

# Barclays PLC

## Pillar 3

30 September 2020

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## Summary

**Table 1: KM1 - Key metrics**

	As at 30.09.20 £m	As at 30.06.20 £m	As at 31.03.20 £m	As at 31.12.19 £m	As at 30.09.19 £m
<b>Available capital (amounts)</b>					
1 Common Equity Tier 1 (CET1) <sup>1</sup>	45,509	45,380	42,518	40,813	41,875
1a Fully loaded Expected Credit Loss (ECL) accounting model <sup>2</sup>	42,997	42,921	41,303	39,687	40,742
2 Tier 1 <sup>3</sup>	58,063	56,862	54,012	52,241	53,366
2a Fully loaded ECL accounting model Tier 1 <sup>4</sup>	54,929	53,712	52,044	50,428	51,472
3 Total capital <sup>3</sup>	69,906	69,162	66,394	63,641	66,095
3a Fully loaded ECL accounting model total capital <sup>4</sup>	66,610	65,454	63,145	60,294	62,434
<b>Risk-weighted assets (amounts)</b>					
4 Total risk-weighted assets (RWA) <sup>1</sup>	310,727	318,987	325,631	295,131	313,261
4a Fully loaded ECL accounting model total RWA <sup>2</sup>	309,793	318,034	325,536	295,016	313,147
<b>Risk-based capital ratios as a percentage of RWA</b>					
5 Common Equity Tier 1 ratio (%)	14.6%	14.2%	13.1%	13.8%	13.4%
5a Fully loaded ECL accounting model Common Equity Tier 1 (%)	13.9%	13.5%	12.7%	13.5%	13.0%
6 Tier 1 ratio (%)	18.7%	17.8%	16.6%	17.7%	17.0%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	17.7%	16.9%	16.0%	17.1%	16.4%
7 Total capital ratio (%)	22.5%	21.7%	20.4%	21.6%	21.1%
7a Fully loaded ECL accounting model total capital ratio (%)	21.5%	20.6%	19.4%	20.4%	19.9%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8 Capital conservation buffer requirement (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9 Countercyclical buffer requirement (%)	0.0%	0.0%	0.0%	0.6%	0.5%
10 Bank G-SIB and/or D-SIB additional requirements (%)	1.5%	1.5%	1.5%	1.5%	1.5%
11 Total of bank CET1 specific buffer requirements(%) (row 8 + 9 + 10)	4.0%	4.0%	4.0%	4.6%	4.5%
12 CET1 available after meeting the bank's minimum capital requirements (%)	10.1%	9.7%	8.6%	9.3%	8.9%
<b>CRR leverage ratio<sup>5,6</sup></b>					
13 Total CRR leverage ratio exposure measure	1,306,828	1,248,215	1,326,549	1,126,259	1,235,079
14 Fully loaded CRR leverage ratio (%)	4.2%	4.3%	3.9%	4.5%	4.2%
<b>Average UK leverage ratio (Transitional)<sup>7,8,9</sup></b>					
13a Total average UK leverage ratio exposure measure	1,111,052	1,148,720	1,176,198	1,142,819	1,171,152
14a Transitional average UK leverage ratio (%)	5.1%	4.7%	4.5%	4.5%	4.6%
<b>UK leverage ratio (Transitional)<sup>6,7,8</sup></b>					
13b Total UK leverage ratio exposure measure	1,095,097	1,071,138	1,178,708	1,007,721	1,099,815
14b Transitional UK leverage ratio (%)	5.2%	5.2%	4.5%	5.1%	4.8%
<b>Liquidity Coverage Ratio</b>					
15 Total HQLA	319,785	291,116	232,296	206,448	225,556
16 Total net cash outflows	176,394	156,201	149,946	128,901	148,895
17 LCR ratio (%)	181%	186%	155%	160%	151%

1 CET1 capital and RWAs are calculated applying the IFRS9 transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date.

2 Fully loaded CET1 capital and RWAs are calculated without applying the transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date.

3 Transitional Tier 1 and Total capital include AT1 and T2 capital that is calculated applying the grandfathering of CRR and CRR II non-compliant capital instruments.

