

Barclays Bank UK PLC Interim Results Announcement

30 June 2020

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Notes

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 six months ended 30 June 2020 to the corresponding six months of 2019 and balance sheet analysis as at 30 June 2020 with comparatives relating to 31 December 2019. 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.

The information in this announcement, which was approved by the Board of Directors on 28 July 2020, does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2019 which contained an unmodified audit report under Section 495 of the Companies Act 2006 (which did not make any statements under Section 498 of the Companies Act 2006) have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

Barclays Bank UK Group is an issuer in the debt capital markets and meets with investors via formal road-shows and other ad hoc meetings. 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. Barclays Bank UK Group 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 Barclays Bank UK 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 Barclays Bank UK 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; macroeconomic and business conditions in the UK and in any systemically important economy which impacts the UK; 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 Barclays Bank UK 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 and the disruption that may subsequently result in the UK; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Barclays Bank UK Group's control. As a result, the Barclays Bank UK 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 Barclays Bank UK Group's forward-looking statements.

Subject to our 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.

Financial Review

Barclays Bank UK Group results for the half year ended

	30.06.20 £m	30.06.19 £m	% Change
Total income	3,240	3,571	(9)
Credit impairment charges	(1,055)	(418)	
Net operating income	2,185	3,153	(31)
Operating expenses	(2,188)	(2,186)	
Litigation and conduct	(11)	(45)	76
Total operating expenses	(2,199)	(2,231)	1
Profit on disposal of subsidiaries, associates and joint ventures	12	-	
(Loss)/profit before tax	(2)	922	
Tax credit/(charge)	91	(213)	
Profit after tax	89	709	(87)
Attributable to:			
Equity holders of the parent	(5)	639	
Other equity instrument holders	94	70	34
Profit after tax	89	709	

Balance sheet information

	As at 30.06.20 £m	As at 31.12.19 £m	% Change
Assets			
Loans and advances at amortised cost	205,919	197,569	4
Cash and balances at central banks	38,651	24,305	59
Financial assets at fair value through other comprehensive income	24,096	19,322	25
Liabilities			
Deposits at amortised cost	225,745	205,696	10

Capital and liquidity metrics

	As at 30.06.20 £bn	As at 31.12.19 £bn	
Common equity tier 1 (CET1) ratio ¹	14.2%	13.5%	
Liquidity pool	64	42	
Liquidity coverage ratio	171%	144%	

¹ CET1 capital ratio is calculated applying the IFRS 9 transitional arrangements of the Capital Requirements Regulation (CRR) as amended by the Capital Requirements Regulation II (CRR II) applicable as at the reporting date. For more information on the implementation of CRR II see page 12.

Financial Review

Barclays Bank UK Group overview

Barclays Bank UK PLC is the wholly-owned ring-fenced bank of Barclays PLC and consists of Personal Banking, Business Banking and Barclaycard Consumer UK businesses.

Group performance

Loss before tax was £2m (H119 Profit before tax: £922m) reflecting a challenging operating environment. Barclays Bank UK PLC continued to support customers during H120, increasing lending by £8.4bn predominantly through £7.1bn of Bounce Back Loan (BBL) and the Coronavirus Business Interruption Loan Scheme (CBILS). Customer deposits grew by £20.0bn, reflecting the impact from payment holidays, lower customer spending levels and the deposit of BBL and CBILS loan proceeds, demonstrating franchise strength. Digital investment continues to transform customer interactions, providing continuity of service and resilience through the lockdown. During H120 Barclays Bank UK PLC provided c.350k payment holidays to customers. These comprised £0.7bn UK cards balances (5% of the portfolio), £0.6bn UK personal loans balances (11% of the portfolio), and £14.9bn mortgages balances (10% of the portfolio).

Total income decreased 9% to £3,240m, consisting of:

- Personal Banking income decreased 6% to £1,863m reflecting deposit margin compression, COVID-19 customer support actions, and lower overdraft balances and fees
- Barclaycard Consumer UK income decreased 18% to £810m as reduced borrowing and spend levels by customers resulted in a lower level of Interest earning lending (IEL) balances, as well as planned lower debt sales
- Business Banking income decreased 13% to £575m due to deposit margin compression, lower transactional fee volumes as a result of COVID-19 and related customer support actions, partially offset by lending and deposit balance growth
- This was partially offset by an expense of £8m in Head Office due to the impacts of hedge accounting

Credit impairment charges increased to £1,055m reflecting forecast deterioration in macroeconomic variables in the COVID-19 scenarios¹, partially offset by the estimated impact of central bank, government and other support measures

Operating expenses were stable at £2,188m as efficiency savings were offset by COVID-19 pandemic related costs

The tax credit for H120 was £91m (H119: £213m charge), which includes the impact of the tax benefit recognised for the re-measurement of UK deferred tax assets as a result of the UK corporation tax rate being maintained at 19%.

Balance sheet, capital and liquidity

Loans and advances at amortised cost increased 4% to £205.9bn predominantly through £7.1bn of BBL and CBILS lending, as well as £1.9bn of mortgage growth, partially offset by lower UK cards balances

Deposits at amortised cost increased 10% to £225.7bn due to lower spending levels, the impact of payment holidays, as well as the deposit of BBL and CBILS loan proceeds

Cash and balances at central banks increased 59% to £38.7bn and Financial assets at fair value through other comprehensive income increased 25% to £24.1bn, as a result of a larger liquidity pool, predominantly due to increased customer deposits

The Barclays Bank UK Group CET1 ratio as at 30 June 2020 was 14.2%, which is above regulatory capital minimum requirements.

¹ See Measurement uncertainty, page 9, for a description of the COVID-19 Scenarios.

Risk management and principal risks

The roles and responsibilities of the business groups, Risk and Compliance, in the management of risk in the firm are defined in the Enterprise Risk Management Framework. The purpose of the framework is to identify the principal risks of Barclays Bank UK Group, the process by which Barclays Bank UK Group sets its appetite for these risks in its business activities, and the consequent limits which it places on related risk taking.

The framework identifies eight principal risks: credit risk; market risk; treasury and capital risk; operational risk; model risk; conduct risk; reputation risk; and legal risk. Further detail on these risks and how they are managed is available in the Barclays Bank UK PLC Annual Report 2019 pages 31 to 41 or online at home.barclays/annualreport. There have been no significant changes to these principal risks or previously identified material existing and emerging risks in the period, save that details of an additional material risk identified in H120 which potentially impacts more than one principal risk are set out below.

The following section also gives an overview of credit risk and treasury and capital risk for the period.

Risks relating to the impact of COVID-19

The COVID-19 pandemic has had, and continues to have, a material impact on businesses around the world and the economic environments in which they operate. There are a number of factors associated with the pandemic and its impact on global economies that could have a material adverse effect on (among other things) the profitability, capital and liquidity of financial institutions such as Barclays Bank UK Group.

The COVID-19 pandemic has caused disruption to the Barclays Bank UK Group's customers, suppliers and staff. In the UK severe restrictions on the movement of people have been implemented by the UK, Scottish and Welsh governments, with a resultant significant impact on economic activity. It remains unclear how this will evolve through 2020 (including whether there will be subsequent waves of the COVID-19 pandemic and whether and in what manner previously lifted restrictions will be re-imposed) and the Barclays Bank UK Group continues to monitor the situation closely. However, despite the COVID-19 contingency plans established by the Barclays Bank UK Group, its ability to conduct business may be adversely affected by disruptions to its infrastructure, business processes and technology services, resulting from the unavailability of staff due to illness or the failure of third parties to supply services. This may cause significant customer detriment, costs to reimburse losses incurred by the Barclays Bank UK Group's customers, potential litigation costs (including regulatory fines, penalties and other sanctions), and reputational damage.

