Barclays PLC
Pillar 3

31 March 2018

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Pillar 3

KM1 - Key Metrics

		As at 31.03.18 £m	As at 31.12.17 £m	As at 30.09.17 £m	As at 30.06.17 £m	As at 31.03.17 £m
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)[1]	40,246	41,565	42,329	42,834	44,938
1a	Fully loaded ECL accounting model[2]	38,932	41,565	42,329	42,834	44,938
2	Tier 1[3]	52,110	53,914	54,941	54,241	57,073
2a	Fully loaded ECL accounting model Tier 1[4]	47,743	50,376	51,139	50,398	52,961
3	Total capital [3]	64,548	67,175	68,900	67,673	70,693
3a	Fully loaded ECL accounting model total capital[4]	61,560	64,646	65,936	64,709	67,364
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)[1]	317,946	313,033	324,296	327,414	360,878
4a	Fully loaded ECL accounting model total risk-weighted assets (RWA)[2]	317,970	313,033	324,296	327,414	360,878
	Risk-based capital ratios as a percentage of RWA					
5	Common Equity Tier 1 ratio (%)	12.7%	13.3%	13.1%	13.1%	12.5%
5a	Fully loaded ECL accounting model Common Equity Tier 1 (%)	12.2%	13.3%	13.1%	13.1%	12.5%
6	Tier 1 ratio (%)	16.4%	17.2%	16.9%	16.6%	15.8%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	15.0%	16.1%	15.8%	15.4%	14.7%
7	Total capital ratio (%)	20.3%	21.5%	21.2%	20.7%	19.6%
7a	Fully loaded ECL accounting model total capital ratio (%)	19.4%	20.7%	20.3%	19.8%	18.7%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (2.5% from 2019) (%)	1.9%	1.3%	1.3%	1.3%	1.3%
9	Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Bank G-SIB and/or D-SIB additional requirements (%)	1.1%	1.0%	1.0%	1.0%	1.0%
11	Total of bank CET1 specific buffer requirements (%) (row 8 + 9 + 10)	3.0%	2.3%	2.3%	2.3%	2.3%
12	CET1 available after meeting the bank's minimum capital requirements (%)	8.2%	8.8%	8.6%	8.6%	8.0%
	CRR leverage ratio					
13	Total CRR leverage ratio exposure measure	1,169,217	1,124,521	1,150,611	1,122,089	1,196,896
14	Fully loaded CRR leverage ratio (%)	4.1%	4.5%	4.4%	4.5%	4.4%
	Average UK leverage ratio (Transitional)[5]					
13a	Total average UK leverage ratio exposure measure[6]	1,089,910	1,044,560	1,035,137	1,092,169	1,130,430
14a	Transitional average UK leverage ratio (%)	4.6%	4.9%	4.9%	4.8%	4.6%
	UK leverage ratio (Transitional)[5]					
13b	Total UK leverage ratio exposure measure	1,030,784	984,710	1,002,136	999,286	1,196,896
14b	Transitional UK leverage ratio (%)	4.8%	5.1%	5.1%	5.0%	4.4%
	Average UK leverage ratio (Fully loaded)[7]					
13c	Total average UK leverage ratio exposure measure[6]	1,088,577	1,044,560	1,035,137	1,092,169	1,130,430
14c	Fully loaded average UK leverage ratio (%)	4.5%	4.9%	4.9%	4.8%	4.6%
	UK leverage ratio (Fully loaded)[7]					
13d	Total UK leverage ratio exposure measure	1,029,470	984,710	1,002,136	999,286	1,196,896
14d	Fully loaded UK leverage ratio (%)	4.6%	5.1%	5.1%	5.0%	4.4%
	Liquidity Coverage Ratio					
15	Total HQLA	203,591	214,637	214,929	198,588	186,952
16	Total net cash outflows	138,436	139,760	136,909	133,569	133,177
17	LCR ratio (%)	147%	154%	157%	149%	140%