4 Fully loaded Tier 1 and Total capital include AT1 and T2 capital that is calculated without applying the grandfathering of CRR and CRR II non-compliant capital instruments.

5 Fully loaded CRR leverage ratio is calculated without applying the transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date.

6 The difference between CRR leverage ratio and UK leverage ratio is driven by the exclusion of qualifying central bank claims and bounce back loans from the UK leverage exposure. The exclusion of qualifying central bank claims under CRR II is subject to the Prudential Regulation Authority (PRA) approval for all UK banks and as at 30 September 2020 this approval had not been given. For UK leverage calculations, the PRA early adopted the CRR II settlement netting measure in April 2020.

7 Transitional UK leverage ratios are calculated applying the IFRS 9 transitional arrangements and in line with the PRA Handbook.

8 Fully loaded average UK leverage ratio was 4.9%, with £1,109bn of leverage exposure. Fully loaded UK leverage ratio was 5.0%, with £1,093bn of leverage exposure. Fully loaded UK leverage ratios are calculated without applying the transitional arrangements of the PRA Handbook.

9 Average UK leverage ratio uses capital based on the last day of each month in the quarter and an exposure measure for each day in the quarter.

The CET1 ratio increased to 14.6% (December 2019: 13.8%)

- CET1 capital increased by £4.7bn to £45.5bn reflecting resilient capital generation through £6.3bn of profits after tax, excluding credit impairment charges and a £1.0bn increase due to the cancellation of the full year 2019 dividend. The CET1 capital increase also reflects new regulatory measures implemented in June 2020 for IFRS9 transitional relief and prudent valuation
- RWAs increased by £15.6bn to £310.7bn primarily due to higher market volatility and client activity within CIB as well as a reduction in credit quality, partially offset by lower consumer lending

### IFRS 9 – Transitional capital arrangements

On 1 January 2018, IFRS9 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. On 27 June 2020, CRR was further amended to extend the transitional period by two years and to introduce a new modified calculation.

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 in provisions between “day 1” and the reporting date (modified element), subject to eligibility.

The transitional relief applied to the static element 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 relief from 2023.

The transitional relief applied to the modified element for increases between “day 1” and 31 December 2019 is phased out in line with the static element. From 27 June 2020, under new legislation, the transitional relief applied to the modified element for increases between 1 January 2020 and the reporting date is phased out over a 5 year period with 100% applicable for 2020 and 2021; 75% for 2022; 50% for 2023; 25% for 2024 and with no transitional relief from 2025.

For the static element, stage 1, stage 2 and stage 3 provisions are eligible for transition, whereas for the modified elements, stage 3 provisions are excluded.

Separate calculations are performed for standardised and advanced IRB 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. When recalculating the requirements in CRR for the eligible impairment included in CET1 under the standardised approach, the Group has assigned a risk weight of 100%. 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 loss.

Total increases in impairment allowances as a result of IFRS 9, net of tax, decreases shareholders’ equity through retained earnings. This is somewhat mitigated by the transitional relief applied on eligible impairment.

For regulatory Internal Ratings Based (IRB) exposures, the calculation of capital takes account of the expected loss via a comparison with the impairment allowances. Where regulatory expected losses exceed impairment allowances, the shortfall is deducted from CET1 capital. Where the impairment allowance is higher than expected loss, the excess is added back to Tier 2 Capital and capped at an amount of 0.6% of IRB RWAs.

The deferred tax assets (DTAs) created from the increase of impairment are also accounted for in the CET1 ratio. When DTAs arising from temporary differences are above the 10% CET1 capital threshold, any excess above the threshold is deducted and those below the threshold are risk weighted at 250% up to the point they reach threshold.

Standardised RWAs decrease due to the increase in impairment being offset against the Standardised Credit Risk exposures.