In the UK, schemes have been implemented by the Bank of England, the UK Government and the Financial Conduct Authority to provide financial support to parts of the economy most impacted by the COVID-19 pandemic. These schemes have been designed and implemented at pace, meaning lenders (including Barclays) continue to address operational issues which have arisen in connection with the implementation of the schemes, including resolving the interaction between the schemes and existing law and regulation. In addition, the details of how these schemes will impact the Barclays Bank UK Group's customers and therefore the impact on the Barclays Bank UK Group remains uncertain at this stage. However, certain actions (such as the introduction of payment holidays for certain consumer lending products or the cancellation or waiver of fees associated with certain products) may negatively impact the effective interest rate earned on certain of the Barclays Bank UK Group portfolios and lower fee income being earned on certain products. Lower interest rates in the UK will negatively impact net interest income earned by the Barclays Bank UK Group. Both of these factors may in turn negatively impact the Barclays Bank UK Group's profitability. Furthermore, the introduction of, and participation in, central-bank supported loan and other financing schemes introduced as a result of the COVID-19 pandemic may negatively impact the Barclays Bank UK Group's risk weighted assets (RWAs), level of impairment and, in turn, capital position (particularly when any transitional relief applied to the calculation of RWAs and impairment expires). This may be exacerbated if the Barclays Bank UK Group is required by the UK Government or the Financial Conduct Authority to offer forbearance or additional financial relief to borrowers.

As these schemes and other financial support schemes provided by the UK Government (such as job retention and furlough schemes) expire, are withdrawn or are no longer supported, the Barclays Bank UK Group may experience a higher volume of defaults and delinquencies in certain portfolios and may initiate collection and enforcement actions to recover defaulted debts. Where defaulting borrowers are harmed by the Barclays Bank UK Group's conduct, this may give rise to civil legal proceedings, including class actions, regulatory censure, potentially significant fines and other sanctions, and reputational damage. Other legal disputes may also arise between the Barclays Bank UK Group and defaulting borrowers relating to matters such as breaches or enforcement of legal rights or obligations arising under loan and other credit agreements. Adverse findings in any such matters may result in the Barclays Bank UK Group's rights not being enforced as intended. For further details on legal risk and legal, competition and regulatory matters, refer to Note 14 on pages 28 to 29.

The actions taken by the UK Government and the Bank of England, may indicate a view on the potential severity of any economic downturn and post recovery environment, which from a commercial, regulatory and risk perspective could be significantly different to past crises and persist for a prolonged period. The COVID-19 pandemic has led to a weakening in

Risk Management

gross domestic product (GDP) and an expectation of higher unemployment and lower house prices in the UK. These factors all have a significant impact on the modelling of expected credit losses (ECL) by Barclays Bank UK Group. As a result, the Barclays Bank UK Group has experienced higher ECLs during the first half of 2020 compared to prior periods and this trend may continue in the second half of 2020. The economic environment remains uncertain and future impairment charges may be subject to further volatility (including from changes to macroeconomic variable forecasts) depending on the longevity of the COVID-19 pandemic and related containment measures, as well as the longer term effectiveness of the Bank of England's, UK Government's and other support measures. For further details on macroeconomic variables used in the calculation of ECLs, refer to page 9. In addition, ECLs may be adversely impacted by increased levels of default for single name exposures in certain sectors directly impacted by the COVID-19 pandemic (such as the retail and hospitality and leisure sectors).

Furthermore, 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 and assessing capital adequacy. Models are, by their nature, imperfect and incomplete representations of reality because they rely on assumptions and inputs, and so they may be subject to errors affecting the accuracy of their outputs and/or misused. This may be exacerbated when dealing with unprecedented scenarios, such as the COVID-19 pandemic, due to the lack of reliable historical reference points and data. For further details on model risk, refer to page 34 of the Barclays Bank UK PLC Annual Report 2019.

The disruption to economic activity caused by the COVID-19 pandemic could adversely impact the Barclays Bank UK Group's other assets such as goodwill and intangibles, and the value of Barclays Bank UK PLC's investments in subsidiaries. It could also impact the Barclays Bank UK Group's income due to lower lending and transaction volumes due to volatility or weakness in the capital markets. Other potential risks include credit rating migration which could negatively impact the Barclays Bank UK Group's RWAs and capital position, and potential liquidity stress due to (among other things) increased customer drawdowns, notwithstanding the significant initiatives that the UK Government and the Bank of England have put in place to support funding and liquidity. Furthermore, a significant increase in the utilisation of credit cards by customers could have a negative impact on the Barclays Bank UK Group's RWAs and capital position.

The Bank of England and UK Government actions and other support measures taken in response to the COVID-19 pandemic may also create restrictions in relation to capital. Restrictions imposed by the UK Government and/or the Prudential Regulation Authority (PRA) may further limit management's flexibility in managing the business and taking action in relation to capital distributions and capital allocation.

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

Credit Risk

Loans and advances at amortised cost by product

The table below presents a breakdown of loans and advances at amortised cost and the impairment allowance with stage allocation by asset classification.

Impairment allowance under IFRS9 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.

As at 30.06.20	Stage 1	Stage 2		Total	Stage 3	Total ¹
		Not past due	<=30 days past due			
	£m	£m	£m	£m	£m	£m
Gross exposure						
Home loans	124,942	16,826	1,703	863	19,392	145,450
Credit cards, unsecured loans and other retail lending	13,065	5,639	143	198	5,980	20,423
Wholesale loans	36,048	5,841	198	41	6,080	43,333
Total	174,055	28,306	2,044	1,102	31,452	209,206
Impairment allowance						
Home loans	10	19	4	6	29	86
Credit cards, unsecured loans and other retail lending	294	1,404	54	122	1,580	2,857
Wholesale loans	29	119	2	3	124	344
Total	333	1,542	60	131	1,733	3,287
Net exposure						
Home loans	124,932	16,807	1,699	857	19,363	145,364
Credit cards, unsecured loans and other retail lending	12,771	4,235	89	76	4,400	17,566
Wholesale loans	36,019	5,722	196	38	5,956	42,989
Total	173,722	26,764	1,984	971	29,719	205,919
Coverage ratio	%	%	%	%	%	%
Home loans	-	0.1	0.2	0.7	0.1	4.2
Credit cards, unsecured loans and other retail lending	2.3	24.9	37.8	61.6	26.4	71.3
Wholesale loans	0.1	2.0	1.0	7.3	2.0	15.9
Total	0.2	5.4	2.9	11.9	5.5	33.0
As at 31.12.19						
Gross exposure						
Home loans	126,109	14,189	1,537	643	16,369	143,577
Credit cards, unsecured loans and other retail lending	16,471	5,953	192	164	6,309	24,060
Wholesale loans	28,430	2,885	20	12	2,917	32,543
Total	171,010	23,027	1,749	819	25,595	200,180
Impairment allowance						
Home loans	6	13	5	6	24	85
Credit cards, unsecured loans and other retail lending	180	1,074	60	89	1,223	2,267
Wholesale loans	27	65	1	2	68	259
Total	213	1,152	66	97	1,315	2,611
Net exposure						
Home loans	126,103	14,176	1,532	637	16,345	143,492
Credit cards, unsecured loans and other retail lending	16,291	4,879	132	75	5,086	21,793
Wholesale loans	28,403	2,820	19	10	2,849	32,284
Total	170,797	21,875	1,683	722	24,280	197,569
Coverage ratio	%	%	%	%	%	%
Home loans	-	0.1	0.3	0.9	0.1	5.0
Credit cards, unsecured loans and other retail lending	1.1	18.0	31.3	54.3	19.4	67.5
Wholesale loans	0.1	2.3	5.0	16.7	2.3	13.7
Total	0.1	5.0	3.8	11.8	5.1	30.3

¹ Other financial assets subject to impairment not included in the table above include cash collateral and settlement balances and financial assets at fair value through other comprehensive income, accrued income and sundry debtors. These have a total gross exposure of £29.2bn (December 2019: £24.5bn) and an impairment allowance of £9m (December 2019: £3m). This comprises £4m (December 2019: £3m) on £28.2bn Stage 1 assets (December 2019: £24.5bn), £5m (December 2019: £nil) on £988m Stage 2 assets (December 2019: £nil). Loan commitments and financial guarantee contracts have total ECL of £148m (December 2019: £70m).

Credit Risk

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

The following tables present a reconciliation of the opening to the closing balance of the exposure and impairment allowance. An explanation of the terms 12-month ECL, lifetime ECL and credit-impaired is included in the Barclays Bank UK PLC Annual Report 2019 on page 121. Barclays Bank UK Group does not hold any material purchased or originated credit-impaired assets as at period end. Transfers between stages in the tables have been reflected as if they had taken place at the beginning of the year. The movements are measured over a 6-month period.

