial instruments	156	272	179	711	513	57	13	1,901
Financial assets at fair value through other comprehensive income	52	65	241	710	8,488	11,364	6,125	27,045
Other financial assets	247	—	15	1	1	—	1	265
Total financial assets	40,499	1,873	2,385	7,116	30,274	23,172	192,091	297,410
Other assets								5,769
Total assets								303,179
Liabilities								
Deposits at amortised cost from banks and customers	212,893	7,194	7,722	14,320	1,886	260	186	244,461
Cash collateral and settlement balances	1,779	—	—	—	—	—	—	1,779
Repurchase agreements and other similar secured borrowing	308	—	—	5,061	10,122	15	—	15,506
Debt securities in issue	16	—	—	—	1,056	748	799	2,619
Subordinated liabilities	—	882	983	—	3,445	2,187	6,015	13,512
Trading portfolio liabilities	726	—	—	—	—	—	—	726
Financial liabilities designated at fair value	2,848	—	—	—	—	—	—	2,848
Derivative financial instruments	163	—	—	17	97	8	15	300
Other financial liabilities	1,069	—	10	19	48	20	24	1,190
Total financial liabilities	219,802	8,076	8,715	19,417	16,654	3,238	7,039	282,941
Other liabilities								1,653
Total liabilities								284,594

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank UK Group As at 31 December 2023	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
Assets								
Cash and balances at central banks	34,948	—	—	—	—	—	—	34,948
Cash collateral and settlement balances	5,507	—	—	—	—	—	—	5,507
Debt securities at amortised cost	—	—	279	790	5,593	3,586	7,546	17,794
Loans and advances at amortised cost to banks and customers	2,765	304	1,432	1,256	8,671	9,446	178,121	201,995
Reverse repurchase agreements and other similar secured lending	2,041	382	—	449	695	—	—	3,567
Trading portfolio assets	43	—	—	—	—	—	—	43
Financial assets at fair value through the income statement	—	—	—	—	104	103	1,509	1,716
Derivative financial instruments	249	—	91	160	796	270	—	1,566
Financial assets at fair value through other comprehensive income	511	747	82	4,281	4,842	6,414	3,532	20,409
Other financial assets	157	—	25	1	1	—	2	186
Total financial assets	46,221	1,433	1,909	6,937	20,702	19,819	190,710	287,731
Other assets								5,828
Total assets								293,559
Liabilities								
Deposits at amortised cost from banks and customers	218,849	5,109	2,415	9,498	5,353	—	—	241,224
Cash collateral and settlement balances	1,370	—	—	—	—	—	—	1,370
Repurchase agreements and other similar secured borrowing	68	—	—	—	8,105	7,092	—	15,265
Debt securities in issue	1,731	—	—	—	—	663	913	3,307
Subordinated liabilities	—	—	—	380	3,066	2,894	5,159	11,499
Trading portfolio liabilities	908	—	—	—	—	—	—	908
Financial liabilities designated at fair value	196	—	—	—	—	—	—	196
Derivative financial instruments	311	—	—	23	54	10	—	398
Other financial liabilities	1,146	—	11	21	64	22	32	1,296
Total financial liabilities	224,579	5,109	2,426	9,922	16,642	10,681	6,104	275,463
Other liabilities								1,235
Total liabilities								276,698

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank UK PLC As at 31 December 2024	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
Assets								
Cash and balances at central banks	29,819	—	—	—	—	—	—	29,819
Cash collateral and settlement balances	6,002	—	—	—	—	—	—	6,002
Debt securities at amortised cost	—	658	508	2,397	4,838	479	9,103	17,983
Loans and advances at amortised cost to banks and customers	3,096	922	1,184	2,599	12,627	11,177	175,497	207,102
Reverse repurchase agreements and other similar secured lending	1,233	—	236	704	3,721	—	—	5,894
Trading portfolio assets	242	—	—	—	—	—	—	242
Financial assets at fair value through the income statement	—	1	22	17	73	78	1,352	1,543
Derivative financial instruments	156	272	179	711	513	57	13	1,901
Financial assets at fair value through other comprehensive income	52	65	241	710	8,488	11,364	6,125	27,045
Other financial assets	247	—	35	—	1	—	1	284
Total financial assets	40,847	1,918	2,405	7,138	30,261	23,155	192,091	297,815
Other assets								5,756
Total assets								303,571
Liabilities								
Deposits at amortised cost from banks and customers	213,378	7,194	7,722	14,320	2,435	209	186	245,444
Cash collateral and settlement balances	1,779	—	—	—	—	—	—	1,779
Repurchase agreements and other similar secured borrowing	308	—	—	5,061	10,122	15	—	15,506
Debt securities in issue	15	—	—	—	503	748	799	2,065
Subordinated liabilities	—	882	983	—	3,445	2,167	6,035	13,512
Trading portfolio liabilities	726	—	—	—	—	—	—	726
Financial liabilities designated at fair value	2,848	—	—	—	—	—	—	2,848
Derivative financial instruments	182	—	—	17	97	8	15	319
Other financial liabilities	1,093	—	10	19	48	20	24	1,214
Total financial liabilities	220,329	8,076	8,715	19,417	16,650	3,167	7,059	283,413
Other liabilities								1,589
Total liabilities								285,002

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank UK PLC As at 31 December 2023	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
Assets								
Cash and balances at central banks	34,948	—	—	—	—	—	—	34,948
Cash collateral and settlement balances	5,507	—	—	—	—	—	—	5,507
Debt securities at amortised cost	—	—	279	790	5,593	3,586	7,546	17,794
Loans and advances at amortised cost to banks and customers	3,074	547	1,432	1,256	8,671	9,446	178,121	202,547
Reverse repurchase agreements and other similar secured lending	2,041	382	—	449	695	—	—	3,567
Trading portfolio assets	43	—	—	—	—	—	—	43
Financial assets at fair value through the income statement	1	—	1	1	104	103	1,506	1,716
Derivative financial instruments	249	—	91	160	796	270	—	1,566
Financial assets at fair value through other comprehensive income	511	747	82	4,281	4,842	6,414	3,532	20,409
Other financial assets	158	—	33	—	1	—	2	194
Total financial assets	46,532	1,676	1,918	6,937	20,702	19,819	190,707	288,291
Other assets								5,813
Total assets								294,104
Liabilities								
Deposits at amortised cost from banks and customers	219,499	5,109	2,415	9,498	5,353	—	—	241,874
Cash collateral and settlement balances	1,370	—	—	—	—	—	—	1,370
Repurchase agreements and other similar secured borrowing	68	—	—	—	8,105	7,092	—	15,265
Debt securities in issue	1,731	—	—	—	—	663	913	3,307
Subordinated liabilities	—	—	—	380	3,066	2,873	5,180	11,499
Trading portfolio liabilities	908	—	—	—	—	—	—	908
Financial liabilities designated at fair value	196	—	—	—	—	—	—	196
Derivative financial instruments	340	—	—	23	54	10	—	427
Other financial liabilities	1,139	—	11	21	64	22	32	1,289
Total financial liabilities	225,251	5,109	2,426	9,922	16,642	10,660	6,125	276,135
Other liabilities								1,161
Total liabilities								277,296

Expected maturity date may differ from the contractual dates, to account for:

- trading portfolio assets and liabilities and derivative financial instruments, which may not be held to maturity as part of Barclays Bank UK Group's trading strategies
- retail and business bank deposits, which are included within deposits at amortised cost, are repayable on demand or at short notice on a contractual basis. In practice, these instruments form a stable base for Barclays Bank UK Group's operations and liquidity needs because of the broad base of customers, both numerically and by depositor type
- loans to retail and business bank customers, which are included within loans and advances at amortised cost and financial assets at fair value, may be repaid earlier in line with terms and conditions of the contract
- debt securities in issue and subordinated liabilities may include early redemption features

Contractual maturity of financial liabilities on an undiscounted basis

The table on the next page presents the cash flows payable by Barclays Bank UK Group under financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows of all financial liabilities (i.e. nominal values).

The balances in the table do not agree directly to the balances in the consolidated balance sheet as the table incorporates all cash flows, on an undiscounted basis, related to both principal as well as those associated with all future coupon payments.

Derivative financial instruments held for trading and trading portfolio liabilities are included in the 'not more than one month' column at their fair value.

Contractual maturity of financial liabilities - undiscounted (audited)

Barclays Bank UK Group	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
As at 31 December 2024								
Deposits at amortised cost from banks and customers	212,893	7,305	7,891	14,684	1,977	271	263	245,284
Cash collateral and settlement balances	1,779	—	—	—	—	—	—	1,779
Repurchase agreements and other similar secured borrowing	308	—	—	5,232	10,875	17	—	16,432
Debt securities in issue	16	5	7	14	1,143	887	1,063	3,135
Subordinated liabilities	—	889	991	—	3,732	2,597	8,465	16,674
Trading portfolio liabilities	726	—	—	—	—	—	—	726
Financial liabilities designated at fair value	2,848	—	—	—	—	—	—	2,848
Derivative financial instruments	163	—	—	17	107	10	18	315
Other financial liabilities	1,071	1	11	21	53	24	37	1,218
Total financial liabilities	**219,804**	**8,200**	**8,900**	**19,968**	**17,887**	**3,806**	**9,846**	**288,411**
As at 31 December 2023								
Deposits at amortised cost from banks and customers	218,880	5,178	2,491	9,804	5,580	—	—	241,933
Cash collateral and settlement balances	1,370	—	—	—	—	—	—	1,370
Repurchase agreements and other similar secured borrowing	68	—	—	—	8,868	7,902	—	16,838
Debt securities in issue	1,732	—	—	—	—	778	1,246	3,756
Subordinated liabilities	—	—	—	391	3,256	3,397	7,089	14,133
Trading portfolio liabilities	908	—	—	—	—	—	—	908
Financial liabilities designated at fair value	196	—	—	—	—	—	—	196
Derivative financial instruments	311	—	—	24	59	12	—	406
Other financial liabilities	1,147	—	12	24	72	26	47	1,328
Total financial liabilities	224,612	5,178	2,503	10,243	17,835	12,115	8,382	280,868

Contractual maturity of financial liabilities - undiscounted (audited)

Barclays Bank UK PLC	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
As at 31 December 2024								
Deposits at amortised cost from banks and customers	**213,378**	**7,310**	**7,898**	**14,698**	**2,542**	**221**	**263**	**246,310**
Cash collateral and settlement balances	**1,779**	**—**	**—**	**—**	**—**	**—**	**—**	**1,779**
Repurchase agreements and other similar secured borrowing	**308**	**—**	**—**	**5,232**	**10,875**	**17**	**—**	**16,432**
Debt securities in issue	**15**	**—**	**—**	**—**	**574**	**887**	**1,063**	**2,539**
Subordinated liabilities	**—**	**889**	**991**	**—**	**3,732**	**2,577**	**8,485**	**16,674**
Trading portfolio liabilities	**726**	**—**	**—**	**—**	**—**	**—**	**—**	**726**
Financial liabilities designated at fair value	**2,848**	**—**	**—**	**—**	**—**	**—**	**—**	**2,848**
Derivative financial instruments	**182**	**—**	**—**	**17**	**108**	**10**	**18**	**335**
Other financial liabilities	**1,094**	**1**	**11**	**21**	**53**	**24**	**37**	**1,241**
Total financial liabilities	**220,330**	**8,200**	**8,900**	**19,968**	**17,884**	**3,736**	**9,866**	**288,884**
As at 31 December 2023								
Deposits at amortised cost from banks and customers	219,529	5,178	2,491	9,804	5,580	—	—	242,582
Cash collateral and settlement balances	1,370	—	—	—	—	—	—	1,370
Repurchase agreements and other similar secured borrowing	68	—	—	—	8,868	7,902	—	16,838
Debt securities in issue	1,732	—	—	—	—	778	1,246	3,756
Subordinated liabilities	—	—	—	391	3,256	3,376	7,110	14,133
Trading portfolio liabilities	908	—	—	—	—	—	—	908
Financial liabilities designated at fair value	196	—	—	—	—	—	—	196
Derivative financial instruments	340	—	—	23	59	12	—	434
Other financial liabilities	1,142	—	12	24	71	26	47	1,322
Total financial liabilities	225,285	5,178	2,503	10,242	17,834	12,094	8,403	281,539

Maturity of off-balance sheet commitments given (audited)

The maturity split of off-balance sheet commitments given (see Note 23 on page 224) represents the undiscounted cash flows (i.e. nominal values) on the basis of the earliest opportunity at which they are available. All off-balance sheet commitments given for both Barclays Bank UK Group and Barclays Bank UK PLC are under not more than one month maturity.

Capital risk

All disclosures in this section, page 144, are unaudited unless otherwise stated.

Overview

The disclosures below provide key capital metrics for the Barclays Bank UK Group with further information on its risk profile included in the Barclays Bank UK PLC Pillar 3 Report 2024, due to be published on 13 February 2025 and which will be available at home.barclays/investor-relations/reports-and-events/annual-reports.

As at 31 December 2024, the Barclays Bank UK Group CET1 ratio was 14.2% which is above its minimum regulatory requirement of 12.9%.

Capital ratios[1,2]	As at 31.12.24	As at 31.12.23
CET1	**14.2%**	14.8%
Tier 1 (T1)	**17.1%**	18.1%
Total regulatory capital	**20.5%**	21.6%

Capital resources (audited)	£m	£m
CET1 capital	**11,895**	10,638
T1 capital	**14,320**	13,067
Total regulatory capital	**17,155**	15,596
Total risk weighted assets (RWAs) (unaudited)	**83,639**	72,102

Notes
1 As at 31 December 2024, capital and RWA were calculated applying the IFRS 9 transitional arrangements in accordance with UK CRR. Effective from 1 January 2025, the transitional arrangements no longer applied.
2 The fully loaded CET1 ratio was 14.2%, with £11.9bn of CET1 capital and £83.6bn of RWAs, calculated without applying the transitional arrangements in accordance with UK CRR.

Leverage ratios and exposures

The Barclays Bank UK Group is required to disclose a UK leverage ratio based on capital and exposure on the last day of the quarter. Additionally, it is also required to disclose an average UK leverage ratio based on capital on the last day of each month in the quarter and an exposure measure for each day in the quarter.

As at 31 December 2024, the Barclays Bank UK Group UK leverage ratio was 5.3% which is above the minimum leverage ratio requirement of 4.3%.

Leverage ratios[1,2]	As at 31.12.24 £m	As at 31.12.23 £m
UK leverage ratio[3]	**5.3%**	5.2%
T1 Capital	**14,320**	13,067
UK leverage exposure	**268,452**	250,163
Average UK leverage ratio	**5.4%**	5.2%
Average T1 Capital	**14,336**	13,072
Average UK leverage exposure	**265,661**	251,762

Notes
1 As at 31 December 2024, capital and leverage were calculated applying the IFRS 9 transitional arrangements in accordance with UK CRR. Effective from 1 January 2025, the transitional arrangements no longer applied.
2 Fully loaded UK leverage ratio was 5.3%, with £14.3bn of T1 capital and £268.4bn of leverage exposure. Fully loaded average UK leverage ratio was 5.4% with £14.3bn of T1 capital and £265.6bn of leverage exposure. Fully loaded UK leverage ratios are calculated without applying the transitional arrangements in accordance with UK CRR
3 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 0.35% Other Systemically Important Institutions (O-SII) additional leverage ratio buffer (ALRB) was £0.9bn and against the 0.7% countercyclical leverage ratio buffer (CCLB) was £1.9bn.

Interest rate risk in the banking book

All disclosures in this section, pages 145 to 146, are unaudited unless otherwise stated.

Overview

The treasury and capital risk framework covers interest rate sensitive exposures held in the banking book, mostly relating to accrual accounted and fair value through other comprehensive income (FVOCI) instruments. The potential volatility of Net Interest Income (NII) is measured by an Annual Earnings at Risk (AEaR) metric which is monitored regularly and reported to senior management and the Barclays Bank UK PLC Board Risk Committee as part of the limit monitoring framework.

Summary of performance in the period

NII sensitivity to a -25bp shock has decreased due to changes in balance sheet composition of the banking book during the year. NII sensitivity asymmetry is due to the timing impact of customer rate changes following the rate shock.

Key metrics

(£50)m
AEaR across the Barclays Bank UK Group from a -25bps shock to forward interest rate curves.

Analysis of net interest income and equity sensitivity

The analysis of equity sensitivity measures the overall impact of a +/- 25bps movement in interest rates on net interest income, fair value through other comprehensive income, and cash flow hedge reserves using approaches below:

- NII sensitivity for non-traded financial assets and liabilities, including the effect of any hedging utilising the Net Interest Income (NII) metric as described on page 137 of the Barclays Bank UK PLC Pillar 3 Report 2024 (unaudited), which includes documentation of the main model assumptions. This analysis is not a forward guidance on NII and is intended as a quantification of risk exposure.

- For non-NII items, a DV01 metric is used which represents a change in value for a one basis point shift in the yield curve.

Analysis of equity sensitivity (audited)	31 December 2024		31 December 2023	
	+25 basis points	-25 basis points	+25 basis points	-25 basis points
Barclays Bank UK Group	£m	£m	£m	£m
Net interest income	51	(70)	45	(78)
Taxation effects on the above	(14)	20	(12)	22
Effect on profit for the year	**37**	**(50)**	**33**	**(56)**
As percentage of net profit after tax	**1.4%**	**(1.9%)**	**1.7%**	**(2.9%)**
Effect on profit for the year (per above)	37	(50)	33	(56)
Fair value through other comprehensive income reserve	5	(5)	(13)	13
Cash flow hedge reserve	(345)	345	(153)	153
Taxation effects on the above	95	(95)	46	(46)
Effect on equity	**(208)**	**195**	**(87)**	**64**
As percentage of equity	**(1.1%)**	**1.1%**	**(0.5%)**	**0.4%**

Analysis of equity sensitivity (audited)	31 December 2024		31 December 2023	
	+25 basis points	-25 basis points	+25 basis points	-25 basis points
Barclays Bank UK PLC	£m	£m	£m	£m
Net interest income	51	(70)	45	(78)
Taxation effects on the above	(14)	20	(12)	22
Effect on profit for the year	37	(50)	33	(56)
As percentage of net profit after tax	1.4%	(1.9)%	1.9%	(3.2)%
Effect on profit for the year (per above)	37	(50)	33	(56)
Fair value through other comprehensive income reserve	5	(5)	(13)	13
Cash flow hedge reserve	(345)	345	(153)	153
Taxation effects on the above	95	(95)	46	(46)
Effect on equity	(208)	195	(87)	64
As percentage of equity	(1.1%)	1.1%	(0.5%)	0.4%

Movements in the FVOCI reserve impact CET1 capital, however the movement in the cash flow hedge reserve does not affect CET1 capital.

Volatility of the FVOCI portfolio in the liquidity pool

Changes in value of FVOCI exposures flow directly through equity via the FVOCI reserve. The volatility of the value of the FVOCI investments in the liquidity pool is captured and managed through a value measure rather than an earning measure, i.e. non-traded market risk VaR.

Although the underlying methodology to calculate the non-traded VaR is identical to the one used in traded management VaR, the two measures are not directly comparable. The non-traded VaR represents the volatility to capital driven by the FVOCI exposures. These exposures are in the banking book and do not meet the criteria for trading book treatment.

Analysis of volatility of the FVOCI portfolio in the liquidity pool	2024			2023		
	Average	High	Low	Average	High	Low
For the year ended 31 December	£m	£m	£m	£m	£m	£m
Non-traded market value at risk (daily, 95%)	9	11	6	11	14	9

Daily Value at Risk has been lower on average in 2024 relative to 2023 driven by a combination of position changes and market volatility reduction.

All disclosures in this section, pages 147 to 149, are unaudited unless otherwise stated.

Overview

Operational risks are inherent in the Barclays Bank UK Group's business activities, and it is not cost effective or possible to attempt to eliminate all operational risks. The Operational Risk Framework is therefore focused on identifying operational risks, assessing them and managing them within the Barclays Bank UK Group's approved risk appetite.

The operational risk principal risk comprises the following risks: Change Delivery Management Risk, Data Management Risk; Financial Reporting Risk; Fraud Risk; Information Security Risk; Operational Recovery Planning Risk; Payments Process Risk; People Risk; Physical Security Risk; Premises Risk; Risk Reporting; Supplier Risk; Tax Risk; Technology Risk and Transaction Operations Risk. The operational risk profile is also informed by a number of connected risks: Cybersecurity, Data, and Resilience. These themes represent threats to the Barclays Bank UK Group that extend across multiple risk types, and therefore require an integrated risk management approach.

For definitions of these risks refer to pages 140 to 141 of the Barclays Bank UK PLC Pillar 3 Report 2024. To provide complete coverage of the potential adverse impacts on the Barclays Bank UK Group arising from operational risk, the operational risk taxonomy extends beyond the risks listed above to cover operational risks associated with other principal risks too.

This section provides an analysis of the Barclays Bank UK Group's operational risk profile, including events above the Barclays Bank UK Group's reportable threshold, which have had a financial impact in 2024. The Barclays Bank UK Group's operational risk profile is informed by bottom-up risk assessments undertaken by each business unit and top-down qualitative review for each risk type. Fraud, Transaction Operations, Information Security and Technology continue to be highlighted as key operational risk exposures.

For information on compliance risk events, see the compliance risk section.

Summary of performance in the period

During 2024, total operational risk losses[1] fell to £74m (2023: £84m) while the number of recorded events for 2024 decreased to 1,446 (2023: 2,054). 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.

Note
1 The data disclosed includes operational risk losses for reportable events impacting the Barclays Bank UK Group business areas, having 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 are updated.

Key metrics

88%

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

94%

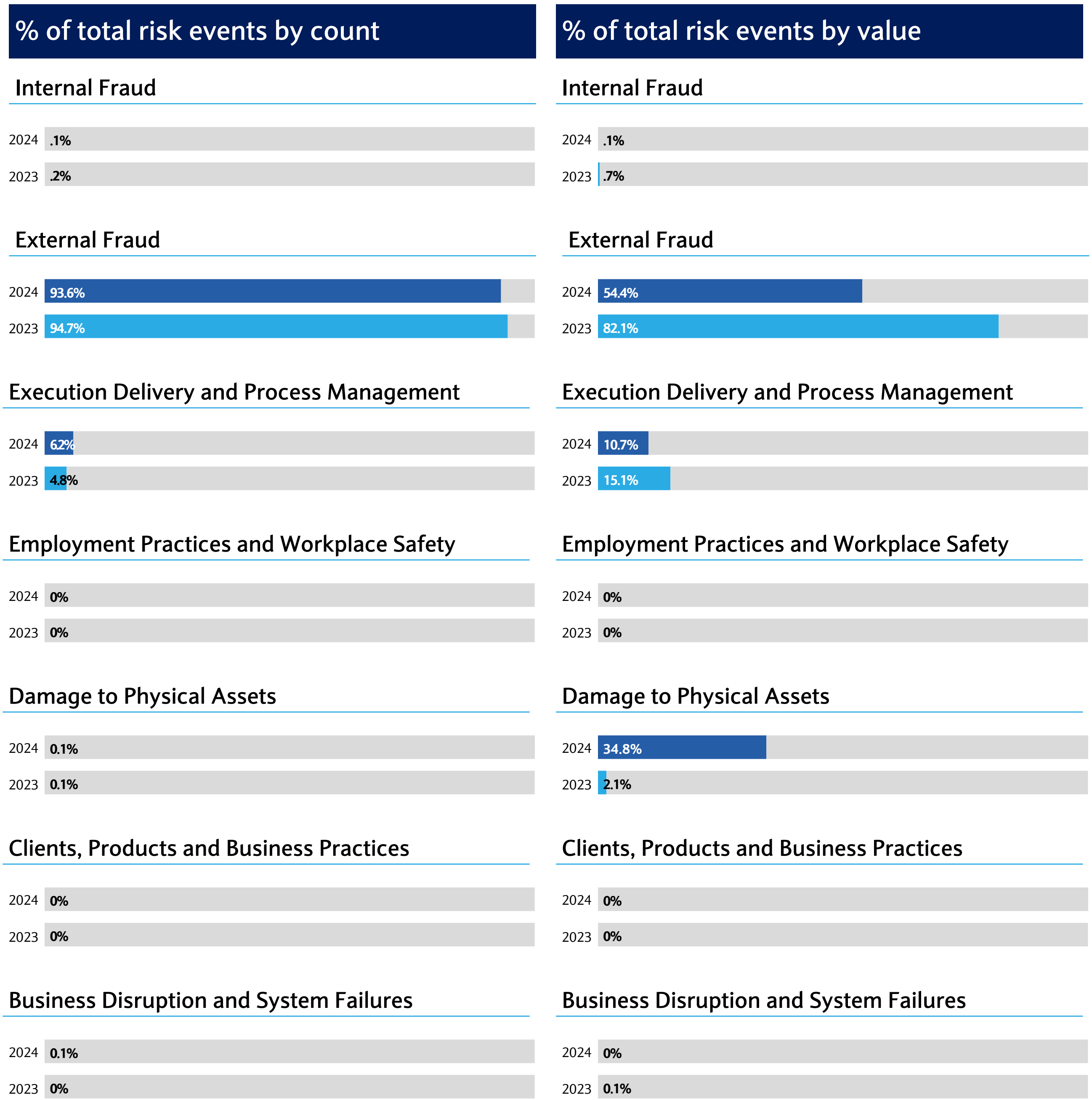
of events by number are due to External Fraud

Operational risk profile

Within operational risk, there are a large number of smaller value risk events. In 2024, 88% (2023: 84%) of the Barclays Bank UK 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 35% (2023: 43%) of the Barclays Bank UK Group's total net operational risk losses. A small proportion of operational risk events have a material impact on the financial results of the Barclays Bank UK Group.

The analysis below presents the Barclays Bank UK Group's operational risk events by Basel event category[1]:

Operational risk events by BASEL event category



Note
1 The data disclosed includes operational risk losses for reportable events impacting the Barclays Bank UK Group business areas, having 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 are updated.

- External Fraud remains the category with the highest frequency of events at 94% of total events in 2024 (2023: 95%) with number of events decreased to 1,353 (2023: 1,946). Losses decreased to £40m accounting for 54% of total losses (2023: £69m / 82%). 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 impacts <£10,000 amounted to £105m (2023: £118m).

- Execution, Delivery and Process Management impacts decreased to £8m (2023: £13m), accounting for 11% of overall operational risk losses (2023: 15%). 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 volume of events in this category decreased year-on-year to 90 (2023: 99), accounting for 6% of total events (2023: 5%).

- Damage to physical assets increased to 35% of losses by value in 2024 (2023: 2%) primarily as a result of Barclays branches being targeted by protesters.

Investment continues to be made in improving the control environment across the Barclays Bank UK 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 Barclays Bank UK Group continues to work closely with external partners on various prevention initiatives.

Fraudsters use various techniques to target customers and colleagues directly (i.e., Third Party Fraud), or the Barclays Bank UK Group directly (i.e., First Party Fraud). In the UK and Europe, Authorised Push Payment (APP) Scams is a growing fraud type where customers are deceived to transfer funds from their account to a bad actor. Fraud can also be committed by one or more employees and workers of any entity (i.e., Internal Fraud) or any unauthorised trading fraud. Additionally, the Barclays Bank UK 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 Barclays Bank UK Group, having been reinforced in recent years due to potential operational disruption from the COVID-19 pandemic. The Barclays Bank UK 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 Barclays Bank UK Group. The sophistication of threat actors continues to grow as noted by multiple external risk events observed throughout the year. Cybersecurity incidents across the global Barclays supplier base and financial market intermediaries were observed, and we worked closely with the affected parties to manage potential impacts to the Barclays Bank UK Group and its clients and customers. The Barclays Bank UK Group’s cybersecurity incidents did not materially impact the Barclays Bank UK Group's business strategy, results of operations, or financial condition.

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

Model risk, Compliance risk, Reputation risk, Legal risk

All disclosures in this section, pages 150 and 151, are unaudited unless otherwise stated.

Model risk

The Barclays Bank UK Group is committed to continually improving model risk management and made a number of enhancements in 2024, including:

- Continued focus on improving model risk control framework.
- Established a programme to meet PRA's Supervisory Statement 1/23 Model risk management principles for banks.
- Development of a governance framework for approaches which rely on subject matter expert judgement and establishing initial inventory.
- Enhanced quantitative model risk assessment to cover most significant model suites.
- Introduced Artificial Intelligence (AI) Policy, Development of approach to AI validation, and design of associated governance framework.
- Expanded Model Risk Framework to provide transparency around risk themes (Data and Technology) outside the Model Risk Framework that may impact model outputs.

Compliance risk

The Barclays Bank UK Group is committed to continuing to drive the right culture throughout all levels of the organisation. The Barclays Bank UK Group will continue to enhance effective management of Compliance Risk and appropriately consider the relevant tools, governance and management information in decision-making processes. Focus on the management of Compliance Risk is ongoing and, alongside other relevant business and control management information, the Barclays Bank UK Group Compliance Risk Dashboards is a key component of this.

The Barclays Bank UK Group continues to review the role and impact of Compliance Risk events and issues in the remuneration process at both the individual and business level.

In 2024, the Barclays Bank UK Group maintained focus on new and heightened inherent Compliance Risks, including those relating to the cost of living crisis, the evolving threat landscape as related to financial crime, and challenges in ensuring customer and client data is handled appropriately. These risks continue to be monitored on an ongoing basis.

A key area of focus has been the ongoing implementation and embedment of the FCA's Consumer Duty, with further rules for closed products and services taking effect at the end July 2024.

Businesses have continued to assess the potential customer, client and market impacts of strategic change. As part of the 2024 Medium-Term Planning Process and associated Strategic Risk Assessment, material Compliance Risks associated with strategic and financial plans were assessed.

Throughout 2024, Compliance Risks were raised by each business area for consideration by the Barclays Bank UK PLC Board Risk Committee. The Committee reviewed the risks raised and whether management's proposed actions were appropriate to mitigate the risks effectively.

During 2024, laws, rules and regulation risk (LRR risk) was embedded as a new risk under the Compliance Principal risk. LRR is intended to mitigate the risk of failing to identify applicable LRRs, and ensure appropriate steps are in place to monitor and oversee LRRs. Work is underway to implement processes to support the management and oversight of LRR Risk.

The Barclays Bank UK Group continued to incur costs in relation to litigation and conduct matters, please refer to Note 24 Legal, competition and regulatory matters and Note 22 Provisions, for further details. Costs include customer redress and remediation. Resolution of these matters remains a necessary and important part of delivering the Barclays Bank UK Group's strategy and an ongoing commitment to improve oversight of culture and conduct.

The Barclays Bank UK PLC Board Risk Committee and senior management received Compliance Risk Dashboards setting out key indicators in relation to Compliance and financial crime risk. These continue to be evolved and enhanced to allow effective oversight and decision-making. Work is ongoing to enhance the Compliance Risk Control Environment in a timely and effective manner to ensure the Barclays Bank UK Group operates within Risk Appetite. The tolerance adherence is assessed by the business through key indicators and reported to the Barclays Bank UK PLC Board Risk Committee as part of the Compliance Risk Dashboard governance process.

The Barclays Bank UK Group remains focused on the continuous improvements being made to manage risk effectively with an emphasis on enhancing governance and management information to identify risk at earlier stages.

For further details on the non-financial performance measures, please refer to page 6 of the Strategic Report.

Reputation risk

Barclays Bank UK Group is committed to identifying reputation risks and issues as early as possible and managing them appropriately. At a Barclays Bank UK Group level throughout 2024, reputation risks and issues were overseen by the Barclays Bank UK PLC Board. The top live and emerging reputation risks and issues within the Barclays Bank UK Group are included within an over-arching quarterly report at the respective Board level. The Barclays Bank UK PLC Board reviews reputation risks raised by businesses and considered whether management's proposed actions, for example attaching conditions to proposed client transactions or increased engagement with impacted stakeholders, were appropriate to mitigate the risks effectively. The Board also received regular updates with regard to key reputation risks and issues, including: Barclays' response to the cost of living crisis; Barclays' association with sensitive sectors; access to banking; lending practices and the resilience of key Barclays systems and processes.

The Barclays Bank UK Group continued to incur costs in relation to litigation and conduct matters, please refer to Note 24 Legal, competition and regulatory matters and Note 22 Provisions, for further details. Costs include customer redress and remediation, as well as fines and settlements. Resolution of these matters remains an ongoing commitment to improve oversight of culture and conduct and management of reputation risks.

As part of Barclays 2024 Medium Term Planning process, material reputation risks associated with strategic and financial plans were also assessed.

Legal risk

Barclays Bank UK Group remains committed to continuous improvements in managing legal risk effectively. During 2024, an annual review and update was conducted of the Barclays Group wide LRMF to complement and accommodate changes to the CRMF (and described in more detail on page 68), which includes a requirement for the Legal Function to proactively identify, communicate and provide legal advice on applicable laws, rules and regulations.

Other improvements during 2024 included a review and update of the established supporting legal risk policies, standards and mandatory training, reinforced by ongoing engagement with and education of the Barclays Group's businesses and functions by Legal Function colleagues. Legal risk tolerances and legal risk appetite have also been reviewed.

Tolerances adherence is assessed through key indicators, which are also used to evaluate the legal risk profile and are reviewed, at least annually, through the relevant risk and control committees. Mandatory controls to manage legal risks are set out in the legal risk standards and are subject to ongoing monitoring.

Supervision of the Barclays Bank UK Group

The Barclays Bank UK Group's operations are subject to a large number of rules and regulations applicable to the conduct of banking and other financial services business. These apply to business operations, impact financial returns and include capital, leverage and liquidity requirements, authorisation, registration and reporting requirements, restrictions on certain activities, and conduct of business regulations, amongst other applicable regulatory requirements.

The day-to-day regulation and supervision of the Barclays Bank UK Group is divided between the Prudential Regulation Authority (PRA) (a division of the Bank of England (BoE)) and the Financial Conduct Authority (FCA). In addition, the Financial Policy Committee (FPC) of the BoE has influence on the prudential requirements that may be imposed on the banking system through its powers of direction and recommendation. Certain members of the Barclays Bank UK Group are also subject to regulatory initiatives undertaken by the UK Payment Systems Regulator (PSR), as a participant in payment systems regulated by the PSR.

Barclays Bank UK PLC is an authorised person, with permission to accept deposits, amongst other things, and is subject to prudential regulation and supervision by the PRA and to conduct regulation and supervision by the FCA. The Barclays Bank UK Group is subject to prudential supervision on a group sub-consolidated basis and Barclays Bank UK PLC is subject to prudential supervision on an individual basis. The Barclays Group as a whole is subject to prudential supervision by the PRA on a group consolidated basis. Barclays PLC has been approved by the PRA as a financial holding company. Barclays Global Service Centre Private Limited and Barclays Execution Services Limited are appointed representatives of Barclays Bank UK PLC and Tesco Stores Limited is an introducer appointed representative of Barclays Bank UK PLC. These are arrangements under which the appointed representative is permitted to carry on certain regulated activities in the UK which its principal takes responsibility for and oversees. Appointed representative arrangements must comply with certain statutory and FCA rules, including on prescribed contractual terms and ongoing monitoring and supervision of the appointed representative by the principal.

The PRA's supervision of the Barclays Bank UK Group is conducted through a variety of regulatory tools, including the collection of information by way of prudential returns or cross-firm reviews, reports obtained from skilled persons, information gathering, regular supervisory visits to firms and regular continuous assessment meetings with the Barclays Bank UK Group's management and relevant stakeholders to discuss matters such as strategy, governance, financial resilience, operational resilience, risk management, and recovery and resolution.

Further, the BoE, as the UK resolution authority, informs prudential requirements and sets requirements for the Group relating to resolution preparedness.

The FCA's supervision of the Barclays Bank UK Group is carried out through a combination of proactive engagement meetings, regular supervisory visits, information gathering and regular meetings with Barclays Bank UK Group's management and relevant stakeholders to discuss matters such as customer strategy, fair treatment of customers, and financial crime controls, as well as cross-sectoral reviews which analyse the different areas of the market and the risks that may lie ahead.

The FCA and the PRA also apply the Senior Managers and Certification Regime (the SMCR) which imposes a regulatory approval, individual accountability and fitness and propriety framework in respect of senior individuals within relevant firms.