## Capital

**Table 2: IFRS 9/Article 468-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, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR<sup>1</sup>**

	As at 30.09.20 £m	As at 30.06.20 £m	As at 31.03.20 £m	As at 31.12.19 £m	As at 30.09.19 £m
<b>Available capital (amounts)</b>					
1 CET1 capital <sup>2</sup>	45,509	45,380	42,518	40,813	41,875
2 CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	42,997	42,921	41,303	39,687	40,742
3 Tier 1 capital <sup>3</sup>	58,063	56,862	54,012	52,241	53,366
4 Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	55,551	54,403	52,797	51,115	52,233
5 Total capital <sup>3</sup>	69,906	69,162	66,394	63,641	66,095
6 Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	68,335	67,667	65,644	62,628	65,084
<b>Risk-weighted assets (amounts)</b>					
	£m	£m	£m	£m	£m
7 Total risk-weighted assets <sup>2</sup>	310,727	318,987	325,631	295,131	313,261
8 Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	309,793	318,034	325,536	295,016	313,147
<b>Capital ratios</b>					
9 CET1 (as a percentage of risk exposure amount)	14.6%	14.2%	13.1%	13.8%	13.4%
10 CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.9%	13.5%	12.7%	13.5%	13.0%
11 Tier 1 (as a percentage of risk exposure amount)	18.7%	17.8%	16.6%	17.7%	17.0%
12 Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.9%	17.1%	16.2%	17.3%	16.7%
13 Total capital (as a percentage of risk exposure amount)	22.5%	21.7%	20.4%	21.6%	21.1%
14 Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	22.1%	21.3%	20.2%	21.2%	20.8%
<b>Leverage ratio</b>					
	£m	£m	£m	£m	£m
15 Leverage ratio total exposure measure	1,306,828	1,248,215	1,326,549	1,126,259	1,235,079
16 Leverage ratio <sup>4</sup>	4.2%	4.3%	3.9%	4.5%	4.2%
17 Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.2%	4.3%	3.9%	4.5%	4.2%

<sup>1</sup> As at 30 September 2020, the Group had not elected to apply the temporary treatment specified in Article 468 of the CRR, amended by Regulation EU 2020/873, resulting in the Group's capital and leverage ratios reflecting the full impact of unrealised gains and losses measured at fair value through other comprehensive income.

<sup>2</sup> Transitional CET1 capital and RWAs are calculated applying the IFRS9 transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date.

<sup>3</sup> Transitional T1 and Total capital are calculated applying the transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date. This includes the grandfathering of CRR and CRR II non-compliant capital instruments and IFRS 9 transitional arrangement.

<sup>4</sup> Leverage ratio is calculated applying the fully loaded treatment of the CRR as amended by CRR II applicable as at the reporting date.

## Risk Weighted Assets

**Table 3: RWAs by risk type and business**

	Credit risk		Counterparty credit risk				Market risk		Operational risk	Total RWAs
	Std	A-IRB	Std	A-IRB	Settlement risk	CVA	Std	IMA		
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b>As at 30.09.20</b>										
<b>Barclays UK</b>	<b>7,350</b>	<b>56,373</b>	<b>369</b>	<b>-</b>	<b>-</b>	<b>100</b>	<b>125</b>	<b>-</b>	<b>11,851</b>	<b>76,168</b>
<i>Corporate and Investment Bank (CIB)</i>	24,800	76,464	11,628	20,645	106	2,545	13,043	22,709	21,388	193,328
<i>Consumer, Cards and Payments (CC&amp;P)</i>	20,597	2,921	168	47	-	35	-	75	7,538	31,381
<b>Barclays International</b>	<b>45,397</b>	<b>79,385</b>	<b>11,796</b>	<b>20,692</b>	<b>106</b>	<b>2,580</b>	<b>13,043</b>	<b>22,784</b>	<b>28,926</b>	<b>224,709</b>
<b>Head Office</b>	<b>3,701</b>	<b>6,022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>127</b>	<b>9,850</b>
<b>Barclays Group</b>	<b>56,448</b>	<b>141,780</b>	<b>12,165</b>	<b>20,692</b>	<b>106</b>	<b>2,680</b>	<b>13,168</b>	<b>22,784</b>	<b>40,904</b>	<b>310,727</b>
<b>As at 31.12.19</b>										
<b>Barclays UK</b>	<b>5,189</b>	<b>57,455</b>	<b>235</b>	<b>-</b>	<b>-</b>	<b>23</b>	<b>178</b>	<b>-</b>	<b>11,821</b>	<b>74,901</b>
<i>Corporate and Investment Bank (CIB)</i>	25,749	62,177	12,051	16,875	276	2,470	12,854	17,626	21,475	171,553
<i>Consumer, Cards and Payments (CC&amp;P)</i>	27,209	2,706	92	37	-	11	-	103	7,532	37,690
<b>Barclays International</b>	<b>52,958</b>	<b>64,883</b>	<b>12,143</b>	<b>16,912</b>	<b>276</b>	<b>2,481</b>	<b>12,854</b>	<b>17,729</b>	<b>29,007</b>	<b>209,243</b>
<b>Head Office</b>	<b>5,104</b>	<b>5,754</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>129</b>	<b>10,987</b>
<b>Barclays Group</b>	<b>63,251</b>	<b>128,092</b>	<b>12,378</b>	<b>16,912</b>	<b>276</b>	<b>2,504</b>	<b>13,032</b>	<b>17,729</b>	<b>40,957</b>	<b>295,131</b>