Gross exposure for loans and advances at amortised cost

	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m
Home loans								
As at 1 January 2020	126,109	6	16,369	24	1,099	55	143,577	85
Transfers from Stage 1 to Stage 2	(6,767)	(1)	6,767	1	-	-	-	-
Transfers from Stage 2 to Stage 1	2,871	4	(2,871)	(4)	-	-	-	-
Transfers to Stage 3	(35)	-	(221)	(2)	256	2	-	-
Transfers from Stage 3	7	1	80	-	(87)	(1)	-	-
Business activity in the year	9,517	1	277	1	-	-	9,794	2
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(3,085)	(1)	(383)	10	(42)	1	(3,510)	10
Final repayments	(3,675)	-	(626)	(1)	(108)	(8)	(4,409)	(9)
Disposals	-	-	-	-	-	-	-	-
Write-offs ¹	-	-	-	-	(2)	(2)	(2)	(2)
As at 30 June 2020 ²	124,942	10	19,392	29	1,116	47	145,450	86
Credit cards, unsecured loans and other retail lending								
As at 1 January 2020	16,471	180	6,309	1,223	1,280	864	24,060	2,267
Transfers from Stage 1 to Stage 2	(2,660)	(45)	2,660	45	-	-	-	-
Transfers from Stage 2 to Stage 1 ³	2,023	331	(2,023)	(331)	-	-	-	-
Transfers to Stage 3	(101)	(3)	(396)	(153)	497	156	-	-
Transfers from Stage 3	15	6	12	4	(27)	(10)	-	-
Business activity in the year	980	20	134	28	10	4	1,124	52
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes ³	(3,122)	(184)	(655)	774	(23)	296	(3,800)	886
Final repayments	(541)	(11)	(61)	(10)	(61)	(32)	(663)	(53)
Disposals	-	-	-	-	(15)	(12)	(15)	(12)
Write-offs ¹	-	-	-	-	(283)	(283)	(283)	(283)
As at 30 June 2020 ²	13,065	294	5,980	1,580	1,378	983	20,423	2,857

¹ In H1 2020, gross write-offs amounted to £304m (H1 2019: £324m) and post write-off recoveries amounted to £14m (H1 2019: £26m). Net write-offs represent gross write-offs less post write-off recoveries and amounted to £290m (H1 2019: £298m).

² Other financial assets subject to impairment excluded from the tables above include cash collateral and settlement balances, financial assets at fair value through other comprehensive income and other assets. These have a total gross exposure of £29.2bn (December 2019: £24.5bn) and an impairment allowance of £9m (December 2019: £3m). This comprises £4m (December 2019: £3m) on £28.2bn Stage 1 assets (December 2019: £24.5bn). £5m (December 2019: £nil) on £988m Stage 2 assets (December 2019: £nil).

³ Transfers and risk parameter changes include a £253m net release in ECL arising from a reclassification of £2.4bn gross loans and advances from Stage 2 to Stage 1 in Credit cards, unsecured loans and other retail lending resulting from a review of probability of default models in the period. Barclays continually reviews the output of models to determine appropriateness of the ECL calculation, including reviews of model monitoring, external benchmarking and experience of model operation over an extended period of time.

Credit Risk

	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
	£m	£m	£m	£m	£m	£m	£m	£m
Wholesale loans								
As at 1 January 2020	28,430	27	2,917	68	1,196	164	32,543	259
Transfers from Stage 1 to Stage 2	(3,069)	(6)	3,069	6	-	-	-	-
Transfers from Stage 2 to Stage 1	486	9	(486)	(9)	-	-	-	-
Transfers to Stage 3	(142)	-	(146)	(5)	288	5	-	-
Transfers from Stage 3	112	9	141	7	(253)	(16)	-	-
Business activity in the year	5,652	3	186	2	-	-	5,838	5
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	7,857	(13)	435	55	(7)	57	8,285	99
Final repayments	(3,278)	-	(36)	-	-	-	(3,314)	-
Disposals	-	-	-	-	-	-	-	-
Write-offs ¹	-	-	-	-	(19)	(19)	(19)	(19)
As at 30 June 2020²	36,048	29	6,080	124	1,205	191	43,333	344

Reconciliation of ECL movement to impairment charge/(release) for the period

	£m
Home loans	3
Credit cards, unsecured loans and other retail lending	885
Wholesale loans	104
ECL movement excluding assets derecognised due to disposals and write-offs	992
Post write-off recoveries	(14)
Other adjustments ³	(10)
Impairment charge on loan commitments and other financial guarantees	78
Impairment charge on other financial assets ²	9
As at 30 June 2020	1,055

1 In H1 2020, gross write-offs amounted to £304m (H1 2019: £324m) and post write-off recoveries amounted to £14m (H1 2019: £26m). Net write-offs represent gross write-offs less post write-off recoveries and amounted to £290m (H1 2019: £298m).

2 Other financial assets subject to impairment excluded from the tables above include cash collateral and settlement balances, financial assets at fair value through other comprehensive income and other assets. These have a total gross exposure of £29.2bn (December 2019: £24.5bn) and an impairment allowance of £9m (December 2019: £3m). This comprises £4m (December 2019: £3m) on £28.2bn Stage 1 assets (December 2019: £24.5bn), £5m (December 2019: £nil) on £988m Stage 2 assets (December 2019: £nil).

3 Includes interest and fees in suspense.

Loan commitments and financial guarantees

	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
	£m	£m	£m	£m	£m	£m	£m	£m
Home loans								
As at 1 January 2020	9,508	-	499	-	3	-	10,010	-
Net transfers between stages	(93)	-	93	-	-	-	-	-
Business activity in the year	-	-	-	-	-	-	-	-
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(886)	-	(6)	-	(2)	-	(894)	-
Limit management	(98)	-	(16)	-	-	-	(114)	-
As at 30 June 2020	8,431	-	570	-	1	-	9,002	-

Credit cards, unsecured loans and other retail lending

As at 1 January 2020	47,505	11	4,183	59	181	-	51,869	70
Net transfers between stages	(2,281)	36	2,219	(36)	62	-	-	-
Business activity in the year	349	1	37	1	-	-	386	2
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	1,779	(20)	321	97	(38)	-	2,062	77
Limit management	(228)	(1)	(16)	(1)	(30)	-	(274)	(2)
As at 30 June 2020	47,124	27	6,744	120	175	-	54,043	147

Wholesale loans

As at 1 January 2020	2,738	-	395	-	47	-	3,180	-
Net transfers between stages	(456)	-	456	-	-	-	-	-
Business activity in the year	4	-	-	-	-	-	4	-
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	709	-	194	1	12	-	915	1
Limit management	(23)	-	(94)	-	-	-	(117)	-
As at 30 June 2020	2,972	-	951	1	59	-	3,982	1

Measurement uncertainty

The Barclays Bank UK Group uses a five-scenario model to calculate ECL. Absent the conditions surrounding the COVID-19 pandemic, a Baseline scenario is typically generated based on an external consensus forecast assembled from key sources, including HM Treasury (short and medium-term forecasts) and Bloomberg (based on median of economic forecasts). 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 typically calibrated to a similar severity to internal stress tests, whilst also considering IFRS 9 specific sensitivities and non-linearity. Downside 2 is typically benchmarked to the Bank of England's annual cyclical scenarios and to the most severe scenario from Moody's inventory, but is not designed to be the same. The favourable scenarios are generally calibrated to be symmetric to the adverse scenarios, subject to a ceiling calibrated to relevant recent favourable benchmark scenarios. The scenarios include four economic variables (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 eight years. To calculate ECL a probability weight is assigned to each scenario.

Following the onset of the COVID-19 pandemic, the Barclays Bank UK Group generated a Baseline scenario in March 2020 that reflected the most recent economic forecasts available in the market (combined with internal assumptions) and estimated impacts from significant support measures taken by Barclays, central banks and governments across the Barclays Bank Group's key markets. This scenario assumed a strong contraction in GDP and a sharp rise in unemployment in 2020, and required a recalibration of probability weights. This scenario was superseded by a further revised Baseline scenario generated in June 2020, based broadly on the latest economic forecasts which recognise some impacts from the various support measures still in place across the Barclays Bank UK Group's key markets. Upside and downside scenarios were also regenerated in June 2020 (together with the revised Baseline scenario, the "COVID-19 Scenarios"). The downside scenarios reflect slower economic growth than the Baseline with social distancing measures continuing to drag GDP. Economic growth begins to recover later in 2020 in Downside 1 but only in 2021 in the Downside 2 scenario. The upside scenarios reflect a faster rebound in economic growth than the Baseline with a sharp decrease in infection rates and an almost fully reopened economy. Scenario weights were also revised in June 2020 with greater weight being applied to the tail scenarios (Upside 2 and Downside 2). This reflects the significant range of uncertainty in the economic environment compared to previous quarters given the conditions surrounding the COVID-19 pandemic.