1 *Transitional CET1 capital and RWAs are calculated applying the IFRS 9 transitional arrangements under Article 473a of the CRR.*
2 *Fully loaded CET1 capital and RWAs are calculated without the application of the IFRS 9 transitional arrangements under Article 473a of the CRR.*
3 *Transitional Tier 1 and Total capital include AT1 and T2 capital that are calculated applying the grandfathering of CRR non-compliant capital instruments.*
4 *Fully loaded Tier 1 and Total capital include AT1 and T2 capital that are calculated without applying the grandfathering of CRR non-compliant capital instruments.*
5 *The Transitional UK leverage ratios are calculated applying the IFRS 9 transitional arrangements under Article 473a of the CRR and in line with the PRA Handbook, which excludes grandfathered AT1 instruments allowed under CRR.*
6 *The average UK leverage exposure for 31 March 2018 uses an exposure measure for each day in the quarter, for prior periods the exposure measure was based on the last day of each month in the quarter.*
7 *The Fully loaded UK leverage ratios are calculated without applying the IFRS 9 transitional arrangements under Article 473a of the CRR and in line with the PRA Handbook, which excludes grandfathered AT1 instruments allowed under CRR.*

CRD IV capital

Barclays' fully loaded CET1 regulatory requirement is expected to be 11.4% comprising a 4.5% Pillar 1 minimum, a 2.5% Capital Conservation Buffer (CCB), a 1.5% Global Systemically Important Institution (G-SII) buffer, a 2.4% Pillar 2A requirement and an expected 0.5% Countercyclical Capital Buffer (CCyB).

The CCB and the G-SII buffer, determined by the Prudential Regulation Authority (PRA) in line with guidance from the Financial Stability Board (FSB), are subject to phased implementation at 25% per annum from 2016 with full effect from 2019. The CCB has been set at 2.5% with 1.9% applicable for 2018. The G-SII buffer for 2018 has been set at 1.5% with 1.1% applicable for 2018. On 21 November 2017 the FSB confirmed that the G-SII buffer will remain at 1.5% applicable for 2019.

On 25 September 2017 the Financial Policy Committee (FPC) reaffirmed that it expects to increase the UK CCyB rate from 0% to 0.5% applicable from 27 June 2018 and to 1% applicable from 28 November 2018. Based on current UK exposures, Barclays' CCyB is expected to be approximately 0.5% from November 2018. Other national authorities also determine the appropriate CCyBs that should be applied to exposures in their jurisdiction, however based on current exposures none of those set are material.

Barclays' Pillar 2A requirement as per the PRA's Individual Capital Guidance (ICG) for 2018 is 4.3%, of which at least 56.25% needs to be met in CET1 form, equating to approximately 2.4% of RWAs. Certain elements of the Pillar 2A requirement are a fixed quantum whilst others are a proportion of RWAs and are based on a point in time assessment. The Pillar 2A requirement is subject to at least annual review.

On 1 January 2018, IFRS 9 transitional capital arrangements were implemented by Regulation (EU) 2017/2395. Barclays elected to apply the transitional arrangements at both consolidated and individual entity levels and will disclose both transitional and fully loaded CET1 ratios until the end of the transitional period. The transitional benefit is phased out over a 5 year period with 95% applicable for 2018; 85% for 2019; 70% for 2020; 50% for 2021; 25% for 2022 and with no transitional benefit from 2023.

The transitional arrangements, implemented under a modified static approach, allow for transitional relief on the "day 1" impact on adoption of IFRS 9 (static element) and for the increase between "day 1" and the reporting date (modified element), subject to eligibility. For the static element, stage 1, stage 2 and stage 3 provisions are eligible for transition, whereas for the modified element, stage 3 provisions are excluded.

Separate calculations are performed for standardised and advanced portfolios, reflecting the different ways these frameworks take account of provisions. Under the standardised approach, increases in provisions for both the static and modified elements are eligible for transition. Under the advanced approach, for both the static and modified elements, provisions are only eligible for transitional relief to the extent that they exceed regulatory expected losses.

