

# **Barclays PLC**

## **Pillar 3**

30 September 2018

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### Pillar 3

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## Summary

### KM1 - Key Metrics

	As at 30.09.18	As at 30.06.18	As at 31.03.18	As at 31.12.17	As at 30.09.17
	£m	£m	£m	£m	£m
<b>Available capital (amounts)</b>					
1 Common Equity Tier 1 (CET1) <sup>1</sup>	41,744	41,398	40,246	41,565	42,329
1a Fully loaded Expected Credit Loss (ECL) accounting model <sup>2</sup>	40,458	40,096	38,932	41,565	42,329
2 Tier 1 <sup>3</sup>	55,202	53,049	52,110	53,914	54,941
2a Fully loaded ECL accounting model Tier 1 <sup>4</sup>	51,171	48,904	47,743	50,376	51,139
3 Total capital <sup>3</sup>	67,195	65,421	64,548	67,175	68,900
3a Fully loaded ECL accounting model total capital <sup>4</sup>	64,519	62,813	61,560	64,646	65,936
<b>Risk-weighted assets (amounts)</b>					
4 Total risk-weighted assets (RWA) <sup>1</sup>	316,167	319,299	317,946	313,033	324,296
4a Fully loaded ECL accounting model total risk-weighted assets (RWA) <sup>2</sup>	316,039	319,171	317,970	313,033	324,296
<b>Risk-based capital ratios as a percentage of RWA</b>					
5 Common Equity Tier 1 ratio (%)	13.2%	13.0%	12.7%	13.3%	13.1%
5a Fully loaded ECL accounting model Common Equity Tier 1 (%)	12.8%	12.6%	12.2%	13.3%	13.1%
6 Tier 1 ratio (%)	17.5%	16.6%	16.4%	17.2%	16.9%
6a Fully loaded ECL accounting model Tier 1 ratio (%)	16.2%	15.3%	15.0%	16.1%	15.8%
7 Total capital ratio (%)	21.3%	20.5%	20.3%	21.5%	21.2%
7a Fully loaded ECL accounting model total capital ratio (%)	20.4%	19.7%	19.4%	20.7%	20.3%
<b>Additional CET1 buffer requirements as a percentage of RWA</b>					
8 Capital conservation buffer requirement (%)	1.9%	1.9%	1.9%	1.3%	1.3%
9 Countercyclical buffer requirement (%)	0.3%	0.3%	0.0%	0.0%	0.0%
10 Bank G-SIB and/or D-SIB additional requirements (%)	1.1%	1.1%	1.1%	1.0%	1.0%
11 Total of bank CET1 specific buffer requirements(%) (row 8 + 9 + 10)	3.3%	3.3%	3.0%	2.3%	2.3%
12 CET1 available after meeting the bank's minimum capital requirements (%)	8.7%	8.5%	8.2%	8.8%	8.6%
<b>CRR leverage ratio</b>					
13 Total CRR leverage ratio exposure measure	1,191,085	1,163,773	1,169,217	1,124,521	1,150,611
14 Fully loaded CRR leverage ratio (%)	4.3%	4.2%	4.1%	4.5%	4.4%
<b>Average UK leverage ratio (Transitional)<sup>5,6</sup></b>					
13a Total average UK leverage ratio exposure measure <sup>7</sup>	1,119,044	1,081,840	1,089,910	1,044,560	1,035,137
14a Transitional average UK leverage ratio (%)	4.6%	4.6%	4.6%	4.9%	4.9%
<b>UK leverage ratio (Transitional)<sup>5,6</sup></b>					
13b Total UK leverage ratio exposure measure	1,063,472	1,030,145	1,030,784	984,710	1,002,136
14b Transitional UK leverage ratio (%)	4.9%	4.9%	4.8%	5.1%	5.1%
<b>Liquidity Coverage Ratio</b>					
15 Total HQLA	210,681	207,989	203,591	214,637	214,929
16 Total net cash outflows	130,925	134,712	138,436	139,760	136,909
17 LCR ratio (%)	161%	154%	147%	154%	157%

1 CET1 capital and RWAs are calculated applying the transitional arrangements of the CRR. This includes IFRS 9 transitional arrangements.