The economic environment remains uncertain and future impairment charges may be subject to further volatility (including from changes to macroeconomic variable forecasts) depending on the longevity of the COVID-19 pandemic and related containment measures, as well as the longer term effectiveness of central bank, government and other support measures.

The tables below show the key macroeconomic variables used in the COVID-19 Baseline scenario and the probability weights applied to each respective scenario.

Baseline average macroeconomic variables used in the calculation of ECL

	2020	2021	2022	Expected Worst Point
As at 30.06.20	%	%	%	%
UK GDP ¹	(8.7)	6.1	2.9	(51.4)
UK unemployment ²	6.6	6.5	4.4	8.0
UK HPI ³	0.6	2.0	-	(1.5)
UK bank rate	0.2	0.1	0.1	0.1

1 Average Real GDP seasonally adjusted change in year; expected worst point using Seasonally Adjusted Annual Rate, SAAR.

2 Average UK unemployment rate 16-year+.

3 Change in average yearly UK HPI = Halifax All Houses, All Buyers index, relative to prior year end; worst point is based on cumulative drawdown in year relative to prior year end.

Scenario probability weighting

	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
As at 30.06.20	%	%	%	%	%
Scenario probability weighting	20.3	22.4	25.4	17.5	14.4
As at 31.12.19					
Scenario probability weighting	10.1	23.1	40.8	22.7	3.3

Credit Risk

Macroeconomic variables (specific bases)¹

	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
As at 30.06.20	%	%	%	%	%
UK GDP ²	32.7	26.4	5.4	1.6	1.2
UK unemployment ³	3.5	3.6	4.9	9.6	10.9
UK HPI ⁴	45.3	27.2	2.3	(15.0)	(33.4)
UK bank rate ³	0.1	0.1	0.2	0.3	0.2

As at 31.12.19

UK GDP ²	4.2	2.9	1.6	0.2	(4.7)
UK unemployment ³	3.4	3.8	4.2	5.7	8.7
UK HPI ⁴	46.0	32.0	3.1	(8.2)	(32.4)
UK bank rate ³	0.5	0.5	0.7	2.8	4.0

As at 30.06.19

UK GDP ²	4.5	3.1	1.7	0.3	(4.1)
UK unemployment ³	3.4	3.9	4.3	5.7	8.8
UK HPI ⁴	46.4	32.6	3.2	(0.5)	(32.1)
UK bank rate ³	0.8	0.8	1.0	2.5	4.0

1 UK GDP = Real GDP growth seasonally adjusted; UK unemployment = UK unemployment rate 16-year+; UK HPI = Halifax All Houses. Forecast period based on 20 quarters from Q3 2020.

2 Upside scenario is the highest annual average growth rate based on seasonally adjusted quarterly annualised rate; 5-year average in Baseline; downside is the lowest annual average growth rate based on seasonally adjusted quarterly annualised rate.

3 Lowest yearly average in Upside scenarios; 5-year average in Baseline; highest yearly average in Downside scenarios.

4 Cumulative growth (trough to peak) in Upside scenarios; 5-year average in Baseline; cumulative fall (peak-to-trough) in Downside scenarios.

Macroeconomic variables (5-year averages)¹

	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
As at 30.06.20	%	%	%	%	%
UK GDP	8.9	7.2	5.4	5.2	2.8
UK unemployment	4.0	4.3	4.9	6.2	7.2
UK HPI	7.8	5.0	2.3	(1.4)	(5.5)
UK bank rate	0.4	0.3	0.2	0.1	0.1

As at 31.12.19

UK GDP	3.2	2.4	1.6	0.8	(0.7)
UK unemployment	3.5	3.9	4.2	5.4	7.7
UK HPI	7.9	5.7	3.1	(1.1)	(6.5)
UK bank rate	0.5	0.5	0.7	2.5	3.7

As at 30.06.19

UK GDP	3.4	2.6	1.7	0.9	(0.6)
UK unemployment	3.7	4.0	4.3	5.1	7.9
UK HPI	7.9	5.8	3.2	0.9	(6.4)
UK bank rate	0.8	0.8	1.0	2.3	3.7

1 UK GDP = Real GDP growth seasonally adjusted; UK unemployment = UK unemployment rate 16-year+; UK HPI = Halifax All Houses. For GDP and HPI, numbers represent average of seasonally adjusted quarterly annualised rates. Forecast period based on 20 quarters from Q3 2020.

Treasury and Capital Risk

Funding and liquidity

Overview

The liquidity pool increased to £64bn (December 2019: £42bn) driven by customer deposit growth and actions to maintain a prudent funding and liquidity position in the current environment.

Liquidity risk stress testing

The liquidity risk stress assessment measures the potential contractual and contingent stress outflows under a range of scenarios, which are then used to determine the size of the liquidity pool that is immediately available to meet anticipated outflows if a stress occurs. 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.

The CRR (as amended by CRR II) Liquidity Coverage ratio (LCR) requirement takes into account the relative stability of different sources of funding and potential incremental funding requirements in a stress. The LCR is designed to promote short-term resilience of a bank's liquidity risk profile by holding sufficient high quality liquid assets to survive an acute stress scenario lasting for 30 days.

As at 30 June 2020, Barclays Bank UK Group held eligible liquid assets well above 100% of the net stress outflows to its internal and regulatory requirements. A significant portion of the liquidity pool was held in cash and deposits with central banks. The liquidity pool was held entirely within Barclays Bank UK PLC.

	As at 30.06.20 £bn	As at 31.12.19 £bn
Barclays Bank UK Group liquidity pool	64	42
	%	%
Barclays Bank UK Group liquidity coverage ratio	171	144

Treasury and Capital Risk

Capital and leverage

The disclosures below provide key capital metrics for Barclays Bank UK Group with further information on its risk profile included in the Barclays Bank UK PLC Pillar 3 Report H1 2020, expected to be published on 14 August 2020, and which will be available at home.barclays/investor-relations/reports-and-events/latest-financial-results.

On 27 June 2019, CRR II came into force amending CRR. As an amending regulation, the existing provisions of CRR apply unless they are amended by CRR II. Certain aspects of CRR II are dependent on final technical standards to be issued by the European Banking Authority (EBA) and adopted by the European Commission as well as UK implementation of the rules.

On 27 June 2020, CRR was further amended to accelerate specific CRR II measures and implement a new IFRS 9 transitional relief calculation. Previously due to be implemented in June 2021, the accelerated measures primarily relate to the CRR leverage calculation to include additional settlement netting and limited changes to the calculation of RWAs. For UK leverage calculations, the PRA early adopted the CRR II settlement netting measure in April 2020.

The IFRS 9 transitional arrangements have been extended by two years and a new modified calculation has been introduced. 100% relief will be applied to increases in stage 1 and stage 2 provisions from 1 January 2020 throughout 2020 and 2021; 75% in 2022; 50% in 2023; 25% in 2024 with no relief applied from 2025. The phasing out of transitional relief on the “day 1” impact of IFRS 9 as well as increases in stage 1 and stage 2 provisions between 1 January 2018 and 31 December 2019 under the modified calculation remain unchanged and continue to be subject to 70% transitional relief throughout 2020; 50% for 2021; 25% for 2022 and with no relief applied from 2023.

Also impacting own funds from 30 June 2020 until 31 December 2020 inclusive are amendments to the regulatory technical standards on prudential valuation which include an increase to diversification factors applied to certain additional valuation adjustments.

The disclosures in the following section reflect Barclays’ interpretation of the current rules and guidance.

Capital ratios^{1,2}

	As at 30.06.20	As at 31.12.19
CET1	14.2%	13.5%
Tier 1 (T1)	17.6%	16.9%
Total regulatory capital	23.1%	21.3%

Capital resources

	£m	£m
CET1 capital	10,834	10,128
T1 capital	13,394	12,688
Total regulatory capital	17,537	16,012
Risk weighted assets (RWAs)	76,039	75,010

¹ Capital and RWAs are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date.