## Risk Weighted Assets

**Table 4: Movements in RWAs**

The table below show movements in RWAs, split by risk types and macro drivers.

	Credit Risk £m	Counterparty Credit Risk £m	Market Risk £m	Operational Risk £m	Total £m
<b>As at 01.01.20</b>	<b>191,343</b>	<b>32,070</b>	<b>30,761</b>	<b>40,957</b>	<b>295,131</b>
Book size	(4,793)	1,963	10,031	(53)	7,148
Acquisitions and disposals	(119)	-	-	-	(119)
Book quality	9,792	1,112	-	-	10,904
Model updates	1,933	(50)	-	-	1,883
Methodology and policy	(1,879)	548	(4,840)	-	(6,171)
Foreign exchange movement <sup>1</sup>	1,951	-	-	-	1,951
<b>Total RWA movements</b>	<b>6,885</b>	<b>3,573</b>	<b>5,191</b>	<b>(53)</b>	<b>15,596</b>
<b>As at 30.09.20</b>	<b>198,228</b>	<b>35,643</b>	<b>35,952</b>	<b>40,904</b>	<b>310,727</b>

<sup>1</sup> Foreign exchange movements do not include foreign exchange for counterparty credit risk or market risk.

Overall RWAs increased £15.6bn mainly driven by:

Credit risk RWAs increased £6.9bn mainly due to:

- Book size decreased RWAs £4.8bn primarily due to a reduction in lending activities, repayments and lower interest earning lending (IEL) balances
- Book quality increased RWAs £9.8bn mainly due to a reduction in credit quality primarily within CIB
- Model updates increased RWAs £1.9bn primarily due to modelled risk weight recalibrations
- Methodology and policy decreased RWAs £1.9bn primarily due the application of revised SME discount factors following the early adoption of specific CRR II measures
- FX increased RWAs £2.0bn due to the appreciation of period end USD against GBP

Counterparty Credit risk RWAs increased £3.6bn mainly due to:

- Book size increased RWAs £2.0bn primarily due to an increase in trading activities across SFTs and derivatives
- Book quality increased RWAs £1.1bn primarily due to a reduction in credit quality within CIB

Market risk RWAs increased £5.2bn mainly due to:

- Book size increased RWAs £10.0bn primarily due to an increase in trading activities and higher market volatility
- Methodology and policy decreased RWAs £4.8bn primarily due to the removal of a Risk Not In VaR (RNIV) and a reduction in pre COVID-19 VaR backtesting exceptions

## Risk Weighted Assets

**Table 5: CR8 - RWA flow statement of credit risk exposures under the AIRB approach**

	RWA amount £m	Capital requirements £m
<b>1 As at 01.01.20</b>	<b>128,095</b>	<b>10,248</b>
2 Asset size	3,564	285
3 Asset quality	9,601	768
4 Model updates	1,933	155
5 Methodology and policy	(2,263)	(181)
6 Acquisitions and disposals	(119)	(10)
7 Foreign exchange movements	969	78
8 Other	-	-
<b>9 As at 30.09.20</b>	<b>141,780</b>	<b>11,343</b>

Advanced credit risk RWAs increased £13.7bn to £141.8bn driven by:

- Asset size increased RWAs £3.6bn primarily driven by increased lending activity within CIB, partially offset by lower IEL balances
- Asset quality increased RWAs £9.6bn due to a reduction in credit quality primarily within CIB
- Model updates increased RWAs £1.9bn primarily due to modelled risk weight recalibrations
- Methodology and policy decreased RWAs £2.3bn primarily due the application of revised SME discount factors following the early adoption of specific CRR II measures

**Table 6: CCR7 - RWA flow statement of counterparty credit risk exposures under the IMM**

The total in this table shows the contribution of Internal Model Method (IMM) exposures to CCR RWAs (under both standardised and AIRB) and will not directly reconcile to CCR AIRB RWAs in table 3.

	RWA amount £m	Capital requirements £m
<b>1 As at 01.01.20</b>	<b>21,872</b>	<b>1,750</b>
2 Asset size	2,895	232
3 Credit quality of counterparties	706	56
4 Model updates (IMM only)	52	4
5 Methodology and policy (IMM only)	173	14
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	-	-
<b>9 As at 30.09.20</b>	<b>25,698</b>	<b>2,056</b>

Internal Model Method (IMM) RWAs increased £3.8bn primarily due to an increase in trading activity within modelled derivatives and SFTs.



## Risk Weighted Assets

**Table 7: MR2-B - RWA flow statement of market risk exposures under the IMA**

	VaR £m	SVaR £m	IRC £m	CRM £m	Other £m	Total RWA £m	Total Capital requirements £m
1 As at 01.01.20	4,120	8,237	3,704	-	1,668	17,729	1,418
2 Movement in risk levels	3,995	2,779	(465)	-	3,856	10,165	813
3 Model updates/changes	-	-	-	-	-	-	-
4 Methodology and policy	(114)	(1,474)	(381)	-	(3,141)	(5,110)	(409)
5 Acquisitions and disposals	-	-	-	-	-	-	-
6 Other	-	-	-	-	-	-	-
7 As at 30.09.20	8,001	9,542	2,858	-	2,383	22,784	1,822

Internal Model Approach RWAs increased £5.1bn primarily due to an increase in market volatility partially offset by the removal of a Risk Not In VaR (RNIV) and a reduction in pre COVID-19 VaR backtesting exceptions.

## Risk Weighted Assets

**Table 8: OV1 - Overview of RWAs by risk type and capital requirements**

	RWA		Minimum Capital Requirements	
	As at 30.09.20	As at 31.12.19	As at 30.09.20	As at 31.12.19
	£m	£m	£m	£m
1 Credit risk (excluding counterparty credit risk) (CCR)	176,723	174,321	14,138	13,946
2 Of which standardised approach	51,809	58,659	4,145	4,693
3 Of which the foundation IRB (FIRB) approach	-	-	-	-
4 Of which the advanced IRB (AIRB) approach	124,914	115,662	9,993	9,253
5 Of which Equity IRB under the Simple risk-weight or the internal models approach	-	-	-	-
6 CCR	35,407	31,630	2,833	2,530
7 Of which mark to market	2,439	1,697	195	136
8 Of which original exposure	-	-	-	-
9 Of which standardised approach	-	-	-	-
9a Of which financial collateral comprehensive method	4,039	4,723	323	378
10 Of which internal model method	25,568	21,708	2,046	1,736
11 Of which risk exposure amount for contributions to the default fund of a CCP	681	998	55	80
12 Of which CVA	2,680	2,504	214	200
13 Settlement risk	106	276	8	22
14 Securitisation exposures in banking book (after cap)	12,286	6,899	983	552
14a Of which capital deduction approach (CAPD)	85	147	7	12
14b Of which look through approach (KIRB)	-	76	-	6
15 Of which IRB approach	-	2,737	-	219
16 Of which IRB supervisory formula approach (SFA)	-	-	-	-
17 Of which internal assessment approach (IAA)	-	106	-	8
18 Of which standardised approach	-	-	-	-
14c Of which Sec-ERBA	715	161	57	13
14d Of which Sec-IAA	1,055	931	84	74
14e Of which Sec-SA	1,423	669	114	54
14f Of which Sec-IRBA	9,008	2,072	721	166
19 Market risk	35,952	30,761	2,876	2,461
20 Of which the standardised approach	13,168	13,032	1,053	1,043
21 Of which IMA	22,784	17,729	1,823	1,418
22 Large exposures	-	-	-	-
23 Operational risk	40,904	40,957	3,272	3,277
24 Of which basic indicator approach	-	-	-	-
25 Of which standardised approach	40,904	40,957	3,272	3,277
26 Of which advanced measurement approach	-	-	-	-
27 Amounts below the thresholds for deduction (subject to 250% risk weight)	9,349	10,287	748	823
28 Floor Adjustments	-	-	-	-
<b>29 Total</b>	<b>310,727</b>	<b>295,131</b>	<b>24,858</b>	<b>23,611</b>