2 Fully loaded CET1 capital and RWAs are calculated without applying the transitional arrangements of the CRR.

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

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

5 Transitional UK leverage ratios are calculated applying the IFRS 9 transitional arrangements and in line with the PRA Handbook, which excludes grandfathered AT1 instruments allowed under the CRR.

6 Fully loaded average UK leverage ratio was 4.5%, with £1,118bn leverage exposures. Fully loaded UK leverage ratio was 4.8%, with £1,062bn leverage exposures. Fully loaded UK leverage ratios are calculated without applying the transitional arrangements of the CRR.

7 Average UK leverage exposure for 30 September 2018 uses an exposure measure for each day in the quarter. For periods prior to 1 January 2018 the exposure measure was based on the last day of each month in the quarter.

## Capital

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### Capital

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

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

On 27 June 2018, the Financial Policy Committee (FPC) increased the UK CCyB rate from 0% to 0.5% resulting in a 0.3% CCyB for Barclays for Q318. From November 2018, the rate is expected to increase to 1% and based on current UK exposures, Barclays' CCyB is expected to be approximately 0.5% from November 2018. Other national authorities also determine the appropriate CCyBs that should be applied to exposures in their jurisdiction, however based on current exposures none of those set are material.

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

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

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

Separate calculations are performed for standardised and advanced 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. Under the advanced approach, for both the static and modified elements, provisions are only eligible for transitional relief to the extent that they exceed regulatory expected losses.

As at 30 September 2018, Barclays' transitional CET1 ratio was 13.2% which exceeded the 2018 transitional minimum requirement of 10.2% comprising a 4.5% Pillar 1 minimum, a 1.9% CCB, a 1.1% G-SII buffer, a 0.3% CCyB and a 2.4% Pillar 2A requirement.

## Capital

### Capital ratios<sup>1,2,3</sup>

	As at 30.09.18	As at 31.12.17
CET1	13.2%	13.3%
Tier 1 (T1)	17.5%	17.2%
Total regulatory capital	21.3%	21.5%

### Capital resources

	£bn	£bn
<b>Total equity excluding non-controlling interests per the balance sheet</b>	<b>63.2</b>	<b>63.9</b>
Less: other equity instruments (recognised as AT1 capital)	(10.8)	(8.9)
Adjustment to retained earnings for foreseeable dividends	(0.5)	(0.4)
<b>Other regulatory adjustments and deductions</b>		
Additional value adjustments (PVA)	(1.6)	(1.4)
Goodwill and intangible assets	(7.9)	(7.9)
Deferred tax assets that rely on future profitability excluding temporary differences	(0.6)	(0.6)
Fair value reserves related to gains or losses on cash flow hedges	(0.4)	(1.2)
Excess of expected losses over impairment	-	(1.2)
Gains or losses on liabilities at fair value resulting from own credit	0.1	0.1
Defined benefit pension fund assets	(0.8)	(0.7)
Direct and indirect holdings by an institution of own CET1 instruments	(0.1)	(0.1)
Adjustment under IFRS 9 transitional arrangements	1.3	-
Other regulatory adjustments	(0.1)	-
<b>CET1 capital</b>	<b>41.7</b>	<b>41.6</b>
<b>AT1 capital</b>		
Capital instruments and related share premium accounts	10.8	8.9
Qualifying AT1 capital (including minority interests) issued by subsidiaries	2.7	3.5
Other regulatory adjustments and deductions	(0.1)	(0.1)
<b>AT1 capital</b>	<b>13.5</b>	<b>12.3</b>
<b>T1 capital</b>	<b>55.2</b>	<b>53.9</b>
<b>T2 capital</b>		
Capital instruments and related share premium accounts	6.6	6.5
Qualifying T2 capital (including minority interests) issued by subsidiaries	5.6	7.0
Other regulatory adjustments and deductions	(0.3)	(0.3)
<b>Total regulatory capital</b>	<b>67.2</b>	<b>67.2</b>
<b>Total RWAs</b>	<b>316.2</b>	<b>313.0</b>

1 CET1, T1 and T2 capital, and RWAs are calculated applying the transitional arrangements of the CRR. This includes IFRS 9 transitional arrangements and the grandfathering of CRR non-compliant capital instruments.