As at 31 March 2018, Barclays' transitional CET1 ratio was 12.7% which exceeded the Q118 transitional minimum requirement of 9.9% which comprised a 4.5% Pillar 1 minimum, a 1.9% CCB, a 1.1% G-SII buffer, a 2.4% Pillar 2A requirement and a 0% CCyB.

Capital ratios

	As at 31.03.18	As at 31.12.17
Transitional CET1[1,2]	12.7%	13.3%
Fully loaded CET1[3]	12.2%	13.3%
Transitional tier 1 (T1)[4,5]	16.4%	17.2%
Transitional total capital[4,5]	20.3%	21.5%

Capital resources

	£m	£m
Total equity (excluding non-controlling interests) per the balance sheet	**59,519**	**63,905**
Less: other equity instruments (recognised as additional tier 1 (AT1) capital)	(8,941)	(8,941)
Adjustment to retained earnings for foreseeable dividends	(664)	(392)
Other regulatory adjustments and deductions:		
Additional value adjustments (PVA)	(1,365)	(1,385)
Goodwill and intangible assets	(7,858)	(7,908)
Deferred tax assets that rely on future profitability excluding temporary differences	(525)	(593)
Fair value reserves related to gains or losses on cash flow hedges	(709)	(1,161)
Excess of expected losses over impairment	-	(1,239)
Gains or losses on liabilities at fair value resulting from own credit	120	83
Defined benefit pension fund assets	(565)	(732)
Direct and indirect holdings by an institution of own CET1 instruments	(50)	(50)
Other regulatory adjustments	(30)	(22)
Fully loaded CET1 capital	**38,932**	**41,565**
Adjustment under IFRS 9 transitional arrangements[1]	1,314	-
Transitional CET1 capital	**40,246**	**41,565**
AT1 capital		
Capital instruments and related share premium accounts	8,941	8,941
Qualifying AT1 capital (including minority interests) issued by subsidiaries	3,053	3,538
Other regulatory adjustments and deductions	(130)	(130)
Transitional AT1 capital[4]	**11,864**	**12,349**
Transitional T1 capital	**52,110**	**53,914**
Tier 2 (T2) capital[4]		
Capital instruments and related share premium accounts	6,293	6,472
Qualifying T2 capital (including minority interests) issued by subsidiaries	6,253	7,040
Credit risk adjustments (excess of impairment over expected losses)	143	-
Other regulatory adjustments and deductions	(251)	(251)
Transitional total regulatory capital	**64,548**	**67,175**
Total transitional RWAs[1]	**317,946**	**313,033**
Total fully loaded RWAs[3]	**317,970**	**313,033**

1 *Transitional CET1 capital and RWAs are calculated applying the IFRS 9 transitional arrangements under Article 473a of the CRR.*
2 *The CRD IV CET1 ratio (FSA October 2012 transitional statement) as applicable to Barclays' tier 2 Contingent Capital Notes is equal to the transitional CET1 ratio.*
3 *Fully loaded CET1 capital and RWAs are calculated without the application of the IFRS 9 transitional arrangements under Article 473a of the CRR.*
4 *Transitional AT1 and T2 capital are calculated applying the grandfathering of CRR non-compliant capital instruments.*
5 *As at 31 March 2018, Barclays' fully loaded T1 capital was £47,743m, and the fully loaded T1 ratio was 15.0%. Fully loaded total regulatory capital was £61,560m and the fully loaded total capital ratio was 19.4%. Fully loaded T1 and T2 capital are calculated without applying the grandfathering of CRR non-compliant capital instruments.*