## Leverage

### Leverage ratio and exposures

The following leverage tables show the components of the leverage ratio using the CRR definition for leverage exposure and Tier 1 capital as at 30 September 2020<sup>1</sup>.

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

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

	As at 30.09.20	As at 31.12.19
	£m	£m
1 Total assets as per published financial statements	1,421,669	1,140,229
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(1,943)	(1,170)
4 Adjustments for derivative financial instruments	(189,423)	(123,318)
5 Adjustments for securities financing transactions (SFTs)	20,274	18,339
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	110,749	105,289
EU-6a (Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	-	-
7 Other adjustments	(11,731)	(13,110)
EU-7a Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(42,767)	-
<b>8 Total leverage ratio exposure</b>	<b>1,306,828</b>	<b>1,126,259</b>

<sup>1</sup> Capital and leverage measures are calculated applying CRR as amended by CRR II applicable as at the reporting date.

## Leverage

**Table 10: Leverage ratio common disclosure**

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

	As at 30.09.20	As at 31.12.19
	£m	£m
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	944,439	798,516
EU-1a Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	(42,767)	-
2 Asset amounts deducted in determining tier 1 capital	(11,731)	(13,110)
<b>3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)</b>	<b>889,941</b>	<b>785,406</b>
<b>Derivative exposures</b>		
4 Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligible cash variation margin)	30,089	22,806
5 Add-on amounts for PFE associated with <i>all</i> derivatives transactions (mark-to-market method)	143,546	142,143
7 Deductions of receivables assets for cash variation margin provided in derivatives transactions	(45,071)	(38,753)
8 Exempted CCP leg of client-cleared trade exposures	(37,326)	(34,061)
9 Adjusted effective notional amount of written credit derivatives	343,276	293,935
10 Adjusted effective notional offsets and add-on deductions for written credit derivatives	(327,386)	(280,152)
<b>11 Total derivative exposures</b>	<b>107,128</b>	<b>105,918</b>
<b>Securities financing transaction exposures</b>		
12 Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	452,877	387,328
13 Netted amounts of cash payables and cash receivables of gross SFT assets	(274,141)	(276,021)
14 Counterparty credit risk exposure for SFT assets	20,274	18,339
<b>16 Total securities financing transaction exposures</b>	<b>199,010</b>	<b>129,646</b>
<b>Other off-balance sheet exposures</b>		
17 Off-balance sheet exposures at gross notional amount	344,515	331,390
18 Adjustments for conversion to credit equivalent amounts	(233,766)	(226,101)
<b>19 Other off-balance sheet exposures</b>	<b>110,749</b>	<b>105,289</b>
<b>Capital and total exposures</b>		
20 Tier 1 capital	54,929	50,428
<b>21 Total leverage ratio exposures</b>	<b>1,306,828</b>	<b>1,126,259</b>
<b>Leverage ratio</b>		
<b>22 Leverage ratio</b>	<b>4.2%</b>	<b>4.5%</b>

### 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 4.2%. The CRR leverage exposure increased £181bn to £1,307bn primarily driven by SFTs and loans and advances and other assets, partially offset by the early adoption of CRR II settlement netting and an increase in Tier 1 capital.

## Minimum requirements for own funds and eligible liabilities

### Minimum requirement for own funds and eligible liabilities (MREL)

KM2 has been prepared in accordance with CRR as amended by CRR II, using the uniform format set out in the BCBS Standard on Pillar 3 disclosure requirements, as the EU format for disclosure is yet to be agreed.

#### Table 11: KM2 - Key metrics - TLAC requirements (at resolution group level)

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

	As at 30.09.20 £m	As at 30.06.20 £m	As at 31.03.20 £m	As at 31.12.19 £m	As at 30.09.19 £m
1 Total loss-absorbing capacity (TLAC) available	105,115	107,470	100,068	96,666	100,615
2 Total RWA at the level of the resolution group	310,727	318,987	325,631	295,131	313,261
3 TLAC as a percentage of RWA (row 1 / row 2) (%)	33.8%	33.7%	30.7%	32.8%	32.1%
4 Leverage ratio exposure measure at the level of the resolution group <sup>1</sup>	1,306,828	1,248,215	1,326,549	1,126,259	1,235,079
5 TLAC as a percentage of leverage ratio exposure measure (row 1 / row 4) (%)	8.0%	8.6%	7.5%	8.6%	8.1%
6a Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6b Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6c If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no cap was applied (%)	N/a	N/A	N/A	N/A	N/A

<sup>1</sup> CRR leverage exposure as amended by CRR II applicable as at the reporting date.

## Liquidity

### Table 12: LIQ1 - Liquidity Coverage ratio

This table shows the level and components of the Liquidity Coverage Ratio. This disclosure has been prepared in accordance with the requirements set out in the 'Guidelines on LCR disclosure to complement the disclosure of liquidity risk management under Article 435 of Regulation (EU) No 575/2013' as specified in Annexure II which complements Article 435(1)(f) of Regulation (EU) No 575/2013.

#### Liquidity coverage ratio (period end)

	Total period end value									
	30.09.20	30.06.20	31.03.20	31.12.19	30.09.19					
	£m	£m	£m	£m	£m					
Liquidity buffer	319,785	291,116	232,296	206,448	225,556					
Total net cash outflows	176,394	156,201	149,946	128,901	148,895					
Liquidity coverage ratio (%) (period end)	181%	186%	155%	160%	151%					
LIQ1 - Liquidity coverage ratio (average)										
	Total unweighted value (average)					Total weighted value (average)				
	30.09.20	30.06.20	31.03.20	31.12.19	30.09.19	30.09.20	30.06.20	31.03.20	31.12.19	30.09.19
Number of data points used in calculation of averages <sup>1</sup>	12	12	12	12	12	12	12	12	12	12
High-quality liquid assets	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
1 Total high-quality liquid assets (HQLA)						262,744	242,005	230,568	232,008	233,702
Cash outflows										
2 Retail deposits and deposits from small business customers, of which:	222,638	212,695	204,385	201,969	199,916	19,184	18,655	18,224	17,961	17,676
3 Stable deposits	120,444	115,586	112,156	111,319	111,028	6,022	5,779	5,608	5,566	5,551
4 Less stable deposits	96,799	94,378	92,221	90,642	88,880	13,156	12,870	12,608	12,387	12,117
5 Unsecured wholesale funding, of which:	194,573	183,119	174,578	170,453	169,354	99,108	92,557	89,155	88,247	89,112
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	45,956	42,922	38,908	34,908	32,653	11,251	10,525	9,555	8,582	8,030
7 Non-operational deposits (all counterparties) <sup>2</sup>	142,861	135,266	130,740	130,513	131,751	82,101	77,101	74,670	74,633	76,132
8 Unsecured debt	5,756	4,931	4,930	5,032	4,950	5,756	4,931	4,930	5,032	4,950
9 Secured wholesale funding						58,086	60,066	59,679	59,782	58,953
10 Additional requirements, of which:	176,757	178,640	178,204	177,769	178,845	52,815	53,275	51,530	50,402	51,292
11 Outflows related to derivative exposures and other collateral requirements	22,050	21,557	19,931	18,740	19,131	19,693	19,258	17,760	16,734	17,239
12 Outflows related to loss of funding on debt products	9,262	9,626	9,113	8,576	8,421	9,262	9,626	9,113	8,576	8,421
13 Credit and liquidity facilities	145,445	147,457	149,160	150,453	151,293	23,860	24,391	24,657	25,092	25,632
14 Other contractual funding obligations	2,754	2,647	2,382	2,410	5,047	2,053	1,924	1,637	1,654	1,590
15 Other contingent funding obligations	160,231	161,936	162,494	159,506	156,966	5,935	6,133	6,136	5,371	4,486
16 Total cash outflows						237,181	232,610	226,361	223,417	223,109
Cash inflows										
17 Secured lending (e.g. reverse repos)	469,995	461,684	443,300	418,571	406,338	56,616	58,363	58,964	58,649	57,633
18 Inflows from fully performing exposures	15,537	14,219	13,346	12,750	12,714	10,469	9,172	8,518	8,129	8,220
19 Other cash inflows <sup>3</sup>	15,790	14,886	13,648	12,057	12,182	11,566	10,357	8,840	6,926	6,965
EU- (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)										
EU- (Excess inflows from a related specialised credit institution)										
20 Total cash inflows	501,322	490,789	470,294	443,378	431,234	78,651	77,892	76,322	73,704	72,818
Fully exempt inflows	-	-	-	-	-	-	-	-	-	-
Inflows subject to 90% cap	-	-	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	407,686	398,840	381,164	359,897	351,480	78,651	77,892	76,322	73,704	72,818
21 Liquidity buffer						262,744	242,005	230,568	232,008	233,702
22 Total net cash outflows						158,530	154,718	150,039	149,713	150,291
23 Liquidity coverage ratio (%) (average)						166%	156%	154%	155%	155%