2 The fully loaded CET1 ratio, as is relevant for assessing against the conversion trigger in Barclays PLC additional tier 1 (AT1) securities, was 12.8%, with £40.5bn of CET1 capital and £316bn of RWAs calculated without applying the transitional arrangements of the CRR.

3 The Barclays PLC CET1 ratio, as is relevant for assessing against the conversion trigger in Barclays Bank PLC T2 Contingent Capital Notes, was 13.2%. For this calculation CET1 capital and RWAs are calculated applying the transitional arrangements under the CRR, including the IFRS 9 transitional arrangements. The benefit of the Financial Services Authority (FSA) October 2012 interpretation of the transitional provisions, relating to the implementation of CRD IV, expired in December 2017.

## Capital

### Movement in CET1 capital

Nine months ended  
30.09.18  
£bn

Opening CET1 capital	41.6
Effects of changes in accounting policies	(2.2)
Profit for the period attributable to equity holders	2.0
Own credit relating to derivative liabilities	(0.1)
Dividends paid and foreseen	(1.2)
<b>Increase in retained regulatory capital generated from earnings</b>	<b>0.7</b>
Net impact of share schemes	-
Fair value through other comprehensive income reserve	(0.7)
Currency translation reserve	0.5
<b>Decrease in other qualifying reserves</b>	<b>(0.2)</b>
Pension remeasurements within reserves	(0.3)
Defined benefit pension fund asset deduction	(0.1)
<b>Net impact of pensions</b>	<b>(0.4)</b>
Additional value adjustments (PVA)	(0.3)
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	-
Excess of expected loss over impairment	1.2
Adjustment under IFRS 9 transitional arrangements	1.3
<b>Increase in regulatory capital due to adjustments and deductions</b>	<b>2.2</b>
<b>Closing CET1 capital</b>	<b>41.7</b>

CET1 capital increased £0.1bn to £41.7bn.

Profit for the period attributable to equity holders of £2bn was partially offset by £1.2bn of the regulatory deduction for dividends paid and foreseen. Other movements in the period were:

- A £0.2bn decrease in other qualifying reserves with a £0.7bn decrease in the fair value through other comprehensive income reserve offset by a £0.5bn increase in the currency translation reserve driven by the appreciation of period end USD against GBP
- A £0.4bn decrease as a result of movements relating to pensions, largely due to deficit contribution payments of £0.3bn in April 2018 and £0.3bn in September 2018

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

## Capital

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

	As at 30.09.18	As at 30.06.18	As at 31.03.18
	£bn	£bn	£bn
<b>Available capital (amounts)</b>			
1 Common Equity Tier 1 (CET1) capital <sup>1</sup>	41.7	41.4	40.2
2 Common Equity Tier 1 (CET1) capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	40.5	40.1	38.9
3 Tier 1 capital <sup>2</sup>	55.2	53.0	52.1
4 Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	53.9	51.7	50.8
5 Total capital <sup>2</sup>	67.2	65.4	64.5
6 Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	66.0	64.3	63.4
<b>Risk-weighted assets (amounts)</b>			
7 Total risk-weighted assets <sup>1</sup>	316.2	319.3	317.9
8 Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	316.0	319.2	318.0
<b>Capital ratios</b>			
9 Common Equity Tier 1 (as a percentage of risk exposure amount)	13.2%	13.0%	12.7%
10 Common Equity Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	12.8%	12.6%	12.2%
11 Tier 1 (as a percentage of risk exposure amount)	17.5%	16.6%	16.4%
12 Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.1%	16.2%	16.0%
13 Total capital (as a percentage of risk exposure amount)	21.3%	20.5%	20.3%
14 Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20.9%	20.1%	19.9%
<b>Leverage ratio</b>			
15 Leverage ratio total exposure measure	1,191.1	1,163.8	1,169.2
16 Leverage ratio <sup>3</sup>	4.3%	4.2%	4.1%
17 Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	4.3%	4.2%	4.1%

<sup>1</sup> Transitional CET1 capital and RWAs are calculated applying the transitional arrangements of the CRR. This includes IFRS 9 transitional arrangements.