Movement in CET1 capital

	Three months ended 31.03.18 £m
Opening fully loaded CET1 capital	**41,565**
Effects of changes in accounting policies	**(2,150)**
Loss for the period attributable to equity holders	(593)
Own credit relating to derivative liabilities	(19)
Dividends paid and foreseen	(397)
Decrease in retained regulatory capital generated from earnings	**(1,009)**
Net impact of share schemes	(330)
Fair value through other comprehensive income reserve	64
Currency translation reserve	(602)
Other reserves	23
Decrease in other qualifying reserves	**(845)**
Pension re-measurements within reserves	(165)
Defined benefit pension fund asset deduction	167
Net impact of pensions	**2**
Additional value adjustments (PVA)	20
Goodwill and intangible assets	50
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	68
Excess of expected loss over impairment	1,239
Other regulatory adjustments	(8)
Increase in regulatory capital due to adjustments and deductions	**1,369**
Closing fully loaded CET1 capital	**38,932**
Adjustment under IFRS 9 transitional arrangements	1,314
Closing transitional CET1 capital	**40,246**

Transitional CET1 capital decreased £1.3bn to £40.2bn due to the following significant movements:

- A £0.6bn loss for the period attributable to equity holders as organic capital generation from profits of £1.3bn was more than offset by litigation and conduct charges, which included a £1.4bn settlement relating to RMBS
- A £0.4bn decrease due to dividends paid and foreseen
- A £0.3bn decrease largely due to the purchase of share awards
- A £0.6bn decrease in the currency translation reserve driven by the depreciation of period end USD against GBP

The implementation of IFRS 9 resulted in a net increase in CET1 capital as the initial decrease in shareholders' equity of £2.2bn on implementation was more than offset by the transitional relief of £1.3bn and the removal of £1.2bn of regulatory deduction for the excess of expected loss over impairment.

The UK Retirement Fund, which is the Group's main pension scheme, was in an IAS 19 surplus position of £0.7bn (December 2017: £1.0bn). As a surplus position is deducted from capital, and as no deficit reduction contributions were made in the quarter, there was no impact from pensions on the CET1 ratio in the quarter.

IFRS9-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs

		As at 31.03.18
	Available capital (amounts)	£m
1	Common Equity Tier 1 (CET1) capital[1]	40,246
2	Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied[2]	38,932
3	Tier 1 capital[3]	52,110
4	Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied[4]	50,796
5	Total capital[3]	64,548
6	Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied[4]	63,431
	Risk-weighted assets (amounts)	£m
7	Total risk-weighted assets[1]	317,946
8	Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied[2]	317,970
	Capital ratios	
9	Common Equity Tier 1 (as a percentage of risk exposure amount)	12.7%
10	Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12.2%
11	Tier 1 (as a percentage of risk exposure amount)	16.4%
12	Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	16.0%
13	Total capital (as a percentage of risk exposure amount)	20.3%
14	Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	19.9%
	Leverage ratio	£m
15	Leverage ratio total exposure measure	1,169,217
16	Leverage ratio	4.1%
17	Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.1%

1 *Transitional CET1 capital and RWAs calculated with the application of the IFRS 9 transitional arrangements under Article 473a of the CRR.*
2 *Transitional CET1 capital and RWAs calculated without the application of the IFRS 9 transitional arrangements under Article 473a of the CRR.*
3 *Transitional T1 and Total capital include AT1 and T2 capital that has been calculated applying the grandfathering of CRR non-compliant capital instruments and with the application of the IFRS 9 transitional arrangements under Article 473a of the CRR*
4 *Transitional T1 and Total capital include AT1 and T2 capital that has been calculated applying the grandfathering of CRR non-compliant capital instruments and without the application of the IFRS 9 transitional arrangements under Article 473a of the CRR*

Risk weighted assets (RWAs) by risk type and business[1]