FCA supervision has focused on strategic transformation, financial crime controls, conduct risk and customer/client outcomes under the Consumer Duty (which now applies to both open and closed products), firm culture and non-financial misconduct, fraud controls and reimbursement, access to cash, the fair treatment of vulnerable customers and payment account access and closures.

PRA supervision has focused on strategic transformation, financial and operational resilience (including cyber risk), governance, credit risk management, model risk management, data risk management, systems and controls, climate risk and resolvability, where resolvability is reviewed in conjunction with the Resolution Directorate (a division of the BoE).

Both the PRA and the FCA apply standards that generally either anticipate or go beyond requirements established by global or EU standards, whether in relation to capital, leverage and liquidity, resolvability and resolution or matters of conduct. The UK is in the process of reviewing, repealing and, where relevant, replacing the EU legislation that was onshored into English law following the UK's departure from the EU (assimilated law). The Financial Services and Markets Act 2023 (FSMA 2023) established a framework for the revocation of assimilated law relating to financial services, with HM Treasury now repealing certain requirements set out in assimilated law. However, the Government is not expected to revoke assimilated law relating to financial services unless the FCA and/or PRA have drafted and consulted on rules in the relevant areas, where it is appropriate that the provisions are replaced. HM Treasury may specify parts of assimilated law where the regulators are exempt from requirements to consult on new replacement rules, for example where they are restating assimilated law revoked through FSMA 2023 in their rulebooks without material changes or where they are replacing revoked assimilated law with material changes but the only material effect is to reduce a regulatory burden. Where changes also have other material effects, which may include impacts on the regulators' objectives, for example, the Government has indicated that it is appropriate to require the regulators to consult. There is a significant volume of assimilated law for the UK Government to repeal and replace, so this process remains ongoing and the regulatory landscape continues to develop. There is potential for an increase in regulatory implementation costs in the near term to adapt systems and controls, although areas of divergence from assimilated law have been limited to date.

FSMA 2023 also introduced the framework for the 'designated activities regime' (DAR). The DAR framework allows HM Treasury to designate certain activities which do not require regulatory authorisation to carry them out, but which are currently subject to FCA and PRA supervision under assimilated law. The DAR will provide a mechanism for the UK regulators to make rules, supervise these activities and exercise enforcement powers in these areas as the relevant provisions in assimilated law are repealed and replaced. The DAR will apply to both authorised and unauthorised persons carrying on designated activities. Implementation costs may be incurred to adapt existing processes as the DAR develops. In January 2025, the Financial Services and Markets Act 2000 (Designated Activities) (Supervision and

Enforcement) Regulations 2025 came into effect. These Regulations give the FCA supervisory and enforcement powers in respect of short selling and consumer composite investment activities.

Prudential regulation

Certain Basel III standards were originally implemented in EU and UK law through the Capital Requirements Regulation (CRR) and the Capital Requirements Directive IV (CRD IV), as amended by CRR II and CRD V. These standards were retained in the UK regulatory framework via a series of onshoring instruments when the UK withdrew from the European Union. Under the assimilated law version of the CRR (the UK CRR), the Barclays Group is subject to a binding Pillar 1 minimum capital requirement to satisfy a Common Equity Tier 1 (CET1) ratio of 4.5% of risk-weighted assets (RWAs). However, in practice the Barclays Group is required to and does hold capital significantly in excess of this requirement. Additional capital requirements apply to the Barclays Group including Pillar 2A minimum requirements and capital buffers, including the capital conservation buffer, the countercyclical capital buffer, the O-SII buffer and the G-SIB buffer, as well as PRA buffer requirements (the Pillar 2B), as explained further below.

Global systemically important banks (G-SIBs), such as the Barclays Group, are subject to a number of additional prudential requirements, including the requirement to hold additional loss-absorbing capacity and additional capital buffers above the level required by Basel III standards. The level of the G-SIB 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-SIB buffer must be met with CET1 capital. In November 2024, the FSB published an update to its list of G-SIBs, maintaining the 1.5% G-SIB buffer that applies to the Barclays Group.

The Barclays Group is subject to a 'combined buffer requirement' which includes (i) a capital conservation buffer of 2.5% of RWAs, and (ii) a countercyclical capital buffer (CCyB). The CCyB is based on rates determined by the regulatory authorities in each jurisdiction in which the Barclays Group maintains exposures. In the UK, the CCyB rate is set by the FPC and is currently 2%. Like the capital conservation buffer, the CCyB must be met entirely with CET1 capital.

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 guidance. Under current PRA rules, the Pillar 2A requirement must be met with at least 56.25% CET1 capital, no more than 43.75% additional Tier 1 (AT1) capital and no more than 25% tier 2 capital. In addition, the capital that firms use to meet their minimum requirements (Pillar 1 and Pillar 2A) cannot be counted towards meeting the combined buffer requirement. In September 2024, the BoE and PRA issued a consultation paper (CP9/24) on changes to the Pillar 2A capital framework, including retiring the refined methodology for calculating Pillar 2A requirements in light of incoming proposals to implement Basel III standards (discussed further below) and streamlining firm-specific capital communications.

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. The PRA buffer must be met separately to the combined buffer requirement, and must be met fully with CET1 capital.

In addition, Barclays Bank UK Group is subject to prudential regulation by the PRA and is required to meet a minimum Common Equity Tier 1 (CET1) ratio of 12.9% comprising a 4.5% Pillar 1 requirement, a 2.5% capital conservation buffer, a 2% countercyclical buffer, a 1% O-SII buffer and a 2.9% Pillar 2A add on.

As part of its approach to ring fencing, the FPC established a framework to apply a firm-specific systemic risk buffer (SRB) designed to increase the capacity of ring-fenced bodies, such as Barclays Bank UK PLC, to absorb stress. The Other Systemically Important Institutions Buffer (O-SII buffer) has since replaced the SRB. The O-SII buffer can be set between 0% and 3% and has to be met solely with CET1 capital. The O-SII buffer rate applicable to Barclays Bank UK PLC is currently set by the PRA at 1% of RWAs. Previously, total assets were used as the metric to determine O-SII buffer rates but the FPC announced in 2022 that this would change to the UK leverage exposure measure and that it would recalibrate the thresholds used to determine O-SII buffer rates to prevent an overall tightening or loosening of the framework relative to its pre-Covid level. The PRA's 2023 review of the O-SII buffer was based on end-2022 leverage exposure measures and maintained the O-SII buffer rate applicable to Barclays Bank UK PLC at 1% (applicable from January 2025). For future reviews, the average of firms' quarter-end leverage exposure measure over the year will be used to determine O-SII buffer rates, rather than the year-end value.

In December 2023, the PRA published its first collection of near-final policy proposals for implementing certain remaining Basel III standards (Basel 3.1), including revised frameworks for market risk, operational risk and Credit Valuation Adjustment (CVA) risk. A second policy statement was published by the PRA in September 2024, including near-final rules on credit risk and credit risk mitigation, the implementation of an output floor (requiring reported RWAs calculated under standardised and modelled approaches to be a minimum of 72.5% of fully standardised calculations), and disclosure and reporting. The implementation date for these standards has been extended to 1 January 2027, with a transitional period to ensure full implementation by 1 January 2030.

The PRA is consulting on proposed amendments (CP14/24) to the large exposures (LE) framework to implement the remaining Basel large exposure standards (removing the option for firms to use internal models to calculate exposure values to securities financing transactions and introducing a mandatory substitution approach to calculate the effect of the use of credit risk mitigation techniques), as well as other amendments including in respect of the LE limits to intragroup entities and removing the option for firms to exceed LE limits for trading book exposures to third parties.

Additional minimum prudential requirements that apply to the Barclays Group to ensure that sufficient resources are maintained to provide loss absorption in a resolution context are discussed in the sub-section titled 'TLAC and MREL' below.

Stress testing

The Barclays Group and certain of its members, including Barclays Bank UK PLC, are subject to supervisory stress testing exercises pursuant to the annual stress testing programme of the BoE. These exercises are designed to assess the resilience of banks to adverse economic or financial developments and ensure that they have robust, forward-looking capital planning processes that account for the risks associated with their business profile. Assessment by regulators is on both a quantitative and qualitative basis, the latter focusing on such elements as data provision and stress testing capability, including model risk management and internal management processes and controls.

Recovery and Resolution

Stabilisation and resolution framework

The current UK framework for recovery and resolution was established by the Banking Act 2009, as amended.

The BoE, as the UK resolution authority, has the power to resolve a UK financial institution that is failing or likely to fail by exercising certain stabilisation tools, including (i) bail-in: the cancellation, transfer or dilution of a relevant entity's equity and write-down or conversion of the claims of a relevant entity's unsecured creditors (including holders of capital instruments) and conversion of those claims into equity as necessary to restore solvency; (ii) the transfer of all or part of a relevant entity's' business to a private sector purchaser; and (iii) the transfer of all or part of a relevant entity's business to a "bridge bank" controlled by the BoE. When exercising any of its stabilisation powers, the BoE must generally provide that shareholders bear first losses, followed by creditors in accordance with the priority of their claims in insolvency.

In order to enable the exercise of its stabilisation powers, the BoE may impose a temporary stay on the rights of creditors to terminate, accelerate or close out contracts, or override events of default or termination rights that might otherwise be invoked as a result of a resolution action and modify contractual arrangements in certain circumstances (including a variation of the terms of any securities). HM Treasury may also amend the law for the purpose of enabling it to use its powers under this regime effectively, potentially with retrospective effect.

In addition and distinct from bail-in, the BoE has the power to permanently write-down, or convert into equity, tier 1 capital instruments, tier 2 capital instruments and internal eligible liabilities at the point of non-viability of an institution pursuant to broader resolution powers under the Banking Act.

The BoE's preferred approach for the resolution of the Barclays Group is a bail-in strategy with a single point of entry at Barclays PLC. Under such a strategy, Barclays PLC's subsidiaries (including entities within the Barclays Bank UK Group) 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 Barclays 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.

The PRA has made rules that require authorised firms to draw up recovery plans and resolution packs. Recovery plans are designed to outline credible actions that authorised firms could implement in the event of severe stress in order to restore their business to a stable and sustainable condition. The submission of resolution packs was suspended by the PRA in 2018 until further notice and replaced by annual resolution reporting. It continues to be suspended pending PRA assessment of areas of potential duplication between different reporting expectations. The Barclays Group, however, is required to provide the PRA with a recovery plan biennially, although the Barclays Group maintains and refreshes this on an annual basis.

Removal of potential impediments to an orderly resolution of a banking group or one or more of its subsidiaries is considered as part of the BoE's resolution planning for each firm, and the BoE can require firms to make significant changes in order to enhance their resolvability. Under the BoE's Resolvability Assessment Framework (RAF), firms are required to have in place capabilities covering three resolvability outcomes: (i) adequate financial resources; (ii) being able to continue to do business through resolution and restructuring; and (iii) being able to communicate and co-ordinate within the firm and with authorities. Barclays Group's second self-assessment report on resolvability under the RAF was submitted to the PRA/BoE in 2023 and the BoE's assessment on the report was published in August 2024. The BoE's 2024 assessment was more detailed than in previous years. The BoE identified that there are no shortcomings, deficiencies or substantive impediments in the Group's capabilities that could impede Barclays' ability to execute the preferred resolution strategy. The BoE did note that there were three areas for further enhancement relating to the provision of timely valuations, in respect of operational continuity in resolution relating to the inclusion of resolution-resilient language in service contracts, and restructuring planning. The Barclays Group continues to develop its capabilities in these areas and is engaging with the BoE on these areas identified for enhancements. In future, the PRA/BoE could exercise its various powers to direct the Barclays Group to address any relevant issues. In January 2025, amendments to the PRA rules were introduced which now require firms to make submissions under the relevant resolution rules on a 'periodic' basis rather than the previous fixed two-year cycles (PS1/25). The BoE and PRA will require firms to submit their next resolution reports in 2026, with a public disclosure to be made in 2027.

TLAC and MREL

The Barclays Group is under the supervision of the BoE, as the UK resolution authority, and is subject to a Minimum Requirement for Own Funds and Eligible Liabilities (MREL), which includes a component reflecting the FSB's standards on total loss absorbency capacity (TLAC).

Since 1 January 2022, G-SIBs with resolution entities incorporated in the UK have been required to meet an MREL equivalent to the higher of: (i) two times the sum of their Pillar 1 and Pillar 2A requirements; or (ii) the higher of two times their leverage ratio requirement or 6.75% of leverage exposures. The Barclays Group is also required to meet binding external MRELs in 2024 on the basis of a bail-in resolution strategy comprising a binding minimum capital requirement of 12.6% of RWAs, MREL of 25.2% of RWAs, and a loss-absorbing capacity (MREL plus buffers) of 30.0% of RWAs. Internal MREL for material subsidiaries is subject to a scalar in the 75-90% range of the external requirement that would apply to the subsidiary if it were a resolution entity. The starting point for the scalar is 90% for ring-fenced bank sub-groups. In October 2024, the BoE launched a consultation on proposals to amend its statement of policy on its approach to setting MREL (the MREL SoP). This forms part of the repeal and restatement (with modifications) process of assimilated law and the BoE does not consider that its proposals would result in fundamental changes to the overall impact of its MREL policy.

Bank Levy and FSCS

The BRRD established a requirement for EU Member States to set up a pre-funded resolution financing arrangement with funding equal to 1% of covered deposits by 31 December 2024 to cover the costs of bank resolutions. The UK implemented this requirement by way of a tax on the balance sheets of banks known as the 'Bank Levy', which remains in place.

In addition, the UK has a statutory compensation fund called the Financial Services Compensation Scheme (FSCS), which is funded by way of annual levies on most authorised financial services firms including Barclays Bank UK PLC.

Structural reform

In the UK, the Financial Services (Banking Reform) Act 2013 put in place a framework for ring-fencing certain operations of large banks. Ring-fencing requires, among other things, the separation of the retail and SME deposit-taking activities of UK banks from wholesale and investment banking operations into a legally distinct, operationally separate and economically independent entity (i.e., a 'ring-fenced bank'), which is not permitted to undertake a range of activities. Under FSMA, the PRA is required to review its ring-fencing rules every five years following the rules coming into force, with the first report having been published in January 2024. The PRA intends to consult in due course on targeted reforms to its ring-fencing rules as a result of its review, although the overall conclusion was that most of those rules are performing satisfactorily. Separately, HM Treasury has introduced legislative amendments to implement near-term reforms to the ring-fencing regime which took effect in February 2025. These reforms have, amongst other measures, increased the core deposit threshold (which determines whether a UK bank is subject to the ring-fencing regime) from £25bn to £35bn, exempted predominantly retail-focussed banks from the ring-fencing regime by introducing a secondary threshold (referred to as the trading assets exemption), permitted ring-fenced banks to establish branches and subsidiaries outside of the UK or the EEA (subject to PRA rules) and introduced a new four-year transition period for UK non-ring-fenced banks to comply with the ring-fencing regime following mergers or acquisitions.

Market infrastructure regulation

In recent years, regulators as well as global-standard setting bodies such as the International Organisation of Securities Commissions (IOSCO) have focused on improving transparency and reducing risk in markets, particularly risks related to over-the-counter (OTC) derivative transactions. This focus has resulted in a variety of new regulations across the G20 countries and beyond that require or encourage on-venue trading, clearing, posting of margin and disclosure of information related to many derivatives transactions.

Regulation of benchmarks

The UK Benchmarks Regulation applies to the administration, contribution and use of benchmarks within the UK. Financial institutions within the UK, as applicable, are prohibited from using benchmarks unless their administrators are authorised, registered or otherwise recognised in the UK. This prohibition will apply in respect of third country benchmark administrators from the end of 2030. The phase out of LIBOR has now been completed, with the remaining synthetic LIBOR settings for holders of legacy contracts published for the last time on 30 September 2024. Other global benchmarks are now being phased out through 2025. Global regulators in conjunction with the industry have developed alternative benchmarks and risk-free rate fallback arrangements, including updates to existing, as well as new, applicable legislation.

Other regulation

Consumer protection, digital access, culture, and diversity and inclusion

The FCA's Consumer Duty is now in force for new and existing products or services that are open to sale or renewal, as well as closed products and services. The duty sets higher expectations for the standard of care that firms provide to retail customers and impacts all aspects of Barclays' retail businesses, including every retail customer journey, product and service as well as Barclays Bank UK Group's relationships with partners, suppliers and third parties. This has resulted in significant implementation costs and there are also continued higher ongoing costs for the industry as a result of extensive monitoring and evidential requirements. In setting out its strategy for supervision of the retail banking industry in 2025, the FCA has reiterated the importance of the Consumer Duty as a continued priority for the FCA and its expectations for firms to embed the Consumer Duty into their culture and purpose.

Other areas of strategic priority for the FCA's supervision include the fair treatment of customers in financial difficulty, access for customers to payment accounts and banking services (discussed further below), compliance with operational resilience rules, the continued management of financial crime and fraud risks, and the role of banks in developing sustainable finance offerings and the importance of ensuring that sustainability-related claims associated with products are clear, fair and not misleading.

Although the Barclays Bank UK Group never operated in the motor finance market in the UK, the wider financial industry may be impacted by the October 2024 Court of Appeal judgments on commission arrangements in the motor finance industry, subject to the result of the appeals of those judgments to the Supreme Court, and to the FCA's ongoing review of the motor finance market. In December 2024, the FCA announced an extension to the time motor finance firms have to handle complaints on lender commissions until after 4 December

2025, following on from the Court of Appeal's judgments in Johnson v FirstRand Bank, Wrench v FirstRand Bank and Hopcroft v Close Brothers Ltd [2024] EWCA Civ 1282. The decisions in these cases could, subject to these appeals, impact the availability and terms of financing, risk of future claims, and the likelihood of a FCA consumer redress scheme. There could also be wider market and industry implications of the judgments and/or the appeals, which could adversely affect the Barclays Bank UK Group's business, results of operations, financial condition and prospects.

Barclays Bank UK Group's regulators have enhanced their focus on the promotion of cultural values as a key area for banks. The UK regulators have also begun focusing on diversity and inclusion in financial services firms, with the PRA and FCA having published a consultation on the introduction of a new regulatory framework on diversity and inclusion in September 2023. The FCA has stated that it expects to publish a policy statement on non-financial misconduct by early in 2025, with the FCA and PRA intending to publish policy statements on the remaining diversity and inclusion proposals in Q2 2025.

The UK Government is expected to consult on abolishing the Certification Regime that applies under the SMCR and replace this with a more proportionate approach, although details of these proposals are yet to be published.

FSMA 2023 introduced new provisions under which HM Treasury may designate current account providers that have a significant role in the provision of UK cash access and empowered the FCA to make rules to ensure the reasonable provision of cash access services. In September 2024, the FCA introduced new rules which require designated firms to consider the impact of a planned closure of a branch or conversion of free-to-use ATMs (cash machines or cashpoints) on their customers' everyday banking needs and the availability and provision of alternatives. Barclays Bank UK PLC has been designated as a relevant current account provider and is therefore subject to the rules.

Following increasing regulatory focus in 2023, the FCA published its findings on the reasons for payment account closures, in light of concerns that customer accounts were being closed on the basis of customers' political views. In September 2024, the FCA published a follow-up report outlining further findings and expectations for firms, particularly in respect of the Consumer Duty. HM Treasury previously announced plans to require banks to provide clear and tailored reasons for the closure of payment accounts as well as extending the notice period of such closure to 90 days, although these reforms have not yet been implemented.

FSMA 2023 contains provisions mandating that the Payment Systems Regulator (PSR) require the reimbursement of authorised push payment scams by payment service providers, including Barclays. This new reimbursement requirement took effect in October 2024. It has imposed a maximum reimbursement limit of £85,000 with costs split 50:50 between the sending and receiving firms.

Data protection

Most jurisdictions where the Barclays Group operates have adopted or are considering comprehensive laws concerning data protection and privacy. Regulations regarding data protection are increasing in number, as well as levels of enforcement, as manifested in increased amounts of fines and the severity of other penalties. We expect that personal privacy and data protection will continue to receive attention and focus from regulators, as well as public scrutiny and attention. The EU's General Data Protection Regulation (GDPR) and the UK's General Data Protection Regulation (UK GDPR) provide a framework of rights and duties designed to safeguard personal data and apply to the activities conducted from an establishment in the EU or the UK, respectively. The extraterritorial effect of the GDPR and the UK GDPR means entities established outside the EU or the UK may fall respectively within the GDPR or the UK GDPR's ambit when offering goods or services to EU/UK based customers or clients or conducting behavioural monitoring of individuals in the EU/UK. The Data (Use and Access) Bill was introduced to the UK Parliament in October 2024, which if enacted will bring some divergence between the EU GDPR and UK GDPR.

The data regime in China is likely to continue to evolve, governing the collection, processing and cross-border transfers of China-based individuals' personal data and restricted data (e.g., macro/derived characteristics data which, if tampered with, divulged or destroyed, may endanger China's economic operation, social stability, national security - among other things - having regard to the volume and granularity of the data). In India, in preparation for the implementation of the Digital Personal Data Protection Act, which passed in 2023, the Government has yet to issue finalised implementation rules for a robust mechanism of privacy protection and rights. Except under certain exemptions, its scope would include the processing of personal data in India and would extend to the profiling of, and offering goods and services to, India-based individuals outside of India. As the global data protection regulatory landscape develops, non-compliance with any such requirements and rules could lead to regulatory fines and other penalties.

Cybersecurity and operational resilience

Regulators globally continue to focus on cybersecurity risk management, organisational operational resilience and overall soundness across all financial services firms, with customer and market expectations of uninterrupted access to financial services remaining at an all-time high.

The regulatory focus has been further heightened by the increasing number of high-profile ransomware and other supply chain attacks seen across the industry in recent years and the growing reliance of financial services on Cloud and other third party service providers. This is evidenced by the continuing introduction of new laws and regulatory frameworks directed at enhancing resilience of both firms and their critical third party providers. The UK operational resilience framework introduced in March 2021 requires firms to be able to remain within impact tolerances set for their important business services, in severe but plausible disruption scenarios such as a cyberattack, by no later than 31 March 2025. In December 2024, the FCA and the PRA each published a consultation paper (CP24/28 and CP17/24 respectively) on proposals for firms to report operational incidents and their material third party arrangements to enhance the operational resilience framework. The FCA has stated that it expects to publish finalised rules in a policy statement in the second half of 2025, whilst the PRA has stated that the proposed implementation date for its proposals is no earlier than the second half of 2026.

FSMA 2023 introduced a new regime for designated critical third party providers (CTPs). In November 2024, the FCA, PRA, and BoE jointly released the final rules and expectations for designated CTPs with the final rules having taken effect from 1 January 2025. Whilst the new rules apply to designated CTPs themselves, there may be additional impact and costs for the Barclays Bank UK Group incurred in connection with updating existing supplier arrangements to reflect the new CTP requirements where suppliers are designated as critical CTPs.

The EU's Network and Information Security (NIS) Directive, which aimed to improve the resilience of network and information systems in the EU against cybersecurity risks, has been updated. The revised version, NIS2, applies from 18 October 2024 and imposes stricter security, governance and incident reporting requirements. Failure to comply can lead to significant fines and senior manager liability among other things. The extraterritorial effect of NIS2 means entities established outside the EU may fall within its ambit if providing certain services in the EU. In the UK, the original NIS Directive was transposed into UK law and still applies but a new Cyber Security and Resilience Bill is planned to be introduced to Parliament in 2025.

The existing and anticipated requirements specified in the UK, EU, and US for increased controls will serve to improve industry standardisation and resilience capabilities, enhancing the Barclays Group's ability to deliver services during periods of potential disruption. Such measures are resulting in increased technology and compliance costs for the Barclays Bank UK Group.

Artificial Intelligence

A number of jurisdictions where the Barclays Bank UK Group operates have adopted or are considering adopting laws regulating artificial intelligence (AI).

The EU's Artificial Intelligence Act (EU AI Act), which entered into force on 1 August 2024, provides rights and duties designed to ensure the safe and ethical deployment of AI. The EU AI Act requires organisations to ensure suitable levels of AI literacy within their workforce and categorises AI systems based on their level of risk. It has a phased approach to compliance, with the first set of requirements prohibiting certain uses of AI applying from 2 February 2025. It also establishes a rigorous compliance regime for high-risk AI applications (which provisions apply from 2 August 2027). The extraterritorial effect of the of EU AI Act means entities established outside the EU fall with the EU AI Act's ambit if they provide or deploy AI in the EU or the output of their AI is used in the EU.

Regulatory initiatives on ESG

In the UK, the FCA published final rules on the UK Sustainability Disclosure Requirements regime in November 2023 which set out new requirements to prepare sustainability-related product and entity level disclosures for certain firms, as well as a new sustainable investment labelling regime and anti-greenwashing rule applicable to all authorised firms. The new anti-greenwashing rule (and associated guidance) came into force on 31 May 2024 and the labelling regime was made available from 31 July 2024, whilst the disclosure regime continues to be implemented on a phased basis from late 2024 until the end of 2026. The FCA also published a consultation in April 2024 on extending the SDR and investment labels regime to portfolio management and expects to publish a Policy Statement and further information about implementation in Q2 2025.

The Digital Markets, Competition and Consumers Act 2024 (DMCCA) received Royal Assent in May 2024, introducing major updates to UK competition and consumer protection laws. These reforms included the expansion of the powers held by the Competition and Markets Authority (the 'CMA'), in relation to digital markets, merger control and antitrust rules, as well as consumer law. Expected to commence in spring 2025, the CMA will be able to directly impose significant fines of up to 10% of global turnover for breaches of consumer protection law. As one of the regulators entrusted with consumer protection in the UK, the CMA has already been actively focusing on misleading environmental claims, with recent investigations and regulatory action taken in relation to the UK fashion industry for example. The CMA has the ability to investigate potential breaches of consumer protection laws by financial services firms also, and the FCA will be able to make recommendations to the CMA to exercise its powers under the DMCCA. The DMCCA also simplifies and enhances the process by which the regulators may obtain enforcement orders and undertakings for breaches of consumer law. The Advertising Standards Authority is responsible for regulating the content of advertisements, sales promotions and direct marketing in the UK, and has also been focusing on greenwashing, including investigating and making rulings against advertisements from financial services firms due to greenwashing.

In its election manifesto, the Government stated that it would mandate UK regulated financial institutions and FTSE 100 companies to develop and implement credible transition plans that align with the 1.5°C goal of the Paris Agreement. Consequently, it intends to consult in H1 2025 on how best to take that commitment forward. The UK's Transition Plan Taskforce (TPT) concluded its work on a disclosure framework for transition plans in October 2024, with the International Financial Reporting Standards (IFRS) Foundation now assuming responsibility for the TPT's disclosure materials. It is widely expected that the work of the TPT will likely form the basis of transition plan disclosure requirements mandated by the Government and UK regulators.

In September 2024, the Government published information on its framework to create UK Sustainability Reporting Standards (UK SRS). Subject to an affirmative endorsement decision, and following a consultation process, the Government would create the first two UK Sustainability Reporting Standards, based on those of the International Sustainability Standards Board (ISSB) (IFRS S1 on general requirements for disclosure of sustainability related financial information and IFRS S2 on climate-related disclosures) and these standards will form part of a wider Sustainability Disclosure Reporting (SDR) framework led by HM Treasury. The Government aims to make its endorsement decisions on the first two UK Sustainability Reporting Standards (SRS) in Q1 2025. As there is some overlap between IFRS S2 and the TPT Disclosure Framework, the FCA plans, through its consultation on implementing UK-endorsed ISSB standards, to consult on strengthening its expectations for transition plan disclosures with reference to the TPT Disclosure Framework, as noted above. In addition, TCFD-aligned reporting requirements apply to UK publicly quoted companies, large private companies and LLPs (in addition to existing TCFD-related reporting requirements under the UK Listing Rules).

The UK Government published a consultation in November 2024 seeking views on whether a UK Green Taxonomy would be a useful tool to support investment activities aligned with sustainability ambitions and as a mitigant to greenwashing activity.

Recent EU developments in ESG disclosure initiatives will also impact UK companies which fall within the scope of applicable regimes. The EU Corporate Sustainability Reporting Directive (CSRD) introduces significant sustainability related reporting obligations covering a wide range of topics beyond climate change for various entities, including EU banks and certain non-EU companies and banks (by virtue of having EU listings or significant business in the EU), with reporting to commence on a phased basis from the financial year 2024. The breadth of the European Sustainability Reporting Standards and the amount of data to be collected are significant for financial institutions, as companies to which finance has been provided are considered to be within scope of their value chain, and thus their reporting.

In July 2024, the Directive on Corporate Sustainability Due Diligence (CSDDD) entered into force, and will require certain EU and non-EU entities to carry out due diligence in relation to their own operations and 'chain of activities', in order to identify and prevent, bring to an end or mitigate the actual and potential adverse impact of their own operations, the operations of their subsidiaries or of their business partners on human rights and the environment. For regulated financial undertakings, the Directive covers own operations and the upstream value chain but not the activities of their downstream business partners that receive their financial services and products. However, the Directive foresees that the EU Commission should submit a report to the EU Parliament and the Council on the necessity to lay down additional sustainability due diligence requirements tailored to regulated financial undertakings by July 2026. Moreover, entities in scope of the Directive will also be required to adopt and put into effect a climate change mitigation transition plan. These obligations will apply after transposition into national laws in each EU Member State on a phased basis from July 2027. The EU is currently considering proposals to review some parts of CSDDD and other sustainability related legislation, but any proposed amendments remain to be seen.

Sanctions and financial crime

The UK Bribery Act 2010 introduced a new form of corporate criminal liability focused broadly on a company's failure to prevent bribery on its behalf. The Criminal Finances Act 2017 introduced new corporate criminal offences of failing to prevent the facilitation of UK and overseas tax evasion. In 2023, the Economic Crime and Corporate Transparency Act 2023 became law. This creates a new offence, in force from 1 September 2025, of failing to prevent a person associated with the Barclays Bank UK Group from committing fraud for the benefit of the Barclays Bank UK Group. In addition, this legislation also extends the concept of corporate criminal liability. These pieces of legislation have broad application and in certain circumstances may have extraterritorial impact on entities, persons or activities located outside the UK.

The UK Bribery Act requires the Barclays Bank UK Group to have adequate procedures to prevent bribery which, due to the extraterritorial nature of the Act, makes this both complex and costly. Additionally, the Criminal Finances Act requires the Barclays Bank UK Group to have reasonable procedures in place to prevent the criminal facilitation of tax evasion by persons acting for, or on behalf of, any entity in the Barclays Bank UK Group. The Economic Crime and Corporate Transparency Act similarly requires the Barclays Bank UK Group to have reasonable procedures in place to prevent a person associated with the Barclays Bank UK Group from committing fraud.

The Sanctions and Anti-Money Laundering Act 2018 (the Sanctions Act) became law in the UK in 2018. Following the UK's withdrawal from the EU, the Sanctions Act allowed for the adoption of an autonomous UK sanctions regime which came into force in 2021, as well as a more flexible licensing regime post-Brexit. This regime applies within the UK and in relation to the conduct of all UK persons wherever they are in the world; it also applies to overseas branches of UK companies.

In some cases, US state and federal regulations addressing sanctions, money laundering and other financial crimes may impact entities, persons or activities located or undertaken outside the US, including Barclays PLC and its subsidiaries. US government authorities have aggressively enforced these laws, and expanded authorities threatening the imposition of sanctions, against financial institutions in recent years.

As a result of the conflict in Ukraine, there has been an increased regulatory focus on sanctions compliance in various jurisdictions, including the US, UK and EU.

Failure of a financial institution to ensure compliance with such laws could have serious legal, financial and reputational consequences for the institution.

Financial statements
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Detailed analysis of our statutory accounts, independently audited and providing in-depth disclosure on the financial performance of the Barclays Bank UK Group.

Independent Auditor's report to the members of Barclays Bank UK PLC

1 Our opinion is unmodified

We have audited the financial statements of Barclays Bank UK Group ("the Group") for the year ended 31 December 2024 which comprise the consolidated and Barclays Bank UK PLC ("the Parent Company") balance sheets as at 31 December 2024, the consolidated income statement and statement of comprehensive income, the consolidated and Parent Company statements of changes in equity and cash flow statements for the year then ended and the related notes, including the accounting policies in Note 1.

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards and as applied in accordance with the provisions of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the board audit committee.

We were first appointed as auditor by the directors on 21 March 2018 for the audit of the financial year ended 31 December 2017. The period of total uninterrupted engagement is for the eight financial years ended 31 December 2024. We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities. No non-audit services prohibited by that standard were provided.

2 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We summarise below the key audit matters, including a new key audit matter over the Tesco Bank acquisition, in decreasing order of audit significance, in arriving at our audit opinion above, together with our key audit procedures to address those matters and, as required for public interest entities, our results from those procedures.

These matters were addressed, and our results are based on procedures undertaken, in the context of, and solely for the purpose of, our audit of the financial statements as a whole, and in forming our opinion thereon, and consequently are incidental to that opinion, and we do not provide a separate opinion on these matters.

Independent Auditor's report to the members of Barclays Bank UK PLC

Key audit matter	The risk	Our response
Impairment allowances on loans and advances at amortised cost, including off-balance sheet elements 31 December 2024 £1,626m, 31 December 2023 £1,686m See page 188 for the accounting policy for the impairment of financial assets under IFRS9, page 77 for the credit risk disclosures, and page 188 for the financial disclosure Note 8; Credit impairment charges	**Subjective estimate:** **Risk vs 2023:** ▲ The estimation of expected credit losses ("ECL") on financial instruments, involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group's estimation of ECL are: • Model estimations – Inherently judgemental modelling techniques and assumptions are used to estimate ECL which involves either determining Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD") or an appropriate proxy. ECL may be inappropriate if certain models or underlying assumptions do not accurately predict defaults or recoveries over time, become out of line with wider industry experience, or fail to reflect the credit risk of financial assets. As a result, certain IFRS 9 models and model assumptions are the key drivers of complexity and uncertainty in the Group's calculation of the ECL estimate. • Economic scenarios – IFRS 9 requires the Group to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings, and the key economic variables that drive the scenarios. There is also a high level of complexity of models used to derive the probability weightings. • Qualitative adjustments – Adjustments to the model-driven ECL results are raised by management to address known impairment model limitations, emerging trends, or risks not captured by models. They represent approximately 14.9% of the ECL. These adjustments are inherently uncertain and significant and subjective management judgement is involved in identifying and estimating certain post model adjustments ("PMA's") and management overlays. As such, the identification and estimation of certain qualitative adjustment represent a significant risk of error and fraud. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers including off-balance sheet elements of the allowance has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The credit risk sections of the financial statements (pages 77-133) disclose the sensitivities estimated by the Group.	Our procedures to address the risk included: **Risk assessment:** We performed granular and detailed risk assessment procedures over the entirety of the loan and advances at amortised cost including off-balance sheet elements of the allowance within the Group's financial statements. As part of these risk assessment procedures, we identified the portfolios associated with a risk of material misstatement including those arising from significant judgements over the estimation of ECL either due to inputs, methods or assumptions. **Control testing:** We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual, general IT and application controls over key systems used in the ECL process. Key aspects of our controls testing involved evaluating the design and implementation and testing the operating effectiveness of the key controls over the: • completeness and accuracy of the key inputs into the IFRS 9 impairment models; • application of the staging criteria; • model validation, implementation and monitoring; • completeness, authorisation and calculation of post model adjustments and management overlays; • selection and implementation of economic variables and the controls over the economic scenario selection and probabilities **Our credit risk modelling expertise**: We involved our own credit risk modellers who assisted in the following: • evaluating the Group's impairment methodologies for compliance with IFRS 9; • assessing the appropriateness of certain assumptions by inspecting and evaluating management's documented methodology for how the assumption is determined; • inspecting model code for the calculation of certain components of the ECL model to assess its consistency with the Group's model methodology; • evaluating whether model changes (including updated model code), for a selection of models which were changed or updated during the year were appropriate by assessing the updated model methodology against the applicable accounting standard; • reperforming the calculation of certain adjustments to assess consistency with the qualitative adjustment methodologies; • assessing and reperforming, for a selection of models, the reasonableness of the model predictions by comparing them against actual results and evaluating the resulting differences; • evaluating the model output for a selection of models by inspecting the corresponding model functionality and independently implementing the model by rebuilding the model code and comparing our independent output with management's output; and • independently recalculating a selection of model assumptions using more recent data for certain portfolios. This is used to develop a range for ECL which is compared to management's point estimate.

Key audit matter	The risk	Our response
	Disclosure quality The disclosures regarding the Group's application of IFRS 9 are key to explaining the key judgements and material inputs to the IFRS 9 ECL results.	**Our economics expertise**: We involved our own economic specialists who assisted us in: • assessing the reasonableness of the Group's methodology and models for determining the economic scenarios used and the probability weightings applied to them; • assessing key economic variables which included comparing samples of economic variables to external sources; and assessing the overall reasonableness of the economic forecasts by comparing the Group's forecasts to our own modelled forecasts. **Other test of details**: Key aspects of our testing in addition to those set out above involved: • sample testing over key inputs into the ECL calculations; and • selecting a sample of post model adjustments, considering the size and complexity of management overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data; and • assessing the completeness of post model adjustments identified; **Assessing transparency**: We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions was sufficiently clear. **Our results**: The results of our testing were satisfactory and we considered the ECL charge, Impairment allowance and the related disclosures to be acceptable (2023 result: acceptable).

Independent Auditor's report to the members of Barclays Bank UK PLC

Key audit matter	The risk	Our response
Valuation of financial instruments held at fair value 31 December 2024 £1,542m, 31 December 2023 £1,927m Refer to page 179 (accounting policy for financial assets and liabilities) and page 206 (financial disclosure Note 16 Fair value of financial instruments)	**Subjective valuation** **Risk vs 2023: ◄►** The fair value of the Group and Parent company's financial instruments is determined through the application of valuation techniques which can involve the exercise of significant judgement by management in relation to the choice of the valuation models, pricing inputs and post-model pricing adjustments, including fair value adjustments (FVAs). Where significant pricing inputs are unobservable, management has limited reliable and relevant market data available in determining the fair value and hence estimation uncertainty can be high. These financial instruments are classified as level 3, with management having controls in place over the boundary between level 2 and 3 positions. Our significant audit risk is therefore primarily over significant Level 3 portfolios, which is the Education, Social Housing and Local Authority ("ESHLA") loan portfolio. As at 31 December 2024 the Group and Parent company have outstanding ESHLA loans which require significant judgement in the valuation due to the long dated nature of the portfolio, the lack of secondary market in the relevant loans and unobservable loan spreads. At 31 December 2024, Level 3 instruments £1,542m represented 5.1% of the Group's and Parent company's financial assets carried at fair value. **Disclosure quality** The disclosures are key to explaining the valuation techniques, key judgements, assumptions and material inputs.	Our procedures to address the risk included: **Risk assessment**: We performed granular and detailed risk assessment procedures throughout the audit period over the ESHLA balances within the Group and Parent company's financial statements. As part of these risk assessment procedures, we identified the associated valuation inputs that have a risk of material misstatement including those arising from significant judgements over valuation due to unobservable inputs. **Controls testing**: We attended management's Valuation Committee throughout the year and observed discussions and challenge over valuation themes. We performed end to end process walkthroughs to identify the key systems, applications and controls used in the valuations processes. We tested the design, implementation and operating effectiveness of key controls relating to this portfolio. Key aspects of our controls testing involved evaluating the design and testing the operating effectiveness of the key controls over: • Independent price verification (IPV), performed by a control function of key market pricing inputs, including completeness of positions and valuation inputs subject to the IPV process; • FVAs, including exit adjustments (to mark the portfolio to bid or offer prices) and model shortcoming reserves to address model limitations; • The validation, completeness, implementation and usage of valuation models. This included controls over assessment of model limitations and assumptions; and • The assessment of the observability of a product and their unobservable inputs. **Our valuations expertise**: We involved our own valuations specialists in the following: • Independently re-pricing a selection of fair value financial instruments and challenging management on the valuations where they were outside our tolerance; and • challenging the appropriateness of significant models and methodologies used in calculating fair values, risk exposures and in calculating FVAs, including comparison to industry practice. **Inspection of movements**: We inspected trading revenue arising on level 3 positions to assess whether material gains or losses generated were in line with the accounting standards. **Historical comparison**: We performed a retrospective review by inspecting significant gains and losses on a selection of trade exits and restructurings throughout the audit period and evaluated whether those data points indicated elements of fair value not incorporated in the current valuation methodologies. We also inspected movements in unobservable inputs throughout the period to challenge whether any gain or loss generated was appropriate. **Assessing transparency**: We assessed the adequacy of the Group and Parent company's financial statements disclosures in the context of the relevant accounting standards. **Our results**: The results of our testing were satisfactory and we considered the fair value of level 3 financial assets recognised to be acceptable (2022 result: acceptable).

Key audit matter	The risk	Our response
User access management	**Control performance** **Risk vs 2023: ◄►** The Group and Parent company’s IT operations support a wide range of products and services, resulting in a large and complex IT infrastructure relevant to the financial reporting processes and related internal controls. User access management controls are an integral part of the IT environment to ensure both system access and changes made to systems and data are authorised and appropriate. Our audit approach relies on the effectiveness of IT access management controls. Our audit procedures identified deficiencies in certain IT access controls for systems relevant to financial reporting. More specifically, previously identified control deficiencies remain open around monitoring of activities performed by privileged users on infrastructure components. Management has an ongoing programme to remediate the deficiencies. Since these deficiencies were open during the year, we performed additional procedures to respond to the risk of unauthorised changes to automated controls over financial reporting, such as an assessment of compensating controls implemented by management during the audited period.	Our procedures to address the risk included: **Controls testing**: We tested the design, implementation and operating effectiveness of automated controls that support material balances in the financial statements. We also tested the design and operating effectiveness of the relevant preventative and detective general IT controls over user access management including: • Authorising access rights for new joiners; • Timely removal of user access rights; • Logging and monitoring of user activities; • Privileged user access management and monitoring; • Developer access to transaction and balance information; • Segregation of duties; • Re-certification of user access rights; and • Access to make changes to systems and data is restricted. We performed procedures to assess whether additional detective compensating controls operate at the same level of precision to support our assessed risk of unauthorised activities and we tested management’s detective controls. **Our results**: Based on the risk identified and our procedures performed, our testing did not identify weaknesses in the design and operation of user access management controls that would have required us to significantly expand the extent of our planned detailed testing.

3 Our application of materiality and an overview of the scope of our audit

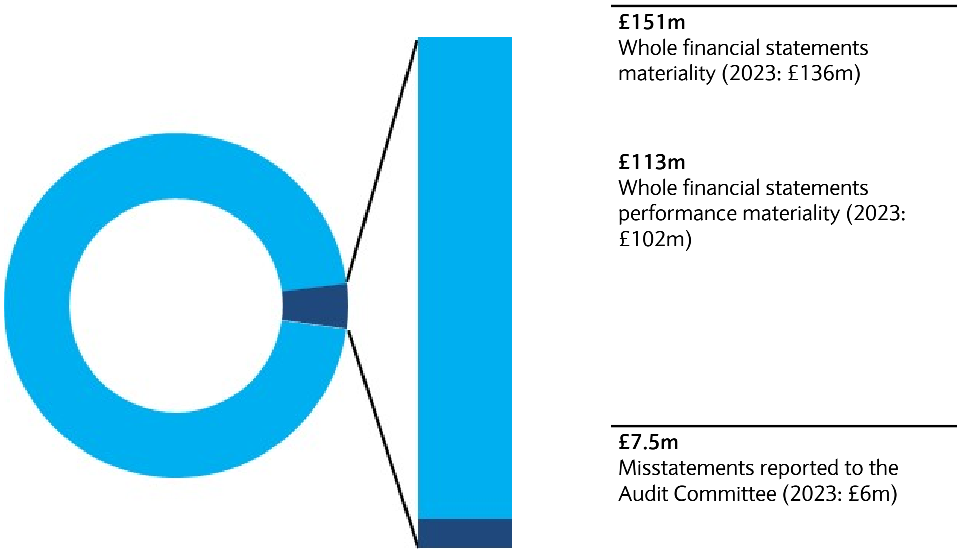
Materiality for the Group and Parent Company financial statements as a whole was set at £151m (2023: £136m) and £150m (2023: £135m) respectively, determined with reference to a benchmark of profit before tax from continuing operations, of which it represents 4.7% (2023: 4.9%) for the Group and 4.6% (2023: 4.9%) for the Parent Company, normalised downwards by £348m for both the Group and Parent Company, to adjust for the one off gain on the acquisition of the Tesco Bank business (£558m) less the associated ECL impact (£209m), in the year as the transaction is considered to be outside the normal course of operations. In the prior year materiality was determined by normalising the benchmark upwards by £124m and £297m for the Group and Parent Company respectively to adjust for the loss incurred on the disposal of the wealth management business in the year.

In line with our audit methodology, our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole.

Performance materiality for the Group and Parent Company was set at 75% (2023: 75%) of materiality for the financial statements as a whole, which equates to £113m (2023: £102m) for the Group and £112.5m (2023: £101m) for the Parent Company. We applied this percentage in our determination of performance materiality because we did not identify any factors indicating an elevated level of risk.

We agreed to report to the board audit committee any correct or uncorrected identified misstatements exceeding £7.5m (2023: £6.75m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

Normalised Group profit before tax
£3,002m* (2023: £2795m)**



*adjusted to deduct the gain on acquisition of Tesco Bank, as well as the associated ECL impact in the period which does not represent normal, continuing operations
** adjusted to add back the loss on disposal of the wealth management business in the prior year period

Scope – general

We were able to rely upon the Group's internal control over financial reporting for most areas of our audit, where our controls testing supported this approach, which enabled us to reduce the scope of our substantive audit work. This did not include our testing over the Tesco Bank acquisition and year end position, in which we took a primarily substantive approach given the one off nature of the transaction and limited time between the transaction and year end.

This year, we applied the revised group auditing standard in our audit of the consolidated financial statements, The revised standard changes how an auditor approaches the identification of components, and how the audit procedures are planned and executed across components.

In particular, the definition of a component has changed, shifting the focus from how the entity prepares financial information,to how we, as the group auditor, plan to perform audit procedures to address group risks of material misstatement ('RMMs').

In total, we identified two components. Of those, we identified one quantitatively significant component, the Parent, which contained the largest percentages of both total revenue and total assets of the Group, for which we performed audit procedures. We applied a component performance materiality of £112.5m to the audit of the Parent company as a component of the group.

The Group has certain centralised processes in India, the outputs of which are also included in the aggregated set of financial information. These services are subject to specified audit procedures, predominantly the testing of transaction processing and controls. We evaluated the work which the participating auditor performed in these areas. We communicated with the participating audit team throughout the audit by holding regular meetings and visiting their office.

4 Going concern

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Group or the Company or to cease their operations, and as they have concluded that the Group’s and the Company’s financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements (“the going concern period”).

We used our knowledge of the Group and Parent Company, the financial services industry, and the general economic environment to identify the inherent risks to the business model and analysed how those risks might affect the Group’s and Parent Company’s financial resources or ability to continue operations over the going concern period. The risks that management considered most likely to adversely affect the Group’s and Parent Company’s available financial resources over this period and which we challenged were:

- the availability of funding and liquidity in the event of a market wide stress scenario; and

- the impact on regulatory capital requirements in the event of an economic slowdown.

We considered whether these risks could plausibly affect the availability of financial resources in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group’s financial forecasts.

Our procedures also included an assessment of whether the going concern disclosure in note 01 to the financial statements gives a complete and accurate description of the Directors’ assessment of going concern.

Our conclusions based on this work:

- we consider that the directors’ use of the going concern basis of accounting in the preparation of the financial statements is appropriate;

- we have not identified, and concur with the directors’ assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group’s or Company's ability to continue as a going concern for the going concern period; and

- we found the going concern disclosure in note 01 to be acceptable.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Company will continue in operation.

5 Fraud and breaches of laws and regulations – ability to detect

Identifying and responding to risks of material misstatement due to fraud

To identify risks of material misstatement due to fraud (“fraud risks”) we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. In this risk assessment we considered the following:

- Our meetings throughout the year with the Group Head of Risk, Head of Compliance and Head of Legal and reviews of Barclays’ internal ethics and compliance reporting summaries, including those concerning investigations and regulatory correspondence;

- Enquiries of operational managers, internal audit, and the board audit committee, and inspection of policy documentation as to the Group’s and Parent Company’s policies and procedures relating to:
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud, including the appropriateness and impact of changes made to these controls to facilitate remote/hybrid working;

- The Group’s and Parent Company’s remuneration policies, key drivers for remuneration and bonus levels;

- The full population of all journal entries to analyse using KPMG automated data analytics routine to identify any journals with high risk of fraud using a predefined high risk criteria.

- Considered the impact of the pressure to meet the target set out in the strategic plan. FY24 marked the first year of execution against the three-year strategic plan announced by Barclays plc group in their February 2024 Investor Update; and

- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with banks, and this experience was relevant to the discussion about where fraud risks may arise. The discussions also involved our own forensic specialists to assist us in identifying fraud risks based on discussions of the circumstances of the Group and Parent Company, including consideration of fraudulent schemes that had arisen in similar sectors and industries. The forensic specialists participated in the initial fraud risk assessment discussion and were consulted throughout the audit where further guidance was deemed necessary.

We communicated identified fraud risks throughout the audit team and remained alert to any indications of fraud throughout the audit.

As required by auditing standards and taking into account our overall knowledge of the control environment, we perform procedures to address the risk of management override of controls and the risk of fraudulent revenue recognition, which we isolate to certain assumptions used in the calculation of the Effective Interest Rate (EIR) on the mortgages portfolio, and the risk that management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgments.

We also identified a fraud risk related to qualitative adjustments to the model-driven ECL results given these adjustments are inherently uncertain and significant management judgement is involved in estimating these amounts, the valuation of level 3 ESHLA loans held at fair value given there is significant management judgement around the valuation. and the valuation of the fair value of net assets acquired through the Tesco Bank acquisition. Further detail in respect of these is set out in section 2 of this report.

Our audit procedures included evaluating the design and implementation and operating effectiveness of relevant internal controls, assessing significant accounting estimates for bias as well as substantive procedures to address the fraud risks.

These procedures also included identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation.

Incorporating unpredictability into our audit: A requirement of the auditing standards is that we undertake procedures which are deliberately unexpected and could not have reasonably been predicted by Barclays' management. As an example, we update our criteria for selecting journals with a higher risk of management override for testing each year so that the selection criteria do not become predictable.

Identifying and responding to risks of material misstatement due to non-compliance with laws and regulations

We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements. For this risk assessment, matters considered include the following:

- our general commercial and sector experience;
- discussion with the directors and other management (as required by auditing standards);
- inspection of the Group's and Parent Company's regulatory and legal correspondence;
- inspection of the policies and procedures regarding compliance with laws and regulations;
- relevant discussions with the Group's and Parent Company's external legal counsel;
- relevant discussions with the Group's and Parent Company's key regulatory supervisors including the Prudential Regulation Authority and Financial Conduct Authority; and
- the Group's and Parent Company's own assessment of the risks of non-compliance with laws and regulations and the internal controls established to mitigate these.

As the Group and Parent Company operates in a highly regulated environment, our assessment of risks of material misstatement also considered the control environment, including the Group and Parent Company's higher level procedures for complying with regulatory requirements. Our assessment included inspection of key frameworks, policies and standards in place, understanding and evaluating the role of the compliance function in establishing these and monitoring compliance and testing of related controls around whistleblowing and complaints.

We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit.

The potential effect of these laws and regulations on the financial statements varies considerably.

Firstly, the Group and Parent Company is subject to laws and regulations that directly impact the financial statements including:

- financial reporting legislation (including related companies' legislation);
- distributable profits legislation; and
- taxation legislation (direct and indirect).

We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Secondly, the Group and Parent Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect:

- Specific aspects of regulatory capital and liquidity;
- Other banking laws and regulations, including securities issuance law;
- Customer conduct rules (including the consumer duty)
- Money laundering;
- Ring-fencing rules;
- Sanctions list and financial crime;
- Market abuse regulations;
- Certain aspects of company legislation recognising the financial and regulated nature of the Group's activities.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. If a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

In relation to the legal, competition and regulatory matters disclosed in note 24 we performed audit procedures which included making enquiries of Barclays internal counsel and inspection of minutes of meetings and regulatory correspondence. For a subset of these matters which we deemed to be more significant we also made enquiries of external counsel and obtained legal confirmations from Barclays' external counsel.

In respect of regulatory matters relating to conduct risk, our procedures included inspection of regulatory correspondence, independent enquiry of the Group's and Parent Company's main regulators and performing audit procedures to respond to risks of material misstatement identified in recognised conduct provisions.

We consider management's response where potential non-compliance with laws and regulations has been identified that could reasonably be expected to have a material effect on the financial statements, including their communication with those charged with governance and regulators, remediation actions and controls implemented to prevent future recurrence. Refer to further disclosures in Note 24.

Context of the ability of the audit to detect fraud or breaches of law or regulation

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it.

In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6 We have nothing to report on the other information in the Annual Report

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Strategic report and directors' report

Based solely on our work on the other information:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

7 We have nothing to report on the other matters on which we are required to report by exception

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in these respects.

8 Respective responsibilities

Directors' responsibilities

As explained more fully in their statement set out on page 34, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

9 The purpose of our audit work and to whom we owe our responsibilities

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Karyn Nicoll (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
15 Canada Square
London
E14 5GL

12 February 2025

Consolidated income statement

For the year ended 31 December	Note	2024 £m	2023 £m
Interest and similar income	3	12,588	11,024
Interest and similar expense	3	(5,851)	(4,597)
Net interest income		6,737	6,427
Fee and commission income	4	1,507	1,605
Fee and commission expense	4	(411)	(370)
Net fee and commission income		1,096	1,235
Net trading (expense)/income	5	(16)	35
Net investment income/(expense)	6	41	(91)
Gain on acquisition	35	558	—
Other income		7	64
Total income		8,423	7,670
Staff costs	28	(1,215)	(1,209)
Infrastructure costs	7	(258)	(343)
Administration and general expenses	7	(2,939)	(2,994)
UK regulatory levies	7	(78)	(30)
Provisions for litigation and conduct	22	(21)	9
Operating expenses	7	(4,511)	(4,567)
Loss on disposal of subsidiaries, associates and joint ventures	36	—	(124)
Profit before impairment		3,912	2,979
Credit impairment charges	8	(352)	(308)
Profit before tax		3,560	2,671
Taxation	9	(940)	(749)
Profit after tax		2,620	1,922
Attributable to:			
Equity holders of the parent		2,422	1,745
Other equity instrument holders		198	177
Profit after tax		2,620	1,922

As permitted by section 408(3) of the Companies Act 2006 an income statement for the parent company has not been presented.

Consolidated statement of comprehensive income

For the year ended 31 December	2024 £m	2023 £m
Profit after tax	**2,620**	1,922
Other comprehensive income/(loss) that may be recycled to profit or loss:		
Fair value through other comprehensive income reserve movement relating to debt securities		
Net (losses)/gains from changes in fair value	**(23)**	346
Net gains/(losses) due to fair value hedging	**7**	(335)
Net (gains)/losses transferred to net profit on disposal	**(30)**	76
Tax	**13**	(24)
Cash flow hedging reserve		
Net gains from changes in fair value	**246**	1,942
Net losses/(gains) transferred to net profit	**154**	(462)
Tax	**(112)**	(415)
Other comprehensive income that may be recycled to profit or loss	**255**	1,128
Total comprehensive income for the year	**2,875**	3,050

Consolidated financial statements
Consolidated balance sheet

As at 31 December	Note	2024 £m	2023 £m
Assets			
Cash and balances at central banks		**29,819**	34,948
Cash collateral and settlement balances		**6,002**	5,507
Debt securities at amortised cost		**17,983**	17,794
Loans and advances at amortised cost to banks		**281**	1,213
Loans and advances at amortised cost to customers		**206,435**	200,782
Reverse repurchase agreements and other similar secured lending at amortised cost		**5,894**	3,567
Trading portfolio assets	11	**242**	43
Financial assets at fair value through the income statement	12	**1,543**	1,716
Derivative financial instruments	13	**1,901**	1,566
Financial assets at fair value through other comprehensive income	14	**27,045**	20,409
Goodwill and intangible assets	20	**3,948**	3,870
Property, plant and equipment	18	**239**	261
Deferred tax assets	9	**1,212**	1,296
Other assets		**635**	587
Total assets		**303,179**	293,559
Liabilities			
Deposits at amortised cost from banks		**85**	6
Deposits at amortised cost from customers		**244,376**	241,218
Cash collateral and settlement balances		**1,779**	1,370
Repurchase agreements and other similar secured borrowing at amortised cost		**15,506**	15,265
Debt securities in issue		**2,619**	3,307
Subordinated liabilities	25	**13,512**	11,499
Trading portfolio liabilities	11	**726**	908
Financial liabilities designated at fair value	15	**2,848**	196
Derivative financial instruments	13	**300**	398
Current tax liabilities		**954**	540
Provisions	22	**323**	364
Other liabilities	21	**1,566**	1,627
Total liabilities		**284,594**	276,698
Equity			
Called up share capital and share premium	26	**5**	5
Other equity instruments	26	**2,425**	2,429
Other reserves	27	**(896)**	(1,151)
Retained earnings		**17,051**	15,578
Total equity		**18,585**	16,861
Total liabilities and equity		**303,179**	293,559

The Board of Directors approved the financial statements on pages 170 to 242 on 12 February 2025.

Sir John Kingman
Chair

Vim Maru
Chief Executive

Claire Peel
Chief Financial Officer

Consolidated statement of changes in equity

	Called up share capital and share premium[1] £m	Other equity instruments[1] £m	Other reserves[2] £m	Retained earnings £m	Total equity £m
Balance as at 1 January 2024	**5**	**2,429**	**(1,151)**	**15,578**	**16,861**
Profit after tax	**—**	**198**	**—**	**2,422**	**2,620**
Financial assets at fair value through other comprehensive income	**—**	**—**	**(33)**	**—**	**(33)**
Cash flow hedges	**—**	**—**	**288**	**—**	**288**
Total comprehensive income for the year	**—**	**198**	**255**	**2,422**	**2,875**
Employee share schemes	**—**	**—**	**—**	**42**	**42**
Issue and redemption of other equity	**—**	**(4)**	**—**	**—**	**(4)**
Other equity instruments coupons paid	**—**	**(198)**	**—**	**—**	**(198)**
Vesting of Barclays PLC shares under share based payment schemes	**—**	**—**	**—**	**(15)**	**(15)**
Dividends paid	**—**	**—**	**—**	**(975)**	**(975)**
Other reserve movements	**—**	**—**	**—**	**(1)**	**(1)**
Balance as at 31 December 2024	**5**	**2,425**	**(896)**	**17,051**	**18,585**
Balance as at 1 January 2023	5	2,560	(2,279)	15,127	15,413
Profit after tax	—	177	—	1,745	1,922
Financial assets at fair value through other comprehensive income	—	—	63	—	63
Cash flow hedges	—	—	1,065	—	1,065
Total comprehensive income for the year	—	177	1,128	1,745	3,050
Employee share schemes	—	—	—	22	22
Issue and exchange of other equity	—	(131)	—	2	(129)
Other equity instruments coupons paid	—	(177)	—	—	(177)
Vesting of Barclays Plc shares under share based payment schemes	—	—	—	(16)	(16)
Dividends paid	—	—	—	(1,305)	(1,305)
Other reserve movements	—	—	—	3	3
Balance as at 31 December 2023	5	2,429	(1,151)	15,578	16,861

Notes
1 For further details, refer to Note 26.
2 For further details, refer to Note 27.

Consolidated cash flow statement

For the year ended 31 December	Note	2024 £m	2023[1] £m
Reconciliation of profit before tax to net cash flows from operating activities:			
Profit before tax		3,560	2,671
Adjustment for non-cash items:			
Credit impairment charges		352	308
Depreciation, amortisation and impairment of property, plant, equipment and intangibles		95	146
Loss on disposal of subsidiaries		—	124
Other provisions		68	69
Other non-cash movements		228	2,401
Changes in operating assets and liabilities			
Net decrease in cash collateral and settlement balances		414	1,108
Net decrease in loans and advances at amortised cost		3,023	4,402
Net increase in reverse repurchase agreements and other similar secured lending		(2,327)	(3,090)
Net decrease in deposits at amortised cost		(3,686)	(17,016)
Net decrease in debt securities in issue		(1,242)	(4,702)
Net increase/(decrease) in repurchase agreements and other similar secured borrowing		241	(2,437)
Net increase in derivative financial instruments		(413)	(1,519)
Net (increase)/decrease in trading portfolio assets and liabilities		(381)	455
Net decrease in financial assets at fair value through the income statement		173	264
Net increase in financial liabilities designated at fair value[1]		2,652	196
Net increase in other assets and liabilities		(276)	(52)
Corporate income tax paid		(522)	(583)
Net cash from operating activities		1,959	(17,255)
Purchase of debt securities at amortised cost		(4,615)	(5,108)
Proceeds from sale or redemption of debt securities at amortised cost		3,932	4,930
Purchase of financial assets at fair value through other comprehensive income		(21,343)	(22,714)
Proceeds from sale or redemption of financial assets at fair value through other comprehensive income		14,959	22,410
Purchase of property, plant and equipment and intangibles		(13)	(25)
Acquisition of business, net of cash acquired		(228)	(2,378)
Disposal of subsidiaries, net of cash disposed		—	(141)
Net cash from investing activities		(7,308)	(3,026)
Dividends paid and other coupon payments on equity instruments		(1,173)	(1,482)
Issuance of subordinated liabilities	25	2,277	4,393
Redemption of subordinated liabilities	25	(372)	(1,136)
Lease liability payments		(53)	(63)
Issue of shares and other equity instruments	26	618	619
Redemption of shares and other equity instruments	26	(622)	(750)
Vesting of employee share schemes		(15)	(16)
Net cash from financing activities		660	1,565
Net decrease in cash and cash equivalents		(4,689)	(18,716)
Cash and cash equivalents at beginning of year		40,364	59,080
Cash and cash equivalents at end of year		35,675	40,364
Cash and cash equivalents comprise:			
Cash and balances at central banks		29,819	34,948
Loans and advances to banks with original maturity less than three months		231	291
Cash collateral balances with central banks with original maturity less than three months		5,625	5,125
Cash and cash equivalents at end of year		35,675	40,364

Note

1 In the prior year, the changes in operating assets and liabilities in the reconciliation of profit before tax to net cash flows from operating activities, showed a single line item for repurchase and reverse repurchase agreements. In the current year the changes related to repurchase agreements have been shown separately from those relating to reverse repurchase agreements to provide the user of the accounts with greater transparency, the comparatives have been re-presented to show changes related to repurchase agreements of (£2,437m) and changes related to reverse repurchase agreements of (£3,090m) instead of the aggregated change of (£5,527m). In the prior year, cash flows relating to debt securities at amortised cost and financial assets at fair value through comprehensive income were both presented on a net basis. In the current year, both items have been presented on a gross basis. The comparatives have been re-presented to show an outflow of (£5,108m) for purchase of debt securities at amortised cost and an inflow of £4,930m for proceeds from sale and redemption of debt securities at amortised cost, instead of the net outflow of (£178m). Similarly, the comparatives have been represented to show an outflow of (£22,714m) for the purchase of Financial assets at fair value through other comprehensive income and an inflow of £22,410m for the sale of Financial assets at fair value through other comprehensive income, instead of a net outflow of (£304m). Prior year financial liabilities designated at fair value through profit and loss, cash inflow of £196m, has been re-presented from investing activity to operating activity. This has resulted in an overall change to net cash from investing activities and operating activities.

Interest received was £12,501m (2023: £10,941m) and interest paid was £5,585m (2023: £3,969m). 2023 comparative figures have been amended to make the cash flow statement more relevant following a review of the disclosure and the basis of preparation applied. Following that review, the basis of preparation of interest received and paid has been amended to reflect interest received and interest paid on activity where interest is recognised on an effective interest rate basis to make the cash flow statement information more relevant with reference to net interest income recognised in the income statement and enhancing comparability with industry peers. Previously, amounts related to trading activities were also included. In addition, in the prior year cash interest received and paid was disclosed on an accruals basis. This has been adjusted in the comparatives.

As at 31 December 2024, the Barclays Bank UK Group was required to maintain balances with central banks in respect of interbank payment schemes of £628m (2023: £1,032m).

For the purposes of the cash flow statement, cash comprises cash on hand and demand deposits and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less. Repurchase and reverse repurchase agreements are not considered to be part of cash equivalents.

Balance sheet

As at 31 December	Note	2024 £m	2023 £m
Assets			
Cash and balances at central banks		**29,819**	34,948
Cash collateral and settlement balances		**6,002**	5,507
Debt securities at amortised cost		**17,983**	17,794
Loans and advances at amortised cost to banks		**316**	1,305
Loans and advances at amortised cost to customers		**206,786**	201,242
Reverse repurchase agreements and other similar secured lending at amortised cost		**5,894**	3,567
Trading portfolio assets	11	**242**	43
Financial assets at fair value through the income statement	12	**1,543**	1,716
Derivative financial instruments	13	**1,901**	1,566
Financial assets at fair value through other comprehensive income	14	**27,045**	20,409
Investment in subsidiaries	36	**495**	495
Goodwill and intangible assets	20	**3,460**	3,380
Property, plant and equipment	18	**236**	259
Deferred tax assets	9	**1,203**	1,287
Other assets		**646**	586
Total assets		**303,571**	294,104
Liabilities			
Deposits at amortised cost from banks		**35**	6
Deposits at amortised cost from customers		**245,409**	241,868
Cash collateral and settlement balances		**1,779**	1,370
Repurchase agreements and other similar secured borrowing at amortised cost		**15,506**	15,265
Debt securities in issue		**2,065**	3,307
Subordinated liabilities	25	**13,512**	11,499
Trading portfolio liabilities	11	**726**	908
Financial liabilities designated at fair value	15	**2,848**	196
Derivative financial instruments	13	**319**	427
Current tax liabilities		**958**	536
Provisions	22	**267**	311
Other liabilities	21	**1,578**	1,603
Total liabilities		**285,002**	277,296
Equity			
Called up share capital and share premium	26	**5**	5
Other equity instruments	26	**2,425**	2,429
Other reserves	27	**(794)**	(1,049)
Retained earnings[1]		**16,933**	15,423
Total equity		**18,569**	16,808
Total liabilities and equity		**303,571**	294,104

Note
1 As permitted by section 408(3) of the Companies Act 2006 an income statement for the parent company has not been presented. Included in shareholders' equity for the parent company is a profit after tax for the year ended 31 December 2024 of £2,657m (2023: £1,734m).

The Board of Directors approved the financial statements on pages 175 to 177 on 12 February 2025.

Sir John Kingman
Chair

Vim Maru
Chief Executive

Claire Peel
Chief Financial Officer

Statement of changes in equity

	Called up share capital and share premium[1] £m	Other equity instruments[1] £m	Other reserves[2] £m	Retained earnings £m	Total equity £m
Balance as at 1 January 2024	**5**	**2,429**	**(1,049)**	**15,423**	**16,808**
Profit after tax	—	198	—	2,459	2,657
Financial assets at fair value through other comprehensive income	—	—	(33)	—	(33)
Cash flow hedges	—	—	288	—	288
Total comprehensive income for the year	**—**	**198**	**255**	**2,459**	**2,912**
Equity settled share schemes	—	—	—	42	42
Issue and redemption of other equity	—	(4)	—	—	(4)
Other equity instruments coupons paid	—	(198)	—	—	(198)
Vesting of Barclays PLC shares under share based payment schemes	—	—	—	(15)	(15)
Dividends paid	—	—	—	(975)	(975)
Other movements	—	—	—	(1)	(1)
Balance as at 31 December 2024	**5**	**2,425**	**(794)**	**16,933**	**18,569**
Balance as at 1 January 2023	5	2,560	(2,177)	15,165	15,553
Profit after tax	—	177	—	1,557	1,734
Financial assets at fair value through other comprehensive income	—	—	63	—	63
Cash flow hedges	—	—	1,065	—	1,065
Total comprehensive income for the year	—	177	1,128	1,557	2,862
Equity settled share schemes	—	—	—	22	22
Issue and redemption of other equity	—	(131)	—	2	(129)
Other equity instruments coupons paid	—	(177)	—	—	(177)
Vesting of Barclays Plc shares under share based payment schemes	—	—	—	(16)	(16)
Dividends paid	—	—	—	(1,305)	(1,305)
Other movements	—	—	—	(2)	(2)
Balance as at 31 December 2023	5	2,429	(1,049)	15,423	16,808

Notes
1 For further details, refer to Note 26.
2 For further details, refer to Note 27.

Cash flow statement

For the year ended 31 December	Note	2024 £m	2023[1] £m
Reconciliation of profit before tax to net cash flows from operating activities:			
Profit before tax		3,593	2,478
Adjustment for non-cash items:			
Credit impairment charges		351	310
Depreciation, amortisation and impairment of property, plant, equipment and intangibles		95	140
Loss on disposal of subsidiaries		—	296
Other provisions		61	106
Other non-cash movements		218	2,368
Changes in operating assets and liabilities			
Net decrease in cash collateral and settlement balances		414	1,113
Net decrease in loans and advances at amortised cost		3,160	4,833
Net increase in reverse repurchase agreements and other similar secured lending		(2,327)	(3,090)
Net decrease in deposits at amortised cost		(3,900)	(17,203)
Net decrease in debt securities in issue		(1,242)	(4,702)
Net increase/(decrease) in repurchase agreements and other similar secured borrowing		241	(2,437)
Net increase in derivative financial instruments		(423)	(1,533)
Net (increase)/decrease in trading portfolio assets and liabilities		(381)	455
Net decrease in financial assets at fair value through the income statement		173	264
Net increase in financial liabilities designated at fair value		2,652	196
Net increase in other assets and liabilities		(235)	(166)
Corporate income tax paid		(510)	(583)
Net cash from operating activities		1,940	(17,155)
Purchase of debt securities at amortised cost		(4,614)	(5,108)
Proceeds from sale or redemption of debt securities at amortised cost		3,932	4,930
Purchase of financial assets at fair value through other comprehensive income		(21,343)	(22,714)
Proceeds from sale or redemption of financial assets at fair value through other comprehensive income		14,959	22,410
Purchase of property, plant and equipment and intangibles		(4)	(22)
Acquisition of business, net of cash acquired		(228)	(2,466)
Net cash from investing activities		(7,298)	(2,970)
Dividends paid and other coupon payments on equity instruments		(1,173)	(1,482)
Issuance of subordinated liabilities	25	2,277	4,393
Redemption of subordinated liabilities	25	(372)	(1,136)
Lease liability payments		(53)	(63)
Issue of shares and other equity instruments	26	618	619
Redemption of shares and other equity instruments	26	(622)	(750)
Vesting of employee share schemes		(15)	(16)
Net cash from financing activities		660	1,565
Net decrease in cash and cash equivalents		(4,698)	(18,560)
Cash and cash equivalents at beginning of year		40,458	59,018
Cash and cash equivalents at end of year		35,760	40,458
Cash and cash equivalents comprise:			
Cash and balances at central banks		29,819	34,948
Loans and advances to banks with original maturity less than three months		316	385
Cash collateral balances with central banks with original maturity less than three months		5,625	5,125
Cash and cash equivalents at end of year		35,760	40,458

Note
1 In the prior year, the changes in operating assets and liabilities in the reconciliation of profit before tax to net cash flows from operating activities, showed a single line item for repurchase and reverse repurchase agreements. In the current year the changes related to repurchase agreements have been shown separately from those relating to reverse repurchase agreements to provide the user of the accounts with greater transparency, the comparatives have been re-presented to show changes related to repurchase agreements of (£2,437m) and changes related to reverse repurchase agreements of (£3,090m) instead of the aggregated change of (£5,527m). In the prior year, cash flows relating to debt securities at amortised cost and financial assets at fair value through comprehensive income were both presented on a net basis. In the current year, both items have been presented on a gross basis. The comparatives have been re-presented to show an outflow of (£5,108m) for purchase of debt securities at amortised cost and an inflow of £4,930m for proceeds from sale and redemption of debt securities at amortised cost, instead of the net outflow of (£178m). Similarly, the comparatives have been represented to show an outflow of (£22,714m) for the purchase of Financial assets at fair value through other comprehensive income and an inflow of £22,410m for the sale of Financial assets at fair value through other comprehensive income, instead of a net outflow of (£304m). Prior year financial liabilities designated at fair value through profit and loss, cash inflow of £196m, has been re-presented from investing activity to operating activity. This has resulted in an overall change to net cash from investing activities and operating activities.

Interest received was £12,503m (2023: £11,313m) and interest paid was £5,592m (2023: £4,347m). 2023 comparative figures have been amended to make the cash flow statement more relevant following a review of the disclosure and the basis of preparation applied. Following that review, the basis of preparation of interest received and paid has been amended to reflect interest received and interest paid on activity where interest is recognised on an effective interest rate basis to make the cash flow statement information more relevant with reference to net interest income recognised in the income statement and enhancing comparability with industry peers. Previously, amounts related to trading activities were also included. In addition, in the prior year cash interest received and paid was disclosed on an accruals basis. This has been adjusted in the comparatives. Dividends received were £30m (2023: £28m).

As at 31 December 2024, Barclays Bank UK PLC was required to maintain balances with central banks in respect of interbank payment schemes of £628m (2023: £1,032m).

For the purposes of the cash flow statement, cash comprises cash on hand and demand deposits and cash equivalents comprise highly liquid investments that are convertible into cash with an insignificant risk of changes in value with original maturities of three months or less. Repurchase and reverse repurchase agreements are not considered to be part of cash equivalents.

This section describes the Barclays Bank UK Group's material accounting policies and critical accounting judgements and estimates that relate to the financial statements and notes as a whole. If an accounting policy or a critical accounting judgement or estimate relates to a particular note, disclosure is contained within the relevant note.

1 Material accounting policies

1 Reporting entity

Barclays Bank UK PLC is a public company limited by shares, registered in England under company number 9740322, having its registered office at 1 Churchill Place, London, E14 5HP.

These financial statements are prepared for Barclays Bank UK PLC and its subsidiaries (the Barclays Bank UK Group) under Section 399 of the Companies Act 2006. The Barclays Bank UK Group is a major UK financial services provider engaged in retail banking, credit cards, and wholesale banking. In addition, separate financial statements have been presented for the parent company.

2 Compliance with International Financial Reporting Standards (IFRS)

The consolidated financial statements of the Barclays Bank UK Group, and the separate financial statements of Barclays Bank UK PLC, have been prepared in accordance with UK-adopted international accounting standards.

The consolidated financial statements of the Barclays Bank UK Group, and the separate financial statements of Barclays Bank UK PLC, have also been prepared in accordance with IFRS as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretations Committee, as there are no applicable differences from IFRS as issued by the IASB for the periods presented.

The principal accounting policies applied in the preparation of the consolidated and separate financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied, with the exception of Classification of Liabilities as Current or Non-current (Amendments to IAS 1), which was effective from 1 January 2024 and applies retrospectively.

3 Basis of preparation

The consolidated and separate financial statements have been prepared under the historical cost convention modified to include the fair valuation of particular financial instruments, to the extent required or permitted under IFRS as set out in the relevant accounting policies.

The financial statements are stated in millions of Pounds Sterling (£m), the functional currency of Barclays Bank UK PLC.

The financial statements have been prepared on a going concern basis, in accordance with the Companies Act 2006 as applicable to companies using IFRS. The financial statements are prepared on a going concern basis, as the Board is satisfied that the Barclays Bank UK Group and parent company have the resources to continue in business for a period of at least 12 months from approval of the financial statements.

In making this assessment, the Board has considered a wide range of information relating to present and future conditions and includes a review of a working capital report (WCR). The WCR is used by the Board to assess the future performance of the Barclays Bank UK Group and that it has the resources in place that are required to meet its ongoing regulatory requirements. The assessment is based upon business plans which contain future projections of profitability taken from the Barclays Bank UK Group's medium-term plan as well as projections of regulatory capital requirements and business funding needs. The WCR also includes an assessment of the impact of internally generated stress testing scenarios on the liquidity and capital requirement forecasts. The stress tests used were based upon an assessment of reasonably possible downside economic scenarios that the Barclays Bank UK Group could experience.

The WCR showed that the Barclays Bank UK Group had sufficient capital in place to support its future business requirements and remained above its regulatory minimum requirements in the stress scenarios. Accordingly, the Board concluded that there was a reasonable expectation that the Barclays Bank UK Group has adequate resources to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements.

1 **Material accounting policies** (continued)

4. Accounting policies

The Barclays Bank UK Group prepares financial statements in accordance with IFRS. The Barclays Bank UK Group's material accounting policies relating to specific financial statement items, together with a description of the accounting estimates and judgements that were critical to preparing those items, are set out under the relevant notes. Accounting policies that affect the financial statements as a whole are set out below.

(i) Consolidation

The consolidated financial statements combine the financial statements of Barclays Bank UK PLC and all its subsidiaries. Subsidiaries are entities over which Barclays Bank UK PLC has control. The Barclays Bank UK Group has control over another entity when the Barclays Bank UK Group has all of the following:

1) power over the relevant activities of the investee, for example through voting or other rights;
2) exposure to, or rights to, variable returns from its involvement with the investee; and
3) the ability to affect those returns through its power over the investee.

None of the Barclays Bank UK Group's subsidiaries are significant in the context of the Barclays Bank UK Group's business, results or financial position. A complete list of all subsidiaries is presented in Note 37.

In the individual financial statements of Barclays Bank UK PLC, investments in subsidiaries are stated at cost less impairment.

(ii) Foreign currency translation

Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Foreign currency monetary balances are translated into Sterling at the period end exchange rates. Exchange gains and losses on such balances are taken to the income statement.

(iii) Financial assets and liabilities

Recognition

The Barclays Bank UK Group recognises financial assets and liabilities when it becomes a party to the terms of the contract. Trade date or settlement date accounting is applied depending on the classification of the financial asset.

Classification and measurement

Financial assets are classified on the basis of two criteria:
i) the business model within which financial assets are managed; and
ii) their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest' (SPPI)).

The Barclays Bank UK Group assesses the business model criteria at a portfolio level. Information that is considered in determining the applicable business model includes (i) policies and objectives for the relevant portfolio, (ii) how the performance and risks of the portfolio are managed, evaluated and reported to management, and (iii) the frequency, volume and timing of sales in prior periods, sales expectation for future periods, and the reasons for such sales.

The contractual cash flow characteristics of financial assets are assessed with reference to whether the cash flows represent SPPI. Terms that could change the contractual cash flows so that it would not meet the condition for SPPI are considered, including: (i) contingent and leverage features, (ii) non-recourse arrangements, (iii) features that could modify the time value of money, and (iv) Social, Environmental and Sustainability-linked features. Terms with de-minimis impact do not preclude cash flows from representing SPPI.

The accounting policy for each type of financial asset or liability is included within the relevant note for the item. The Barclays Bank UK Group's policies for determining the fair values of the assets and liabilities are set out in Note 16.

1 **Material accounting policies** (continued)

Derecognition

The Barclays Bank UK Group derecognises a financial asset, or a portion of a financial asset, from its balance sheet where (i) the contractual rights to cash flows from the asset have expired, or (ii) the contractual rights to cash flows from the asset have been transferred (usually by sale) and with them either (a) substantially all the risks and rewards of the asset have been transferred, or (b) where neither substantially all the risks and reward have been transferred or retained, where control over the asset has been lost.

Financial liabilities are derecognised when the liability has been settled, has expired or has been extinguished. An exchange of an existing financial liability for a new liability with the same lender on substantially different terms – generally a difference of 10% or more in the present value of the cash flows or a substantive qualitative amendment – is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

It may not be obvious whether substantially all of the risks and rewards of a transferred asset, or portion of an asset, have been transferred. It is often necessary to perform a quantitative analysis that compares the Barclays Bank UK Group's exposure to variability in asset cash flows before the transfer with its retained exposure after the transfer. A cash flow analysis of this nature may require judgement. In particular, it is necessary to estimate the asset's expected future cash flows as well as potential variability around this expectation. The method of estimating expected future cash flows depends on the nature of the asset, with market and market-implied data used to the greatest extent possible. The potential variability around this expectation is typically determined by stressing underlying parameters to create reasonable alternative upside and downside scenarios. Probabilities are then assigned to each scenario. Stressed parameters may include default rates, loss severity, or prepayment rates.

Accounting for reverse repurchase and repurchase agreements including other similar lending and borrowing

Reverse repurchase agreements (and stock borrowing or similar transactions) are a form of secured lending whereby the Barclays Bank UK Group provides a loan or cash collateral in exchange for the transfer of collateral, generally in the form of marketable securities subject to an agreement to transfer the securities back at a fixed price in the future. Repurchase agreements are where the Barclays Bank UK Group obtains such loans or cash collateral, in exchange for the transfer of collateral.

The Barclays Bank UK Group purchases (a reverse repurchase agreement) or borrows securities subject to a commitment to resell or return them. The securities are not included in the balance sheet as the Barclays Bank UK Group does not acquire the risks and rewards of ownership. Consideration paid (or cash collateral provided) is accounted for as a loan asset at amortised cost, unless it is designated or mandatorily at fair value through profit and loss.

The Barclays Bank UK Group may also sell (a repurchase agreement) or lend securities subject to a commitment to repurchase or redeem them. The securities are retained on the balance sheet as the Barclays Bank UK Group retains substantially all the risks and rewards of ownership. Consideration received (or cash collateral provided) is accounted for as a financial liability at amortised cost, unless it is designated at fair value through profit and loss.

(iv) Issued debt and equity instruments

Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the Barclays Bank UK Group having an obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument. If this is not the case, the instrument is generally an equity instrument and the proceeds included in equity, net of transaction costs. Dividends and other returns to equity holders are recognised when paid or declared by the members at the Annual General Meeting and treated as a deduction from equity.

Where issued financial instruments contain both liability and equity components, these are accounted for separately. The fair value of the debt is estimated first and the balance of the proceeds is included within equity.

1 Material accounting policies (continued)

(v) Cash flow statement

Cash comprises cash on hand and balances at central banks. Cash equivalents comprise loans and advances to banks, cash collateral balances with central banks related to payment schemes and treasury and other eligible bills, all with original maturities of three months or less. Investments in debt securities at amortised cost are deemed to be investing activities for the purposes of the cash flow statement, except those instruments considered to be cash equivalents.

(vi) Accounting for business combinations

In accordance with IFRS 3, the Barclays Bank UK Group accounts for business combinations using the acquisition method. Under the acquisition method, the identifiable assets and liabilities of the acquiree are recognised by the acquirer on the acquisition date, which is determined to be the date the acquirer obtains control of the acquiree under IFRS 10.

The identifiable assets and liabilities are initially recognised at fair value by the acquirer, unless required otherwise by another accounting standard, such as IAS 12 Income Taxes and IAS 19 Employee Benefits.

A non-controlling interest, also known as a minority interest, arises where the acquirer does not acquire 100% of the acquiree.

Goodwill is recognised if the fair value of the consideration transferred is greater than the fair value of the identifiable assets and liabilities assumed. Goodwill is tested annually for impairment or more frequently if an indicator of impairment is identified. If the fair value of consideration transferred is less than the fair value of the identifiable assets and liabilities assumed then a gain is recognised in the income statement.

If the acquisition is incomplete at the end of the reporting period, then the acquirer prepares its financial statements using the information available. The financial statements are then retrospectively adjusted for new information of facts and circumstances that existed as at the acquisition date becomes available, but the adjustment period may not exceed one year from the acquisition date.

5 New and amended standards and interpretations

The accounting policies adopted have been consistently applied, with the exception of the following:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

In January 2020 the IASB issued amendments to IAS 1 to clarify the presentation of liabilities in the balance sheet, with an effective date that was subsequently deferred to 1 January 2024.

The amendments clarify that a liability should be classified as non-current only if the entity has the right to defer settlement of the liability for at least 12 months after the reporting period, and that (i) the right to defer settlement must exist at the end of the reporting period and (ii) management's intentions or expectations about whether it will exercise its right to defer settlement does not affect the classification. Further clarifications include how lending conditions affect classification and classification of liabilities the entity will or may settle by issuing its own equity instruments.

In October 2022, the IASB also issued further amendments to IAS 1 to improve the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants, and to respond to stakeholders' concerns about the classification of such a liability as current or non-current.

The impact to the Barclays Bank UK Group from these amendments is not considered to be material.

1 Material accounting policies (continued)

Future accounting developments

The following accounting standards have been issued by the IASB but are not yet effective:

Amendment to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instruments

In May 2024, the IASB issued targeted amendments to IFRS 9 to address feedback received from stakeholders following a post-implementation review. The amendments include:

- additional guidance to clarify when certain financial assets may be compliant with SPPI requirements, including instruments with contingent features (e.g. ESG-linked financing), as well as contractually-linked instruments and non-recourse financing.
- clarifying the derecognition requirements for financial assets and financial liabilities, including establishing a new accounting policy choice for derecognition of a financial liability when a payment is initiated by the reporting entity using an electronic payment system provided specified criteria is met.

The amendments are effective from 1 January 2026, but are not yet endorsed for use in the UK. The Barclays Bank UK Group is currently assessing the impact of these amendments.

IFRS 18 Presentation and Disclosure in Financial Statements

In August 2024, the IASB issued a new IFRS Accounting Standard to replace IAS 1 Presentation of Financial Statements. The new standard creates detailed requirements for the classification and aggregation of income and expenses in the income statement, and disclosure requirements for management-defined performance measures.

The new standard is effective from 1 January 2027, but has not yet been endorsed for use in the UK. The Barclays Bank UK Group is currently assessing the impact of these amendments.

Amendments to IAS 21 - Lack of Exchangeability

In August 2023, the IASB issued amendments to IAS 21 to define when a currency is exchangeable into another currency and, when it is not, to determine the exchange rate to use.

The amendments are effective from 1 January 2025, however the impact to the Barclays Bank UK Group is not expected to be material.

6 Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying the accounting policies. The key areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the consolidated and individual financial statements are highlighted under the relevant note.

	Judgements	Estimates	Further information
Credit impairment charges	Identification and application of management adjustments in response to circumstances outside the scope of the model.	Estimates include modelling assumptions such as forward-looking modelled parameters (PD, EAD & LGD), and a range of unbiased future economic scenarios and scenario weightings.	on page 192
Fair value of financial instruments	Classification of financial instruments with significant unobservable inputs as Level 3.	Valuation of Level 3 assets and liabilities are typically determined by referencing observable inputs, historical data, or employing other analytical techniques.	on page 206
Goodwill and intangible assets	Identification of cash generating units (CGUs) and allocation of goodwill for impairment testing.	The value-in-use (VIU) of a CGU for impairment testing includes forecasting future cashflows and determination of the discount rate.	on page 220
Provisions including conduct and legal, competition and regulatory matters	Determination as to whether a present obligation exists.	Estimation uncertainty in the probability, timing, nature and quantum of outflows.	on page 222

7 Other disclosures

To improve transparency and ease of reference, by concentrating related information in one place, certain disclosures required under IFRS have been included within the Risk review section as follows:

- Credit risk on pages 63 to 64 and the tables on pages 78 to 133
- Market risk on page 64 and the narratives on page 134
- Treasury and capital risk – liquidity on pages 65 to 66 and the tables on pages 136 to 143
- Treasury and capital risk – capital on pages 65 to 66 and the tables on page 144

These disclosures are covered by the Audit opinion (included on pages 160 to 169) where referenced as audited.

The notes included in this section focus on the results and performance of the Barclays Bank UK Group. Information on the income generated, expenditure incurred, segmental performance, tax and dividends are included here.

2 Segmental reporting

Presentation of segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee, which is responsible for allocating resources and assessing performance of the operating segments, and has been identified as the chief operating decision maker. All transactions between business segments are conducted on an arm's-length basis, with intra-segment revenue and costs being eliminated in Head Office. Income and expenses directly associated with each segment are included in determining business segment performance.

For segmental reporting purposes, the Barclays Bank UK Group divisions are defined as:

- **Personal Banking** which comprises Personal and Premier banking, Mortgages including Kensington Mortgage Company, Savings, Wealth and Investment Management. 2024 balances include the acquisition of Tesco Bank (see Note 35 for further details). Note that the UK Wealth Management and Investments portfolio was transferred to Barclays Bank PLC in May 2023, subsequently the Personal Banking segment below only includes the impact of Wealth and Investment to this date.
- **Barclaycard Consumer UK** which comprises the Barclaycard UK consumer credit cards business.
- **Business Banking** which offers products, services and specialist advice to clients ranging from start-ups to medium-sized businesses and is where the ESHLA loan portfolio is held.

  The below table also includes Head Office which includes central support functions.

Analysis of results by business

For the year ended 31 December 2024	Personal Banking £m	Barclaycard Consumer UK £m	Business Banking £m	Head Office £m	Barclays Bank UK Group £m
Net interest income	4,309	754	1,617	57	6,737
Non-interest income/(expense)	1,143	184	400	(41)	1,686
Total income[1]	**5,452**	**938**	**2,017**	**16**	**8,423**
Operating costs	(2,792)	(607)	(1,034)	21	(4,412)
UK regulatory levies[2]	(53)	(7)	(18)	—	(78)
Litigation and conduct	(13)	(2)	(1)	(5)	(21)
Total operating expenses	**(2,858)**	**(616)**	**(1,053)**	**16**	**(4,511)**
Profit before impairment	**2,594**	**322**	**964**	**32**	**3,912**
Credit impairment (charges)/releases	(267)	(113)	28	—	(352)
Profit before tax	**2,327**	**209**	**992**	**32**	**3,560**
Total assets (£bn)	**234.8**	**11.4**	**57.0**	**0.0**	**303.2**
Total liabilities (£bn)	**221.7**	**4.0**	**58.7**	**0.2**	**284.6**
Number of employees (full time equivalent)					**18,200**
Average number of employees (full time equivalent)					**16,200**
Average number of employees (headcount)					**17,300**

For the year ended 31 December 2023	Personal Banking £m	Barclaycard Consumer UK £m	Business Banking £m	Head Office £m	Barclays Bank UK Group £m
Net interest income	4,118	807	1,526	(24)	6,427
Non-interest income/(expense)	725	158	379	(19)	1,243
Total income	4,843	965	1,905	(43)	7,670
Operating costs	(3,072)	(578)	(949)	53	(4,546)
UK regulatory levies[2]	(14)	(4)	(12)	—	(30)
Litigation and conduct	(7)	(1)	18	(1)	9
Total operating expenses	(3,093)	(583)	(943)	52	(4,567)
Loss on disposal of subsidiaries, associates and joint ventures	(124)	—	—	—	(124)
Profit before impairment	1,626	382	962	9	2,979
Credit impairment (charges)/releases	(175)	(162)	29	—	(308)
Profit before tax	1,451	220	991	9	2,671
Total assets (£bn)	219.0	10.3	64.3	—	293.6
Total liabilities (£bn)	218.9	0.5	56.9	0.4	276.7
Number of employees (full time equivalent)					14,900
Average number of employees (full time equivalent)					16,100
Average number of employees (headcount)					17,500

Notes
1 Personal Banking includes day 1 gain from the acquisition of Tesco Bank.
2 Comprises the impact of the Bank of England (BoE) levy scheme and the UK bank levy.

Income by geographic region

The Barclays Bank UK Group generates income from business activities in the United Kingdom.

3 Net interest income

Accounting for interest income and expenses
Interest income on loans and advances at amortised cost, financial assets at fair value through other comprehensive income, interest expense on financial liabilities held at amortised cost are calculated using the effective interest method which allocates interest, and direct and incremental fees and costs, over the expected lives of the assets and liabilities.

The effective interest method requires the Barclays Bank UK Group to estimate future cash flows, in some cases based on its experience of customers' behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of the assets and liabilities.

The Barclays Bank UK Group derives certain fees and incurs certain costs in the origination of mortgage products. Such fees and costs where directly attributable and incremental to the origination of the instrument, are deferred on the balance sheet and subsequently included within the calculation of the effective interest rate. They are amortised to interest income over the period of expected life.

Similarly, for mortgage products with distinct periods (initial and follow-on) and contractual margins over the original term wherein the initial contractual margin varies from the average calculated return, additional interest is deferred on the balance sheet and released to interest income over the remaining expected life. This adjustment results in a constant rate of return over contractual rate(s) recognised in the income statement.

There is judgement involved in application of the effective interest rate (EIR) method for loans measured at amortised cost, in particular developing repayment expectations for long dated instruments such as mortgages. Application of the EIR method adjusts the timing and amount of interest recognition, with qualifying revenue and expenses deferred and recognised through the life of the instrument as well as the deferred or accelerated recognition of interest where instruments have contractually specified decreases or increases in the calculation of interest.

EIR is subject to judgements regarding the rate at which loans are repaid, the key judgement being the prepayment rate following the end of the initial discount period, which is informed by internal modelling and reviewed quarterly. The review considers prepayment estimates against recent observed customer behaviour, with the carrying value of the EIR asset adjusted accordingly.

EIR calculations are performed at a portfolio level, aggregating financial instruments with similar characteristics and contractual terms. The values in the table below reflect net interest income post application of the EIR method.

	2024 £m	2023 £m
Cash and balances at central banks	**1,509**	1,878
Debt securities at amortised cost	**708**	530
Loans and advances at amortised cost	**8,245**	7,015
Fair value through other comprehensive income	**1,467**	1,099
Other[1]	**659**	502
Interest and similar income	**12,588**	11,024
Deposits at amortised cost	**(3,684)**	(2,707)
Debt securities in issue	**(251)**	(414)
Subordinated liabilities	**(1,000)**	(617)
Other[2]	**(916)**	(859)
Interest and similar expense	**(5,851)**	(4,597)
Net interest income	**6,737**	6,427

Notes
1 Includes interest income from cash collateral and reverse repurchase agreements and other similar secured lending at amortised cost and negative interest on liabilities
2 Includes interest expense from cash collateral and repurchase agreement and other similar secured lending at amortised cost and negative expense on assets

Interest and similar income presented above represents interest revenue calculated using the effective interest rate method. The EIR calculation in relation to mortgage products requires the Barclays Bank UK Group to predict how long customers will stay on the follow-on rate after their initial rate period finishes. If customers are predicted to stay on the follow-on rate for a shorter period, the size of the EIR asset reduces. Conversely, if customers are predicted to remain on the follow-on rate for longer, the asset increases. Noting the high base rate environment in 2024 against historical rates and other factors, the Barclays Bank UK Group has observed customers switching their mortgages more than in prior periods. How those factors change and how switching behaviour develops will affect the entire behavioural life of the mortgage product and assumptions are made based on an appropriate period of historical experience. The lookback period applied has remained consistent year on year. The carrying value of the mortgage assets impacting the EIR calculation is £144bn (2023: £140bn). For a 1% increase in the number of customers leaving within 12 months of their initial rate maturing (and associated impact on timing of when they leave during the 12 months), an income statement charge of £100m (2023: £81m) to interest income would occur based on the current mortgage asset. When considering indicators of the potential sensitivity in future financial years, the movement in the EIR asset in each of the last five financial years has been below the 1% sensitivity level of £100m.

4 Net fee and commission income

Accounting for net fee and commission income

The Barclays Bank UK Group recognises fee and commission income charged for services provided by the Barclays Bank UK Group as and when performance obligations are satisfied, for example, on completion of the underlying transaction. Incremental costs are reported within fee and commission expense if they are directly attributable to generating identifiable fee and commission income. Where the contractual arrangements also result in the Barclays Bank UK Group recognising financial instruments in scope of IFRS 9, such financial instruments are initially recognised at fair value in accordance with IFRS 9 before applying the provisions of IFRS 15.

Fee and commission income is disaggregated below by fee types that reflect the nature of the services offered across the Barclays Bank UK Group and operating segments, in accordance with IFRS 15. The below table includes a total for fees in scope of IFRS 15. Refer to Note 2 for more detailed information about operating segments.

	2024				
	Personal Banking £m	Barclaycard Consumer UK £m	Business Banking £m	Head Office £m	Total £m
Fee type					
Transactional	687	219	244	—	1,150
Advisory[1]	—	—	—	—	—
Brokerage and execution	114	—	101	—	215
Other	102	—	25	15	142
Fee and commission income	903	219	370	15	1,507
Fee and commission expense	(331)	(66)	(14)	—	(411)
Net fee and commission income	572	153	356	15	1,096

	2023				
	Personal Banking £m	Barclaycard Consumer UK £m	Business Banking £m	Head Office £m	Total £m
Fee type					
Transactional	653	202	269	—	1,124
Advisory	52	—	—	—	52
Brokerage and execution	128	—	106	—	234
Other	145	—	25	25	195
Fee and commission income	978	202	400	25	1,605
Fee and commission expense	(303)	(55)	(12)	—	(370)
Net fee and commission income	675	147	388	25	1,235

Note
1 Advisory fees have decreased to £nil in 2024 following the transfer of Wealth Management & Investments to Barclays Private Bank and Wealth Management within Barclays Bank PLC in May 2023.

Fee types

Transactional

Transactional fees are service charges on deposit accounts, cash management services fees and transactional processing fees. These include interchange and merchant fee income generated from credit and bank card usage. Transaction and processing fees are recognised at the point in time the transaction occurs or service is performed. Interchange and merchant fees are recognised upon settlement of the card transaction payment.

The Barclays Bank UK Group incurs certain card-related costs including those related to cardholder reward programmes. Cardholder reward programme costs related to customers that settle their outstanding balance each period (transactors) are expensed when incurred and presented in fee and commission expense, while costs related to customers that continuously carry an outstanding balance (revolvers) are included in the effective interest rate of the receivable (refer to Note 3). Payments to partners for new cardholder account originations related to transactor accounts are deferred as costs to obtain a contract under IFRS 15, while costs related to revolver accounts are included in the effective interest rate of the receivable (refer to Note 3). Those costs deferred under IFRS 15 are capitalised and amortised over the estimated life of the customer relationship. Payments to co-brand partners based on revenue sharing to the extent the revenue share relates to revolvers are included in the effective interest rate of the receivable and to the extent revenue share relates to transactors it must be presented in fee and commission expense. Payments based on profitability are presented in fee and commission expense.

Advisory
Advisory fees are generated from wealth management services. Wealth management advisory fees are earned over the period the services are provided and are generally recognised quarterly when the market value of client assets is determined.

Brokerage and execution
Brokerage and execution fees are earned for facilitating foreign exchange transactions for spot/forward contracts. Brokerage and execution fees are recognised at the point in time the associated service has been completed which is generally the trade date of the transaction.

Contract assets and contract liabilities
The Barclays Bank UK Group had no material contract assets or contract liabilities as at 31 December 2024 (2023: £nil).

Impairment of fee receivables and contract assets
During 2024, there have been no material impairments recognised in relation to fees receivable and contract assets (2023: £nil). Fees in relation to transactional business can be added to outstanding customer balances. These amounts may be subsequently impaired as part of the overall loans and advances balance.

Remaining performance obligations
The Barclays Bank UK Group applies the practical expedient of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less or because the Barclays Bank UK Group has a right to consideration that corresponds directly with the value of the service provided to the client or customer.

Costs incurred in obtaining or fulfilling a contract
The Barclays Bank UK Group expects that incremental costs of obtaining a contract such as success fee and commission fees paid are recoverable and therefore capitalises such contract costs. Capitalised contract costs net of amortisation as at 31 December 2024 are £19m (2023: £14m).

Capitalised contract costs are amortised over the customer relationship period depending on the transfer of services to which the asset pertains. In 2024, the amount of amortisation was £4m (2023: £3m) and there was no impairment loss recognised in connection with the capitalised contract costs (2023: £nil).

5 Net trading (expense)/income

Accounting for net trading (expense)/income
Trading positions are held at fair value, and the resulting gains and losses are included in net trading income, together with interest arising from long and short positions and funding costs relating to trading activities. Incremental costs are reported within net trading income if they are directly attributable to generating identifiable trading income.

Income arises from both the sale and purchase of trading positions and from changes in fair value caused by movements in interest and exchange rates and other market variables.

Gains or losses on non-trading financial instruments designated or mandatorily at fair value with changes in fair value recognised in the income statement are included in net trading income.

	2024 £m	2023 £m
Net (losses)/gains from assets and liabilities held for trading[1]	**(45)**	17
Net gains from financial instruments designated at fair value	**29**	18
Net trading (expense)/income	**(16)**	35

Note
1 Net trading income within Barclays Bank UK Group predominantly comprises gains and losses on derivatives in treasury which are held as economic hedges to manage risk and foreign exchange revaluations.

6 Net investment income/(expense)

Accounting for net investment income/(expense)
Dividends are recognised when the right to receive the dividend has been established. Incremental costs are reported within net investment income if they are directly attributable to generating identifiable investment income. Other accounting policies relating to net investment income are set out in Note 12 and Note 14.

	2024 £m	2023 £m
Net gains/(losses) from disposal of debt instruments at fair value through other comprehensive income	**30**	(76)
Net gains/(losses) from disposal of financial assets and liabilities measured at amortised cost	**16**	(9)
Net losses on other investments	**(5)**	(6)
Net investment income/(expense)	**41**	(91)

7 Operating expenses

	2024 £m	2023 £m
Infrastructure costs		
Property and equipment	163	197
Depreciation and amortisation	80	99
Impairment of property, equipment and intangible assets	15	47
Total infrastructure costs	258	343
Administration and general expenses		
Consultancy, legal and professional fees	113	116
Marketing and advertising	140	93
Other administration and general expenses	2,686	2,785
Total administration and general expenses	2,939	2,994
Staff costs[1]	1,215	1,209
UK regulatory levies[2]	78	30
Provisions for litigation and conduct	21	(9)
Operating expenses	4,511	4,567

Notes
1 For further details on staff costs including accounting policies, refer to Note 28.
2 Comprises the impact of the Bank of England (BoE) levy scheme and the UK bank levy.

8 Credit impairment charges

Accounting for the impairment of financial assets

Impairment

The Barclays Bank UK Group is required to recognise expected credit losses (ECLs) based on unbiased forward-looking information for all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. Intercompany exposures in the individual financial statements, including loan commitments and financial guarantee contracts, are also in scope of IFRS 9 for ECL purposes.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12-month (Stage 1) ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECLs.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD).

The 12-month and lifetime ECLs are calculated by multiplying the respective PD, LGD and the EAD. The 12-month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

Expected credit loss measurement is based on the ability of borrowers to make payments as they fall due. The Barclays Bank UK Group also considers sector-specific risks and whether additional adjustments are required in the measurement of ECL. Credit risk may be impacted by climate considerations for certain sectors, such as oil and gas.

Determining a significant increase in credit risk since initial recognition:

The Barclays Bank UK Group assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. The credit risk of an exposure is considered to have significantly increased when:

i) Quantitative test
The annualised lifetime PD has increased by more than an agreed threshold relative to the equivalent at origination.

PD deterioration thresholds are defined as percentage increases, and are set at an origination score band and segment level to ensure the test appropriately captures significant increases in credit risk at all risk levels. Generally, thresholds are inversely correlated to the origination PD, i.e. as the origination PD increases, the threshold value reduces.

The assessment of the point at which a PD increase is deemed 'significant', is based upon analysis of the portfolio's risk profile against a common set of principles and performance metrics (consistent across both retail and wholesale businesses), incorporating expert credit judgement where appropriate. Application of quantitative PD floors does not represent the use of the low credit risk exemption as exposures can separately move into Stage 2 via the qualitative route described below.

Wholesale assets apply a 100% increase in PD and 0.2% PD floor to determine a significant increase in credit risk.

Retail assets apply bespoke relative increase and absolute PD thresholds based on product type and origination PD. Thresholds are subject to maximums defined by Barclays Bank UK Group policy including absolute PD floor maximum of 0.3% and maximum relative PD increase of 400% (applied to strongest credit quality customers only).

For existing/historical exposures where origination point scores or data are no longer available or do not represent a comparable estimate of lifetime PD, a proxy origination score is defined, based upon:
- back-population of the approved lifetime PD score either to origination date or, where this is not feasible, as far back as possible (subject to a data start point no later than 1 January 2015); or
- use of available historical account performance data and other customer information, to derive a comparable 'proxy' estimation of origination PD.

ii) Qualitative test

This is relevant for accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress. The definition and assessment of high risk includes as wide a range of information as reasonably available, such as industry and Group-wide customer level data, including but not limited to bureau scores and high consumer indebtedness index, wherever possible or relevant.

Whilst the high risk populations applied for IFRS 9 impairment purposes are aligned with risk management processes, they are also regularly reviewed and validated to ensure that they capture any incremental segments where there is evidence of credit deterioration.

iii) Backstop criteria
This is relevant for accounts that are more than 30 calendar days past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into Stage 2.

The criteria for determining a significant increase in credit risk for assets with bullet repayments follows the same principle as all other assets, i.e. quantitative, qualitative and backstop tests are all applied.

Exposures will move back to Stage 1 once they no longer meet the criteria for a significant increase in credit risk. This means that, at a minimum all payments must be up-to-date, the PD deterioration test is no longer met, the account is no longer classified as high risk, and the customer has evidenced an ability to maintain future payments.

Exposures are only removed from Stage 3 and reassigned to Stage 2 once the original default trigger event no longer applies. Exposures being removed from Stage 3 must no longer qualify as credit impaired, and:

a) the obligor will also have demonstrated consistently good payment behaviour over a 12-month period, by making all consecutive contractual payments due and, for forborne exposures, the relevant EBA defined probationary period has also been successfully completed or;
b) (for non-forborne exposures) the performance conditions are defined and approved within an appropriately sanctioned restructure plan, including 12 months' payment history have been met.

Management overlays and other exceptions to model outputs are applied only if consistent with the objective of identifying significant increases in credit risk.

Forward-looking information
The measurement of ECL involves complexity and judgement, including estimation of PD, LGD, a range of unbiased future economic scenarios, estimation of expected lives (where contractual life is not appropriate), and estimation of EAD and assessing significant increases in credit risk.

Credit losses are the expected cash shortfalls from what is contractually due over the expected life of the financial instrument, discounted at the original effective interest rate (EIR). ECLs are the unbiased probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions.

Refer to the Measurement uncertainty and sensitivity analysis section on page 102 for further details.

Definition of default, credit impaired assets, write-offs, and interest income recognition
The definition of default for the purpose of determining ECLs, and for internal credit risk management purposes, has been aligned to the Regulatory Capital CRR Article 178 definition of default, to maintain a consistent approach with IFRS 9 and associated regulatory guidance. The Regulatory Capital CRR Article 178 definition of default considers indicators that the debtor is unlikely to pay, includes exposures in forbearance and is no later than when the exposure is more than 90 days past due. When exposures are identified as credit impaired at the time when they are purchased or originated, interest income is calculated on the carrying value net of the impairment allowance.

An asset is considered credit impaired when one or more events occur that have a detrimental impact on the estimated future cash flows of the financial asset. This comprises assets defined as defaulted and other individually assessed exposures where imminent default or actual loss is identified.

Uncollectible loans are written off against the related allowance for loan impairment on completion of the Barclays Bank UK Group's internal processes and when all reasonably expected recoverable amounts have been collected. Subsequent recoveries of amounts previously written off are credited to the income statement. 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.

Purchased or originated credit impaired (POCI)
Purchased or originated credit impaired assets include a fixed pool of credit card and unsecured personal loan balances that were purchased as part of the Tesco Bank acquisition at a deep discount to face value reflecting credit losses incurred from the point of origination to the date of acquisition. Hence, POCI assets do not carry any impairment allowance on initial recognition. All changes in lifetime expected credit losses subsequent to the assets' initial recognition are recognised as an impairment charge. Over time, these POCI assets will run off as the loans redeem, pay down or as loans are written off.

Accounting for purchased financial guarantee contracts
The Barclays Bank UK Group may enter into a financial guarantee contract which requires the issuer of such contract to reimburse the Barclays Bank UK Group for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. For these separate financial guarantee contracts, the Barclays Bank UK Group recognises a reimbursement asset aligned with the recognition of the underlying ECLs, if it is considered virtually certain that a reimbursement would be received if the specified debtor fails to make payment when due in accordance with the terms of the debt instrument.

Loan modifications and renegotiations that are not credit-impaired
When modification of a loan agreement occurs as a result of commercial restructuring activity rather than due to the credit risk of the borrower, an assessment must be performed to determine whether the terms of the new agreement are substantially different from the terms of the existing agreement. This assessment considers both the change in cash flows arising from the modified terms as well as the change in overall instrument risk profile. In respect of payment holidays granted to borrowers which are not due to forbearance, if the revised cash flows on a present value basis (based on the original EIR) are not substantially different from the original cash flows, the loan is not considered to be substantially modified.

Where terms are substantially different, the existing loan will be derecognised and a new loan will be recognised at fair value, with any difference in valuation recognised immediately within the income statement, subject to observability criteria.

Where terms are not substantially different, the loan carrying value will be adjusted to reflect the present value of modified cash flows discounted at the original EIR, with any resulting gain or loss recognised immediately within the income statement as a modification gain or loss.

Expected life
Lifetime ECLs must be measured over the expected life. This is restricted to the maximum contractual life and takes into account expected prepayment, extension, call and similar options. The exceptions are certain revolving financial instruments, such as credit cards and bank overdrafts, that include both a drawn and an undrawn component where the entity's contractual ability to demand repayment and cancel the undrawn commitment does not limit the entity's exposure to credit losses to the contractual notice period. For revolving facilities, expected life is analytically derived to reflect the behavioural life of the asset, i.e. the full period over which the business expects to be exposed to credit risk. Behavioural life is typically based upon historical analysis of the average time to default, closure or withdrawal of facility. Where data is insufficient or analysis inconclusive, an additional 'maturity factor' may be incorporated to reflect the full estimated life of the exposures, based upon experienced judgement and/or peer analysis. Potential future modifications of contracts are not taken into account when determining the expected life or EAD until they occur.

Discounting
ECLs are discounted at the EIR at initial recognition or an approximation thereof and consistent with income recognition. For loan commitments the EIR is the rate that is expected to apply when the loan is drawn down and a financial asset is recognised. Issued financial guarantee contracts are discounted at the risk-free rate. Lease receivables are discounted at the rate implicit in the lease. For variable/floating rate financial assets, the spot rate at the reporting date is used and projections of changes in the variable rate over the expected life are not made to estimate future interest cash flows or for discounting.

Modelling techniques
Currently, Internal Ratings-Based models are leveraged to calculate the point-in-time PD and LGD, which serve as key inputs to the IFRS 9 models. Thereafter, these inputs are extrapolated by the IFRS 9 models to create macroeconomic sensitive forecasts of PDs, LGDs and in turn ECL.

Forbearance
A financial asset is subject to forbearance when it is modified due to the credit distress of the borrower. A modification made to the terms of an asset due to forbearance will typically be assessed as a non-substantial modification that does not result in derecognition of the original loan, except in circumstances where debt is exchanged for equity.

Both performing and non-performing forbearance assets are classified as Stage 3 except where it is established that the concession granted has not resulted in diminished financial obligation and that no other regulatory definition of default criteria have been triggered, in which case the asset is classified as Stage 2. The minimum probationary period for non-performing forbearance is 12 months and for performing forbearance, 24 months. Hence, a minimum of 36 months is required for non-performing forbearance to move out of a forborne state.

No financial instrument in forbearance can transfer back to Stage 1 until all of the Stage 2 thresholds are no longer met and can only move out of Stage 3 when no longer credit impaired.

Critical accounting estimates and judgements

IFRS 9 impairment involves several important areas of judgement, including estimating forward-looking modelled parameters (PD, LGD and EAD), developing a range of unbiased future economic scenarios, estimating expected lives and assessing significant increases in credit risk, based on the Barclays Bank UK Group's experience of managing credit risk. The determination of expected life is most material for Barclays Bank UK Group's credit card portfolios which is obtained via behavioural life analysis to materially capture the risk of these facilities.

Within the retail and small businesses portfolios, which comprise large numbers of small homogeneous assets with similar risk characteristics where credit scoring techniques are generally used, the impairment allowance is calculated using forward-looking modelled parameters which are typically run at account level. There are many models in use, each tailored to a product, line of business or customer category. Judgement and knowledge is needed in selecting the statistical methods to use when the models are developed or revised. Management adjustments to impairment models, which contain an element of subjectivity, are applied in order to factor in certain conditions or changes in policy that are not fully incorporated into the impairment models, or to reflect additional facts and circumstances at the period end. Management adjustments are reviewed and incorporated into future model development where appropriate.

For individually significant assets in Stage 3, impairment allowances are calculated on an individual basis and all relevant considerations that have a bearing on the expected future cash flows across a range of economic scenarios are taken into account. These considerations can be particularly subjective and can include the business prospects for the customer, the realisable value of collateral, the Barclays Bank UK Group's position relative to other claimants, the reliability of customer information and the likely cost and duration of the work-out process. The level of the impairment allowance is the difference between the value of the discounted expected future cash flows (discounted at the loan's original effective interest rate), and its carrying amount. Furthermore, judgements change with time as new information becomes available or as work-out strategies evolve, resulting in frequent revisions to the impairment allowance as individual decisions are taken. Changes in these estimates would result in a change in the allowances and have a direct impact on the impairment charge.

Temporary adjustments to calculated IFRS 9 impairment allowances may be applied in limited circumstances to account for situations where known or expected risk factors or information have not been considered in the ECL assessment or modelling process. For further information, please see page 100 in credit risk performance section.

Information about the potential impact of the physical and transition risks of climate change on borrowers is considered, taking into account reasonable and supportable information to make accounting judgements and estimates. Climate change is inherently of a long-term nature, with significant levels of uncertainty, and consequently requires judgement in determining the possible impact in the next financial year, if any.

	2024			2023		
	Impairment charges/ (releases)	Recoveries and reimbursements[1]	Total[2]	Impairment charges/ (releases)	Recoveries and reimbursements[1]	Total
	£m	£m	£m	£m	£m	£m
Loans and advances at amortised cost[3]	**416**	**(52)**	**364**	360	(33)	327
Off-balance sheet loan commitments and financial guarantee contracts	**(12)**	**—**	**(12)**	(19)	—	(19)
Total	**404**	**(52)**	**352**	341	(33)	308
Financial instruments at fair value through other comprehensive income	**—**	**—**	**—**	—	—	—
Other financial asset measured at cost	**—**	**—**	**—**	—	—	—
Credit impairment charges /(releases)	**404**	**(52)**	**352**	341	(33)	308

Notes
1 Recoveries and reimbursements include £4m (2023: £5m) for reimbursements expected to be received under the arrangement where the Barclays Bank UK Group has entered into financial guarantee contracts which provide credit protection over certain assets with third parties and cash recoveries of previously written off amounts of £48m (2023: £28m).
2 Includes net impairment charge of £209m on the acquisition of Tesco Bank.
3 Includes Debt securities measured at amortised cost.

Write-offs that can still be subjected to enforcement activity

The contractual amount outstanding on financial assets that were written off during the year and that can still be subjected to enforcement activity is £229m (2023: £186m). This is lower than the write-offs presented in the movement in gross exposures and impairment allowance table due to assets sold during the year post write-offs and post write-off recoveries.

Modification of financial assets

Financial assets of £561m (2023: £513m), with a loss allowance measured at an amount equal to lifetime ECL, were subject to non-substantial modifications during the year, with a resulting loss of £3m (2023: £2m). There is no material movement in financial assets subject to non-substantial modification for which the loss allowance has changed to a 12-month ECL.

9 Tax

Accounting for income taxes

The Barclays Bank UK Group applies IAS 12 Income Taxes in accounting for taxes on income. Income tax payable on taxable profits (current tax) is recognised as an expense in the periods in which the profits arise. Withholding taxes are also treated as income taxes. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offsetting against taxable profits arising in the current or prior periods. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences except for the initial recognition of goodwill. Deferred tax is not recognised where the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

The Barclays Bank UK Group has adopted the International Tax Reform - Pillar Two Model Rules amendments to IAS 12, which were issued on 23 May 2023 and approved by the UK Endorsement Board on 19 July 2023, and has applied the exception set out in paragraph 4A in respect of recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Barclays Bank UK Group considers an uncertain tax position to exist when it considers that ultimately, in the future, the amount of profit subject to tax may be greater than the amount initially reflected in the Barclays Bank UK Group's tax returns.

A current tax provision is recognised when it is considered probable that the outcome of a review by a tax authority of an uncertain tax position will alter the amount of cash tax due to, or from, a tax authority in the future. From recognition, the current tax provision is then measured at the amount the Barclays Bank UK Group ultimately expects to pay the tax authority to resolve the position.

Deferred tax assets have been recognised based on business profit forecasts which included consideration for the current view of climate impacts.

	2024 £m	2023 £m
Current tax charge/(credit)		
Current year	923	662
Adjustments in respect of prior years	21	(100)
	944	562
Deferred tax charge/(credit)		
Current year	6	48
Adjustments in respect of prior years	(10)	139
	(4)	187
Tax charge	940	749

The table below shows the reconciliation between the actual tax charge and the tax charge that would result from applying the standard UK corporation tax rate to the Barclays Bank UK Group's profit before tax.

	2024	2024	2023	2023
	£m	%	£m	%
Profit before tax	**3,560**		2,671	
Tax charge based on the standard UK corporation tax rate of 25% (2023: 23.5%)	**890**	**25.0%**	628	23.5%
Recurring items:				
Banking surcharge[1] and other items	**99**	**2.8%**	105	3.9%
Adjustments in respect of prior years	**11**	**0.3%**	39	1.5%
Non-deductible expenses	**10**	**0.3%**	8	0.3%
Impact of UK bank levy being non-deductible	**9**	**0.2%**	7	0.3%
Tax relief on holdings of inflation-linked government bonds	**(29)**	**(0.8%)**	(20)	(0.8%)
Tax relief on payments made under AT1 instruments	**(50)**	**(1.4%)**	(42)	(1.6%)
Non-recurring items:				
Non-deductible provisions for UK customer redress	**—**	**—**	(5)	(0.2%)
Non-deductible loss on transfer of Wealth Management & Investments portfolio	**—**	**—**	29	1.1%
Total tax charge	**940**	**26.4 %**	749	28.0%

Note
1 Banking surcharge includes the impact of the 3% UK banking surcharge rate on profits and tax adjustments relating to UK banking entities.

Factors influencing the effective tax rate
The effective tax rate of 26.4% is higher than the UK corporation tax rate of 25% primarily due to banking surcharge and other items. These factors, which have each increased the effective tax rate, are partially offset by tax relief on payments made under AT1 instruments.

A gain of £558m has arisen on the acquisition of Tesco Bank. The acquisition is expected to generate a gain as a result of the consideration payable for net assets being lower than their fair value. The Barclays Bank UK Group considers that the UK corporation tax treatment of £475m of the day 1 gain is unclear. The Barclays Bank UK Group has treated the gain as taxable in preparing its 2024 financial statements and intends to engage with HM Revenue & Customs (HMRC) with a view to achieving clarity of treatment prior to filing Barclays Bank UK PLC's corporation tax return for the year ended 31 December 2024.

Barclays Bank UK Group's future tax charge will be sensitive to the tax rates in force and changes to the tax rules in the UK.

The global minimum tax rate of 15% introduced by the OECD and G20 Inclusive Framework on Base Erosion and Profit Shifting and a UK domestic minimum tax (the Pillar Two rules) became effective in the UK on 1 January 2024. However, no additional taxes resulting from the implementation of Pillar Two have arisen in the Barclays Bank UK Group.

Tax in the consolidated statement of comprehensive income
Tax relating to each component of other comprehensive income can be found in the consolidated statement of comprehensive income.

Tax included directly in equity
Tax included directly in equity comprises a £19m credit (2023: £2m credit) relating to share-based payments and deductible costs on issuing other equity instruments.

Deferred tax assets and liabilities
The deferred tax asset on the balance sheet for Barclays Bank UK Group is £1,212m (2023: £1,296m) and for Barclays Bank UK PLC is £1,203m (2023: £1,287m). All of these deferred tax assets are in the UK Tax Group and relate entirely to temporary differences. Business profit forecasts indicate these amounts will be fully recovered.

Of the deferred tax asset of £1,212m (2023: £1,296m), an amount of £nil (2023: £nil) relates to entities which have suffered a loss in either the current or prior year. This has been taken into account in reaching the above conclusion that these deferred tax assets will be fully recovered in the future.

The table below shows movements on deferred tax assets and liabilities during the year. The amounts are different from those disclosed on the balance sheet as they are presented before offsetting asset and liability balances where there is a legal right to set-off and an intention to settle on a net basis.

Barclays Bank UK Group	Fixed asset timing differences	Cash flow hedges	Loan impairment allowance	Other temporary differences	Total
	£m	£m	£m	£m	£m
Assets	**684**	**421**	**123**	**114**	**1,342**
Liabilities	**—**	**—**	**—**	**(46)**	**(46)**
As at 1 January 2024	**684**	**421**	**123**	**68**	**1,296**
Income statement	**17**	**—**	**(31)**	**18**	**4**
Other comprehensive income and reserves	**—**	**(112)**	**—**	**24**	**(88)**
Other movements	**—**	**—**	**—**	**—**	**—**
	701	**309**	**92**	**110**	**1,212**
Assets	**701**	**309**	**92**	**125**	**1,227**
Liabilities	**—**	**—**	**—**	**(15)**	**(15)**
As at 31 December 2024	**701**	**309**	**92**	**110**	**1,212**
Assets	801	836	153	126	1,916
Liabilities	—	—	—	—	—
As at 1 January 2023	801	836	153	126	1,916
Income statement	(119)	—	(30)	(38)	(187)
Other comprehensive income and reserves	—	(415)	—	(27)	(442)
Other movements	2	—	—	7	9
	684	421	123	68	1,296
Assets	684	421	123	114	1,342
Liabilities	—	—	—	(46)	(46)
As at 31 December 2023	684	421	123	68	1,296

Barclays Bank UK PLC	Fixed asset timing differences £m	Cash flow hedges £m	Loan impairment allowance £m	Other temporary differences £m	Total £m
Assets	**682**	**421**	**123**	**104**	**1,330**
Liabilities	**—**	**—**	**—**	**(43)**	**(43)**
As at 1 January 2024	**682**	**421**	**123**	**61**	**1,287**
Income statement	**17**	**—**	**(31)**	**18**	**4**
Other comprehensive income and reserves	**—**	**(112)**	**—**	**24**	**(88)**
Other movements	**—**	**—**	**—**	**—**	**—**
	699	**309**	**92**	**103**	**1,203**
Assets	**699**	**309**	**92**	**114**	**1,214**
Liabilities	**—**	**—**	**—**	**(11)**	**(11)**
As at 31 December 2024	**699**	**309**	**92**	**103**	**1,203**
Assets	801	836	153	126	1,916
Liabilities	—	—	—	—	—
As at 1 January 2023	801	836	153	126	1,916
Income statement	(119)	—	(30)	(38)	(187)
Other comprehensive income and reserves	—	(415)	—	(27)	(442)
Other movements	—	—	—	—	—
	682	421	123	61	1,287
Assets	682	421	123	104	1,330
Liabilities	—	—	—	(43)	(43)
As at 31 December 2023	682	421	123	61	1,287

The amount of deferred tax asset expected to be recovered after more than 12 months for the Barclays Bank UK Group is £1,177m (2023: £1,287m). The amount of deferred tax liability expected to be settled after more than 12 months for the Barclays Bank UK Group is £15m (2023: £46m). These amounts are before offsetting asset and liability balances where there is a legal right to set-off and an intention to settle on a net basis.

The amount of deferred tax asset expected to be recovered after more than 12 months for Barclays Bank UK PLC is £1,165m (2023: £1,276m). The amount of deferred tax liability expected to be settled after more than 12 months for Barclays Bank UK PLC is £11m (2023: £43m). These amounts are before offsetting asset and liability balances where there is a legal right to set-off and an intention to settle on a net basis.

Unrecognised deferred tax

Tax losses and temporary differences
Deferred tax assets have not been recognised in respect of gross tax losses of £236m (2023: £270m) in Barclays Bank UK Group and Barclays Bank UK PLC. These tax losses are comprised entirely of capital losses which can be carried forward indefinitely. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable gains will be available against which they can be utilised.

Barclays Bank UK Group investments in subsidiaries, branches and associates
The amount of unrecognised deferred tax relating to temporary differences on investments in subsidiaries, branches and associates in both Barclays Bank UK Group and Barclays Bank UK PLC is £nil (2023: £nil).

10 Dividends on ordinary shares

The 2024 financial statements include £975m (2023: £1,305m) of dividends paid on ordinary shares. This comprises 2024 interim dividend of £225m (2023: £600m) and 2023 full year dividend £750m (2023: £705m). This results in a total dividend for the year of £1.93 (2023: £2.58) per ordinary share.

The Directors have approved a 2024 full year dividend of £825m. The financial statements for the year ended 31 December 2024 do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the year ending 31 December 2025.

The notes included in this section focus on assets and liabilities the Barclays Bank UK Group holds and recognises at fair value. Detail regarding the Barclays Bank UK Group's approach to managing market risk can be found on page 64.

11 Trading portfolio

Accounting for trading portfolio assets and liabilities
All assets and liabilities held for trading purposes are held at fair value with gains and losses in the changes in fair value taken to the income statement in net trading income / (expense) (Note 5).

	Barclays Bank UK Group and PLC	
	2024	2023
	£m	£m
Debt securities and other eligible bills	242	43
Trading portfolio assets	242	43
Debt securities and other eligible bills	(726)	(908)
Trading portfolio liabilities	(726)	(908)

Trading debt securities (assets) are part of managed assets within treasury. Trading debt securities (liabilities) relate to short positions held for hedging fair value loans and managed assets within treasury.

12 Financial assets at fair value through the income statement

Accounting for financial assets designated at fair value
Financial assets, other than those held for trading, are classified in this category if they are so irrevocably designated at inception and the use of the designation removes or significantly reduces an accounting mismatch.

Subsequent changes in fair value for these instruments are recognised in the income statement in net investment income, except if reporting it in trading income reduces an accounting mismatch.

The details on how the fair value amounts are derived for financial assets at fair value are described in Note 16.

Accounting for financial assets mandatorily at fair value
Financial assets that are held for trading are recognised at fair value through profit or loss. In addition, financial assets are held at fair value through profit or loss if they do not contain contractual terms that give rise on specified dates to cash flows that are SPPI, or if the financial asset is not held in a business model that is either (i) a business model to collect the contractual cash flows or (ii) a business model that is achieved by both collecting contractual cash flows and selling.

	Barclays Bank UK Group and PLC	
	2024	2023
	£m	£m
Loans and advances	1,543	1,715
Financial assets designated at fair value	1,543	1,715
Equity Securities	—	1
Financial assets mandatorily at fair value	—	1
Total	1,543	1,716

Credit risk of financial assets designated at fair value and related credit derivatives
The following table shows the maximum exposure to credit risk, the changes in fair value attributable to changes in credit risk, and the cumulative changes in fair value since initial recognition for loans and advances.

	Barclays Bank UK Group and PLC					
	Maximum exposure as at 31 December		Changes in fair value during the year ended		Cumulative changes in fair value from inception	
	2024	2023	2024	2023	2024	2023
	£m	£m	£m	£m	£m	£m
Loans and advances designated at fair value, attributable to credit risk	1,543	1,715	—	—	(4)	(4)

13 Derivative financial instruments

Accounting for derivatives
Derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices defined in the contract. They include swaps, forward-rate agreements, futures, options and combinations of these instruments and primarily affect the Barclays Bank UK Group's net interest income, net trading income and derivative assets and liabilities. Notional amounts of the contracts are not recorded on the balance sheet.

All derivative instruments are held at fair value through profit or loss, except for derivatives that are in a designated cash flow hedge accounting relationship. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

Hedge accounting
The Barclays Bank UK Group applies the requirements of IAS 39 Financial Instruments: Recognition and Measurement for hedge accounting purposes. The Barclays Bank UK Group applies hedge accounting to represent the economic effects of its interest rate, currency and contractually linked inflation risk management strategies. Where derivatives are held for risk management purposes, and when transactions meet the required criteria for documentation and hedge effectiveness, the Barclays Bank UK Group applies fair value hedge accounting and cash flow hedge accounting.

Fair value hedge accounting
Changes in fair value of derivatives that qualify and are designated as fair value hedges are recorded in the income statement, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The fair value changes adjust the carrying value of the hedged asset or liability held at amortised cost.

If hedge relationships no longer meet the criteria for hedge accounting, hedge accounting is discontinued. For fair value hedges of interest rate risk, the fair value adjustment to the hedged item is amortised to the income statement over the period to maturity of the previously designated hedge relationship using the effective interest method. If the hedged item is sold or repaid, the unamortised fair value adjustment is recognised immediately in the income statement. For items classified as fair value through other comprehensive income, the hedge accounting adjustment is included in other comprehensive income.

Cash flow hedge accounting
For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognised initially in other comprehensive income, and then recycled to the income statement in the periods when the hedged item will affect profit or loss. Any ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement immediately.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged item is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the income statement.

Total derivatives	Barclays Bank UK Group			Barclays Bank UK PLC		
	Notional contract amount	Fair value		Notional contract amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
	£m	£m	£m	£m	£m	£m
As at 31 December 2024						
Total derivative assets/(liabilities) held for trading	**589,637**	**155**	**(163)**	**590,131**	**155**	**(182)**
Total derivative assets/(liabilities) held for risk management	**76,059**	**1,746**	**(137)**	**76,059**	**1,746**	**(137)**
Derivative assets/(liabilities)	**665,696**	**1,901**	**(300)**	**666,190**	**1,901**	**(319)**
As at 31 December 2023						
Total derivative assets/(liabilities) held for trading	619,446	249	(311)	619,927	249	(340)
Total derivative assets/(liabilities) held for risk management	70,995	1,317	(87)	70,995	1,317	(87)
Derivative assets/(liabilities)	690,441	1,566	(398)	690,922	1,566	(427)

Further information on netting arrangements of derivative financial instruments can be found within Note 17.

The fair values and notional amounts of derivatives held for trading are set out in the following table:

Derivatives held for trading[1]	Barclays Bank UK Group			Barclays Bank UK PLC		
	Notional contract amount	Fair value		Notional contract amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
	£m	£m	£m	£m	£m	£m
As at 31 December 2024						
Foreign exchange derivatives						
OTC derivatives	9,953	115	(68)	9,831	107	(68)
Foreign exchange derivatives	9,953	115	(68)	9,831	107	(68)
Interest rate derivatives						
OTC derivatives	4,918	3	(70)	4,918	3	(70)
Interest rate derivatives cleared by central counterparty	574,766	37	(25)	574,766	37	(25)
Interest rate derivatives	579,684	40	(95)	579,684	40	(95)
Derivatives with subsidiaries	—	—	—	616	8	(19)
Derivative assets/(liabilities) held for trading	589,637	155	(163)	590,131	155	(182)
Total OTC derivatives	14,871	118	(138)	14,749	110	(138)
Total derivatives cleared by central counterparty	574,766	37	(25)	574,766	37	(25)
Derivatives with subsidiaries	—	—	—	616	8	(19)
Derivative assets/(liabilities) held for trading	589,637	155	(163)	590,131	155	(182)
As at 31 December 2023						
Foreign exchange derivatives						
OTC derivatives	10,468	190	(215)	10,346	175	(215)
Foreign exchange derivatives	10,468	190	(215)	10,346	175	(215)
Interest rate derivatives						
OTC derivatives	4,387	6	(95)	4,387	6	(96)
Interest rate derivatives cleared by central counterparty	604,591	53	(1)	604,591	53	(1)
Interest rate derivatives	608,978	59	(96)	608,978	59	(97)
Derivatives with subsidiaries	—	—	—	603	15	(28)
Derivative assets/(liabilities) held for trading	619,446	249	(311)	619,927	249	(340)
Total OTC derivatives	14,855	196	(310)	14,733	181	(311)
Total derivatives cleared by central counterparty	604,591	53	(1)	604,591	53	(1)
Derivatives with subsidiaries	—	—	—	603	15	(28)
Derivative assets/(liabilities) held for trading	619,446	249	(311)	619,927	249	(340)

Note
1 Derivatives held for trading mainly includes derivatives held as economic hedges to manage risk.

The fair values and notional amounts of derivative instruments held for risk management are set out in the following table:

Derivatives held for risk management	Barclays Bank UK Group			Barclays Bank UK PLC		
	Notional contract amount	Fair value		Notional contract amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
	£m	£m	£m	£m	£m	£m
As at 31 December 2024						
Derivatives designated as cash flow hedges						
Currency swaps	**8,637**	**1,727**	**(12)**	**8,637**	**1,727**	**(12)**
Interest rate swaps	**—**	**—**	**—**	**—**	**—**	**—**
Interest rate derivatives cleared by central counterparty	**21,099**	**—**	**—**	**21,099**	**—**	**—**
Derivatives designated as cash flow hedges	**29,736**	**1,727**	**(12)**	**29,736**	**1,727**	**(12)**
Derivatives designated as fair value hedges						
Interest rate swaps	**4,867**	**19**	**(125)**	**4,867**	**19**	**(125)**
Interest rate derivatives cleared by central counterparty	**41,456**	**—**	**—**	**41,456**	**—**	**—**
Derivatives designated as fair value hedges	**46,323**	**19**	**(125)**	**46,323**	**19**	**(125)**
Derivative assets/(liabilities) held for risk management	**76,059**	**1,746**	**(137)**	**76,059**	**1,746**	**(137)**
Total OTC derivatives	**13,504**	**1,746**	**(137)**	**13,504**	**1,746**	**(137)**
Total derivatives cleared by central counterparty	**62,555**	**—**	**—**	**62,555**	**—**	**—**
Derivative assets/(liabilities) held for risk management	**76,059**	**1,746**	**(137)**	**76,059**	**1,746**	**(137)**
As at 31 December 2023						
Derivatives designated as cash flow hedges						
Currency swaps	8,666	1,278	—	8,666	1,278	—
Interest rate swaps	647	—	—	647	—	—
Interest rate derivatives cleared by central counterparty	27,498	—	—	27,498	—	—
Derivatives designated as cash flow hedges	36,811	1,278	—	36,811	1,278	—
Derivatives designated as fair value hedges						
Interest rate swaps	4,040	39	(87)	4,040	39	(87)
Interest rate derivatives cleared by central counterparty	30,144	—	—	30,144	—	—
Derivatives designated as fair value hedges	34,184	39	(87)	34,184	39	(87)
Derivative assets/(liabilities) held for risk management	70,995	1,317	(87)	70,995	1,317	(87)
Total OTC derivatives	13,353	1,317	(87)	13,353	1,317	(87)
Total derivatives cleared by central counterparty	57,642	—	—	57,642	—	—
Derivative assets/(liabilities) held for risk management	70,995	1,317	(87)	70,995	1,317	(87)

Hedge accounting

Hedge accounting is applied predominantly for the following risks:
- Interest rate risk – arises due to a mismatch between fixed interest rates and floating interest rates. Interest rate risk also includes exposure to inflation risk for certain types of investments
- Currency risk – arises due to assets or liabilities being denominated in different currencies than the functional currency of the relevant entity
- Contractually-linked inflation risk – arises from financial instruments with contractually specified inflation risk. The Barclays Bank UK Group does not hedge inflation risk that arises from other activities

In order to hedge these risks, the Barclays Bank UK Group uses the following hedging instruments:
- Interest rate derivatives to swap interest rate exposures into either fixed or variable rates
- Currency derivatives to swap foreign currency exposure into the entity's functional currency
- Inflation derivatives to swap inflation exposures into either fixed or variable interest rates

In some cases, certain items which are economically hedged may be ineligible hedged items for the purposes of IAS 39, such as core deposits and equity. In these instances, a proxy hedging solution can be utilised whereby portfolios of floating rate assets are designated as eligible hedged items in cash flow hedges.

In some hedging relationships, the Barclays Bank UK Group designates risk components of hedged items as follows:
- Benchmark interest rate risk as a component of interest rate risk, such as the Risk Free Rate (RFR) component
- Inflation risk as a contractually specified component of a debt instrument
- Exchange rate risk for foreign currency financial assets or financial liabilities
- Components of cash flows of hedged items, for example certain interest payments for part of the life of an instrument

Using the benchmark interest rate risk results in other risks, such as credit risk and liquidity risk, being excluded from the hedge accounting relationship.

In respect of many of the Barclays Bank UK Group's hedge accounting relationships, the hedged item and hedging instrument change frequently due to the dynamic nature of the risk management and hedge accounting strategy. The Barclays Bank UK Group applies hedge accounting to dynamic scenarios, predominantly in relation to interest rate risk, with a combination of hedged items in order for its financial statements to reflect as closely as possible the economic risk management undertaken. In some cases, if the hedge accounting objective changes, the relevant hedge accounting relationship is de-designated and a de-designated relationship is replaced with a different hedge accounting relationship.

The hedging instruments share the same risk exposures as the hedged items. Hedge effectiveness is determined with reference to quantitative tests, predominantly regression testing, but to the extent hedging instruments are exposed to different risks than the hedged items, this could result in hedge ineffectiveness or hedge accounting failures.

Sources of ineffectiveness include the following:
- Mismatches between the contractual terms of the hedged item and hedging instrument, including basis differences
- Changes in credit risk of the hedging instruments
- Cash flow hedges using external swaps with non-zero fair values

Hedged items in fair value hedges

Barclays Bank UK Group and PLC		Accumulated fair value adjustment included in carrying amount			
Hedged item statement of financial position classification and risk category	Carrying amount £m	Total £m	Of which: Accumulated fair value adjustment on items no longer in a hedge relationship £m	Change in fair value used as a basis to determine ineffectiveness £m	Hedge ineffectiveness recognised in the income statement[1] £m
2024					
Assets					
Loans and advances at amortised cost					
– Interest rate risk	**1,684**	**(3,693)**	**(1,785)**	**(830)**	**18**
Debt securities classified at amortised cost					
– Interest rate risk	**551**	**(2)**	**—**	**12**	**3**
– Inflation risk	**1,752**	**(58)**	**(39)**	**23**	**(11)**
Financial assets at fair value through other comprehensive income					
– Interest rate risk	**17,778**	**(219)**	**29**	**6**	**50**
– Inflation risk	**5,498**	**(158)**	**(54)**	**(54)**	**(13)**
Total assets	**27,263**	**(4,130)**	**(1,849)**	**(843)**	**47**
Liabilities					
Subordinated liabilities					
- Interest rate risk	**(12,382)**	**564**	**103**	**38**	**(5)**
Debt securities in issue					
- Interest rate risk	**(973)**	**70**	**(7)**	**(18)**	**(18)**
Total liabilities	**(13,355)**	**634**	**96**	**20**	**(23)**
Total hedged items	**13,908**	**(3,496)**	**(1,753)**	**(823)**	**24**
2023					
Assets					
Loans and advances at amortised cost					
– Interest rate risk	2,712	(3,040)	(1,863)	79	12
Debt securities classified at amortised cost					
– Inflation risk	1,659	(81)	(60)	(63)	(8)
Financial assets at fair value through other comprehensive income					
– Interest rate risk	9,553	(219)	(8)	283	42
– Inflation risk	3,129	(151)	(115)	(89)	(13)
Total assets	17,053	(3,491)	(2,046)	210	33
Liabilities					
Subordinated liabilities					
– Interest rate risk	(11,215)	525	151	(306)	3
Debt securities in issue					
– Interest rate risk	(1,000)	87	(9)	(63)	(14)
Total liabilities	(12,215)	612	142	(369)	(11)
Total hedged items	4,838	(2,879)	(1,904)	(159)	22

Note
1 Hedge ineffectiveness is recognised in net interest income.

For items classified as fair value through other comprehensive income, the hedge accounting adjustment is not included in the carrying amount, but rather adjusts other comprehensive income.

The following table shows the fair value hedging instruments which are carried on the balance sheet:

Barclays Bank UK Group and PLC		Carrying value			
Hedge type	Risk category	Derivative assets £m	Derivative liabilities £m	Nominal amount £m	Change in fair value used as a basis to determine ineffectiveness £m
As at 31 December 2024					
Fair value	Interest rate risk	**—**	**—**	**39,715**	**840**
	Inflation risk	**19**	**(125)**	**6,608**	**7**
	Total	**19**	**(125)**	**46,323**	**847**
As at 31 December 2023					
Fair value	Interest rate risk	—	—	30,144	50
	Inflation risk	39	(87)	4,040	131
	Total	39	(87)	34,184	181

The following table profiles the expected notional values of current hedging instruments in future years:

Barclays Bank UK Group and PLC	2024 £m	2025 £m	2026 £m	2027 £m	2028 £m	2029 £m	2030 and later £m
As at 31 December 2024							
Fair value hedges of:							
Interest rate risk (outstanding notional amount)	**39,715**	**36,384**	**30,406**	**25,632**	**19,771**	**14,622**	**10,344**
Inflation risk (outstanding notional amount)	**6,608**	**6,449**	**5,480**	**3,502**	**2,722**	**2,194**	**1,357**

There are 1,235 (2023: 1,023) interest rate risk fair value hedges with an average fixed rate of 3.84% (2023: 2.81%) across the relationships in Barclays Bank UK Group and Barclays Bank UK PLC, and 91 (2023: 57) inflation risk fair value hedges with an average rate of 0.53% (2023: 0.52%) across the relationships.

The following table shows hedged items in cash flow hedges:

Hedged items in cash flow hedges Barclays Bank UK Group and PLC Description of hedge relationship and hedged risk	Change in value of hedged item used as the basis for recognising ineffectiveness £m	Balance in cash flow hedging reserve for continuing hedges £m	Balances remaining in cash flow hedging reserve for which hedge accounting is no longer applied £m	Hedging (gains) or losses recognised in other comprehensive income £m	Hedge ineffectiveness recognised in the income statement[1] £m
2024					
Assets					
Cash flow hedge of					
Interest rate risk					
Loans and advances at amortised cost	78	227	248	78	11
Cash and balances at central banks	111	113	374	111	5
Foreign exchange risk					
Debt securities classified at amortised cost	(450)	142	—	(450)	—
Liabilities					
Cash flow hedge of					
Foreign exchange risk					
Subordinated liabilities	15	(3)	—	15	—
Total Cash flow hedge	(246)	479	622	(246)	16
2023					
Cash flow hedge of:					
Interest rate risk					
Loans and advances at amortised cost	(547)	185	324	(547)	(6)
Cash and balances at central banks	(307)	38	621	(307)	2
Foreign exchange risk					
Debt securities classified at amortised cost	(1,088)	333	—	(1,088)	1
Total cash flow hedge	(1,942)	556	945	(1,942)	(3)

Note
1 Hedge ineffectiveness is recognised in net interest income.

There are 43 (2023: 48) foreign exchange risk cash flow hedges with an average foreign exchange rate of 149.58 JPY: 1 GBP (2023: 147.95 JPY: 1 GBP) in Barclays Bank UK Group and Barclays Bank UK PLC, there are 2 (2023: none) with an average foreign exchange rate of 1.95 AUD: 1 GBP (2023: none), and 2 (2023: none) with an average foreign exchange rate of 1.12 CHF: 1 GBP (2023: none).

The following table shows the cash flow hedging instruments which are carried on the balance sheet:

Barclays Bank UK Group and PLC		Carrying value			
Hedge type	Risk category	Derivative assets £m	Derivative liabilities £m	Nominal amount £m	Change in fair value used as a basis to determine ineffectiveness £m
As at 31 December 2024					
Cash flow	Interest rate risk	—	—	21,099	(173)
	Foreign exchange risk	1,727	(12)	8,637	435
	Total	1,727	(12)	29,736	262
As at 31 December 2023					
Cash flow	Interest rate risk	—	—	28,145	850
	Foreign exchange risk	1,278	—	8,666	1,089
	Total	1,278	—	36,811	1,939

The effect on the income statement and other comprehensive income of recycling amounts in respect of cash flow hedges is set out in the following table:

	2024		2023	
	Amount recycled from other comprehensive income due to hedged item affecting income statement	Amount recycled from other comprehensive income due to sale or disposal of investment	Amount recycled from other comprehensive income due to hedged item affecting income statement	Amount recycled from other comprehensive income due to sale or disposal of investment
	£m	£m	£m	£m
Barclays Bank UK Group and PLC				
Cash flow hedge of interest rate risk				
Recycled to net interest income	**(394)**	—	(358)	—
Cash flow hedge of foreign exchange risk				
Recycled to net trading income	**240**	—	820	—

A detailed reconciliation of the movements of the cash flow hedging reserve is as follows:

	2024	2023
Barclays Bank UK Group and PLC	Cash flow hedging reserve	Cash flow hedging reserve
	£m	£m
Balance on 1 January	**(1,081)**	(2,146)
Hedging gains/(losses) for the year	**246**	1,942
Amounts reclassified in relation to cash flows affecting profit or loss	**154**	(462)
Tax	**(112)**	(415)
Balance on 31 December	**(793)**	(1,081)

14 Financial assets at fair value through other comprehensive income

Accounting for financial assets at fair value through other comprehensive income (FVOCI)

Financial assets that are debt instruments held in a business model that is achieved by both collecting contractual cash flows and selling, and that contain contractual terms that give rise on specified dates to cash flows that are SPPI are measured at FVOCI. They are subsequently remeasured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains and losses) are recognised in other comprehensive income until the assets are sold. Interest (calculated using the effective interest method) is recognised in the income statement in net interest income (Note 3). Upon disposal, the cumulative gain or loss recognised in other comprehensive income is included in net investment income / (expense) (Note 6).

In determining whether the business model is achieved by both collecting contractual cash flows and selling financial assets, it is determined that both collecting contractual cash flows and selling financial assets are integral to achieving the objective of the business model. The Barclays Bank UK Group will consider past sales and expectations about future sales to establish if the business model is achieved.

	Barclays Bank UK Group and PLC	
	2024	2023
	£m	£m
Debt securities and other eligible bills	**27,045**	20,409
Financial assets at fair value through other comprehensive income	**27,045**	20,409

15 Financial liabilities designated at fair value

Accounting for liabilities designated at fair value through profit and loss

In accordance with IFRS 9, financial liabilities may be designated at fair value, with gains and losses taken to the income statement within net trading income / (expense) (Note 5) and net investment income / (expense) (Note 6). Movements in own credit are reported through other comprehensive income, unless the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in profit and loss. In these scenarios, all gains and losses on that liability (including the effects of changes in the credit risk of the liability) are presented in profit and loss. On derecognition of the financial liability no amount relating to own credit risk is recycled to the income statement. The Barclays Bank UK Group has the ability to make the fair value designation when holding the instruments at fair value reduces an accounting mismatch (caused by an offsetting liability or asset being held at fair value), or is managed by the Barclays Bank UK Group on the basis of its fair value, or includes terms that have substantive derivative characteristics (Note 13).

The details on how the fair value amounts are arrived at for financial liabilities designated at fair value are described in Note 16.

	Barclays Bank UK Group and PLC			
	2024		2023	
	Fair value	Contractual amount due on maturity	Fair value	Contractual amount due on maturity
	£m	£m	£m	£m
Debt securities	2,848	2,849	196	196
Financial liabilities designated at fair value	2,848	2,849	196	196

16 Fair value of financial instruments

Accounting for financial assets and liabilities – fair value

Financial instruments that are held for trading are recognised at fair value through profit or loss. In addition, financial assets are held at fair value through profit or loss if they do not contain contractual terms that give rise on specified dates to cash flows that are SPPI, or if the financial asset is not held in a business model that is either (i) a business model to collect the contractual cash flows or (ii) a business model that is achieved by both collecting contractual cash flows and selling. Subsequent changes in fair value for these instruments are recognised in the income statement in net investment income, except if reporting it in trading income reduces an accounting mismatch.

Wherever possible, fair value is determined by reference to a quoted market price for that instrument. For many of the Barclays Bank UK Group's financial assets and liabilities for which quoted prices are not available, valuation models are used to estimate fair value. The models calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. These models use as their basis independently sourced market inputs including, for example, interest rate yield curves and currency rates. For financial liabilities measured at fair value, the carrying amount reflects the effect on fair value of changes in own credit spreads derived from observable market data such as in primary issuance and redemption activity for structured notes.

On initial recognition, it is presumed that the transaction price is the fair value unless there is observable information available in an active market to the contrary.

For valuations that have made use of unobservable inputs, the difference between the model valuation and the initial transaction price (Day one profit) is recognised in profit or loss either: on a straight-line basis over the term of the transaction; or over the period until all inputs will become observable where appropriate; or released in full when previously unobservable inputs become observable.

Various factors influence the availability of observable inputs, and these may vary from product to product and change over time. Factors include the depth of activity in the relevant market, the type of product, whether the product is new and not widely traded in the marketplace, the maturity of market modelling and the nature of the transaction (bespoke or generic). To the extent that valuation is based on models or inputs that are not observable in the market, the determination of fair value can be more subjective, dependent on the significance of the unobservable input to the overall valuation. Unobservable inputs are determined based on the best information available, for example by reference to similar assets, similar maturities, or other analytical techniques.

The sensitivity of valuations used in the financial statements to possible changes in significant unobservable inputs is shown on page 210.

Critical accounting estimates and judgements

The valuation of financial instruments often involves a significant degree of judgement and complexity, in particular where valuation models make use of unobservable inputs (Level 3 assets and liabilities). This note provides information on these instruments, including the related unrealised gains and losses recognised in the period, a description of significant valuation techniques and unobservable inputs, and a sensitivity analysis.

Climate-related risks are assumed to be included in the fair values of assets and liabilities traded in active markets. Within less active markets, for counterparties and instruments identified as being more susceptible to climate change risk, an impact assessment was performed through increasing their probability of default. The change in the valuation of the assets and liabilities from this assessment was sufficiently immaterial to necessitate any amendment to the reported 2024-year end valuations.

Valuation

Assets and liabilities are classified according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below with judgement applied in determining the boundary between Level 2 and 3 classifications.

Quoted market prices – Level 1

Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Valuation technique using observable inputs – Level 2

Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable either directly or indirectly. Valuations based on observable inputs include assets and liabilities such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable.

Valuation technique using significant unobservable inputs – Level 3

Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price. Unobservable input levels are generally determined via reference to observable inputs, historical observations or using other analytical techniques.

The following table shows Barclays Bank UK Group's assets and liabilities that are held at fair value disaggregated by valuation technique (fair value hierarchy) and balance sheet classification:

Assets and liabilities held at fair value

	2024				2023			
	Valuation technique using				Valuation technique using			
Barclays Bank UK Group	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
As at 31 December	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	**180**	**62**	**—**	**242**	43	—	—	43
Financial assets at fair value through the income statement	**—**	**79**	**1,464**	**1,543**	—	87	1,629	1,716
Derivative financial assets	**—**	**1,901**	**—**	**1,901**	—	1,566	—	1,566
Financial assets at fair value through other comprehensive income	**6,892**	**20,092**	**61**	**27,045**	9,168	10,943	298	20,409
Total assets	**7,072**	**22,134**	**1,525**	**30,731**	9,211	12,596	1,927	23,734
Trading portfolio liabilities	**(661)**	**(65)**	**—**	**(726)**	(894)	(14)	—	(908)
Financial liabilities designated at fair value	**—**	**(2,848)**	**—**	**(2,848)**	—	(196)	—	(196)
Derivative financial liabilities	**—**	**(300)**	**—**	**(300)**	—	(398)	—	(398)
Total liabilities	**(661)**	**(3,213)**	**—**	**(3,874)**	(894)	(608)	—	(1,502)

Assets and liabilities held at fair value are materially similar between Barclays Bank UK Group and Barclays Bank UK PLC.

Assets and liabilities reclassified between Level 1 and Level 2

During the year ended 31 December 2024, there were no material transfers between Level 1 and Level 2 (year ended 31 December 2023: there were no material transfers between Level 1 and Level 2).

Level 3 movement analysis

The following table summarises the movements in the Level 3 balances during the year. Transfers have been reflected as if they had taken place at the beginning of the year. Asset transfers between Level 2 and Level 3 are primarily due to 1) an increase or decrease in observable market activity related to an input or 2) a change in the significance of the unobservable input, with assets and liabilities classified as Level 3 if an unobservable input is deemed significant.

Analysis of movements in Level 3 assets and liabilities

						Total gains and (losses) in the period recognised in the income statement		Total gains and (losses) in the period recognised in OCI	Transfers		
Barclays Bank UK Group and PLC	As at 1 January 2024	Purchases	Sales	Issues	Settlements	Trading income[1]	Other income		In	Out	As at 31 December 2024
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Loans	**1,629**	**—**	**—**	**—**	**(154)**	**3**	**—**	**—**	**1**	**(15)**	**1,464**
Financial assets at fair value through the income statement	**1,629**	**—**	**—**	**—**	**(154)**	**3**	**—**	**—**	**1**	**(15)**	**1,464**
Corporate debt	**298**	**—**	**—**	**—**	**—**	**—**	**—**	**(1)**	**49**	**(285)**	**61**
Assets at fair value through other comprehensive income	**298**	**—**	**—**	**—**	**—**	**—**	**—**	**(1)**	**49**	**(285)**	**61**
Total	**1,927**	**—**	**—**	**—**	**(154)**	**3**	**—**	**(1)**	**50**	**(300)**	**1,525**

						Total gains and (losses) in the period recognised in the income statement		Total gains and (losses) in the period recognised in OCI	Transfers		
Barclays Bank UK Group and PLC	As at 1 January 2023	Purchases	Sales	Issues	Settlements	Trading income[1]	Other income		In	Out	As at 31 December 2023
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Loans	1,844	—	—	—	(344)	140	—	—	—	(11)	1,629
Financial assets at fair value through the income statement	1,844	—	—	—	(344)	140	—	—	—	(11)	1,629
Corporate debt	—	193	—	—	—	—	—	—	105	—	298
Assets at fair value through other comprehensive income	—	193	—	—	—	—	—	—	105	—	298
Total	1,844	193	—	—	(344)	140	—	—	105	(11)	1,927

Note
1 Trading income represents gains and losses on Level 3 financial assets which are offset by losses and gains on derivative hedges disclosed within Level 2.

Valuation technique and sensitivity analysis

Loans

Description: Largely made up of fixed rate loans, extended to counterparties in the Education, Social Housing and Local Authority sectors.

Valuation: Fixed rate loans are valued using models that discount expected future cash flows based on interest rates and loan spreads.

Observability: Within this loan population, the loan spread is generally unobservable. Unobservable loan spreads are determined by incorporating funding costs, the level of comparable assets such as gilts, issuer credit quality and other factors.

Level 3 sensitivity: The sensitivity of fixed rate loans is calculated by applying a shift to loan spreads, aligned to the prudent valuation framework for calculating market data uncertainty around an unobservable valuation input. The prudent valuation framework additionally requires Barclays Bank UK PLC to be capitalised to 50% of the impact of such valuation uncertainty being realised in the income statement. On a portfolio level, the sensitivity is equivalent to an average stress to the input loan spread of 19 bps.

Corporate Debt

Description: Primarily corporate bonds.

Valuation: Corporate bonds are valued using observable market prices sourced from broker quotes, inter-dealer prices or other reliable pricing sources.

Observability: Prices for actively traded bonds are considered observable. Unobservable bond prices are generally determined by reference to bond yields or CDS spreads for actively traded instruments issued by or referencing the same (or a similar) issuer.

Unrealised gains and losses on Level 3 financial assets and liabilities

The following tables disclose the unrealised gains and losses recognised in the year arising on Level 3 financial assets and liabilities held at year end.

Unrealised gains and (losses) recognised during the period on Level 3 assets and liabilities held at year end

Barclays Bank UK Group and PLC	2024				2023			
	Income statement		Other compre-hensive income	Total	Income statement		Other compre-hensive income	Total
	Trading income[1]	Other income			Trading income[1]	Other income		
As at 31 December	£m	£m	£m	£m	£m	£m	£m	£m
Financial assets at fair value through the income statement	3	—	—	3	140	—	—	140
Assets at fair value through other comprehensive income	—	—	(1)	(1)	—	—	—	—
Total	3	—	(1)	2	140	—	—	140

Note

1 Trading income represents gains and losses on Level 3 financial assets which are offset by losses and gains on derivative hedges disclosed within Level 2.

Significant unobservable inputs

The following table discloses the valuation techniques and significant unobservable inputs for material products recognised at fair value and classified as Level 3 along with the range of values used for those significant unobservable inputs:

Significant unobservable inputs

	Valuation technique(s)	Significant unobservable inputs	2024 Range		2023 Range		
			Min	Max	Min	Max	Units[1]
Loans	Discounted cash flows	Loan spread	35	291	40	307	bps
Corporate debt	Comparable Pricing	Comparable price	99	102	91	100	points

Note

1 The units used to disclose ranges for significant unobservable inputs are points and basis points. Points are a percentage of par; for example, 100 points equals 100% of par. A basis point equals 1/100th of 1%; for example, 150 basis points equals 1.5%.

The following section describes the significant unobservable inputs identified in the table above, and the sensitivity of fair value measurement of the instruments categorised as Level 3 assets or liabilities to increases in significant unobservable inputs. Where sensitivities are described, the inverse relationship will also generally apply.

Where reliable interrelationships can be identified between significant unobservable inputs used in fair value measurement, a description of those interrelationships is included below.

Loan Spread

Loan spreads typically represent the difference in yield between an instrument and a benchmark security or reference rate. Loan spreads typically reflect credit quality, the level of comparable assets such as gilts and other factors, and form part of the yield used in a discounted cash flow calculation.

The ESHLA portfolio primarily consists of long-dated fixed rate loans extended to counterparties in the UK Education, Social Housing and Local Authority sectors. The loans are mostly categorised as Level 3 in the fair value hierarchy due to their illiquid nature and the significance of unobservable loan spreads to the valuation. Valuation uncertainty arises from the long-dated nature of the portfolio, the lack of secondary market in the loans and the lack of observable loan spreads. The majority of ESHLA loans are to borrowers in heavily regulated sectors that are considered low credit risk and have a history of near zero defaults since inception and where Barclays Bank UK Group is often afforded a position as a secured creditor. While the overall loan spread range is from 35 bps to 291 bps (2023: 40bps to 307bps), the vast majority of spreads are concentrated towards the bottom end of this range, with 97% of the loan notional being valued with spreads less than 200 bps for the current period.

In general, a significant increase in loan spreads in isolation will result in a fair value decrease for a loan.

Comparable Price

Comparable instrument prices are used in valuation by calculating an implied yield (or spread over a liquid benchmark) from the price of a comparable observable instrument, then adjusting that yield (or spread) to account for relevant differences such as maturity or credit quality. Alternatively, a price-to-price basis can be assumed between the comparable and unobservable instruments in order to establish a value.

In general, a significant increase in comparable price in isolation will result in an increase in the price of the unobservable instrument.

Sensitivity analysis of valuations using unobservable inputs (Relates to Level 3 Portfolios)				
	2024		2023	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
	£m	£m	£m	£m
Loans	76	(24)	67	(39)
Total[1]	76	(24)	67	(39)

Note:
1 Sensitivity analysis for corporate debt is not disclosed due to immateriality.

The effect of stressing unobservable inputs to a range of reasonably possible alternatives, alongside considering the impact of using alternative models, would be to increase fair values by up to £76m (2023: £67m) or to decrease fair values by up to £24m (2023: £39m) with substantially all the potential effect impacting profit and loss. The reduction in the unfavourable impact year-on-year is attributable to market moves in interest rates. A methodology asymmetry in calculating the favourable and unfavourable changes in the sensitivity analysis exists and is attributable to Investing and Funding costs contributing to the unfavourable side only. This can result in asymmetric numerical outcomes for favourable and unfavourable sensitivities.

Portfolio exemptions
The Barclays Bank UK Group uses the portfolio exemption in IFRS 13 *Fair Value Measurement* to measure the fair value of groups of financial assets and liabilities. Financial instruments are measured using the price that would be received to sell a net long position (i.e. an asset) for a particular risk exposure or to transfer a net short position (i.e. a liability) for a particular risk exposure in an orderly transaction between market participants at the balance sheet date under current market conditions. Accordingly, the Barclays Bank UK Group measures the fair value of the group of financial assets and liabilities consistently with how market participants would price the net risk exposure at the measurement date.

Unrecognised gains as a result of the use of valuation models using unobservable inputs
The amount that has yet to be recognised in income that relates to the difference between the transaction price (the fair value at initial recognition) and the amount that would have arisen had valuation models using unobservable inputs been used on initial recognition, less amounts subsequently recognised, is £6m (2023: £6m) for financial instruments measured at fair value and £156m (2023: £174m) for financial instruments carried at amortised cost. There are additions of £1m (2023: £nil) and amortisation and releases of £1m (2023: £4m) for financial instruments measured at fair value and additions of £nil (2023: £nil) and amortisation and releases of £18m (2023: £17m) for financial instruments measured at amortised cost.

Comparison of carrying amounts and fair values for assets and liabilities not held at fair value:
The following tables summarise the fair value of financial assets and liabilities measured at amortised cost on Barclays Bank UK Group's and Barclays Bank UK PLC's balance sheet disaggregated by balance sheet classification:

Barclays Bank UK Group	2024					2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
As at 31 December	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Financial assets										
Debt securities at amortised cost	17,983	17,954	1,034	16,920	—	17,794	17,721	—	17,721	—
Loans and advances at amortised cost	206,716	201,914	152	12,947	188,815	201,995	192,890	1	15,135	177,754
Reverse repurchase agreements and other similar secured lending	5,894	5,894	—	5,894	—	3,567	3,567	—	3,567	—
Financial liabilities										
Deposits at amortised cost	(244,461)	(244,466)	(207,544)	(34,661)	(2,261)	(241,224)	(240,885)	(216,258)	(19,529)	(5,098)
Repurchase agreements and other similar secured borrowing	(15,506)	(15,506)	—	(15,506)	—	(15,265)	(15,265)	—	(15,265)	—
Debt securities in issue	(2,619)	(2,693)	—	(1,575)	(1,118)	(3,307)	(3,400)	—	(2,238)	(1,162)
Subordinated liabilities	(13,512)	(13,883)	—	(13,883)	—	(11,499)	(11,847)	—	(11,847)	—

Barclays Bank UK PLC[1]	2024					2023				
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
As at 31 December	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Financial assets										
Loans and advances at amortised cost	207,102	202,300	113	13,372	188,815	202,547	193,442	1	15,687	177,754
Financial liabilities										
Deposits at amortised cost	(245,444)	(245,380)	(207,552)	(35,567)	(2,261)	(241,874)	(241,535)	(216,258)	(20,179)	(5,098)
Debt securities in issue	(2,065)	(2,141)	—	(1,023)	(1,118)	(3,307)	(3,400)	—	(2,238)	(1,162)

Note
1 Balance sheet classifications where underlying financial instruments are materially similar to Barclays Bank UK Group have not been re-presented.

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As a wide range of valuation techniques are available, it may not be appropriate to directly compare this fair value information to independent market sources or other financial institutions. Different valuation methodologies and assumptions can have a significant impact on fair values which are based on unobservable inputs.

Financial assets

Debt Securities at amortised cost
Debt Securities at amortised cost are valued using observable market prices sourced from broker quotes, inter-dealer prices or other reliable pricing sources. Prices for actively traded bonds are considered observable. Where market data for the underlying bond is unavailable, a number of proxy/extrapolation techniques are employed to determine the appropriate fair value.

Loans and advances at amortised cost
The fair value of loans and advances, for the purpose of this disclosure, is derived from discounting expected cash flows in a way that reflects the current market price for lending to issuers of similar credit quality. Where market data or credit information on the underlying borrowers is unavailable, a number of proxy/extrapolation techniques are employed to determine the appropriate discount rates.

Reverse repurchase agreements and other similar secured lending
The fair value of reverse repurchase agreements approximates carrying amount as these balances are generally short dated and fully collateralised.

Financial liabilities

Deposits at amortised cost
In many cases, the fair value disclosed approximates carrying value because the instruments are short-term in nature or have interest rates that reprice frequently, such as customer accounts, other deposits, and short-term debt securities.

The fair value for deposits with longer-term maturities, mainly time deposits, are estimated using discounted cash flows applying either market rates or current rates for deposits of similar remaining maturities. Consequently, the fair value discount is minimal.

Repurchase agreements and other similar secured borrowing
The fair value of repurchase agreements approximates carrying amounts as these balances are generally short dated.

Debt securities in issue
Fair values of other debt securities in issue are based on quoted prices where available or, where the instruments are short dated, carrying amount approximates fair value.

Subordinated liabilities
Fair values for dated and undated convertible and non-convertible loan capital are based on quoted market rates for the issuer concerned or issuers with similar terms and conditions.

17 Offsetting financial assets and financial liabilities

The Barclays Bank UK Group reports financial assets and financial liabilities on a net basis on the balance sheet only if there is a legally enforceable right to set-off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangements on:

- All financial assets and liabilities that are reported net on the balance sheet.

- All derivative financial instruments and reverse repurchase and repurchase agreements and other similar secured lending and borrowing agreements that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for balance sheet netting.

The 'Net amounts' presented are not intended to represent the Barclays Bank UK Group's actual exposure to credit risk, as a variety of credit mitigation strategies are employed in addition to netting and collateral arrangements.

Barclays Bank UK Group	Amounts subject to enforceable netting arrangements							
	Effects of offsetting on-balance sheet			Related amounts not offset				
	Gross amounts	Amounts offset[1]	Net amounts reported on the balance sheet	Financial instruments	Financial collateral[2]	Net amount	Amounts not subject to enforceable netting arrangements[3]	Balance sheet total[4]
As at 31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m
Derivative financial assets	**1,901**	**—**	**1,901**	**(211)**	**(1,688)**	**2**	**—**	**1,901**
Reverse repurchase agreements and other similar secured lending[5]	**6,049**	**(155)**	**5,894**	**—**	**(5,894)**	**—**	**—**	**5,894**
Total assets	**7,950**	**(155)**	**7,795**	**(211)**	**(7,582)**	**2**	**—**	**7,795**
Derivative financial liabilities	**(291)**	**—**	**(291)**	**211**	**80**	**—**	**(9)**	**(300)**
Repurchase agreements and other similar secured borrowing[5]	**(478)**	**155**	**(323)**	**—**	**323**	**—**	**(15,183)**	**(15,506)**
Total liabilities	**(769)**	**155**	**(614)**	**211**	**403**	**—**	**(15,192)**	**(15,806)**
As at 31 December 2023								
Derivative financial assets	1,566	—	1,566	(232)	(1,332)	2	—	1,566
Reverse repurchase agreements and other similar secured lending[5]	5,168	(1,601)	3,567	—	(3,567)	—	—	3,567
Total assets	6,734	(1,601)	5,133	(232)	(4,899)	2	—	5,133
Derivative financial liabilities	(384)	—	(384)	232	152	—	(14)	(398)
Repurchase agreements and other similar secured borrowing[5]	(1,669)	1,601	(68)	—	68	—	(15,197)	(15,265)
Total liabilities	(2,053)	1,601	(452)	232	220	—	(15,211)	(15,663)

Notes
1 No other significant recognised financial assets and liabilities were offset in the balance sheet. Therefore, the only balance sheet categories necessary for inclusion in the table are those shown above.
2 Financial collateral of £1,688m (2023: £1,332m) was received in respect of derivative assets, including £1,688m (2023: £1,280m) of cash collateral and £nil (2023: £52m) of non-cash collateral. Financial cash collateral of £80m (2023: £152m) was placed in respect of derivative liabilities. The collateral amounts are limited to net balance sheet exposure so as to not include over-collateralisation.
3 This column includes contractual rights of set-off that are subject to uncertainty under the laws of the relevant jurisdiction.
4 The balance sheet total is the sum of 'Net amounts reported on the balance sheet' that are subject to enforceable netting arrangements and 'Amounts not subject to enforceable netting arrangements'.
5 Repurchase and other similar secured lending and Reverse Repurchase and other similar secured lending held at amortised cost.

Derivative assets and liabilities
The 'Financial instruments' column identifies financial assets and liabilities that are subject to set-off under netting agreements, such as the ISDA Master Agreement or derivative exchange or clearing counterparty agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transactions covered by the agreements if an event of default or other predetermined events occur.

Financial collateral refers to cash and non-cash collateral obtained, typically daily or weekly, to cover the net exposure between counterparties by enabling the collateral to be realised in an event of default or if other predetermined events occur.

Repurchase and reverse repurchase agreements and other similar secured lending and borrowing
The 'Financial instruments' column identifies financial assets and liabilities that are subject to set-off under netting agreements, such as Global Master Repurchase Agreements and Global Master Securities Lending Agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transactions covered by the agreements if an event of default or other predetermined events occur.

Financial collateral typically comprises highly liquid securities which are legally transferred and can be liquidated in the event of counterparty default.

These offsetting and collateral arrangements and other credit risk mitigation strategies used by Barclays Bank UK are further explained in the Credit risk mitigation section on page 63.

Barclays Bank UK PLC	Amounts subject to enforceable netting arrangements							
	Effects of offsetting on-balance sheet			Related amounts not offset				
	Gross amounts	Amounts offset[1]	Net amounts reported on the balance sheet	Financial instruments	Financial collateral[2]	Net amount	Amounts not subject to enforceable netting arrangements[3]	Balance sheet total[4]
As at 31 December 2024	£m	£m	£m	£m	£m	£m	£m	£m
Derivative financial assets	1,901	—	1,901	(211)	(1,680)	10	—	1,901
Reverse repurchase agreements and other similar secured lending[5]	6,049	(155)	5,894	—	(5,894)	—	—	5,894
Total assets	**7,950**	**(155)**	**7,795**	**(211)**	**(7,574)**	**10**	**—**	**7,795**
Derivative financial liabilities	(310)	—	(310)	211	80	(19)	(9)	(319)
Repurchase agreements and other similar secured borrowing[5]	(478)	155	(323)	—	323	—	(15,183)	(15,506)
Total liabilities	**(788)**	**155**	**(633)**	**211**	**403**	**(19)**	**(15,192)**	**(15,825)**
As at 31 December 2023								
Derivative financial assets	1,566	—	1,566	(232)	(1,317)	17	—	1,566
Reverse repurchase agreements and other similar secured lending[5]	5,168	(1,601)	3,567	—	(3,567)	—	—	3,567
Total assets	6,734	(1,601)	5,133	(232)	(4,884)	17	—	5,133
Derivative financial liabilities	(412)	—	(412)	232	152	(28)	(15)	(427)
Repurchase agreements and other similar secured borrowing[5]	(1,669)	1,601	(68)	—	68	—	(15,197)	(15,265)
Total liabilities	(2,081)	1,601	(480)	232	220	(28)	(15,212)	(15,692)

Notes
1 No other significant recognised financial assets and liabilities were offset in the balance sheet. Therefore, the only balance sheet categories necessary for inclusion in the table are those shown above.
2 Financial cash collateral of £1,680m (2023: £1,317m) was received in respect of derivative assets, including £1,680m (2023: £1,265m) of cash collateral and £nil (2023: £52m) of non-cash collateral. Financial cash collateral of £80m (2023: £152m) was placed in respect of derivative liabilities. The collateral amounts are limited to net balance sheet exposure so as to not include over-collateralisation.
3 This column includes contractual rights of set-off that are subject to uncertainty under the laws of the relevant jurisdiction.
4 The balance sheet total is the sum of 'Net amounts reported on the balance sheet' that are subject to enforceable netting arrangements and 'Amounts not subject to enforceable netting arrangements'.
5 Repurchase and other similar secured lending and Reverse Repurchase and other similar secured lending held at amortised cost.

The notes included in this section focus on the Barclays Bank UK Group's property, plant and equipment, leases and goodwill and intangible assets. Details regarding the Barclays Bank UK Group's liquidity and capital position can be found on pages 136 to 146.

18 Property, plant and equipment

Accounting for property, plant and equipment

Property, plant and equipment is stated at cost, which includes direct and incremental acquisition costs less accumulated depreciation and provisions for impairment, if required. Subsequent costs are capitalised if these result in enhancement of the asset.

Depreciation is provided on the depreciable amount of items of property, plant and equipment on a straight-line basis over their estimated useful economic lives. Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances including consideration on future Climate and Sustainability investments.

The Barclays Bank UK Group and Barclays Bank UK PLC uses the following annual rates in calculating depreciation:

Annual rates in calculating depreciation	Depreciation rate
Freehold land	Not depreciated
Freehold buildings	2%-3.3%
Leasehold property	Over the remaining life of the lease
Costs of adaptation of freehold and leasehold property	6%-10%
Equipment installed in freehold and leasehold property	6%-10%
Computers and similar equipment	17%-33%
Fixtures and fittings and other equipment	9%-20%

	Barclays Bank UK Group			
	Property	Equipment	Right of use assets[1]	Total
	£m	£m	£m	£m
Cost				
As at 1 January 2024	**586**	**1**	**438**	**1,025**
Additions	**27**	**3**	**25**	**55**
Disposals[2]	**(113)**	**—**	**(79)**	**(192)**
Exchange and other movements	**—**	**—**	**(3)**	**(3)**
As at 31 December 2024	**500**	**4**	**381**	**885**
Accumulated depreciation and impairment				
As at 1 January 2024	**(440)**	**—**	**(324)**	**(764)**
Disposals[2]	**111**	**—**	**77**	**188**
Depreciation charge	**(34)**	**—**	**(37)**	**(71)**
Impairment charge	**(1)**	**—**	**(14)**	**(15)**
Exchange and other movements	**1**	**—**	**15**	**16**
As at 31 December 2024	**(363)**	**—**	**(283)**	**(646)**
Net book value	**137**	**4**	**98**	**239**
Cost				
As at 1 January 2023	658	—	466	1,124
Additions	25	1	3	29
Disposals[2]	(97)	—	(29)	(126)
Exchange and other movements	—	—	(2)	(2)
As at 31 December 2023	586	1	438	1,025
Accumulated depreciation and impairment				
As at 1 January 2023	(455)	—	(287)	(742)
Disposals[2]	92	—	28	120
Depreciation charge	(44)	—	(50)	(94)
Impairment charge	(33)	—	(14)	(47)
Exchange and other movements	—	—	(1)	(1)
As at 31 December 2023	(440)	—	(324)	(764)
Net book value	146	1	114	261

	Barclays Bank UK PLC			
	Property	Equipment	Right of use assets[1]	Total
	£m	£m	£m	£m
Cost				
As at 1 January 2024	**583**	**—**	**435**	**1,018**
Additions	**25**	**3**	**25**	**53**
Disposals[2]	**(113)**	**—**	**(79)**	**(192)**
Exchange and other movements	**—**	**—**	**(3)**	**(3)**
As at 31 December 2024	**495**	**3**	**378**	**876**
Accumulated depreciation and impairment				
As at 1 January 2024	**(437)**	**—**	**(322)**	**(759)**
Disposals[2]	**111**	**—**	**77**	**188**
Depreciation charge	**(33)**	**—**	**(36)**	**(69)**
Impairment charge	**(1)**	**—**	**(14)**	**(15)**
Exchange and other movements	**—**	**—**	**15**	**15**
As at 31 December 2024	**(360)**	**—**	**(280)**	**(640)**
Net book value	**135**	**3**	**98**	**236**
Cost				
As at 1 January 2023	658	—	466	1,124
Additions	22	—	1	23
Disposals[2]	(97)	—	(29)	(126)
Exchange and other movements	—	—	(3)	(3)
As at 31 December 2023	583	—	435	1,018
Accumulated depreciation and impairment				
As at 1 January 2023	(455)	—	(287)	(742)
Disposals[2]	94	—	28	122
Depreciation charge	(44)	—	(49)	(93)
Impairment charge	(33)	—	(14)	(47)
Exchange and other movements	1	—	—	1
As at 31 December 2023	(437)	—	(322)	(759)
Net book value	146	—	113	259

Notes
1 Right of use (ROU) asset balances relate to Property Leases under IFRS 16. Refer Note 19 for further details.
2 Disposals primarily pertain to fully depreciated assets which are not in use.

There is no significant income from property rentals in 2024 (2023: £nil) in Barclays Bank UK Group and Barclays Bank UK PLC.

19 Leases

Accounting for leases

When the Barclays Bank UK Group and Barclays Bank UK PLC are the lessee, they are required to recognise both:

- a lease liability, measured at the present value of remaining cash flows on the lease
- a right of use (ROU) asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

Subsequently the lease liability will increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when payments are made. The right of use asset will amortise to the income statement over the life of the lease.

On the balance sheet, the ROU assets are included within property, plant and equipment and the lease liabilities are included within other liabilities.

The Barclays Bank UK Group and Barclays Bank UK PLC apply the recognition exemption in IFRS 16 for leases with a term not exceeding 12 months. For these leases the lease payments are recognised as an expense on a straight-line basis over the lease term unless another systematic basis is more appropriate.

As a lessee

The Barclays Bank UK Group and Barclays Bank UK PLC lease various offices, branches and other premises under non-cancellable lease arrangements to meet their operational business requirements. In some instances, Barclays Bank UK Group and Barclays Bank UK PLC will sublease property to third parties when it is no longer needed to meet business requirements. Currently, Barclays Bank UK Group and Barclays Bank UK PLC do not have any material subleasing arrangements.

ROU asset balances relate to property leases only. Refer to Note 18 for the carrying amount of ROU assets.

The Barclays Bank UK Group and Barclays Bank UK PLC recognised a total expense of £1m (2023: £1m) for short term leases during the year. The portfolio of short term leases to which Barclays Bank UK Group and Barclays Bank UK PLC are exposed at the end of the year is not dissimilar to the expenses recognised in the year.

Lease liabilities	Barclays Bank UK Group and PLC	
	2024	2023
	£m	£m
As at 1 January	**162**	224
Interest	**6**	8
New leases	**22**	2
Disposals	**(17)**	(6)
Cash payments	**(53)**	(63)
Exchange and other movements	**12**	(3)
As at 31 December (see Note 21)	**132**	162

Note: There is no significant difference in the lease portfolio for Barclays Bank UK Group and Barclays Bank UK PLC.

The table below sets out a maturity analysis of undiscounted lease liabilities, showing the lease payments after the reporting date.

Undiscounted lease liabilities maturity analysis	Barclays Bank UK Group and PLC	
	2024	2023
	£m	£m
Not more than one year	**45**	49
One to two years	**32**	44
Two to three years	**21**	28
Three to four years	**14**	16
Four to five years	**10**	10
Five to ten years	**23**	26
Greater than ten years	**14**	22
Total undiscounted lease liabilities as at 31 December	**159**	195

In addition to the cash flows identified above, Barclays Bank UK Group and Barclays Bank UK PLC are exposed to:

- Variable lease payments: This variability will typically arise from either inflation index instruments or market based pricing adjustments. Currently, 173 leases (2023: 435 leases) out of the total 453 leases (2023: 593 leases) have variable lease payment terms based on market based pricing adjustments. Of the gross cash flows identified above, £97m (2023: £156m) is attributable to leases with some degree of variability predominantly linked to market based pricing adjustments.

- Extension and termination options: The table above represents Barclays Bank UK Group's and Barclays Bank UK PLC's best estimate of future cash outflows for leases, including assumptions regarding the exercising of contractual extension and termination options. The above gross cash flows have been reduced by £1m (2023: £4m) for leases where it is highly expected to exercise an early termination option. The above gross cash flows have been increased by £1m (2023: £nil) for leases where it is highly expected to exercise an extension option.

The Barclays Bank UK Group and Barclays Bank UK PLC do not have any restrictions or covenants imposed by the lessor on its property leases which restrict its businesses.

20 Goodwill and intangible assets

Accounting for goodwill and intangible assets

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the fair value of the purchase consideration over the fair value of the Barclays Bank UK Group's share of the assets acquired and the liabilities and contingent liabilities assumed on the date of the acquisition.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. The test involves comparing the carrying value of a cash generating unit (CGU) including goodwill with the present value of the pre-tax cash flows, discounted at a rate of interest that reflects the inherent risks, of the CGU to which the goodwill relates, or the CGU's fair value if this is higher.

Intangible assets

Intangible assets are initially recognised when they are separable or arise from contractual or other legal rights, the cost can be measured reliably and, in the case of intangible assets not acquired in a business combination, where it is probable that future economic benefits attributable to the assets will flow from their use.

For internally generated intangible assets, only costs incurred during the development phase are capitalised. Expenditure in the research phase is expensed when it is incurred.

Intangible assets are stated at cost (which is, in the case of assets acquired in a business combination, the acquisition date fair value) less accumulated amortisation and provisions for impairment, if any, and are amortised over their useful lives in a manner that reflects the pattern to which they contribute to future cash flows, generally using the amortisation periods set out below:

Annual rates in calculating amortisation	Amortisation period
Goodwill	Not amortised
Other Software	12 months to 6 years
Core Deposits	12 months to 5 years
Brand	12 months to 10 years
Customer lists	12 months to 25 years
Licences and other	12 months to 25 years

Intangible assets are reviewed for impairment when there are indications that impairment may have occurred. Intangible assets not yet available for use are reviewed annually for impairment.

	Barclays Bank UK Group						
	Goodwill	Other software	Core deposits	Customer lists	Brand	Licences and other	Total
	£m	£m	£m	£m	£m	£m	£m
Cost							
As at 1 January 2024	3,837	30	—	90	7	2	3,966
Additions[1]	—	4	17	66	—	—	87
Disposals[2]	—	—	—	(90)	—	—	(90)
Exchange and other adjustments	—	—	—	—	—	—	—
As at 31 December 2024	3,837	34	17	66	7	2	3,963
Accumulated amortisation and impairment							
As at 1 January 2024	—	(5)	—	(90)	(1)	—	(96)
Disposals[2]	—	—	—	90	—	—	90
Amortisation charge	—	(5)	(1)	(2)	(1)	—	(9)
Exchange and other adjustments	—	—	—	—	—	—	—
As at 31 December 2024	—	(10)	(1)	(2)	(2)	—	(15)
Net book value	3,837	24	16	64	5	2	3,948
Cost							
As at 1 January 2023	3,526	—	—	90	—	2	3,618
Additions	311	30	—	—	7	—	348
Disposals	—	—	—	—	—	—	—
Exchange and other adjustments	—	—	—	—	—	—	—
As at 31 December 2023	3,837	30	—	90	7	2	3,966
Accumulated amortisation and impairment							
As at 1 January 2023	—	—	—	(90)	—	—	(90)
Disposals	—	—	—	—	—	—	—
Amortisation charge	—	(4)	—	—	(1)	—	(5)
Exchange and other adjustments	—	(1)	—	—	—	—	(1)
As at 31 December 2023	—	(5)	—	(90)	(1)	—	(96)
Net book value	3,837	25	—	—	6	2	3,870

	Barclays Bank UK PLC						
	Goodwill £m	Other software £m	Core deposits £m	Customer lists £m	Brand £m	Licences and other £m	Total £m
Cost							
As at 1 January 2024	**3,378**	**—**	**—**	**90**	**—**	**2**	**3,470**
Additions[1]	**—**	**—**	**17**	**66**	**—**	**—**	**83**
Disposals[2]	**—**	**—**	**—**	**(90)**	**—**	**—**	**(90)**
Exchange and other adjustments	**—**	**—**	**—**	**—**	**—**	**—**	**—**
As at 31 December 2024	**3,378**	**—**	**17**	**66**	**—**	**2**	**3,463**
Accumulated amortisation and impairment							
As at 1 January 2024	**—**	**—**	**—**	**(90)**	**—**	**—**	**(90)**
Disposals[2]	**—**	**—**	**—**	**90**	**—**	**—**	**90**
Amortisation charge	**—**	**—**	**(1)**	**(2)**	**—**	**—**	**(3)**
Exchange and other adjustments	**—**	**—**	**—**	**—**	**—**	**—**	**—**
As at 31 December 2024	**—**	**—**	**(1)**	**(2)**	**—**	**—**	**(3)**
Net book value	**3,378**	**—**	**16**	**64**	**—**	**2**	**3,460**
Cost							
As at 1 January 2023	3,378	—	—	90	—	2	3,470
Additions	—	—	—	—	—	—	—
Disposals	—	—	—	—	—	—	—
Exchange and other adjustments	—	—	—	—	—	—	—
As at 31 December 2023	3,378	—	—	90	—	2	3,470
Accumulated amortisation and impairment							
As at 1 January 2023	—	—	—	(90)	—	—	(90)
Disposals	—	—	—	—	—	—	—
Amortisation charge	—	—	—	—	—	—	—
Exchange and other adjustments	—	—	—	—	—	—	—
As at 31 December 2023	—	—	—	(90)	—	—	(90)
Net book value	3,378	—	—	—	—	2	3,380

Notes
1 Additions in Core deposits and Customer lists are related to the acquisition of Tesco Bank
2 Disposals pertain to fully amortised assets which are not in use.

As part of the Barclays PLC Group strategy, internally generated software and other purchased software are held in Barclays Execution Services Limited. Barclays Bank UK Group receives the required services from Barclays Execution Services Limited, which are charged for on a cost plus basis.

Critical accounting estimates and judgements

Goodwill

Testing goodwill for impairment involves a significant amount of judgement. Goodwill is allocated to CGUs for the purpose of impairment testing. The review of goodwill for impairment involves calculating a value in use (VIU) valuation which is compared to the carrying value of a CGU associated with the goodwill to determine whether any impairment has occurred. This includes the identification of independent CGUs across the organisation and the allocation of goodwill to those CGUs.

The calculation of a value in use contains a high degree of uncertainty in estimating the future cash flows and the rates used to discount them. Key judgements include determining the carrying value of the CGU, the cash flows and discount rates used in the calculation.

- The cash flow forecasts used by management involve judgement and are based upon a view of the future prospects of the business and market conditions at the point in time the assessment is prepared, including the potential effect of climate change. The estimation of cash flows is sensitive to the periods for which detailed forecasts are available and to assumptions regarding long-term sustainable cash flows.
- The discount rates applied to the future cash flows also involve judgement. The discount rates used are compared to market participants to ensure that they are appropriate and based on an estimated cost of equity for each CGU.
- The choice of a terminal growth rate used to determine the present value of the future cash flows of the CGUs is also a judgement that can impact the outcome of the assessment. The terminal growth rate and discount rates used may vary due to external market rates and economic conditions that are beyond management's control, including the potential effect of climate change.

Further details of some of the key judgements are set out below.

2024 impairment review

The 2024 impairment review was performed during Q4 2024, with the approach and results of this analysis set out below.

Determining the carrying value of CGUs

The carrying value for each CGU is the sum of the tangible equity, goodwill and intangible asset balances associated with that CGU.

The Barclays Bank UK Group manages the assets and liabilities of its CGUs with reference to the tangible equity of the respective businesses. That tangible equity is derived from the level of risk weighted assets (RWAs) and capital required to be deployed in the CGU and therefore reflects its relative risk, as well as the level of capital that management considers a market participant would be required to hold and retain to support business growth.

Goodwill is initially allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the acquisition that generated it. Goodwill is only reallocated if there is a change in its use or when reporting structures are altered in a way that changes the composition of one or more cash generating units to which goodwill has been allocated. The goodwill allocated to the Barclays Bank UK Group's CGUs is unchanged in the year. The intangible asset balances are allocated to the CGUs based upon their expected usage of these assets.

Cash flows

The five-year cash flows used in the value in use calculation are based on the formally agreed medium-term plans approved by the Board. These are prepared using macroeconomic assumptions which management considers reasonable and supportable, and reflect business agreed initiatives for the forecast period. The macroeconomic assumptions underpinning the medium-term plan were determined during 2024 and management has considered whether there are subsequent significant changes in those assumptions which would adversely impact the results of the impairment review.

As required by IAS 36, all estimates of future cash flows exclude cash inflows or outflows that are expected to arise from restructuring initiatives where a constructive obligation to carry out the plan does not yet exist.

In line with prior year treatment, the Education, Social Housing and Local Authority (ESHLA) portfolio has been excluded from the Business Banking CGU cash flows. This is a legacy loan portfolio which is not part of the business to which the goodwill relates. As such, the cash flows relating to this portfolio have been excluded from the Business Banking VIU calculation.

Discount rates

IAS 36 requires that the discount rate used in a value in use calculation reflects the pre-tax rate an investor would require if they were to choose an investment that would generate similar cash flows to those that the entity expects to generate from the asset. In determining the discount rate, management identified the costs of equity associated with market participants that closely resemble the Barclays Bank UK Group's CGUs. The cost of equity has been used as the discount rate in the 2024 impairment assessment and applied to the post tax cash flows of the CGU. This post-tax method incorporates the impact of changing tax rates on the cash flows and is expected to produce the same VIU result as the pre-tax method adjusted for varying tax rates. Using the resultant VIU the equivalent pre-tax discount rate has been calculated. The cost of equity rate used for all CGUs in this year's calculation has been increased to reflect the relative volatility of Barclays PLC's stock price versus the average of its peers. The range of equivalent pre-tax discount rates applicable across the CGUs are from 18.25% to 19.22% (2023: 17.40% to 18.55%).

Terminal growth rate

The terminal growth rate is used to estimate the effect of projecting cash flows to the end of an asset's useful economic life. It is management's judgement that the cash flows associated with the CGUs will grow in line with the UK economy in which the Barclays Bank UK Group operates. Inflation rates are used as an approximation of future growth rates and form the basis of the terminal growth rates applied. The terminal growth rate used is 2.0% (2023: 2.0%).

Outcome of goodwill and intangible assets impairment review

The Personal Banking and Business Banking CGUs carry the majority of the Barclays Bank UK Group's goodwill balance, predominantly as a consequence of the Woolwich acquisition. As at 31 December 2024, the goodwill within Personal Banking was £3,029m (2023: £3,029m), of which £2,501m (2023: £2,501m) was attributable to Woolwich, and within Business Banking the goodwill was £629m (2023: £629m), fully attributable to Woolwich. The recoverable amounts for Personal Banking and Business Banking have decreased in comparison to the 2023 impairment review. Barclaycard Consumer UK has an increased recoverable amount, compared to 2023 where the value in use had reduced to a level such that an adverse movement in any of the key judgement areas would have resulted in an impairment. The changes in the headroom (value in use less the carrying value) in the year are reflective of expected changes in the interest rate and macroeconomic outlook.

Based on management's plans and assumptions, no impairment has been recognised.

The outcomes of the impairment reviews for the Personal Banking, Business Banking and Barclaycard Consumer UK CGUs are set out below:

Cash generating unit	Tangible equity	Goodwill	Intangibles	Carrying value	Value in use	Value in use exceeding carrying value 2024	Value in use exceeding carrying value 2023
	£m	£m	£m	£m	£m	£m	£m
Personal Banking	7,702	3,029	112	10,843	13,257	2,414	3,211
Business Banking	1,940	629	—	2,569	5,689	3,120	3,258
Barclaycard Consumer UK	1,891	179	2	2,072	2,267	195	—
Total	11,533	3,837	114	15,484	21,213	5,729	6,469

Sensitivity of key judgements

The CGUs are sensitive to possible adverse changes in the key assumptions that support the recoverable amount:

Cash flows: The medium-term plans used to determine the cash flows used in the VIU calculation rely on macroeconomic forecasts, including interest rates, GDP and unemployment, and forecast levels of customers activity. Interest rate assumptions impact planned cash flows from both customer income and structural hedge contributions and therefore cash flow expectations are highly sensitive to movements in the yield curve. The cash flows also contain assumptions with regard to the prudential and financial conduct regulatory environment which may be subject to change. A sensitivity analysis has been provided to illustrate the impact of a 10% reduction in cash flows.

Discount rate: The discount rate should reflect the market risk-free rate adjusted for the inherent risks of the business it is applied to. Management has identified discount rates for comparable businesses and consider these to be a reasonable estimate of a suitable market rate for the profile of the business unit being tested. The risk that these discount rates may not be appropriate is quantified below by showing the impact of a 100bps increase in the discount rate.

Terminal growth rate: The terminal growth rate is used to estimate the cash flows into perpetuity based on the expected longevity of the CGU's businesses. The terminal growth rate is sensitive to uncertainties in the macroeconomic environment. The risk that using inflation data may not be appropriate for its determination is quantified below and shows the impact of a 100bps decrease in the terminal growth rate is shown.

Allocated capital rate: Tangible equity is allocated based on the level of risk weighted assets (RWAs) and capital required to be deployed in the CGU which is dependent on the relative risk of businesses. The capital ratio used in determining the level of tangible equity allocated to the CGU and its capital cash flows could move over time as a result of a change to the prudential regulatory environment or the risk profile of the business. The impact of a 50bps increase in capital ratio is quantified below.

The sensitivity of the value in use to key judgements in the calculations for certain CGUs holding goodwill balances is set out below:

						Reduction in headroom				Change required to reduce headroom to zero			
Cash generating unit	Carrying value	Value in use	Value in use exceeding carrying value	Discount rate	Terminal growth rate	100bps increase in the discount rate	100bps decrease in terminal growth rate	50bps increase to allocated capital rate	10% reduction in forecasted cash flows	Discount rate	Terminal growth rate	Allocated Capital rate	Cash flows
	£m	£m	£m	%	%	£m	£m	£m	£m	%	%	%	%
Personal Banking	10,843	13,257	2,414	19.2	2.0	(1,109)	(761)	(351)	(1,525)	2.4	(3.9)	3.4	(15.8)
Business banking	2,569	5,689	3,120	19.2	2.0	(474)	(323)	(102)	(655)	12.7	(32.9)	15.4	(47.6)
Barclaycard Consumer UK	2,072	2,267	195	18.2	2.0	(204)	(138)	(79)	(257)	1.0	(1.5)	1.2	(7.6)
Total	15,484	21,213	5,729										

The notes included in this section focus on the Barclays Bank UK Group's accruals, provisions and contingent liabilities. Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated. Contingent liabilities reflect potential liabilities that are not recognised on the balance sheet.

21 Other liabilities

	Barclays Bank UK Group		Barclays Bank UK PLC	
	2024	2023	2024	2023
	£m	£m	£m	£m
Accruals and deferred income	**375**	332	**364**	313
Other creditors	**968**	1,084	**991**	1,079
Items in the course of collection due to other banks	**91**	49	**91**	49
Lease liabilities (refer to Note 19)	**132**	162	**132**	162
Other liabilities	**1,566**	1,627	**1,578**	1,603

22 Provisions

Accounting for provisions

Provisions are recognised for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, which can be reliably estimated.

Critical accounting estimates and judgements

The financial reporting of provisions involves a significant degree of judgement and is complex. Identifying whether a present obligation exists and estimating the probability, timing, nature and quantum of the outflows that may arise from past events requires judgements to be made based on the specific facts and circumstances relating to individual events and often requires specialist professional advice. When matters are at an early stage, accounting judgements and estimates can be difficult because of the high degree of uncertainty involved. Management continues to monitor matters as they develop to re-evaluate on an ongoing basis whether provisions should be recognised, however there can remain a wide range of possible outcomes and uncertainties, particularly in relation to legal, competition and regulatory matters, and as a result it is often not practicable to make meaningful estimates even when matters are at a more advanced stage.

The amount that is recognised as a provision can also be very sensitive to the assumptions made in calculating it. This gives rise to a large range of potential outcomes which require judgement in determining an appropriate provision level. See Note 24 for more detail of legal, competition and regulatory matters.

	Redundancy and restructuring £m	Customer redress £m	Legal, competition and regulatory matters £m	Sundry provisions £m	Total £m
Barclays Bank UK Group					
As at 1 January 2024	82	153	1	101	337
Additions	59	23	—	52	134
Amounts utilised	(94)	(52)	(1)	(34)	(181)
Unused amounts reversed	(18)	(4)	—	(33)	(55)
Exchange and other movements[1]	9	63	—	—	72
As at 31 December 2024	38	183	—	86	307
Undrawn contractually committed facilities and guarantees[2]					
As at 1 January 2024					27
Net change in expected credit loss provision and other movements					(11)
As at 31 December 2024					16
Total provisions					
As at 1 January 2024					364
As at 31 December 2024					323
Barclays Bank UK PLC					
As at 1 January 2024	82	103	1	98	284
Additions	59	19	—	49	127
Amounts utilised	(94)	(51)	(1)	(31)	(177)
Unused amounts reversed	(18)	(4)	—	(33)	(55)
Exchange and other movements[1]	9	63	—	—	72
As at 31 December 2024	38	130	—	83	251
Undrawn contractually committed facilities and guarantees[2]					
As at 1 January 2024					27
Net change in expected credit loss provision and other movements					(11)
As at 31 December 2024					16
Total provisions					
As at 1 January 2024					311
As at 31 December 2024					267

Notes
1 Included within Exchange and other movements is an amount of £62m related to indemnified provisions arising from the acquisition of Tesco Bank. Further details regarding the nature of these indemnities are disclosed in Note 35- Business Acquisitions.
2 Undrawn contractually committed facilities and guarantees provisions are accounted for under IFRS 9. Further analysis of the movement in the expected credit loss provision is disclosed within the 'Movement in gross exposures and impairment allowance including provisions for loan commitments and financial guarantees' table on pages 89 and 92.

Provisions expected to be recovered or settled within no more than 12 months after 31 December 2024 were £285m (2023: £279m) for Barclays Bank UK Group and £229m (2023: £226m) for Barclays Bank UK PLC.

Redundancy and restructuring
These provisions comprise the estimated cost of restructuring, including redundancy costs where an obligation exists. For example, when the Barclays Bank UK Group has a detailed formal plan for restructuring a business and has raised valid expectations in those affected by the restructuring by announcing its main features or starting to implement the plan.

Customer redress
Customer redress provisions comprise the estimated cost of making redress payments to customers, clients and counterparties for losses or damages associated with inappropriate judgement in the execution of the Barclays Bank UK Group's business activities.

Legal, competition and regulatory matters
The Barclays Bank UK Group is engaged in various legal proceedings. For further information in relation to legal proceedings and discussion of the associated uncertainties, please refer to Note 24.

Sundry provisions
This category includes provisions that do not fit into any of the other categories, such as fraud losses and dilapidation provisions.

Undrawn contractually committed facilities and guarantees

Impairment allowance under IFRS 9 considers both the drawn and the undrawn counterparty exposure. For retail portfolios, the total impairment allowance is allocated to the drawn exposure to the extent that the allowance does not exceed the exposure as ECL is not reported separately. Any excess is reported on the liability side of the balance sheet as a provision. For wholesale portfolios, the impairment allowance on the undrawn exposure is reported on the liability side of the balance sheet as a provision. For further information, refer to the Credit risk section for loan commitments and financial guarantees on page 89 and 92.

23 Contingent liabilities and commitments

Accounting for contingent liabilities

Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events and present obligations where the transfer of economic resources is uncertain or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed unless the likelihood of an outflow of economic resources is remote.

The following table summarises the nominal principal amount of contingent liabilities and commitments which are not recorded on-balance sheet:

	Barclays Bank UK Group		Barclays Bank UK PLC	
	2024	2023	2024	2023
	£m	£m	£m	£m
Guarantees and letters of credit pledged as collateral security	**560**	511	**560**	511
Performance guarantees, acceptances and endorsements	**150**	150	**150**	150
Total contingent liabilities and financial guarantees	**710**	661	**710**	661
Standby facilities, credit lines and other commitments	**66,959**	49,820	**66,574**	49,646
Total commitments	**66,959**	49,820	**66,574**	49,646

Provisions for expected credit losses held against contingent liabilities and commitments equal £16m (2023: £27m) for Barclays Bank UK Group and Barclays Bank UK PLC and are reported in Note 22.

Further details on contingent liabilities relating to legal, competition and regulatory matters can be found in Note 24.

24 Legal, competition and regulatory matters

The Barclays Bank UK Group faces legal, competition and regulatory challenges, many of which are beyond our control. The extent of the impact of these matters cannot always be predicted but may materially impact our operations, financial results, condition and prospects. Matters arising from a set of similar circumstances can give rise to either a contingent liability or a provision, or both, depending on the relevant facts and circumstances.

The recognition of provisions in relation to such matters involves critical accounting estimates and judgements in accordance with the relevant accounting policies applicable to Note 22, Provisions. We have not disclosed an estimate of the potential financial impact or effect on the Barclays Bank UK Group of contingent liabilities where it is not currently practicable to do so. Various matters detailed in this note seek damages of an unspecified amount. While certain matters specify the damages claimed, such claimed amounts do not necessarily reflect the Barclays Bank UK Group's potential financial exposure in respect of those matters.

HM Revenue & Customs (HMRC) assessments concerning UK Value Added Tax

In 2018, HMRC issued notices that have the effect of either removing certain Barclays overseas subsidiaries that have operations in the UK from Barclays' UK VAT group or preventing them from joining it. Supplies between members of a UK VAT group are generally free from VAT. The notices had both retrospective and prospective effect. Barclays appealed HMRC's decisions to the First-Tier Tribunal (Tax Chamber) in relation to both the retrospective VAT assessments and the ongoing VAT payments made since 2018. £181m of VAT (inclusive of interest) was assessed retrospectively by HMRC covering the periods 2014 to 2018, of which approximately £128m is expected to be attributed to Barclays Bank UK PLC and £53m to Barclays Bank PLC. This retrospectively assessed VAT was paid in 2018 and an asset, adjusted to reflect expected eventual recovery, is recognised. Since 2018 Barclays has paid, and recognised as an expense, VAT on intra-group supplies from the relevant subsidiaries to the members of the VAT group. In respect of the ongoing VAT payments, the court upheld HMRC's denial of the VAT grouping in August 2024. Barclays has appealed this decision to the Upper Tribunal.

FCA investigation concerning financial crime systems and controls and compliance with the Money Laundering Regulations 2007

The FCA is conducting a civil enforcement investigation into Barclays Bank UK PLC's and Barclays Bank PLC's compliance with the Money Laundering Regulations 2007 and the FCA's Principles of Business and Rules relating to anti-money laundering and financial crime systems and controls. The FCA's investigation focuses primarily on the historical oversight and management of certain customers with heightened risk. Barclays has been co-operating with the investigation.

UK bank levy

In November 2024, HMRC updated its published guidance on the treatment of beneficiary accounts for the purposes of the exclusion of protected deposits from the UK bank levy charge. HMRC's interpretation of the UK bank levy legislation differs from Barclays' interpretation of the legislation, which has been applied in Barclays' UK bank levy returns and which Barclays continues to consider is correct. In December 2024, HMRC wrote to notify Barclays of its intention to challenge this treatment. Engagement with HMRC is at an early stage and assessments have not yet been issued.

General

The Barclays Bank UK Group is engaged in various other legal, competition and regulatory matters in the jurisdictions in which it operates. The Barclays Bank UK Group is subject to legal proceedings brought by and against members of the Barclays Bank UK Group which arise in the ordinary course of business from time to time, including (but not limited to) disputes in relation to contracts, securities, guarantees, debt collection, consumer credit, fraud, trusts, client assets, competition, data management and protection, intellectual property, money laundering, financial crime, employment, environmental and other statutory and common law issues.

The Barclays Bank UK Group is also subject to enquiries and examinations, requests for information, audits, investigations and legal and other proceedings by regulators, governmental and other public bodies in connection with (but not limited to) consumer protection measures, measures to combat money laundering and financial crime, compliance with legislation and regulation, wholesale trading activity and other areas of banking and business activities in which it is or has been engaged. The Barclays Bank UK Group is cooperating with the relevant authorities and keeping all relevant agencies briefed as appropriate in relation to these matters and others described in this note on an ongoing basis.

At the present time, the Barclays Bank UK Group does not expect the ultimate resolution of any of these other matters to have a material adverse effect on its financial position. However, in light of the uncertainties involved in such matters and the matters specifically described in this note, there can be no assurance that the outcome of a particular matter or matters (including formerly active matters or those matters arising after the date of this note) will not be material to Barclays Bank UK PLC's results, operations or cash flows for a particular period, depending on, among other things, the amount of the loss resulting from the matter(s) and the amount of profit otherwise reported for the reporting period.

The notes included in this section focus on the Barclays Bank UK Group's loan capital and shareholders' equity including issued share capital, retained earnings and other equity balances. For more information on capital management and how the Barclays Bank UK Group maintains sufficient capital to meet our regulatory requirements refer to page 65.

25 Subordinated liabilities

Accounting for subordinated liabilities
Subordinated liabilities are measured at amortised cost using the effective interest method under IFRS 9.

	Barclays Bank UK Group and PLC	
	2024	2023
	£m	£m
As at 1 January	**11,499**	8,268
Issuances	**2,277**	4,393
Redemptions	**(372)**	(1,136)
Other	**108**	(26)
As at 31 December	**13,512**	11,499

Issuances of £2,277m comprise £1,762m intra-group loans from Barclays PLC, £258m AUD 6.158% Fixed-to-Floating Tier2 Subordinated Callable Notes and £257m AUD Floating Rate Tier2 Subordinated Callable Notes issued to Barclays PLC.

Redemptions of £372m comprise USD 4.375% Fixed Rate Subordinated Notes issued to Barclays PLC.

Other movements predominantly comprise foreign exchange movements and fair value hedge adjustments.

Subordinated liabilities include accrued interest and none of the subordinated liabilities are secured.

			Barclays Bank UK Group and PLC[1]	
			2024	2023
	Initial call date	Maturity date	£m	£m
Barclays Bank UK PLC notes issued intra-group to Barclays PLC				
4.375% Fixed Rate Subordinated Notes (USD 1,250m)		2024	**—**	380
3.75% Fixed Rate Resetting Subordinated Callable Notes (GBP 500m)	2025	2030	**483**	466
5.20% Fixed Rate Subordinated Notes (USD 683m)		2026	**528**	509
4.836% Fixed Rate Subordinated Callable Notes (USD 800m)	2027	2028	**613**	599
5.088% Fixed-to-Floating Rate Subordinated Callable Notes (USD 200m)	2029	2030	**145**	144
3.564% Fixed Rate Resetting Subordinated Callable Notes (USD 1,000m)	2030	2035	**661**	653
6.158% Fixed to Floating Tier2 Subordinated Callable Notes (AUD 500m)	2030	2035	**248**	—
Floating Rate Tier2 Subordinated Callable Notes (AUD 500m)	2030	2035	**248**	—
7.119% Fixed-to-Floating Rate Subordinated Callable Notes (USD 640m)	2033	2034	**488**	500
Barclays Bank UK PLC intra-group loans from Barclays PLC				
Various Fixed, Fixed-to-Floating and Floating Rate Subordinated Loans			**10,098**	8,248
Total subordinated liabilities			**13,512**	11,499

Note
1 Instrument values are disclosed to the nearest million.

Subordinated liabilities
Subordinated liabilities are issued by Barclays Bank UK PLC for the development and expansion of the business and to strengthen the capital base. The principal terms of these liabilities are described below:

Currency and Maturity
In addition to the individual subordinated liabilities listed in the table, the £10,098m (2023: £8,248m) balance of intra-group loans is made up of various fixed, fixed-to-floating and floating rate loans from Barclays PLC with notional amounts denominated in USD 9,890m, EUR 1,150m and GBP 1,400m, with maturities ranging from 2025 to 2055. Certain intra-group loans have a call date one year prior to their maturity.

Subordination
All subordinated liabilities are issued intra-group to Barclays PLC. Both the subordinated notes and the subordinated loans rank behind the claims of depositors and other unsecured unsubordinated creditors but before the claims of the holders of Barclays Bank UK PLC equity. However, the subordinated notes rank behind the subordinated loans.

Interest

Interest on the floating rate loans is set by reference to market rates at the time of issuance and is fixed periodically in advance, based on the related market rate.

Interest on fixed rate notes and loans is set by reference to market rates at the time of issuance and fixed until maturity.

Interest on fixed rate callable notes and loans is set by reference to market rates at the time of issuance and fixed until the call date. After the call date, in the event that the notes or loans are not redeemed, the interest rate will be re-set to either a fixed or floating rate until maturity based on market rates.

Repayment

Those notes and loans with a call date are repayable at the option of Barclays Bank UK PLC on such call date in accordance with the conditions governing the respective liabilities, some in whole or in part, and some only in whole, or otherwise on maturity. The remaining instruments outstanding at 31 December 2024 are redeemable only on maturity, subject in particular cases to provisions allowing an early redemption in the event of certain changes in tax law or to certain changes in legislation or regulations.

Any repayments prior to maturity may require the prior consent of the PRA or BoE.

There are no committed facilities in existence at the balance sheet date which permit the refinancing of debt beyond the date of maturity.

26 Ordinary shares, share premium, and other equity

Called up share capital, allotted and fully paid

Barclays Bank UK Group and Barclays Bank UK PLC	Number of ordinary shares	Ordinary share capital	Ordinary share premium	Total called up ordinary share capital and share premium	Other equity instruments
	m	£m	£m	£m	£m
As at 1 January 2024	**505**	**5**	**—**	**5**	**2,429**
AT1 securities issuance	**—**	**—**	**—**	**—**	**618**
AT1 securities redemption	**—**	**—**	**—**	**—**	**(622)**
As at 31 December 2024	**505**	**5**	**—**	**5**	**2,425**
As at 1 January 2023	505	5	—	5	2,560
AT1 securities issuance	—	—	—	—	619
AT1 securities redemption	—	—	—	—	(750)
As at 31 December 2023	505	5	—	5	2,429

Ordinary shares

The issued ordinary share capital of Barclays Bank UK PLC, as at 31 December 2024, comprised 505m (2023: 505m) ordinary shares of £0.01 each.

Other equity instruments

Other equity instruments of £2,425m (2023: £2,429m) include AT1 securities issued to Barclays PLC. Barclays PLC uses funds from its own market issuance of AT1 securities to purchase AT1 securities from Barclays Bank UK Group. The AT1 securities are perpetual securities with no fixed maturity and are structured to qualify as AT1 instruments under prevailing capital rules applicable as at the relevant issue date.

In 2024, there were one issuance (2023: one) of AT1 instruments in the form of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities for £618m (2023: £619m) which includes issuance costs of £6m (2023: £6m) and one redemption (2023: one) for £622m (2023: £750m).

AT1 equity instruments

		2024	2023
	Initial call date	£m	£m
AT1 equity instruments - Barclays Bank UK Group			
5.875% Perpetual Subordinated Contingent Convertible Securities	2024	**—**	622
7.125% Perpetual Subordinated Contingent Convertible Securities	2025	**693**	693
6.375% Perpetual Subordinated Contingent Convertible Securities	2025	**495**	495
9.250% Perpetual Subordinated Contingent Convertible Securities	2028	**619**	619
8.500% Perpetual Subordinated Contingent Convertible Securities	2030	**618**	—
Total AT1 equity instruments		**2,425**	2,429

27 Reserves

Fair value through other comprehensive income reserve
The fair value through other comprehensive income reserve represents the changes in the fair value of financial instruments accounted for at fair value through other comprehensive income investments since initial recognition.

Cash flow hedging reserve
The cash flow hedging reserve represents the cumulative gains and losses on effective cash flow hedging instruments that will be recycled to the income statement when the hedged transactions affect profit or loss.

Other reserves and other shareholders' equity
Other reserves and other shareholders' equity relate to the merger reserve for Barclays Bank UK Group and the Group Reconstruction Relief for Barclays Bank UK PLC, in respect of the transfer of the UK banking business in 2018.

	Barclays Bank UK Group		Barclays Bank UK PLC	
	2024	2023	2024	2023
	£m	£m	£m	£m
Fair value through other comprehensive income reserve	**(192)**	(159)	**(192)**	(159)
Cash flow hedging reserve	**(793)**	(1,081)	**(793)**	(1,081)
Other reserves and other shareholders' equity	**89**	89	**191**	191
Total	**(896)**	(1,151)	**(794)**	(1,049)

The notes included in this section focus on the costs and commitments associated with employing our staff.

28 Staff costs

Accounting for staff costs

Deferred cash and share awards are made to employees to incentivise performance over the period employees provide services. To receive an award, an individual must have provided service over the vesting period and been employed on the scheduled vesting date or be considered an eligible leaver. The expense for deferred cash and share awards is recognised over the period employees' services contribute to the awards. The Barclays Bank UK Group considers it appropriate to recognise the expense over the vesting period including the financial year prior to the grant date.

The accounting policy for share-based payments is included in Note 29.

	2024 £m	2023 £m
Performance costs	**103**	91
Salaries	**761**	714
Social security costs	**92**	86
Post-retirement benefits[1]	**56**	56
Other compensation costs	**33**	33
Total compensation costs	**1,045**	980
Other resourcing costs		
Outsourcing	**95**	82
Redundancy and restructuring	**41**	98
Temporary staff costs	**17**	31
Other	**17**	18
Total other resourcing costs	**170**	229
Total staff costs	**1,215**	1,209

Note
1 Post-retirement benefits charge relates to £56m (2023: £56m) in respect of defined contribution schemes.

Participation in the UK Retirement Fund (UKRF)

As permitted under the Financial Services and Markets Act 2000 (Banking Reform) (Pensions) Regulations 2015, currently Barclays Bank UK PLC is a participating employer in the UKRF and will remain so during a transitional phase as set out in a deed of participation. Barclays Bank PLC, a fellow subsidiary of Barclays PLC, is the principal employer of the UKRF. In the event of Barclays Bank PLC's insolvency during this period provision has been made to require Barclays Bank UK PLC to become the principal employer of the UKRF. Barclays Bank PLC's Section 75 debt would be triggered by the insolvency (the debt would be calculated after allowing for the payment to the UKRF of any collateral above). To meet the requirements of the Financial Services and Markets Act 2000 (Banking Reform) (Pensions) Regulations 2015 it is Barclays' intention to sectionalise the UKRF in July 2025, creating two separate sections – the Barclays Bank Section and the Barclays UK Section (with Barclays Bank UK PLC participating in the Barclays UK Section only). This will not change the financial position of the UKRF from a consolidated Barclays PLC Group perspective, and members' benefits will be unchanged as a result of the actions Barclays is taking to meet its regulatory obligations.

Under IAS 19, the UKRF is a defined benefit plan that shares risks between entities under common control. Barclays Bank PLC accounts for the defined benefit obligation and Barclays Bank UK PLC recognises a cost equal to its contributions to the scheme. In accordance with accounting standards, Barclays Bank UK PLC does not account for any potential additional liability to the scheme at the end of the transitional phase.

29 Share-based payments

Accounting for share-based payments
Employee incentives include awards in the form of shares and share options, as well as offering employees the opportunity to purchase shares on favourable terms. The cost of the employee services received in respect of the shares or share options granted is recognised in the income statement over the period that employees provide services. The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant.

The number of shares and options expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met. For other share-based payment schemes such as Sharesave and Sharepurchase, there are non-vesting conditions which must be met. Failure to meet the non-vesting condition is treated as a cancellation, resulting in an acceleration of recognition of the cost of the employee services.

The fair value of shares is the market price ruling on the grant date, in some cases adjusted to reflect restrictions on transferability. The fair value of options granted is determined using the Black-Scholes model to estimate the numbers of shares likely to vest. The model takes into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Market conditions that must be met in order for the award to vest are also reflected in the fair value of the award, as are any other non-vesting conditions – such as continuing to make payments into a share-based savings scheme.

The charge for the year arising from share based payment schemes was as follows:

	Charge for the year	
	2024	2023
	£m	£m
Share Value Plan and Deferred Share Value Plan	7	5
Others	16	16
Total Equity settled	23	21
Cash Settled	—	—
Total share based payments	23	21

The terms of the main current plans are as follows:

Share Value Plan (SVP)
SVP awards have been granted to participants in the form of a conditional right to receive Barclays PLC shares or provisional allocations of Barclays PLC shares which vest or are considered for release over a period of three, four, five or seven years. Participants do not pay to receive an award or to receive a release of shares. For awards granted before December 2017, the grantor may also make a dividend equivalent payment to participants on release of an SVP award. SVP awards are also made to eligible employees for recruitment purposes. All awards are subject to potential forfeiture in certain leaver scenarios.

Deferred Share Value Plan (DSVP)
The terms of the DSVP are materially the same as the terms of the SVP as described above, save that Executive Directors are not eligible to participate in the DSVP and the DSVP operates over market purchase shares only.

Other schemes
In addition to the SVP and DSVP, the Barclays PLC Group operates a number of other schemes settled in Barclays PLC Shares including Sharesave (both UK and Ireland), Sharepurchase (both UK and overseas), and the Barclays PLC Group Long Term Incentive Plan. A delivery of upfront shares to 'Material Risk Takers' can be made as a Share Incentive Award (Holding Period) under the SVP.

Share option and award plans

The weighted average fair value per award granted, weighted average share price at the date of exercise/release of shares during the year, weighted average contractual remaining life and number of options and awards outstanding (including those exercisable) at the balance sheet date were as follows:

	2024				2023			
	Weighted average fair value per award granted in year	Weighted average share price at exercise/ release during year	Weighted average remaining contractual life	Number of options/ awards outstanding	Weighted average fair value per award granted in year	Weighted average share price at exercise/ release during year	Weighted average remaining contractual life	Number of options/ awards outstanding
	£	£	in years	(000s)	£	£	in years	(000s)
SVP and DSVP[1,2]	**1.61**	**1.73**	**2**	**13,291**	1.44	1.68	2	12,265
Others[1,3]	**0.81-2.11**	**1.71-2.11**	**0-2**	**77,945**	0.31-1.69	1.43-1.69	0-2	93,867

SVP and DSVP are nil cost awards on which the performance conditions are substantially completed at the date of grant. Consequently, the fair value of these awards is based on the market value at that date.

Sharesave has a contractual life of 3 years and 5 years, the expected volatility is 30.31% for 3 years and 27.49% for 5 years. The risk free interest rates used for valuations are 4.09% and 3.97% for 3 years and 5 years respectively. The pure dividend yield rates used for valuations are 2.91% and 3.00% for 3 years and 5 years respectively. The repo rates used for valuations are (0.54%) and (0.61%) for 3 years and 5 years respectively. The inputs into the model such as risk free interest rate, expected volatility, pure dividend yield rates and repo rates are derived from market data.

Movements in options and awards

The movement in the number of options and awards for the major schemes and the weighted average exercise price of options was:

	SVP and DSVP[1,2]		Others[1,3]			
	Number (000s)		Number (000s)		Weighted average exercise price (£)	
	2024	2023	2024	2023	2024	2023
Outstanding at beginning of year/ acquisition date	**12,265**	12,379	**93,867**	114,368	**1.05**	0.96
Transfers within the year[4]	**(1,027)**	427	**7,716**	(6,175)		
Granted in the year	**6,030**	4,493	**15,991**	34,509	**1.79**	1.17
Exercised/released in the year	**(3,491)**	(3,768)	**(32,908)**	(40,231)	**0.95**	0.87
Less: forfeited in the year	**(486)**	(1,266)	**(5,779)**	(7,393)	**1.20**	1.20
Less: expired in the year	**—**	—	**(942)**	(1,211)	**1.27**	1.40
Outstanding at end of year	**13,291**	12,265	**77,945**	93,867	**1.20**	1.05
Of which exercisable:	**—**	—	**9,044**	26,359	**1.20**	0.88

Notes
1 Options/award granted over Barclays PLC shares.
2 Weighted average exercise price is not applicable for SVP and DSVP awards as these are not share option schemes.
3 The number of awards within Others at the end of the year principally relates to Sharesave (number of awards exercisable at end of year was 2,318,823). The weighted average exercise price relates to Sharesave.
4 Awards of employees transferred between Barclays Bank UK Group and the rest of the Barclays PLC Group.

Awards and options granted to employees and former employees of Barclays Bank UK Group under the Barclays PLC Group share plans may be satisfied using new issue shares, treasury shares and market purchase shares of Barclays PLC. Awards granted to employees and former employees of Barclays Bank UK Group under DSVP may only be satisfied using market purchase shares of Barclays PLC.

There were no significant modifications to the share based payments arrangements in 2024 and 2023.

As at 31 December 2024, the total liability arising from cash-settled share based payments transactions was £nil (2023: £nil).

The section presents information on the Barclays Bank UK Group's interests in structured entities. Detail is also given on securitisation transactions the Barclays Bank UK Group has entered into and arrangements that are held off-balance sheet.

30 Structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding who controls the entity. Voting rights may relate to administrative tasks only, with the relevant activities of the entity being directed by means of contractual arrangements. Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities.

Depending on the Barclays Bank UK Group's power over the activities of the entity and its exposure to and ability to influence its own returns, it may consolidate the entity. In other cases, it may sponsor or have exposure to such an entity but not consolidate it.

Consolidated structured entities
The Barclays Bank UK Group has contractual arrangements which may require it to provide financial support to the following types of consolidated structured entities:

Securitisation vehicles
The Barclays Bank UK Group uses securitisation as a source of financing and a means of risk transfer. Refer to Note 31 for further detail.

Unconsolidated structured entities
The term 'unconsolidated structured entities' refers to structured entities not controlled by the Barclays Bank UK Group, and are established by the Barclays Bank UK Group or a third party. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Barclays Bank UK Group. Such interests include holding of debt or equity securities, lending, loan commitments and financial guarantees.

The Barclays Bank UK Group enters into transactions with unconsolidated structured entities in the normal course of business to facilitate customer transactions, to provide risk management services and for specific investment opportunities. Structured entities may take the form of funds, trusts, securitisation vehicles, and private investment companies. The largest transactions for Barclays Bank UK Group include holding notes issued by securitisation vehicles, loans to trusts, and facilitating customer requirements through funds. As at 31 December 2024, Barclays entered into transactions with approximately 217 (2023: 145) structured entities.

The Barclays Bank UK Group's interests in structured entities are set out below, summarised by the nature of the interest and limited to significant categories, based on maximum exposure to loss.

Summary of interests in unconsolidated structured entities

As at 31 December 2024	Lending £m	Other £m	Total[1] £m
Financial assets at fair value through the income statement	27	—	27
Financial assets at fair value through other comprehensive income	—	719	719
Loans and advances at amortised cost	597	—	597
Debt securities at amortised cost	—	8,893	8,893
Other assets	—	—	—
Total on-balance sheet exposures	**624**	**9,612**	**10,236**
Total off-balance sheet notional amounts	4	—	4
Maximum exposure to loss	**628**	**9,612**	**10,240**
Total assets of the entity	**4,722**	**22,916**	**27,638**
As at 31 December 2023			
Financial assets at fair value through the income statement	35	—	35
Financial assets at fair value through other comprehensive income	—	—	—
Loans and advances at amortised cost	154	—	154
Debt securities at amortised cost	—	9,270	9,270
Other assets	—	—	—
Total on-balance sheet exposures	189	9,270	9,459
Total off-balance sheet notional amounts	19	—	19
Maximum exposure to loss	208	9,270	9,478
Total assets of the entity	4,882	24,008	28,890

Note
1 None of the structured entities are Barclays Bank UK Group owned and not consolidated per IFRS 10 Consolidated Financial Statements.

Maximum exposure to loss
Unless specified otherwise below, the Barclays Bank UK Group's maximum exposure to loss is the total of its on-balance sheet positions and its off-balance sheet arrangements, being loan commitments and financial guarantees. Exposure to loss is mitigated through collateral, financial guarantees, the availability of netting and credit protection held.

Lending
The portfolio includes lending provided by the Barclays Bank UK Group to unconsolidated structured entities in the normal course of its lending business to earn income in the form of interest and lending fees and includes loans to structured entities that are generally collateralised by property, equipment or other assets. All loans are subject to the Barclays Bank UK Group's credit sanctioning process. Collateral arrangements are specific to the circumstances of each loan with additional guarantees and collateral sought from the sponsor of the structured entity for certain arrangements. During the year the Barclays Bank UK Group incurred immaterial impairment against such facilities.

Other
This includes interests in debt securities issued by securitisation vehicles and investment funds with interests restricted to management fees based on performance of the fund and trusts held on behalf of beneficiaries with interests restricted to unpaid fees.

Assets transferred to sponsored unconsolidated structured entities
The Barclays Bank UK Group is considered to sponsor another entity if, it had a key role in establishing that entity, it transferred assets to the entity, the Barclays name appears in the name of the entity or it provides guarantees on the entity's performance. As at 31 December 2024, no assets were transferred to sponsored unconsolidated structured entities.

31 Securitisations

Accounting for securitisations
The Barclays Bank UK Group uses securitisations as a source of finance and a means of risk transfer. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities.

Securitisations may, depending on the individual arrangement, result in continued recognition of the securitised assets and the recognition of the debt securities issued in the transaction; lead to partial continued recognition of the assets to the extent of the Barclays Bank UK Group's continuing involvement in those assets or lead to derecognition of the assets and the separate recognition, as assets or liabilities, of any rights and obligations created or retained in the transfer. Full derecognition only occurs when the Barclays Bank UK group transfers both its contractual right to receive cash flows from the financial assets, or retains the contractual rights to receive the cash flows, but assumes a contractual obligation to pay the cash flows to another party without material delay or reinvestment, and also transfers substantially all the risks and rewards of ownership, including credit risk, prepayment risk and interest rate risk.

In the course of its normal banking activities, the Barclays Bank UK Group makes transfers of financial assets, either where legal rights to the cash flows from the asset are passed to the counterparty or beneficially, where the Barclays Bank UK Group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty. Depending on the nature of the transaction, this may result in derecognition of the assets in their entirety, partial derecognition or no derecognition of the assets subject to the transfer.

A summary of the main transactions, and the assets and liabilities and the financial risks arising from these transactions, is set out below:

Transfers of financial assets that do not result in derecognition

The Barclays Bank UK Group was party to securitisation transactions involving its credit card balances and mortgage loans. In these transactions, the assets, interests in the assets, or beneficial interests in the cash flows arising from the assets, are transferred to a special purpose entity, which then issues interest bearing debt securities to third party investors.

Securitisations may, depending on the individual arrangement, result in continued recognition of the securitised assets and the recognition of the debt securities issued in the transaction. Partial continued recognition of the assets to the extent of the Barclays Bank UK Group's continuing involvement in those assets can also occur or derecognition of the assets and the separate recognition, as assets or liabilities, of any rights and obligations created or retained in the transfer.

The following table shows the carrying amount of securitised assets that have not resulted in full derecognition, together with the associated liabilities, for each category of asset on the balance sheet:

Barclays Bank UK Group	2024 Assets Carrying amount £m	2024 Assets Fair value £m	2024 Liabilities Carrying amount £m	2024 Liabilities Fair value £m	2023 Assets Carrying amount £m	2023 Assets Fair value £m	2023 Liabilities Carrying amount £m	2023 Liabilities Fair value £m
Loans and advances at amortised cost								
Credit cards, unsecured loans and other retail lending	3,540	3,540	(555)	(555)	—	—	—	—
Mortgage loans	254	263	(34)	(34)	478	499	(45)	(51)
Total	3,794	3,803	(589)	(589)	478	499	(45)	(51)

Balances included within loans and advances at amortised cost represent securitisations where substantially all the risks and rewards of the asset have been retained by the Barclays Bank UK Group.

The relationship between the transferred assets and the associated liabilities is that holders of notes may only look to cash flows from the securitised assets for payments of principal and interest due to them under the terms of their notes, although the contractual terms of their notes may be different to the maturity and interest of the transferred assets.

Barclays Bank UK PLC	2024 Assets Carrying amount £m	2024 Assets Fair value £m	2024 Liabilities Carrying amount £m	2024 Liabilities Fair value £m	2023 Assets Carrying amount £m	2023 Assets Fair value £m	2023 Liabilities Carrying amount £m	2023 Liabilities Fair value £m
Loans and advances at amortised cost								
Credit cards, unsecured loans and other retail lending	3,540	3,540	(555)	(555)	—	—	—	—
Mortgage loans	231	239	—	—	435	454	—	—
Total	3,771	3,779	(555)	(555)	435	454	—	—

Balances included within Credit cards, unsecured loans and other retail lending represent securitisations where substantially all the risks and rewards of the asset have been retained and balances included within Mortgage loans represent securitisations where the risks and rewards are neither substantially transferred nor retained.

If Barclays Bank UK PLC transfers a financial asset but does not transfer or retain substantially all the risk and rewards of the asset and retains control over it, the transferred assets are recognised to the extent of Barclays Bank UK PLCs continuing involvement. Total mortgage assets of £496m (2023: £496m) were originally transferred in this manner and the carrying value of the asset representing continued involvement is included in the table above.

Continuing involvement in financial assets that have been derecognised

In some cases, the Barclays Bank UK Group may have transferred a financial asset in its entirety but may have continuing involvement in it. This arises in asset securitisations where loans and asset backed securities were derecognised as a result of the Barclays Bank UK Group's involvement with residential mortgage backed securities. Continuing involvement largely arises from providing financing into these structures in the form of retained notes, which do not bear first losses.

The table below shows the potential financial implications of such continuing involvement:

Type of transfer	Continuing involvement[1] Carrying amount £m	Continuing involvement[1] Fair value £m	Continuing involvement[1] Maximum exposure to loss £m	Gain/(loss) from continuing involvement For the year ended £m	Gain/(loss) from continuing involvement Cumulative to 31 December £m
2024					
Residential mortgage backed securities	941	934	941	34	24
Total	941	934	941	34	24
2023					
Residential mortgage backed securities	600	600	600	(10)	(10)
Total	600	600	600	(10)	(10)

Note
1 Assets which represent the Barclays Bank UK Group's continuing involvement in derecognised assets are recorded in Loans and advances at amortised cost.

32 Assets pledged, collateral received and assets transferred

Assets are pledged or transferred as collateral to secure liabilities under repurchase agreements, securitisations and stock lending agreements or as security deposits relating to derivatives. Assets transferred are non-cash assets transferred to a third party that do not qualify for derecognition from the Barclays Bank UK Group balance sheet, for example because Barclays Bank UK Group retains substantially all the exposure to those assets under an agreement to repurchase them in the future for a fixed price.

Where non-cash assets are pledged or transferred as collateral for cash received, the asset continues to be recognised in full, and a related liability is also recognised on the balance sheet. Where non-cash assets are pledged or transferred as collateral in an exchange for non-cash assets, the transferred asset continues to be recognised in full, and there is no associated liability as the non-cash collateral received is not recognised on the balance sheet. The Barclays Bank UK Group is unable to use, sell or pledge the transferred assets for the duration of the transaction and remains exposed to interest rate risk and credit risk on these pledged assets. Unless stated, the counterparty's recourse is not limited to the transferred assets.

Collateralised transactions, such as securities lending and borrowing, repurchase and derivative transactions are conducted in accordance with standard terms which are customary in the market.

The following table summarises the nature and carrying amount of the assets pledged as security:

	Barclays Bank UK Group and PLC	
	2024	2023
	£m	£m
Loans and advances at amortised cost	**23,524**	25,704
Cash collateral	**3,972**	3,650
Financial assets at fair value through other comprehensive income	**1,761**	1,264
Assets pledged	**29,257**	30,618

The following table summarises the transferred financial assets and the associated liabilities. The transferred assets represents the gross carrying value of the assets pledged and the associated liabilities represents the IFRS balance sheet value of the related liability recorded on the balance sheet.

	Barclays Bank UK Group and PLC	
	Transferred assets	Associated liabilities
	£m	£m
As at 31 December 2024		
Repurchase agreements	**19,782**	**(15,502)**
Debt securities in issue	**3,481**	**(2,532)**
Derivatives	**955**	**(955)**
Other	**5,039**	**(3,840)**
Total	**29,257**	**(22,829)**
As at 31 December 2023		
Repurchase agreements	22,590	(15,264)
Debt securities in issue	2,170	(1,525)
Derivatives	1,247	(1,247)
Other	4,611	(3,495)
Total	30,618	(21,531)

Included within Debt securities in issue are agreements where a counterparty's recourse is limited to the transferred assets. The relationship between the gross transferred assets and the associated liabilities is that holders of notes may only look to cash flows from the securitised assets for payments of principal and interest due to them under the terms of their notes.

	Carrying value		Fair value		
	Transferred assets	Associated liabilities	Transferred assets	Associated liabilities	Net position
	£m	£m	£m	£m	£m
2024					
Recourse to transferred assets only	**3,794**	**(576)**	**3,803**	**(575)**	**3,228**
2023					
Recourse to transferred assets only	—	—	—	—	—

Barclays Bank UK Group has an additional £5.7bn (2023: £3.7bn) of loans and advances within its asset backed funding programmes that can readily be used to raise additional secured funding and are available to support future issuances.

Collateral held as security for assets

Under certain transactions, including reverse repurchase agreements and stock borrowing transactions, Barclays Bank UK Group is allowed to resell or re-pledge the collateral held. Collateralised transactions, such as securities lending and borrowing, repurchase and derivative transactions are conducted in accordance with standard terms which are customary in the market.

The fair value at the balance sheet date of collateral accepted and re-pledged to others was as follows:

	Barclays Bank UK Group and PLC	
	2024	2023
	£m	£m
Fair value of securities accepted as collateral	**6,520**	6,285
Of which fair value of securities re-pledged/transferred to others	**681**	1,296

The notes included in this section focus on related party transactions, Auditors' remuneration, Directors' remuneration and business acquisitions. Related parties include any subsidiaries, associates, joint ventures and key management personnel.

33 Related party transactions and Directors' remuneration

Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both.

Parent company

The parent company, which is also the ultimate parent company, is Barclays PLC, which holds 100% of the issued ordinary shares of Barclays Bank UK PLC. The largest group in which the results of the Company are consolidated is headed by Barclays PLC, 1 Churchill Place London E14 5HP. The consolidated financial statements of the Barclays Group are available to the public and may be obtained from Barclays Corporate Secretariat, 1 Churchill Place London E14 5HP.

Subsidiaries

Transactions between Barclays Bank UK PLC and its subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the Barclays Bank UK Group's financial statements.

Fellow subsidiaries

Transactions between the Barclays Bank UK Group and other subsidiaries of the parent company also meet the definition of related party transactions.

Associates, joint ventures and other entities

There were no material related party transactions with associates, joint ventures or pension funds during the year.

Amounts included in the Barclays Bank UK Group's financial statements, in aggregate, by category of related party entity are as follows:

	Parent £m	Fellow subsidiaries £m
For the year ended and as at 31 December 2024		
Total income	**(641)**	**243**
Credit impairment charges	**—**	**—**
Operating expenses	**(45)**	**(2,338)**
Total assets	**—**	**5,049**
Total liabilities	**14,080**	**556**
For the year ended and as at 31 December 2023		
Total income	(484)	185
Credit impairment charges	—	—
Operating expenses	(52)	(2,453)
Total assets	—	2,846
Total liabilities	12,027	535

Amounts included in Barclays Bank UK PLC's financial statements, in aggregate, by category of related party entity are as follows:

	Parent £m	Subsidiaries £m	Fellow subsidiaries £m
As at 31 December 2024			
Total assets	**—**	**1,025**	**5,022**
Total liabilities	**14,080**	**1,123**	**505**
As at 31 December 2023			
Total assets	—	1,136	2,817
Total liabilities	12,027	735	535

It is the normal practice of Barclays Bank UK PLC to provide its subsidiaries with support and assistance by way of guarantees, indemnities, letters of comfort and commitments, as may be appropriate, with a view to enabling them to meet their obligations and to maintain their good standing, including commitment of capital and facilities. For dividends paid to Barclays PLC see Note 10.

Key Management Personnel

Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Barclays Bank UK PLC (directly or indirectly) and comprise the Directors and Officers of Barclays Bank UK PLC, certain direct reports of the Chief Executive Officer and the heads of major business units and functions.

The Barclays Bank UK Group provides banking services to Key Management Personnel and persons connected to them. Transactions during the year and the balances outstanding were as follows:

Loans outstanding	2024 £m	2023 £m
As at 1 January	**4.2**	10.6
Loans issued during the year[1]	**2.7**	2.1
Loan repayments during the year[2]	**(3.6)**	(8.5)
As at 31 December	**3.3**	4.2

Notes
1 Includes loans issued to existing Key Management Personnel and new or existing loans issued to newly appointed Key Management Personnel.
2 Includes loan repayments by existing Key Management Personnel and loans to former Key Management Personnel.

No allowances for impairment were recognised in respect of loans to Key Management Personnel (or any connected person).

Deposits outstanding	2024 £m	2023 £m
As at 1 January	**5.1**	5.4
Deposits received during the year[1]	**20.4**	28.2
Deposits repaid during the year[2]	**(19.8)**	(28.5)
As at 31 December	**5.7**	5.1

Notes
1 Includes deposits received from existing Key Management Personnel and new or existing deposits received from newly appointed Key Management Personnel.
2 Includes deposits repaid by existing Key Management Personnel and deposits of former Key Management Personnel.

Total commitments outstanding

Total commitments outstanding refer to the total of any undrawn amounts on credit card and/or overdraft facilities provided to Key Management Personnel. Total commitments outstanding as at 31 December 2024 were £0.5m (2023: £0.5m).

All loans to Key Management Personnel (and persons connected to them) were made in the ordinary course of business; were made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other persons; and did not involve more than a normal risk of collectability or present other unfavourable features.

Remuneration of Key Management Personnel

Total remuneration awarded to Key Management Personnel below represents salaries, short term benefits and pensions contributions received during the year and awards made as part of the latest remuneration decisions in relation to the year. Costs recognised in the income statement reflect the accounting charge for the year included within operating expenses. The difference between the values awarded and the recognised income statement charge principally relates to the recognition of costs for deferred awards. Figures are provided for the period that individuals met the definition of Key Management Personnel.

	2024 £m	2023 £m
Salaries and other short-term benefits	**15.6**	15.5
Pension costs	**0.2**	0.1
Other long-term benefits	**2.6**	1.2
Share-based payments	**3.1**	1.9
Employer social security charges on emoluments	**2.6**	2.6
Costs recognised for accounting purposes	**24.1**	21.3
Employer social security charges on emoluments	**(2.6)**	(2.6)
Other long-term benefits – difference between awards granted and costs recognised	**1.0**	1.4
Share-based payments – difference between awards granted and costs recognised	**0.5**	0.7
Total remuneration awarded	**23.0**	20.8

Disclosure required by the Companies Act 2006

The following information regarding the Barclays Bank UK PLC Board of Directors is presented in accordance with the Companies Act 2006:

	2024 £m	2023 £m
Aggregate emoluments[1]	**5.3**	4.8

Note

1 The aggregate emoluments include amounts paid for the 2024 year. In addition, deferred cash and share awards for 2024 with a total value at grant of £3.0m (2023: £1.8m) will be made to Directors which will only vest subject to meeting certain conditions.

Pension contributions of £30,000 were paid to defined contribution schemes on behalf of Directors (2023: £7,500). There were no notional pension contributions to defined contribution schemes.

As at 31 December 2024, there were no Directors accruing benefits under a defined benefit scheme (2023: nil).

The aggregate amount of compensation payable to departing officers in respect of loss of office was £nil (2023: £524,895).

Of the figures in the table above, the amounts attributable to the highest paid Director in respect of qualifying services are as follows:

	2024 £m	2023 £m
Aggregate emoluments[1]	**1.8**	1.8

Note

1 The aggregate emoluments include amounts paid for the 2024 year. In addition, deferred cash and share awards for 2024 with a total value at grant of £2.2m (2023: £1.1m) will be made to highest paid Director which will only vest subject to meeting certain conditions.

There were no actual pension contributions paid to defined contribution schemes on behalf of the highest paid Director (2023: £nil). There were no notional pension contributions to defined contribution schemes.

Advances and credit to Directors and guarantees on behalf of Directors

In accordance with Section 413 of the Companies Act 2006, the total amount of advances and credits made available in 2024 to persons who served as Directors during the year was £0.4m (2023: £0.4m). The total value of guarantees entered into on behalf of Directors during 2024 was £nil (2023: £nil).

34 Auditor's remuneration

Auditor's remuneration is included within consultancy, legal and professional fees in administration and general expenses and comprises:

	2024 £m	2023 £m
Audit of the Barclays Bank UK Group's annual accounts	**14**	12
Other services:		
Audit of the Company's subsidiaries[1]	**2**	1
Other audit related fees[2]	**2**	2
Total Auditor's remuneration	**18**	15

Notes
1 Comprises the fees for the statutory audit of the subsidiaries and fees for the work performed by associates of KPMG in respect of the consolidated financial statements of the Company.
2 Comprises services in relation to statutory and regulatory filings. These include audit services for the review of the interim financial information under the Listing Rules of the UK listing authority.

35 Business acquisitions

Accounting for business acquisitions
IFRS 3 establishes principles and requirements for how an acquirer in a business combination:

- recognises and measures in its financial statements the assets and liabilities acquired, and any interest in the acquiree held by other parties;
- recognises and measures the goodwill acquired in the business combination or a gain from a bargain purchase; and
- determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination.

In accordance with IFRS 3, a business consists of inputs and processes applied to those inputs that have the ability to contribute to the creation of outputs.

The core principles in IFRS 3 are that an acquirer measures the cost of the acquisition at the fair value of the consideration paid; allocates that cost to the acquired identifiable assets and liabilities on the basis of their fair values; allocates the rest of the cost to goodwill; and recognises any excess of acquired assets and liabilities over the consideration paid (a 'bargain purchase') in profit or loss immediately. The acquirer discloses information that enables users to evaluate the nature and financial effects of the acquisition.

On 1 November 2024, Barclays Bank UK PLC completed the acquisition of Tesco Bank. The acquired business includes credit cards, unsecured personal loans, deposits and the operating infrastructure (Retail Bank Assets and Liabilities), along with the transfer of c.2,600 employees. The acquisition also includes assets, liabilities, and responsibilities related to a credit card securitisation originated under the Tesco Bank brand. The acquisition of Tesco Bank by Barclays Bank UK PLC did not involve the acquisition of any equity interests.

In addition to the business acquisition, Barclays Bank UK has entered into a long-term, exclusive strategic partnership with Tesco Stores Limited for an initial period of 10 years to market and distribute credit cards, unsecured personal loans and deposits using the Tesco PLC ("Tesco") brand, as well as explore other opportunities to offer financial services to Tesco customers. Partnering with Tesco, the UK's largest retailer which also operates the UK's largest loyalty scheme, represents a key opportunity to further our UK retail banking strategic ambitions. The acquired customer base complements Barclays Bank UK's current business, as well as building on its existing UK strategic partnerships with other leading retail, consumer electronics and loyalty programme brands. As costs are incurred under this partnership agreement, these are accounted for in line with Barclays Bank UK group's relevant accounting policy for such costs.

The acquisition consisted of £4,051m of gross credit card receivables, £4,034m of gross unsecured personal loans, £6,923m of customer deposits and certain other assets and liabilities for total consideration of £616m in cash. Net assets acquired at completion of the transaction were £1,173m and a gain on acquisition of £558m has been recognised in the income statement. After acquisition, an expected credit loss allowance of £209m has been recognised on credit cards and loan receivables along with the associated impairment expense.

Barclays Bank UK PLC will, in the 12 months following the acquisition, continue to assess the fair values of the acquired balances for any impact of new information regarding conditions that existed as at the acquisition date that would result in a measurement period adjustment.

	Acquisition of Tesco Bank Retail Bank Assets and Liabilities[1]	
	Barclays Bank UK Group	Barclays Bank UK PLC
As at acquisition date	£m	£m
Assets		
Cash and balances at central banks	337	337
Cash and collateral and settlement balances	50	50
Loans and advances at amortised cost to customers[2]	8,085	8,135
Of which:		
Credit card receivables	4,051	4,051
Unsecured loan receivables	4,034	4,034
Loans and advances at amortised cost to banks	70	—
Derivative financial instruments	20	20
Goodwill and intangible assets[3]	83	83
Property, plant and equipment	21	21
Other assets	132	145
Total assets	**8,798**	**8,791**
Liabilities		
Deposits at amortised cost[4]	(6,923)	(7,470)
Debt securities in issue	(554)	—
Other liabilities	(83)	(83)
Provisions	(65)	(65)
Total liabilities	**(7,625)**	**(7,618)**

Notes
1 This financial information represents the acquisition of the retail banking business of Tesco Bank by the Barclays Bank UK Group and Barclays Bank UK PLC as at the acquisition date 1 November 2024.
2 Loans and advances at amortised cost acquired includes total credit cards and unsecured loan receivables of £8,085m, recognised initially at fair value at the point of acquisition and subsequently measured at amortised cost. This represents a gross contractual amount receivable of £8,634m, comprising credit cards receivables of £4,323m and unsecured loan receivables of £4,311m. After acquisition an expected credit loss allowance of £209m has been recognised, comprising £133m on credit cards receivables and £76m on unsecured loan receivables, along with the associated impairment expense. The unsecured loan amount in Barclays Bank UK PLC includes £50m associated with loans under a securitisation arrangement, which is eliminated in the consolidated financial statements of Barclays Bank UK Group.
3 Intangible assets include £66m of Purchased Credit Cards Receivables (PCCR) and £17m of Core Deposit Intangibles (CDI).
4 Deposits at amortised cost in Barclays Bank UK PLC includes a £554m 'failed sale liability' under a securitisation arrangement, which is eliminated in the consolidated financial statements of Barclays Bank UK Group.

The Barclays Bank UK Group has accounted for the acquisition of Tesco Bank as a business combination using the acquisition method. Consequently, the Barclays Bank UK Group recognised at fair value all identifiable assets, including those not currently on the Tesco Bank balance sheet, and assumed liabilities of Tesco Bank, and the Retail Bank Assets and Liabilities on its consolidated balance sheet. There was no contingent consideration payable in connection with the acquisition. The Barclays Bank UK Group recognised the Retail Bank Assets and Liabilities as financial assets and liabilities, initially at fair value at the point of acquisition and subsequently at amortised cost. Fair valuation was performed based on the discounting of future expected cash flows.

In connection with the acquisition of Tesco Bank, Tesco Personal Finance plc agreed to indemnify Barclays Bank UK PLC for certain matters. An indemnification asset of £91m has been recorded at the acquisition date for this arrangement. Of the £91m balance, £60m relates to exposures transferred to Barclays Bank UK PLC where there is a present obligation, and it is probable there will be an outflow of resources. £31m relates to exposures where there is a present obligation, however, it is not probable an outflow of resources will result. The maximum reimbursement under the indemnity excluding claims relating to PPI is capped at £350m expiring after four years and including claims related to PPI is capped at £600m.

Since the acquisition date, total operating income of £105m and profit before tax of £37m from the retail banking business of Tesco Bank have been recognised within the consolidated income statement and the consolidated statement of comprehensive income for the year ended 31 December 2024. This excludes the gain recognised on acquisition of £558m and expected credit loss allowance of £209m recognised subsequently along with the associated impairment expense on credit cards receivables and unsecured loan receivables.

Had the retail banking business of Tesco Bank been acquired from 1 January 2024, additional income of £420m and profit before tax of £118m would have been recognised. Acquisition-related costs of £18m, mainly attributable to professional and legal fees, have been recognised as an expense in the consolidated income statement mainly within Administrative and general expenses in the year ended 31 December 2024 (2023: £2m).

36 Barclays Bank UK PLC (the parent company)

The investment in subsidiaries of £495m (December 2023: £495m) predominantly relates to investments in Barclays Insurance Services Company Limited and Kensington Mortgages Company Limited. There has been no significant movement in the year ending 31 December 2024. During 2023, Barclays Bank UK PLC sold the entire issued share capital of Barclays Asset Management Limited and Barclays Investment Solutions Limited along with certain other assets and liabilities, business guarantees and business contracts (together with the transfer of associated employees of Barclays Bank UK PLC) to Barclays Bank PLC. The purchase price for the business transfer was a nominal consideration of £3 representing the fair value of the transferring business. The transfer resulted in a reduction in the Investment in subsidiaries and loss on disposal of £296m in Barclays Bank UK PLC. The loss on disposal for the Barclays Bank UK Group was £124m.

At the end of each reporting period an impairment review is undertaken in respect of investment in subsidiaries. Impairment is indicated where the investment exceeds the recoverable amount. The recoverable amount is calculated as a value in use (VIU) which is derived from the present value of future cash flows expected to be received from the investment. The VIU calculation uses future years forecast profits from financial budgets approved by management as an approximation of future cash flows. In 2023 and 2024, the recoverable amount was higher than the carrying value of all investments in ordinary shares held by Barclays Bank UK PLC.

37 Related undertakings

The Barclays Bank UK Group's corporate structure consists of a number of related undertakings, comprising subsidiary undertakings, joint ventures, associated undertakings and significant holdings. A full list of these related undertakings is set out below, together with the country of incorporation, registered office (or principal place of business) and the identity and percentage of each share class held by the Barclays Bank UK Group. The information is provided as at 31 December 2024.

Wholly owned subsidiaries

The related undertakings below are wholly owned and included in the consolidation, and the share capital held by the Barclays Bank UK Group comprises ordinary shares, which are directly held by Barclays Bank UK PLC. Unless otherwise stated, the Barclays Bank UK Group holds 100% of the nominal value of each share class.

A. Directly held by Barclays Bank UK PLC
B. Partnership Interest
C. A Ordinary Shares

Wholly owned subsidiaries	Note
United Kingdom	
1 Churchill Place, London, E14 5HP	
Barclays Insurance Services Company Limited	A
Barclays SAMS Limited	A
FIRSTPLUS Financial Group Limited	A
Woolwich Homes Limited	A
Ascot House, Maidenhead Office Park, Maidenhead, SL6 3QQ	
Kensington Mortgage Company Limited	A
Kensington Mortgage Services Limited	A

Other Related Undertakings

The related undertakings below are included in the consolidation, and unless otherwise stated the share capital held by the Barclays Bank UK Group comprises ordinary shares, which are directly held by Barclays Bank UK PLC. The percentage of the nominal value of each share class/partnership interest held by Barclays Bank UK PLC is provided below.

Other Related Undertakings	%	Note
United Kingdom		
1 Churchill Place, London, E14 5HP		
Barclaycard Funding PLC	100.00	A, C
Barclays Covered Bonds Limited Liability Partnership	50.00	A, B

Joint Ventures

The related undertaking below is dealt with as a Joint Venture[1] in accordance with s.18, Schedule 4, The Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and is proportionally consolidated. The proportion of the capital of the related undertaking held by Barclays Bank UK PLC is stated below.

Joint Venture	%	Note
United Kingdom		
All Saints Triangle, Caledonian Road, London, N1 9UT		
Vaultex UK Limited	50.00	A

Note
1 This is distinct to how the term "joint venture" may be used for the purposes of IFRS.

Joint management factors

The Joint Venture board comprises two Barclays representative directors, two Joint Venture partner directors and two non Joint Venture partner directors. The Board of Directors is responsible for setting the company strategy and budgets. For IFRS purposes, Vaultex UK Limited is accounted for as a Joint Operation in the Barclays Bank UK Group financial statements.

The last financial year of the above Joint Venture ended on 6 October 2024. The above Joint Venture has a later publication date with respect to its annual accounts than that of the Barclays Bank UK Group and, accordingly, information in relation to the average number of employees employed by such Joint Venture is not yet available.

The term Barclays Bank UK Group refers to Barclays Bank UK PLC together with its subsidiaries. Unless otherwise stated, the income statement analysis compares the year ended 31 December 2024 to the corresponding twelve months of 2023 and balance sheet analysis as at 31 December 2024 with comparatives relating to 31 December 2023. 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/latest-financial-results.

Barclays Bank UK Group is an issuer in the debt capital markets and meets with investors via formal roadshows and other ad hoc meetings. Consistent with its usual practice, Barclays Bank UK Group expects that from time to time over the coming half year it will meet with investors to discuss these results and other matters relating to the Barclays Bank UK Group.

Forward-looking statements

This document contains certain forward-looking statements with respect to the Barclays Bank UK 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 Barclays Bank UK Group (including during management presentations) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Barclays Bank UK 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 Barclays Bank UK 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 Barclays Bank UK 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; macroeconomic and business conditions, including inflation, in the UK and in any systemically important economy which impacts the UK; 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 Barclays Bank UK 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 Barclays Bank UK Group's reputation, business or operations; the Barclays Bank UK 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 Barclays Bank UK Group's control. As a result, the Barclays Bank UK Group's actual financial position, results, financial and non-financial metrics or performance measures or its ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Barclays Bank UK Group's forward-looking statements. Additional risks and factors which may impact the Barclays Bank UK Group's future financial condition and performance are identified in the description of material existing and emerging risks beginning on page 45 of this Annual Report.

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