<sup>2</sup> Transitional T1 and Total capital are calculated applying the transitional arrangements of the CRR. This includes the grandfathering of CRR non-compliant capital instruments and IFRS 9 transitional arrangements.

<sup>3</sup> Leverage ratio is calculated applying the fully phased in treatment of the CRR.

## Risk weighted assets

### Risk weighted assets (RWAs) by risk type and business

	Credit risk		Counterparty credit risk				Market risk		Operational risk	Total RWAs
	Std	IRB	Std	IRB	Settlement risk	CVA	Std	IMA		
	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn	£bn
<b>As at 30.09.18</b>										
Barclays UK	3.4	59.2	0.3	-	-	0.1	-	-	11.8	74.8
Barclays International	51.6	68.8	15.3	16.8	0.1	3.4	15.8	14.4	28.4	214.6
Head Office	4.1	6.0	-	0.2	-	-	-	-	16.5	26.8
<b>Barclays Group</b>	<b>59.1</b>	<b>134.0</b>	<b>15.6</b>	<b>17.0</b>	<b>0.1</b>	<b>3.5</b>	<b>15.8</b>	<b>14.4</b>	<b>56.7</b>	<b>316.2</b>
<b>As at 31.12.17</b>										
Barclays UK	3.8	55.0	-	-	-	-	-	-	12.2	70.9
Barclays International	49.1	69.5	17.0	17.2	0.1	2.8	13.3	13.5	27.7	210.3
Head Office	2.9	9.8	0.1	0.6	-	0.2	0.1	1.4	16.8	31.8
<b>Barclays Group</b>	<b>55.8</b>	<b>134.2</b>	<b>17.1</b>	<b>17.9</b>	<b>0.1</b>	<b>3.0</b>	<b>13.4</b>	<b>14.9</b>	<b>56.7</b>	<b>313.0</b>



## Risk weighted assets

### Movement analysis of RWAs

	Credit risk £bn	Counterparty credit risk £bn	Market risk £bn	Operational risk £bn	Total RWAs £bn
<b>Nine months ended 30.09.18</b>					
<b>Opening RWAs</b>	<b>190.0</b>	<b>38.0</b>	<b>28.3</b>	<b>56.7</b>	<b>313.0</b>
Book size	5.5	(0.3)	0.5	-	5.7
Acquisitions and disposals	(3.3)	(0.3)	(0.2)	-	(3.8)
Book quality	(2.8)	0.2	-	-	(2.6)
Model updates	(0.1)	-	-	-	(0.1)
Methodology and policy	2.0	(1.4)	1.6	-	2.2
Foreign exchange movements <sup>1</sup>	1.8	-	-	-	1.8
<b>Closing RWAs</b>	<b>193.1</b>	<b>36.2</b>	<b>30.2</b>	<b>56.7</b>	<b>316.2</b>

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

RWAs increased £3.2bn to £316.2bn:

- Book size increased RWAs £5.7bn primarily due to increased lending activity in the investment banking businesses
- Acquisitions and disposals decreased RWAs £3.8bn primarily due to the regulatory deconsolidation of BAGL
- Book quality decreased RWAs £2.6bn primarily due to improvement in the risk profile in Barclays International
- Methodology and policy increased RWAs £2.2bn primarily due to regulatory methodology changes for the ESHLA portfolio
- Foreign exchange movements increased RWAs £1.8bn primarily due to the appreciation of period end USD against GBP