	Credit risk		Counterparty credit risk				Market risk		Operational risk	Total RWAs
	Std	IRB	Std	IRB	Settlement risk	CVA	Std	IMA		
As at 31.03.18	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Barclays UK	3,245	57,113	-	-	-	-	-	-	12,167	72,525
Barclays International	47,546	71,889	17,818	16,999	72	2,491	16,117	13,583	27,708	214,223
Head Office[2]	2,827	8,995	109	506	-	230	102	1,644	16,785	31,198
Barclays Group	**53,618**	**137,997**	**17,927**	**17,505**	**72**	**2,721**	**16,219**	**15,227**	**56,660**	**317,946**
As at 31.12.17										
Barclays UK	3,811	54,955	-	-	-	-	-	-	12,167	70,933
Barclays International	49,058	69,520	17,000	17,243	101	2,776	13,313	13,547	27,708	210,266
Head Office[2]	2,907	9,766	65	633	-	225	88	1,365	16,785	31,834
Barclays Group	**55,776**	**134,241**	**17,065**	**17,876**	**101**	**3,001**	**13,401**	**14,912**	**56,660**	**313,033**

1 Fully loaded RWAs as at 31 March 2018 were £318.0bn (December 2017: £313.0bn).
2 Includes Africa Banking RWAs.

Movement analysis of RWAs

Three months ended 31.03.18	Credit risk £bn	Counterparty credit risk £bn	Market risk £bn	Operational risk £bn	Total RWAs £bn
Opening RWAs	**190.0**	**38.0**	**28.3**	**56.7**	**313.0**
Book size	3.9	1.2	2.8	-	**7.9**
Acquisitions and disposals	-	-	-	-	**-**
Book quality	(0.7)	(0.2)	-	-	**(0.9)**
Model updates	(0.6)	-	-	-	**(0.6)**
Methodology and policy	0.9	(0.7)	0.3	-	**0.5**
Foreign exchange movements[1]	(1.9)	-	-	-	**(1.9)**
Closing RWAs	**191.6**	**38.3**	**31.4**	**56.7**	**317.9**

1 Foreign exchange movement does not include foreign exchange for counterparty credit risk or market risk.

RWAs increased £4.9bn to £317.9bn:

- Book size increased RWAs £7.9bn primarily as a result of business growth, and increased derivatives portfolio and securities financing transaction trading activity in investment banking businesses
- Foreign exchange movements decreased RWAs £1.9bn primarily due to the depreciation of period end USD against GBP

OV1 - Overview of risk weighted assets by risk type and capital requirements

		RWAs		Minimum capital requirements	
		As at 31.03.18 £m	As at 31.12.17 £m	As at 31.03.18 £m	As at 31.12.17 £m
1	**Credit risk (excluding counterparty credit risk) (CCR)**	178,177	177,869	14,254	14,230
2	Of which standardised approach	54,192	55,437	4,335	4,435
3	Of which the foundation IRB (FIRB) approach	-	-	-	-
4	Of which the advanced IRB (AIRB) approach	123,985	122,432	9,919	9,795
5	Of which Equity IRB under the Simple risk-weight or the internal models approach	-	-	-	-
6	CCR	38,060	37,843	3,045	3,027
7	Of which mark to market	2,577	2,515	206	201
8	Of which original exposure	-	-	-	-
9	Of which standardised approach	-	-	-	-
9a	Of which financial collateral comprehensive method	10,376	9,768	830	781
10	Of which internal model method	21,564	21,299	1,725	1,704
11	Of which risk exposure amount for contributions to the default fund of a CCP	822	1,261	66	101
12	Of which CVA	2,721	3,001	218	240
13	Settlement risk	72	101	6	8
14	Securitisation exposures in banking book (after cap)	4,851	4,169	388	333
14a	Of which capital deduction approach (CAPD)	28	39	2	3
14b	Of which look through approach (KIRB)	1,289	621	103	50
15	Of which IRB approach	3,064	3,107	245	249
16	Of which IRB supervisory formula approach (SFA)	-	-	-	-
17	Of which internal assessment approach (IAA)	470	401	38	32
18	Of which standardised approach	-	-	-	-
19	Market risk	31,446	28,313	2,516	2,265
20	Of which the standardised approach	16,219	13,401	1,298	1,072
21	Of which IMA	15,227	14,912	1,218	1,193
22	Large exposures	-	-	-	-
23	Operational risk	56,660	56,660	4,533	4,533
24	Of which basic indicator approach	3,252	3,252	260	260
25	Of which standardised approach	-	-	-	-
26	Of which advanced measurement approach	53,408	53,408	4,273	4,273
27	Amounts below the thresholds for deduction (subject to 250% risk weight)	8,680	8,079	694	646
28	Floor Adjustments	-	-	-	-
29	Total	**317,946**	313,033	**25,436**	25,043

CR8 - RWA flow statement of credit exposures under the AIRB approach

		RWA amount	Capital requirements
Three months ended 31.03.18		£bn	£bn
1	**Opening balance**	**134.2**	**10.7**
2	Asset size	4.2	0.3
3	Asset quality	(0.7)	(0.1)
4	Model updates	(0.6)	-
5	Methodology and policy	1.9	0.2
6	Acquisitions and disposals	-	-
7	Foreign exchange movements	(1.0)	(0.1)
8	Other	-	-
9	**Closing balance**	**138.0**	**11.0**

Advanced credit risk RWAs increased £3.8bn to £138.0bn driven by

- Asset size increased £4.2bn primarily driven by business growth in investment banking business.
- Methodology and policy increased £1.9bn primarily driven by IFRS9 implementation.
- Foreign exchange movements decreased RWAs £1.0bn primarily due to the depreciation of period end USD against GBP

CCR7 - RWA flow statement of counterparty credit risk exposures under the IMM

The total shows the contribution of IMM exposures to CCR RWAs (under both standardised and AIRB) and will not directly reconcile to CCR AIRB RWAs.

		RWA amount	Capital requirements
Three months ended 31.03.18		£bn	£bn
1	**Opening balance**	**21.4**	**1.7**
2	Asset size	0.4	-
3	Credit quality of counterparties	(0.1)	-
4	Model updates (IMM only)	-	-
5	Methodology and policy (IMM only)	-	-
6	Acquisitions and disposals	-	-
7	Foreign exchange movements	-	-
8	Other	-	-
9	**Closing balance**	**21.7**	**1.7**

IMM RWAs remained broadly flat at £21.7bn

MR2-B - RWA flow statement of market risk exposures under the IMA

Three months ended 31.03.18	VaR £bn	SVaR £bn	IRC £bn	Other £bn	Total RWA £bn	Total Capital requirements £bn
1 **Opening balance**	**2.8**	**6.8**	**3.0**	**2.3**	**14.9**	**1.2**
2 Movement in risk levels	0.3	0.5	(0.4)	0.1	0.5	-
3 Model updates/changes	-	-	-	-	-	-
4 Methodology and policy	-	(0.2)	-	-	(0.2)	-
5 Acquisitions and disposals	-	-	-	-	-	-
6 Other	-	-	-	-	-	-
7 **Closing balance**	**3.1**	**7.1**	**2.6**	**2.4**	**15.2**	**1.2**

Internal Model Approach RWAs remained broadly flat at £15.2bn.

Leverage

The following leverage tables show the components of the leverage ratio using the CRR definition for the leverage exposure and the tier 1 capital on a fully loaded basis as at 31 March 2018.

Summary reconciliation of accounting assets and leverage ratio exposures

This table is a summary of the total leverage exposure and comprises of total IFRS assets used for statutory purposes, regulatory consolidation and other leverage adjustments.

		As at 31.03.18	As at 31.12.17
		£bn	£bn
1	Total assets as per published financial statements	1,142	1,133
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation[1]	8	8
4	Adjustments for derivative financial instruments	(90)	(125)
5	Adjustments for securities financing transactions SFTs	20	19
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	101	103
7	Other adjustments	(12)	(13)
8	**Total leverage ratio exposure**	**1,169**	**1,125**

1 *Includes the impact of BAGL proportional consolidation for regulatory purposes.*