² The fully loaded CET1 ratio was 13.4%, with £10,181m of CET1 capital and £76,054m of RWAs, calculated without applying the transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date.

Barclays Bank UK Group is required to disclose an average UK leverage ratio which is based on capital on the last day of each month in the quarter and an exposure measure for each day in the quarter. Barclays Bank UK Group is also required to disclose a UK leverage ratio based on capital and exposure on the last day of the quarter. Both approaches exclude qualifying claims on central banks from the leverage exposures and include the PRA’s early adoption of CRR II settlement netting.

As at 30 June 2020, Barclays Bank UK Group average UK leverage ratio was 5.3% which is above the leverage ratio requirement.

Leverage ratios¹

	As at 30.06.20 £m	As at 31.12.19 £m
Average UK leverage ratio ²	5.3%	5.2%
Average T1 capital	13,176	12,598
Average UK leverage exposure	247,894	240,057
UK leverage ratio	5.5%	5.4%
T1 capital	13,394	12,688
UK leverage exposure	245,609	236,026

¹ Capital and RWAs are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II applicable as at the reporting date.

² The CET1 capital held against the 0.35% SRB ALRB was £0.9bn and against the 0.0% CCLB was £0.0bn.

Statement of Directors' Responsibilities

The Directors (the names of whom are set out below) are required to prepare the financial statements on a going concern basis unless it is not appropriate to do so. In making this assessment, the directors have considered information relating to present and future conditions. Each of the Directors (the names of whom are set out below) confirm that to the best of their knowledge, the condensed consolidated interim financial statements set out on pages 15 to 19 have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting, as adopted by the European Union (EU), and that the interim management report herein includes a fair review of the information required by Disclosure Guidance and Transparency Rules 4.2.7R and 4.2.8R namely:

- *an indication of important events that have occurred during the six months ended 30 June 2020 and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year*
- *any related party transactions in the six months ended 30 June 2020 that have materially affected the financial position or performance of Barclays Bank UK Group during that period and any changes in the related party transactions described in the last Annual Report that could have a material effect on the financial position or performance of Barclays Bank UK Group in the six months ended 30 June 2020.*

Signed on 28 July 2020 on behalf of the Board by

Matt Hammerstein
Barclays Bank UK Group Chief Executive

James Mack
Barclays Bank UK Group Chief Financial Officer

Barclays Bank UK PLC Board of Directors:

Chair
Sir Ian Cheshire

Executive Directors
Matt Hammerstein
James Mack

Non-executive Directors
Avid Larizadeh Duggan
Michael Jary
Kathryn Matthews
Chris Pilling
Andrew Ratcliffe
David Thorburn
Sir John Timpson

Independent Review Report to Barclays Bank UK PLC

Conclusion

We have been engaged by the company to review the condensed set of financial statements in the Interim Results Announcement for the six months ended 30 June 2020 which comprises:

- the condensed consolidated income statement and condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated balance sheet as at 30 June 2020;
- the condensed consolidated statement of changes in equity for the period then ended;
- the condensed consolidated cash flow statement for the period then ended; and
- the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Results Announcement for the six months ended 30 June 2020 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted by the EU and the Disclosure Guidance and Transparency Rules (“the DTR”) of the UK’s Financial Conduct Authority (“the UK FCA”).

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity* issued by the Auditing Practices Board for use in the UK. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. We read the other information contained in the Interim Results Announcement and consider whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Directors’ responsibilities

The Interim Results Announcement is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Results Announcement in accordance with the DTR of the UK FCA.

As disclosed in Note 1, Basis of preparation, the annual financial statements of the Barclays Bank UK Group are prepared in accordance with International Financial Reporting Standards as adopted by the EU. The directors are responsible for preparing the condensed set of financial statements included in the Interim Results Announcement in accordance with IAS 34 as adopted by the EU.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the Interim Results Announcement based on our review.

The purpose of our review work and to whom we owe our responsibilities

This report is made solely to the company in accordance with the terms of our engagement to assist the company in meeting the requirements of the DTR of the UK FCA. Our review has been undertaken so that we might state to the company those matters we are required to state to it in this 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 for our review work, for this report, or for the conclusions we have reached.

Michael McGarry
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London, E14 5GL

28 July 2020

Condensed Consolidated Financial Statements

Condensed consolidated income statement (unaudited)

	Notes ¹	Half year ended 30.06.20 £m	Half year ended 30.06.19 £m
Interest and similar income		3,149	3,470
Interest and similar expense		(516)	(594)
Net interest income		2,633	2,876
Fee and commission income	3	667	818
Fee and commission expense	3	(149)	(188)
Net fee and commission income	3	518	630
Other income		89	65
Total income		3,240	3,571
Credit impairment charges		(1,055)	(418)
Net operating income		2,185	3,153
Staff costs		(647)	(638)
Infrastructure, administration and general expenses		(1,541)	(1,548)
Litigation and conduct		(11)	(45)
Operating expenses		(2,199)	(2,231)
Profit on disposal of subsidiaries, associates and joint ventures		12	-
(Loss)/profit before tax		(2)	922
Tax credit/(charge)	5	91	(213)
Profit after tax		89	709
Attributable to:			
Equity holders of the parent		(5)	639
Other equity instrument holders		94	70
Profit after tax		89	709

¹ For notes to the Financial Statements see pages 20 to 31.

Condensed Consolidated Financial Statements

Condensed consolidated statement of comprehensive income (unaudited)

	Notes ¹	Half year ended 30.06.20 £m	Half year ended 30.06.19 £m
Profit after tax		89	709
Other comprehensive income that may be recycled to profit or loss:²			
Fair value through other comprehensive income reserve	12	1	19
Cash flow hedging reserve	12	258	134
Other comprehensive income that may be recycled to profit or loss		259	153
Total comprehensive income for the period		348	862

¹ For notes to the Financial Statements see pages 20 to 31.

² Reported net of tax.

Condensed Consolidated Financial Statements

Condensed consolidated balance sheet (unaudited)

	Notes ¹	As at 30.06.20 £m	As at 31.12.19 £m
Assets			
Cash and balances at central banks		38,651	24,305
Cash collateral and settlement balances		4,688	4,331
Loans and advances at amortised cost		205,919	197,569
Reverse repurchase agreements and other similar secured lending		3,323	1,761
Trading portfolio assets		603	860
Financial assets at fair value through the income statement		3,548	3,571
Derivative financial instruments		309	192
Financial assets at fair value through other comprehensive income		24,096	19,322
Goodwill and intangible assets		3,528	3,530
Property, plant and equipment		816	893
Deferred tax assets	5	803	810
Other assets		764	1,254
Total assets		287,048	258,398
Liabilities			
Deposits at amortised cost		225,745	205,696
Cash collateral and settlement balances		181	214
Repurchase agreements and other similar secured borrowing		16,099	13,420
Debt securities in issue		12,028	8,271
Subordinated liabilities		10,598	7,688
Trading portfolio liabilities		1,227	1,704
Derivative financial instruments		849	740
Current tax liabilities		436	458
Other liabilities		1,752	2,034
Provisions	8	1,347	1,660
Total liabilities		270,262	241,885
Equity			
Called up share capital and share premium	10	5	5
Other reserves	12	442	183
Retained earnings		13,779	13,765
Shareholders' equity attributable to ordinary shareholders of the parent		14,226	13,953
Other equity instruments	11	2,560	2,560
Total equity		16,786	16,513
Total liabilities and equity		287,048	258,398

¹ For notes to the Financial Statements see pages 20 to 31.

Condensed Consolidated Financial Statements

Condensed consolidated statement of changes in equity (unaudited)

	Called up share capital and share premium ¹	Other equity instruments ¹	Other reserves ¹	Retained earnings	Total equity
	£m	£m	£m	£m	£m
Half year ended 30.06.20					
Balance as at 1 January 2020	5	2,560	183	13,765	16,513
Profit after tax	-	94	-	(5)	89
Fair value through other comprehensive income reserve	-	-	1	-	1
Cash flow hedges	-	-	258	-	258
Total comprehensive income for the period	-	94	259	(5)	348
Issue of shares under employee share schemes	-	-	-	29	29
Coupons paid on other equity instruments	-	(94)	-	-	(94)
Vesting of employee share schemes	-	-	-	(11)	(11)
Dividends paid	-	-	-	(220)	(220)
Capital Contribution from Barclays PLC	-	-	-	220	220
Other movements	-	-	-	1	1
Balance as at 30 June 2020	5	2,560	442	13,779	16,786
Half year ended 31.12.19					
Balance as at 1 July 2019	5	2,763	229	14,734	17,731
Profit after tax	-	83	-	(636)	(553)
Fair value through other comprehensive income reserve	-	-	(15)	-	(15)
Cash flow hedges	-	-	(31)	-	(31)
Total comprehensive income for the period	-	83	(46)	(636)	(599)
Issue of shares under employee share schemes	-	-	-	16	16
Issue and exchange of equity instruments	-	(203)	-	-	(203)
Coupons paid on other equity instruments	-	(83)	-	-	(83)
Dividends paid	-	-	-	(350)	(350)
Other movements	-	-	-	1	1
Balance as at 31 December 2019	5	2,560	183	13,765	16,513
Half year ended 30.06.19					
Balance as at 1 January 2019	5	2,070	76	14,792	16,943
Profit after tax	-	70	-	639	709
Fair value through other comprehensive income reserve	-	-	19	-	19
Cash flow hedges	-	-	134	-	134
Total comprehensive income for the period	-	70	153	639	862
Issue of shares under employee share schemes	-	-	-	16	16
Issue and exchange of equity instruments	-	693	-	-	693
Coupons paid on other equity instruments	-	(70)	-	-	(70)
Vesting of employee share schemes	-	-	-	(12)	(12)
Dividends paid	-	-	-	(700)	(700)
Other movements	-	-	-	(1)	(1)
Balance as at 30 June 2019	5	2,763	229	14,734	17,731

¹ Details of share capital, other equity instruments and other reserves are shown on pages 27 to 28.

Condensed Consolidated Financial Statements

Condensed consolidated cash flow statement (unaudited)

	Half year ended 30.06.20 £m	Half year ended 30.06.19 £m
Profit before tax	(2)	922
Adjustment for non-cash items	(160)	(54)
Net increase in loans and advances at amortised cost	(9,311)	(5,455)
Net increase in deposits at amortised cost	20,049	3,645
Net increase in debt securities in issue	3,757	865
Changes in other operating assets and liabilities	201	1,856
Corporate income tax paid	(23)	-
Net cash from operating activities	14,511	1,779
Net cash from investing activities	(2,342)	(7,565)
Net cash from financing activities	1,902	68
Effect of exchange rates on cash and cash equivalents	294	326
Net increase / (decrease) in cash and cash equivalents	14,365	(5,392)
Cash and cash equivalents at beginning of the period	28,042	44,334
Cash and cash equivalents at end of the period	42,407	38,942

¹ From 2019, the effect of exchange rates on cash and cash equivalents has been disclosed. Comparatives have been restated, reducing other non-cash movements by £326m.

Financial Statement Notes

1. Basis of preparation

These condensed consolidated interim financial statements for the six months ended 30 June 2020 have been prepared in accordance with the DTR of the UK FCA and with IAS 34, Interim Financial Reporting, as published by the International Accounting Standards Board (IASB) and adopted by the EU. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2019, which have been prepared in accordance with IFRSs as published by the IASB and as adopted by the EU.

The accounting policies and methods of computation used in these condensed consolidated interim financial statements are the same as those used in the Barclays Bank UK PLC Annual Report 2019.

1. Going concern

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Group and parent company have the resources to continue in business for the foreseeable future. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions, including future projections of profitability, capital requirements and capital resources.

2. Other disclosures

The Credit risk disclosures on pages 6 to 10 form part of these interim financial statements.

Financial Statement Notes

2. Segmental reporting

Analysis of results by business

	Personal Banking £m	Barclaycard Consumer UK £m	Business Banking £m	Head Office £m	Barclays Bank UK Group £m
Half year ended 30.06.20					
Total income	1,863	810	575	(8)	3,240
Credit impairment (charges)	(255)	(697)	(103)	-	(1,055)
Net operating income/(expenses)	1,608	113	472	(8)	2,185
Operating costs	(1,544)	(260)	(359)	(25)	(2,188)
Litigation and conduct	(4)	(3)	(4)	-	(11)
Total operating expenses	(1,548)	(263)	(363)	(25)	(2,199)
Other net income	12	-	-	-	12
Profit/(loss) before tax	72	(150)	109	(33)	(2)

As at 30.06.2020	£bn	£bn	£bn	£bn	£bn
Total assets	199.8	12.3	74.9	-	287.0

	Personal Banking £m	Barclaycard Consumer UK £m	Business Banking £m	Head Office £m	Barclays Bank UK Group £m
Half year ended 30.06.19¹					
Total income	1,992	987	657	(65)	3,571
Credit impairment (charges)/releases	(88)	(315)	(18)	3	(418)
Net operating income/(expenses)	1,904	672	639	(62)	3,153
Operating costs	(1,548)	(284)	(352)	(1)	(2,186)
Litigation and conduct	1	(44)	(1)	(2)	(45)
Total operating expenses	(1,547)	(328)	(353)	(3)	(2,231)
Profit/(loss) before tax	357	344	286	(65)	922

As at 31.12.2019	£bn	£bn	£bn	£bn	£bn
Total assets	187.3	16.1	55.0	-	258.4

Income by geographic region

Income from Barclays Bank UK Group is earned from the UK region.

Financial Statement Notes

3. Net fee and commission income

Fee and commission income is disaggregated below and includes a total for fees in scope of IFRS 15, Revenue from Contracts with Customers:

	Personal Banking £m	Barclaycard Consumer UK £m	Business Banking £m	Head Office £m	Barclays Bank UK Group £m
Half year ended 30.06.20					
Fee type					
Transactional	283	47	56	-	386
Advisory	79	-	-	-	79
Other	150	7	45	-	202
Total revenue from contracts with customers	512	54	101	-	667
Other non-contract fee income	-	-	-	-	-
Fee and commission income	512	54	101	-	667
Fee and commission expense	(133)	(9)	(7)	-	(149)
Net fee and commission income	379	45	94	-	518

Half year ended 30.06.19

Fee type					
Transactional	344	102	76	-	522
Advisory	88	-	-	-	88
Other	153	1	54	-	208
Total revenue from contracts with customers	585	103	130	-	818
Other non-contract fee income	-	-	-	-	-
Fee and commission income	585	103	130	-	818
Fee and commission expense	(168)	(15)	(5)	-	(188)
Net fee and commission income	417	88	125	-	630

Transactional fees are service charges on deposit accounts, cash management services and transactional processing fees. This includes interchange and merchant fee income generated from credit and bank card usage.

Advisory fees are generated from wealth management services. Wealth management advisory fees primarily consists of asset-based fees for advisory accounts of wealth management clients and are based on the market value of client assets. They are earned over the period the services are provided and are generally recognised quarterly when the market value of client assets is determined.

Other relates to various fee types which individually do not amount to 10% or greater of the Barclays Bank UK Group total fee and commission income.

4. Dividends on ordinary shares

	Half year ended 30.06.20 £m	Half year ended 30.06.19 £m
Dividends paid during the period		
Full year dividend paid during period	220	700

A dividend of £220m was paid on 25 March 2020 by Barclays Bank UK PLC to its parent Barclays PLC. This was prior to the announcement made by the PRA on 31 March 2020 that capital be preserved for use in serving Barclays customers and clients through the extraordinary challenges presented by the Covid-19 pandemic. As part of a response to this announcement, Barclays PLC took steps to provide additional capital to Barclays Bank UK PLC in the form of a capital contribution.

5. Tax

The tax credit for H120 was £91m (H119: £213m charge), which includes the impact of the tax benefit recognised for the re-measurement of UK deferred tax assets as a result of the UK corporation tax rate being maintained at 19%.

The deferred tax asset of £803m (2019: £810m) includes £43m (2019: nil) relating to tax losses.

Financial Statement Notes

6. Fair value of financial instruments

This section should be read in conjunction with Note 15, Fair value of financial instruments of the Barclays Bank UK PLC Annual Report 2019 and Note 1, Basis of preparation on page 20, which provides more detail about accounting policies adopted and valuation methodologies used in calculating fair value.

Valuation

The following table shows assets and liabilities that are held at fair value disaggregated by valuation technique (fair value hierarchy) and balance sheet classification:

	Valuation technique using			Total £m
	Quoted market prices (Level 1) £m	Observable inputs (Level 2) £m	Significant unobservable inputs (Level 3) £m	
As at 30.06.20				
Trading portfolio assets	354	249	-	603
Financial assets designated at fair value through income statement	-	100	3,448	3,548
Derivative financial instruments	-	309	-	309
Financial assets designated at fair value through other comprehensive income	6,983	17,113	-	24,096
Total assets	7,337	17,771	3,448	28,556
Trading portfolio liabilities	(1,077)	(150)	-	(1,227)
Derivative financial instruments	-	(849)	-	(849)
Total liabilities	(1,077)	(999)	-	(2,076)
As at 31.12.19				
Trading portfolio assets	384	476	-	860
Financial assets designated at fair value through income statement	-	38	3,533	3,571
Derivative financial instruments	-	192	-	192
Financial assets designated at fair value through other comprehensive income	6,162	13,160	-	19,322
Total assets	6,546	13,866	3,533	23,945
Trading portfolio liabilities	(1,331)	(373)	-	(1,704)
Derivative financial instruments	-	(740)	-	(740)
Total liabilities	(1,331)	(1,113)	-	(2,444)

Financial Statement Notes

Assets and liabilities reclassified between Level 1 and Level 2

During the period, 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 balance during the period. The table shows gains and losses and includes amounts for all financial assets and liabilities that are held at fair value transferred to and from Level 3 during the period.

Asset and liability moves between Level 2 and Level 3 are primarily due to i) an increase or decrease in observable market activity related to an input or ii) a change in the significance of the unobservable input, with assets and liabilities classified as Level 3 if an unobservable input is deemed significant.

	As at 01.01.20 £m	Purchases £m	Sales £m	Issues £m	Settlements £m	Total gains and losses in the period recognised in the income statement		Transfers		As at 30.06.20 £m
						Trading income ¹ £m	Other income £m	In £m	Out £m	
Non-asset backed loans	3,530	-	-	-	(298)	271	-	-	(59)	3,444
Other	3	6	-	-	(5)	-	-	-	-	4
Financial assets at fair value through the income statement	3,533	6	-	-	(303)	271	-	-	(59)	3,448

	As at 01.01.19 £m	Purchases £m	Sales £m	Issues £m	Settlements £m	Total gains and losses in the period recognised in the income statement		Transfers		As at 30.06.19 £m
						Trading income ¹ £m	Other income £m	In £m	Out £m	
Non-asset backed loans	3,852	-	-	-	(163)	178	-	-	(8)	3,859
Financial assets at fair value through the income statement	3,852	-	-	-	(163)	178	-	-	(8)	3,859

¹ Trading income represents gains on Level 3 financial assets which is offset by losses on derivative hedges disclosed within Level 2.

Unrealised gains and losses on Level 3 financial assets and liabilities

The following table discloses the unrealised gains and losses recognised in the period arising on Level 3 financial assets and liabilities held at the period end:

	As at 30.06.20			As at 30.06.19		
	Income statement		Total £m	Income statement		Total £m
	Trading income £m	Other income £m		Trading income £m	Other income £m	
Financial assets at fair value through the income statement	271	-	271	178	-	178

Financial Statement Notes

Valuation techniques and sensitivity analysis

Sensitivity analysis is performed on products with significant unobservable inputs (Level 3) to generate a range of reasonably possible alternative valuations. The sensitivity methodologies applied take account of the nature of valuation techniques used, as well as the availability and reliability of observable proxy and historical data and the impact of using alternative models.

Sensitivity analysis of valuations using unobservable inputs

The following table discloses the sensitivity to changes in credit spreads used in determining the fair value of Non-asset backed loans:

	As at 30.06.20		As at 31.12.19	
	Favourable changes	Unfavourable changes	Favourable changes	Unfavourable changes
	£m	£m	£m	£m
Non-asset backed loans	95	(236)	89	(264)

The effect of stressing unobservable inputs to a 90th percentile confidence interval of a potential range of values, alongside considering the impact of using alternative models, would be to increase fair values by up to £95m (December 2019: £89m) or to decrease fair values by up to £236m (December 2019: £264m). All the potential effect would impact profit and loss. The asymmetry in the favourable and unfavourable changes in the sensitivity analysis is attributable to Investing and Funding costs with the prudential valuation framework contributing to the unfavourable side only.

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 £12m (December 2019: £13m) for financial instruments measured at fair value and £223m (December 2019: £224m) for financial instruments carried at amortised cost. The decrease of £1m in financial instruments measured at fair value is driven by amortisation and releases of £1m (December 2019: £1m). The decrease of £1m in financial instruments carried at amortised cost is driven by amortisation and releases of £6m (December 2019: £12m) offset by additions of £5m (December 2019: £5m).

Portfolio exemption

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. 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.

Comparison of carrying amounts and fair values for assets and liabilities not held at fair value

The following table summarises the fair value of financial assets and liabilities measured at amortised cost on the Barclays Bank UK Group balance sheet:

	As at 30.06.20		As at 31.12.19	
	Carrying amount	Fair value	Carrying amount	Fair value
	£m	£m	£m	£m
Financial assets				
Loans and advances at amortised cost	205,919	205,113	197,569	196,342
Reverse repurchase agreements and other similar secured lending	3,323	3,323	1,761	1,761
Financial liabilities				
Deposits at amortised cost	(225,745)	(225,773)	(205,696)	(205,701)
Repurchase agreements and other similar secured borrowing	(16,099)	(16,099)	(13,420)	(13,420)
Debt securities in issue	(12,028)	(12,399)	(8,271)	(8,644)
Subordinated liabilities	(10,598)	(10,637)	(7,688)	(8,022)

Financial Statement Notes

7. Subordinated liabilities

	Half year ended 30.06.20 £m	Year ended 31.12.19 £m
Opening balance as at 1 January	7,688	7,548
Issuances	2,007	157
Other	903	(17)
Closing balance	10,598	7,688

Issuances of £2,007m comprises £1,507m intra-group loans from Barclays PLC and £500m 3.75% Fixed Rate Resetting Subordinated Callable Notes issued intra-group to Barclays PLC.

Other movements predominantly include foreign exchange movements and fair value hedge adjustments.

8. Provisions

	As at 30.06.20 £m	As at 31.12.19 £m
Payment Protection Insurance redress	774	1,155
Other customer redress	325	350
Legal, competition and regulatory matters	5	1
Redundancy and restructuring	20	12
Undrawn contractually committed facilities and guarantees	148	70
Onerous contracts	10	21
Sundry provisions	65	51
Total	1,347	1,660

PPI redress

As at 30 June 2020, the Barclays Bank UK Group held a provision totalling £0.8bn against the cost of PPI redress and associated processing costs.

The Barclays Group has recognised cumulative provisions totalling £11bn (December 2019: £11bn), against the cost of Payment Protection Insurance (PPI) redress and associated processing costs. Utilisation of the cumulative provisions to date is £10.2bn (December 2019: £9.8bn).

The current provision reflects the estimated cost of PPI redress attributable to claims and information requests from customers, Claims Management Companies and the Official Receiver in relation to bankrupt individuals, prior to the Financial Conduct Authority (FCA) complaint deadline of 29th August 2019.

Q3 2019 saw an exceptional level of claims and information requests received in advance of the complaint deadline of 29 August 2019. All the items outstanding at Q3 2019, greater than two million in total, have now been processed into Barclays' systems. 70% of these have been resolved including invalid items.

It is possible that the eventual cumulative provision will differ from the current estimate. The table below shows the predicted level of valid claims and the impact of a 1% increase or decrease in the percentage of valid volumes on the outstanding claims at 30 June 2020:

Validity assumptions ¹	Total Volumes Assumed Valid ² %	Sensitivity on the remaining volumes £m
Claims received	21%	1% = £3m
Information requests received	7%	1% = £2m

Final agreement has yet to be reached in relation to claims received from the Official Receiver, however we do not expect any further exposure from these claims to be material in the context of the total provision.

¹ Total valid claims and information requests received, excluding those for which no PPI policy exists, claims from the Official Receiver in relation to bankrupt individuals and responses to proactive mailing. The sensitivity has been calculated to show the impact a 1% increase or decrease in the volume of unresolved valid claims would have on the provision level.

² Based on the observed data from September 2019 to June 2020.

9. Retirement Benefits

As permitted under the Financial Services and Markets Act 2000 (Banking Reform) (Pensions) Regulations 2015, from 1 September 2017, until the end of 2025, Barclays Bank UK PLC will participate as an employer in the UK Retirement Fund (UKRF). Barclays Bank UK PLC will make contributions for the future service of its employees who are currently Afterwork members and, in the event of Barclays Bank PLC's insolvency during this period, Barclays Bank UK PLC would step in as principal employer of the UKRF. Barclays Bank PLC remains the sponsoring employer of the UKRF.

Under IAS 19, the defined benefit obligation remains with Barclays Bank PLC 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.

There have been no changes to the plan arrangements in the six months to 30 June 2020.

10. Called up share capital

As at 30 June 2020, the issued ordinary share capital of Barclays Bank UK PLC comprised 505m (December 2019: 505m) ordinary shares of £0.01 each.

There were no issuances or redemptions in the six months to 30 June 2020.

11. Other equity instruments

Other equity instruments of £2,560m (December 2019: £2,560m) are AT1 securities issued to Barclays PLC. Barclays PLC uses funds from the market issuance to purchase AT1 securities from Barclays Bank UK PLC. There have been no issuances or redemptions in the 6 months to 30 June 2020.

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. AT1 securities are undated and are redeemable, at the option of Barclays Bank UK PLC, in whole at the initial call date, or on any fifth anniversary after the initial call date. In addition, the AT1 securities are redeemable, at the option of Barclays Bank UK PLC, in whole in the event of certain changes in the tax or regulatory treatment of the securities. Any redemptions require the prior consent of the PRA.

12. Other reserves

	As at 30.06.20 £m	As at 31.12.19 £m
Fair value through other comprehensive income reserve	(28)	(29)
Cash flow hedging reserve	381	123
Other reserves and other shareholders' equity	89	89
Total	442	183

Fair value through other comprehensive income reserve

The fair value through other comprehensive income reserve represents the unrealised change in the fair value through other comprehensive income investments since initial recognition.

As at 30 June 2020, there was a debit balance of £28m (December 2019: £29m debit) in the fair value through other comprehensive income reserve. The gain of £1m is principally driven by a £29m gain from the increase in fair value of bonds due to decreasing bond yields and an impairment charge of £6m. This was offset by £35m of net gains transferred to the income statement.

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.

As at 30 June 2020, there was a credit balance of £381m (December 2019: £123m credit) in the cash flow hedging reserve. The increase of £258m principally reflects a £391m increase in the fair value of interest rate swaps held for hedging purposes as interest rate forward curves decreased. This is partially offset by £33m of gains transferred to the income statement and a tax charge of £100m.

Financial Statement Notes

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, which occurred on 1 April 2018.

As at 30 June 2020, there was a credit balance of £89m (December 2019: £89m credit) in other reserves and shareholders' equity. There has been no movement since December 2019.

13. Contingent liabilities and commitments

The following table summarises the nominal principal amount of contingent liabilities and commitments which are not recorded on the balance sheet:

	As at 30.06.20 £m	As at 31.12.19 £m
Contingent liabilities		
Guarantees and letters of credit pledged as collateral security	400	600
Performance guarantees, acceptances and endorsements	150	150
Total	550	750
Commitments		
Standby facilities, credit lines and other commitments	66,477	64,309

In addition to the above, Note 14, Legal, competition and regulatory matters details out further contingent liabilities where it is not practicable to disclose an estimate of the potential financial effect on Barclays Bank UK Group.

14. Legal, competition and regulatory matters

Barclays Bank UK PLC and the Barclays Bank UK Group face 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 judgments in accordance with the relevant accounting policies as described in Note 8, Provisions. We have not disclosed an estimate of the potential financial impact or effect on the 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 Group's potential financial exposure in respect of those matters.

Investigation into collections and recoveries relating to unsecured lending

Since February 2018, the FCA has been investigating whether the Barclays Group implemented effective systems and controls with respect to collections and recoveries and whether it paid due consideration to the interests of customers in default and arrears. The FCA investigation is at an advanced stage.

HM Revenue & Customs (HMRC) assessments concerning UK Value Added Tax

In 2018, HMRC issued notices that have the effect of removing certain overseas subsidiaries that have operations in the UK from Barclays' UK VAT group, in which group supplies between members are generally free from VAT. The notices have retrospective effect and correspond to assessments of £181m (inclusive of interest), of which Barclays would expect to attribute an amount of approximately £128m to Barclays Bank UK PLC and £53m to Barclays Bank PLC. HMRC's decision has been appealed to the First Tier Tribunal (Tax Chamber).

Local authority civil actions concerning LIBOR

Following settlement by Barclays Bank PLC of various governmental investigations concerning certain benchmark interest rate submissions, in the UK, certain local authorities have brought claims against Barclays Bank PLC (and, in certain cases, Barclays Bank UK PLC) asserting that they entered into loans in reliance on misrepresentations made by Barclays Bank PLC in respect of its conduct in relation to LIBOR. The loans were originally entered into with Barclays Bank PLC, but Barclays Bank UK PLC is now the lender of record. Barclays has applied to strike out the claims.

Financial Statement Notes

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, debt collection, consumer credit, fraud, trusts, client assets, competition, data management and protection, 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, 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, Barclays Bank UK PLC 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 flow 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.

15. Related party transactions

Related party transactions in the half year ended 30 June 2020 were similar in nature to those disclosed in the Barclays Bank UK PLC Annual Report 2019.

Amounts included in the Barclays Bank UK Group's financial statements with other Barclays Group companies are as follows:

	Half year ended 30.06.20		Half year ended 30.06.19	
	Parent £m	Fellow subsidiaries £m	Parent £m	Fellow subsidiaries £m
Total income	(146)	57	(140)	52
Operating expenses	(22)	(1,100)	(36)	(1,142)

	As at 30.06.20		As at 31.12.19	
	Parent £m	Fellow subsidiaries £m	Parent £m	Fellow subsidiaries £m
Total assets	9	1,701	6	667
Total liabilities	10,137	1,722	7,594	1,679

Except for the above, no related party transactions that have taken place in the half year ended 30 June 2020 have materially affected the financial position or performance of the Barclays Bank UK Group during this period.

Financial Statement Notes

16. Barclays Bank UK PLC parent condensed balance sheet

	As at 30.06.20	As at 31.12.19
	£m	£m
Assets		
Cash and balances at central banks	38,651	24,305
Cash collateral and settlement balances	4,688	4,331
Loans and advances at amortised cost	206,891	197,960
Reverse repurchase agreements and other similar secured lending	3,323	1,761
Trading portfolio assets	603	860
Financial assets at fair value through the income statement	3,548	3,571
Derivative financial instruments	309	193
Financial assets at fair value through other comprehensive income	24,096	19,322
Investments in subsidiaries	454	454
Goodwill and intangible assets	3,380	3,382
Property, plant and equipment	816	893
Deferred tax assets	803	810
Other assets	570	1,079
Total assets	288,132	258,921
Liabilities		
Deposits at amortised cost	227,409	206,764
Cash collateral and settlement balances	181	214
Repurchase agreements and other similar secured borrowing	16,099	13,420
Debt securities in issue	11,502	7,778
Subordinated liabilities	10,598	7,688
Trading portfolio liabilities	1,227	1,704
Derivative financial instruments	880	740
Current tax liabilities	426	451
Other liabilities	1,581	1,903
Provisions	1,311	1,613
Total liabilities	271,214	242,275
Equity		
Called up share capital and share premium	5	5
Other equity instruments	2,560	2,560
Other reserves	544	285
Retained earnings	13,809	13,796
Total equity	16,918	16,646
Total liabilities and equity	288,132	258,921

Investment in subsidiaries

The investment in subsidiaries of £454m (December 2019: £454m) predominantly relates to investments in Barclays Insurance Services Company Limited, Barclays Investment Solutions Limited and Barclays Asset Management Limited. Barclays Bank UK PLC has reviewed its investments in subsidiaries and has concluded that no impairment is required.

Other Information

Results timetable¹

Date

2020 Annual Report

11 February 2021

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¹ Note that this date is provisional and subject to change.