### CR8 - RWA flow statement of credit exposures under the advanced IRB approach

	RWA amount £bn	Capital requirements £bn
<b>1 As at 01.01.18</b>	<b>134.2</b>	<b>10.7</b>
2 Asset size	2.4	0.2
3 Asset quality	(2.2)	(0.2)
4 Model updates	-	-
5 Methodology and policy	2.1	0.2
6 Acquisitions and disposals	(3.8)	(0.3)
7 Foreign exchange movements	1.3	0.1
8 Other	-	-
<b>9 As at 30.09.18</b>	<b>134.0</b>	<b>10.7</b>

Advanced credit risk RWAs decreased £0.2bn to £134bn:

- Asset size increased RWAs £2.4bn primarily due to increased lending in the investment banking business
- Asset quality decreased RWAs £2.2bn primarily due to improvement in the risk profile in Barclays international
- Methodology and policy increased RWAs £2.1bn primarily due to regulatory methodology changes for the ESHLA portfolio
- Acquisitions and disposals decreased RWAs £3.8bn primarily due to the regulatory deconsolidation of BAGL
- Foreign exchange movements increased RWAs £1.3bn primarily due to the appreciation of period end USD against GBP

## Risk weighted assets

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

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

	RWA amount £bn	Capital requirements £bn
<b>1 As at 01.01.18</b>	<b>21.4</b>	<b>1.7</b>
2 Asset size	(1.3)	(0.1)
3 Credit quality of counterparties	0.1	-
4 Model updates (IMM only)	-	-
5 Methodology and policy (IMM only)	0.1	-
6 Acquisitions and disposals	-	-
7 Foreign exchange movements	-	-
8 Other	-	-
<b>9 As at 30.09.18</b>	<b>20.3</b>	<b>1.6</b>

Internal Model Method (IMM) RWAs decreased to £20.3bn primarily driven by the impact of increased credit risk mitigation.

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

	VaR £bn	SVaR £bn	IRC £bn	Other £bn	Total RWA £bn	Total Capital requirements £bn
<b>1 As at 01.01.18</b>	<b>2.8</b>	<b>6.8</b>	<b>3.0</b>	<b>2.3</b>	<b>14.9</b>	<b>1.2</b>
2 Movement in risk levels	(0.2)	0.1	(1.7)	0.4	(1.4)	(0.1)
3 Model updates/changes	-	-	-	-	-	-
4 Methodology and policy	0.4	0.7	-	-	1.1	0.1
5 Acquisitions and disposals	(0.1)	(0.1)	-	-	(0.2)	-
6 Other	-	-	-	-	-	-
<b>7 As at 30.09.18</b>	<b>2.9</b>	<b>7.5</b>	<b>1.3</b>	<b>2.7</b>	<b>14.4</b>	<b>1.2</b>

Internal Model Approach RWAs decreased £0.5bn due to positional changes resulting in reduced risk.

## Risk weighted assets

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

	RWAs		Minimum capital requirements	
	As at 30.09.18 £m	As at 31.12.17 £m	As at 30.09.18 £m	As at 31.12.17 £m
1 Credit risk (excluding counterparty credit risk) (CCR)	177,199	177,869	14,176	14,230
2 Of which standardised approach	56,183	55,437	4,495	4,435
3 Of which the foundation IRB (FIRB) approach	-	-	-	-
4 Of which the advanced IRB (AIRB) approach	121,016	122,432	9,681	9,795
5 Of which Equity IRB under the Simple risk-weight or the internal models approach	-	-	-	-
6 CCR	35,998	37,843	2,880	3,027
7 Of which mark to market	1,842	2,515	147	201
8 Of which original exposure	-	-	-	-
9 Of which standardised approach	-	-	-	-
9a Of which financial collateral comprehensive method	9,522	9,768	762	781
10 Of which internal model method	20,150	21,299	1,612	1,704
11 Of which risk exposure amount for contributions to the default fund of a CCP	1,014	1,261	81	101
12 Of which CVA	3,470	3,001	278	240
13 Settlement risk	123	101	10	8
14 Securitisation exposures in banking book (after cap)	3,913	4,169	313	333
14a Of which capital deduction approach (CAPD)	24	39	2	3
14b Of which look through approach (KIRB)	190	621	15	50
15 Of which IRB approach	3,167	3,107	253	249
16 Of which IRB supervisory formula approach (SFA)	-	-	-	-
17 Of which internal assessment approach (IAA)	532	401	43	32
18 Of which standardised approach	-	-	-	-
19 Market risk	30,191	28,313	2,415	2,265
20 Of which the standardised approach	15,791	13,401	1,263	1,072
21 Of which IMA	14,400	14,912	1,152	1,193
22 Large exposures	-	-	-	-
23 Operational risk	56,660	56,660	4,533	4,533
24 Of which basic indicator approach	-	3,252	-	260
25 Of which standardised approach	56,660	-	4,533	-
26 Of which advanced measurement approach	-	53,408	-	4,273
27 Amounts below the thresholds for deduction (subject to 250% risk weight)	12,083	8,079	967	646
28 Floor Adjustments	-	-	-	-
29 Total	<b>316,167</b>	<b>313,033</b>	<b>25,293</b>	<b>25,043</b>