Leverage ratio common disclosure

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

		As at 31.03.18 £bn	As at 31.12.17 £bn
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	773	749
2	(Asset amounts deducted in determining tier 1 capital)	(12)	(13)
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)**	**761**	736
Derivative exposures			
4	Replacement cost associated with *all* derivatives transactions (ie net of eligible cash variation margin)	51	54
5	Add-on amounts for PFE associated with *all* derivatives transactions (mark-to-market method)	121	120
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(30)	(33)
8	(Exempted CCP leg of client-cleared trade exposures)	(1)	(1)
9	Adjusted effective notional amount of written credit derivatives	307	278
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(289)	(264)
11	**Total derivative exposures**	**159**	154
Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	336	336
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(208)	(223)
14	Counterparty credit risk exposure for SFT assets	20	19
16	**Total securities financing transaction exposures**	**148**	132
Other off-balance sheet exposures			
17	Off-balance sheet exposures at gross notional amount	322	322
18	(Adjustments for conversion to credit equivalent amounts)	(221)	(219)
19	**Other off-balance sheet exposures**	**101**	103
Capital and total exposures			
20	Tier 1 capital	47.7	50.4
21	**Total leverage ratio exposures**	**1,169**	1,125
Leverage ratio			
22	**Leverage ratio**	4.1%	4.5%
Choice on transitional arrangements and amount of derecognised fiduciary items			
EU-23	Choice on transitional arrangements for the definition of the capital measure	Fully phased in	

The CRR leverage ratio decreased to 4.1% (December 2017: 4.5%) due to a decrease in the fully loaded tier 1 capital to £47.7bn (December 2017: £50.4bn) primarily driven by £2.0bn settlement of litigation and conduct charges and an increase in exposure to £1,169bn (December 2017: £1,125bn) driven by:

- Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets, but including cash collateral) increased £25bn primarily driven by a £11bn increase in holding of government securities and a £10bn increase in settlement balances, offset by a £14bn decrease in cash and balances at central banks held as part of the Group liquidity pool.
- SFTs increased by £16bn to £148bn primarily driven by matched book trading activity.

LIQ1 - Liquidity coverage ratio

	Total unweighted value (average)		Total weighted value (average)	
	31.03.18	31.12.17	31.03.18	31.12.17
Number of data points used in calculation of averages	12	12	12	12
High-quality liquid assets	£m	£m	£m	£m
1 Total high-quality liquid assets (HQLA)			213,064	203,944
Cash outflows				
2 **Retail deposits and deposits from small business customers, of which:**	192,581	193,217	16,890	17,232
3 *Stable deposits*	108,453	102,757	5,423	5,138
4 *Less stable deposits*	84,117	90,460	11,457	12,094
5 **Unsecured wholesale funding, of which:**	154,762	154,737	81,741	80,825
6 *Operational deposits (all counterparties) and deposits in networks of cooperative banks*	28,002	27,177	6,873	6,678
7 *Non-operational deposits (all counterparties)*	121,952	123,681	70,060	70,268
8 *Unsecured debt*	4,808	3,879	4,808	3,879
9 **Secured wholesale funding**			53,834	51,642
10 **Additional requirements, of which:**	176,455	184,102	53,301	55,124
11 *Outflows related to derivative exposures and other collateral requirements*	19,537	18,827	18,781	18,112
12 *Outflows related to loss of funding on debt products*	7,477	7,490	7,477	7,490
13 *Credit and liquidity facilities*	149,441	157,785	27,043	29,522
14 **Other contractual funding obligations**	11,482	11,821	929	917
15 **Other contingent funding obligations**	149,941	152,396	3,821	4,351
16 **Total cash outflows**			210,516	210,091
Cash inflows				
17 **Secured lending (e.g. reverse repos)**	342,735	326,599	51,309	49,853
18 **Inflows from fully performing exposures**	12,600	13,920	9,893	11,400
19 Other cash inflows[1]	9,207	9,674	4,591	5,305
20 **Total cash inflows**	364,542	350,193	65,793	66,558
Fully exempt inflows	-	-	-	-
Inflows subject to 90% cap	-	-	-	-
Inflows subject to 75% cap	280,990	272,374	65,793	66,558
21 **Liquidity buffer**			213,064	203,944
22 **Total net cash outflows**			144,723	143,533
23 **Liquidity coverage ratio (%)**			147%	142%

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

As at the quarter end, the Group LCR was 147% (December 2017:154%). The average LCR for the 12 months to March 2018 increased to 147%. This reflects the Group strengthening its liquidity position during the last 12 months.