1 Trailing average of 12 month-end observations to the reporting date.

2 Non-operational deposits in row 7 include excess deposits as defined in the Delegated Act Article 27(4).

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

## Liquidity

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As at 30 September 2020, the Group's spot LCR was 181% (December 2019:160%), equivalent to a surplus of £143bn (December 2019:£78bn) above the 100% regulatory requirement. The increase in the liquidity pool, LCR and surplus is driven by a 19% growth in customer deposits and actions to maintain a prudent funding and liquidity position in the current environment. The trailing 12 month-end average LCR increased to 166% (December 2019: 155%) driven by the growth in the liquidity pool during the year.

## Notes

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

There are a number of key judgement areas, for example impairment calculations, which are based on models and which are subject to ongoing adjustment and modifications. Reported numbers reflect best estimates and judgements at the date these interim results were approved.

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/annual-reports](http://home.barclays/investor-relations/reports-and-events/annual-reports)

## 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. Forward-looking statements can be made in writing but also may be made verbally by members of the management of the Group (including, without limitation, during management presentations to financial analysts) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income growth, assets, impairment charges, provisions, business strategy, capital, leverage and other regulatory ratios, payment of dividends (including dividend payout ratios and expected payment strategies), projected levels of growth in the banking and financial markets, projected costs or savings, any commitments and targets, estimates of capital expenditures, plans and objectives for future operations, projected employee numbers, IFRS impacts 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. The forward-looking statements speak only as at the date on which they are made and such statements may be affected by changes in legislation, the development of standards and interpretations under IFRS, including 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, 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 applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions; the effects of any 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 entity within the Group or any securities issued by such entities; direct and indirect impacts of the coronavirus (COVID-19) pandemic; instability as a result of the exit by the UK from the European Union (EU) (including the outcome of negotiations concerning the UK's future trading and security relationship with the EU) and the disruption that may subsequently result in the UK and globally; 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 financial position, future results, dividend payments, capital, leverage or other regulatory ratios or other financial and non-financial metrics or performance measures may differ materially from the statements or 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 2019 and our 2020 Interim Results Announcement for the six months ended 30 June 2020 filed on Form 6-K), which are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

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