## Leverage

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### Leverage ratio and exposure

The following leverage tables show the components of the leverage ratio using the CRR definition for the leverage exposure and the tier 1 capital on a fully loaded basis as at 30 September 2018.

### Summary reconciliation of accounting assets and leverage ratio exposures

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

	As at 30.09.18	As at 31.12.17
	£bn	£bn
1 Total assets as per published financial statements	1,171	1,133
2 Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(1)	8
4 Adjustments for derivative financial instruments	(85)	(125)
5 Adjustments for securities financing transactions SFTs	17	19
6 Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	101	103
7 Other adjustments	(12)	(13)
<b>8 Total leverage ratio exposure</b>	<b>1,191</b>	<b>1,125</b>

## Leverage

### Leverage ratio common disclosure

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

	As at 30.09.18 £bn	As at 31.12.17 £bn
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
1 On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	786	749
2 (Asset amounts deducted in determining tier 1 capital)	(12)	(13)
<b>3 Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets)</b>	<b>774</b>	<b>736</b>
<b>Derivative exposures</b>		
4 Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligible cash variation margin)	51	54
5 Add-on amounts for PFE associated with <i>all</i> derivatives transactions (mark-to-market method)	133	120
7 Deductions of receivables assets for cash variation margin provided in derivatives transactions	(29)	(33)
8 Exempted CCP leg of client-cleared trade exposures	(1)	(1)
9 Adjusted effective notional amount of written credit derivatives	303	278
10 Adjusted effective notional offsets and add-on deductions for written credit derivatives	(287)	(264)
<b>11 Total derivative exposures</b>	<b>170</b>	<b>154</b>
<b>Securities financing transaction exposures</b>		
12 Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	338	336
13 Netted amounts of cash payables and cash receivables of gross SFT assets	(209)	(223)
14 Counterparty credit risk exposure for SFT assets	17	19
<b>16 Total securities financing transaction exposures</b>	<b>146</b>	<b>132</b>
<b>Other off-balance sheet exposures</b>		
17 Off-balance sheet exposures at gross notional amount	322	322
18 Adjustments for conversion to credit equivalent amounts	(221)	(219)
<b>19 Other off-balance sheet exposures</b>	<b>101</b>	<b>103</b>
<b>Capital and total exposures</b>		
20 Tier 1 capital	51.2	50.4
<b>21 Total leverage ratio exposures</b>	<b>1,191</b>	<b>1,125</b>
<b>Leverage ratio</b>		
22 Leverage ratio	4.3%	4.5%
<b>Choice on transitional arrangements and amount of derecognised fiduciary items</b>		
EU-23 Choice on transitional arrangements for the definition of the capital measure	Fully phased in	

The CRR leverage ratio decreased to 4.3% (December 2017: 4.5%) due to an increase in exposure to £1,191bn (December 2017: £1,125bn) partially offset by an increase in the fully loaded tier 1 capital to £51.2bn (December 2017: £50.4bn) primarily due to a new AT1 issuance during the third quarter. Leverage exposure movements included:

- Total on-balance sheet exposures increased £38bn primarily driven by a £24bn increase in settlement balances, £10bn increase in lending in Barclays International and Barclays UK and a £10bn increase in trading portfolio assets
- Total derivative exposures increased by £16bn to £170bn primarily in PFEs driven by an increase in foreign exchange and interest rate derivatives
- Total SFT exposures increased by £14bn to £146bn primarily driven by higher client demand for securities due to an increase in trading activity.