The Group continued to maintain surpluses to its internal and regulatory liquidity requirements. Growth in average liquidity buffer during the 12 months to March 2018 is largely driven by net deposit growth, unwind of legacy non-core portfolios, higher wholesale funding and drawdown from the Bank of England Term Funding Scheme. The average liquidity coverage ratio has increased over the year, as growth in the liquidity buffer exceeded the overall growth in stresses, arising largely from business growth.

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

The quality of the liquidity pool remains high, with the majority held in cash and deposits with central banks, and highly rated government bonds. The Group diversifies its liquidity buffer and monitors stresses by major currency. The level of buffer in the relevant currency to support the underlying stresses is subject to limits set by the liquidity risk function.

Liquidity

As at the quarter end, a significant portion of the Group liquidity pool was located in Barclays Bank PLC and was available to meet liquidity needs across the Group. The residual liquidity pool was held predominantly within Barclays Capital Inc. (BCI), a subsidiary of Barclays Bank PLC. The portion of the liquidity pool outside of Barclays Bank PLC was held against entity-specific stressed outflows and regulatory requirements. To the extent the use of this portion of the liquidity pool was restricted due to regulatory requirements, it was assumed to be unavailable to the rest of the Group.

The primary funding source of the Group consists of the strong deposit franchises within Barclays UK and Barclays International. Issuances to meet Minimum Requirements for Own Funds and Eligible Liabilities (MREL) raised by Barclays PLC also provide a long term stable source of funding. The Group also maintains access to diverse sources of wholesale funds in major currencies, geographies and distribution channels and includes money markets, certificates of deposit, commercial paper, and medium term issuances (including structured notes). The Group also supports various central bank monetary initiatives including participation in the Bank of England's Term Funding Scheme.

Notes

The term Barclays or Group refers to Barclays PLC together with its subsidiaries. The abbreviations '£m' and '£bn' represent millions and thousands of millions of Pounds Sterling respectively; the abbreviations '$m' and '$bn' represent millions and thousands of millions of US Dollars respectively; and the abbreviations '€m' and '€bn' represent millions and thousands of millions of Euros respectively.

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

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

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These 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. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income growth, assets, impairment charges, provisions, notable items, business strategy, structural reform, capital, leverage and other regulatory ratios, payment of dividends (including dividend pay-out ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets and the impact of any regulatory deconsolidation resulting from the sell down of the Group's interest in Barclays Africa Group Limited, estimates of capital expenditures and plans and objectives for future operations, projected employee numbers and other statements that are not historical fact. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards, evolving practices with regard to the interpretation and application of accounting and regulatory standards, the outcome of current and future legal proceedings and regulatory investigations, future levels of conduct provisions, future levels of notable items, the policies and actions of governmental and regulatory authorities, geopolitical risks and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules (including with regard to the future structure of the Group) applicable to past, current and future periods; UK, US, Africa, Eurozone and global macroeconomic and business conditions; the effects of continued volatility in credit markets; market related risks such as changes in interest rates and foreign exchange rates; effects of changes in valuation of credit market exposures; changes in valuation of issued securities; volatility in capital markets; changes in credit ratings of any entities within the Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; the implications of the exercise by the United Kingdom of Article 50 of the Treaty of Lisbon and the disruption that may result in the UK and globally from the withdrawal of the United Kingdom from the European Union and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in our filings with the SEC (including, without limitation, our annual report on form 20-F for the fiscal year ended 31 December 2016), which are available on the SEC's website at www.sec.gov.

Subject to our obligations under the applicable laws and regulations of the United Kingdom and the United States 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.