## Liquidity

### Liquidity coverage ratio (period end)

	Total period end value			
	30.09.18 £m	30.06.18 £m	31.03.18 £m	31.12.17 £m
Liquidity buffer	210,681	207,989	203,591	214,637
Total net cash outflows	130,925	134,712	138,436	139,760
Liquidity coverage ratio (%) (period end)	161%	154%	147%	154%

### LIQ1 - Liquidity coverage ratio (average)

	Total unweighted value (average)				Total weighted value (average)			
	30.09.18	30.06.18	31.03.18	31.12.17	30.09.18	30.06.18	31.03.18	31.12.17
Number of data points used in calculation of averages	12	12	12	12	12	12	12	12
<b>High-quality liquid assets</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
1 Total high-quality liquid assets (HQLA)					218,285	218,475	213,064	203,944
<b>Cash outflows</b>								
2 Retail deposits and deposits from small business customers, of which:	194,296	192,396	192,581	193,217	16,981	16,813	16,890	17,232
3 Stable deposits	109,873	109,219	108,453	102,757	5,494	5,461	5,423	5,138
4 Less stable deposits	84,414	83,167	84,117	90,460	11,478	11,342	11,457	12,094
5 Unsecured wholesale funding, of which:	156,351	154,975	154,762	154,737	82,404	81,940	81,741	80,825
6 Operational deposits (all counterparties) and deposits in networks of cooperative banks	29,692	28,464	28,002	27,177	7,286	6,982	6,873	6,678
7 Non-operational deposits (all counterparties)	121,520	121,326	121,952	123,681	69,979	69,773	70,060	70,268
8 Unsecured debt	5,139	5,185	4,808	3,879	5,139	5,185	4,808	3,879
9 Secured wholesale funding					54,038	53,728	53,834	51,642
10 Additional requirements, of which:	173,222	174,244	176,455	184,102	52,349	53,146	53,301	55,124
11 Outflows related to derivative exposures and other collateral requirements	20,428	20,272	19,537	18,827	19,427	19,427	18,781	18,112
12 Outflows related to loss of funding on debt products	7,466	7,662	7,477	7,490	7,466	7,662	7,477	7,490
13 Credit and liquidity facilities	145,328	146,310	149,441	157,785	25,456	26,057	27,043	29,522
14 Other contractual funding obligations	18,460	11,969	11,482	11,821	975	832	929	917
15 Other contingent funding obligations	149,597	149,707	149,941	152,396	3,823	3,769	3,821	4,351
16 Total cash outflows					210,570	210,228	210,516	210,091
<b>Cash inflows</b>								
17 Secured lending (e.g. reverse repos)	363,490	351,784	342,735	326,599	52,639	51,364	51,309	49,853
18 Inflows from fully performing exposures	12,070	11,757	12,600	13,920	8,671	8,848	9,893	11,400
19 Other cash inflows <sup>1</sup>	9,471	9,313	9,207	9,674	4,916	4,619	4,591	5,305
20 Total cash inflows	385,031	372,854	364,542	350,193	66,226	64,831	65,793	66,558
Fully exempt inflows	-	-	-	-	-	-	-	-
Inflows subject to 90% cap	-	-	-	-	-	-	-	-
Inflows subject to 75% cap	298,997	287,092	280,990	272,374	66,226	64,831	65,793	66,558
21 Liquidity buffer					218,285	218,475	213,064	203,944
22 Total net cash outflows					144,344	145,397	144,723	143,533
23 Liquidity coverage ratio (%) (average)					151%	150%	147%	142%

<sup>1</sup> Difference between total weighted inflows and total weighted outflows arise from transactions in countries where there are transfer restrictions or which are denominated in non-convertible currencies.

## Liquidity

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As at 30 September 2018, the Barclays Group period end LCR was 161% (December 2017: 154%). The average LCR for the 12 months to 30 September 2018 increased to 151%, as growth in the liquidity buffer exceeded growth in stresses. This reflects the Barclays Group strengthening its liquidity position during the 12 month period. Growth in the average liquidity buffer during the 12 month period was largely driven by net deposit growth, net issuances and drawdowns from the Bank of England Term Funding Scheme. The Barclays Group continued to maintain surpluses to its internal and regulatory liquidity requirements.

The composition of the liquidity pool is subject to limits set by the Barclays PLC Board and the independent liquidity risk, credit risk, and market risk functions. In addition, the investment of the liquidity pool is monitored for concentration risk by issuer, currency and asset type. Given the incremental returns generated by these highly liquid assets, the risk and reward profile is continuously managed. The quality of the liquidity pool continues to remain high, with the majority held in cash and deposits with central banks, and highly rated government bonds. The liquidity buffer is also well diversified by major currency and is subject to currency specific risk limits.

As at 30 September 2018, 93% (December 2017: 93%) of the liquidity pool was located in Barclays Bank PLC and Barclays Bank UK PLC. The residual portion of the liquidity pool outside of these entities, which is predominantly in the US subsidiaries, is held against entity-specific stress outflows and local regulatory requirements. To the extent the use of this portion of the liquidity pool is restricted due to regulatory requirements, it is assumed to be unavailable to the rest of the Barclays Group in the LCR.

The strong deposit franchise within BBUK PLC and BB PLC is one of the primary funding sources for Barclays Group. Issuances to meet Minimum Requirements for Own Funds and Eligible Liabilities (MREL) raised by Barclays PLC also provide a long term stable source of funding to the Barclays Group.

Barclays Bank PLC and Barclays Bank UK PLC maintain access to a variety of sources of wholesale funding in major currencies, including those available from term investors across a range of distribution channels and geographies, short-term funding markets and repo markets. In addition, Barclays Bank PLC has direct access to US, European and Asian capital markets through its global investment banking operations and to long-term investors through its clients worldwide. As a result, wholesale funding is well diversified by product, maturity, geography and currency across the Barclays Group.

Key sources of wholesale funding for Barclays Bank PLC include money markets, certificates of deposit, commercial paper, and medium-term issuances (including structured notes). Key sources of wholesale funding for Barclays Bank UK PLC include money markets, certificates of deposit, commercial paper, covered bonds and securitisations. Barclays Bank PLC and Barclays Bank UK PLC also support various central bank monetary initiatives including participation in the Bank of England's Term Funding Scheme.

## Notes

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

There are a number of key judgement areas, for example impairment calculations, which are based on models and which are subject to ongoing adjustment and modifications. Reported numbers reflect best estimates and judgements at the date the 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.com/results](http://home.barclays.com/results).

A glossary of terms and remuneration disclosures can be found at: [home.barclays.com/annualreport](http://home.barclays.com/annualreport)

## 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 Barclays Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Barclays 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 9 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. These may be affected by changes in legislation, the development of standards and interpretations under International Financial Reporting Standards including the implementation of IFRS 9, 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 entities within the Barclays Group or any securities issued by such entities; the potential for one or more countries exiting the Eurozone; the implications of the exercise by the United Kingdom of Article 50 of the Treaty of Lisbon and the disruption that may result in the UK and globally from the withdrawal of the United Kingdom from the European Union; and the success of future acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Barclays Group's control. As a result, the Barclays Group's actual future results, dividend payments, and capital and leverage ratios may differ materially from the plans, goals, expectations and guidance set forth in the Barclays Group's forward-looking statements. Additional risks and factors which may impact the Barclays 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 2017), 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 the United Kingdom and the United States in relation to disclosure and ongoing information, we undertake no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise.