Barclays Capital Securities Limited

Pillar 3 Report

31 December 2023

BARCLAYS

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Introduction

Notes on Basis of Preparation

The abbreviations '£m' represent millions of Pounds Sterling.

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 available at home.barclays/investor-relations/reports-and-events

Disclosure background

Barclays Capital Securities Limited (BCSL) is a large non-listed subsidiary of Barclays PLC and is required by the Prudential Regulation Authority (PRA) to provide information about its risk profile, including its regulatory capital, RWAs and leverage exposures.The disclosures provided in this document for BCSL are based on this regulatory scope of consolidation, unless otherwise specified.

For the purpose of liquidity management, BCSL and its immediate parent company Barclays Bank PLC are monitored on a combined basis by the PRA under a Domestic Liquidity Sub-Group (Barclays Bank PLC DoLSub) arrangement ('DoLSub'). The liquidity disclosures (Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR)) are disclosed at the DoLSub level which are published in the Barclays Bank PLC Pillar 3 report.

The Pillar 3 report is prepared in accordance with the Capital Requirements Regulation and Capital Requirements Directive (CRR and CRD V). In particular articles 431 to 455 of CRR specify the requirements of the Pillar 3 framework. Those regulations came into force on 1 January 2022, and were implemented by the PRA via the PRA Rulebook.

References to CRR, as amended by CRR II, mean the capital regulatory requirements, as they form part of domestic law by virtue of the European Union (Withdrawal) Act 2018, as amended.

The terms risk weighted asset (RWA) and Risk weighted exposure amount (RWEA) are used interchangeably throughout the document.

The disclosures included in this report reflect BCSL's interpretation of the current rules and guidance.

Future regulatory changes

Capital and RWAs

On 30 November 2022, the PRA published its consultation paper 'Implementation of the Basel 3.1 standards', which covers the remaining parts of the Basel III standards to be implemented in the UK.

On 27 September 2023, the PRA announced their intention to move the final Basel 3.1 standards implementation date by six months to 1 July 2025 and to reduce the transitional period to 4.5 years to ensure full implementation by 1 January 2030.

On 12 December 2023, the PRA published its Policy Statement 'Implementation of the Basel 3.1 standards near-final part 1' (PS17/23), which covers the Credit Valuation Adjustments (CVA), Counterparty Credit Risk (CCR), Market Risk and Operational Risk elements of the Basel 3.1 standards. A second near final policy statement is expected in Q2 2024 which will cover; Credit Risk - Standardised Approach (SA) and Internal Ratings Based approach (IRB), Credit Risk Mitigation (CRM), Output Floor, Reporting and Disclosure.

Notes on Basis of Preparation (continued)

Presentation of risk data in the Pillar 3 disclosures versus the Annual Report and Accounts

This document discloses BCSL's assets in terms of exposures and capital requirements. For the purposes of this document:

Credit losses

Where credit impairment or losses are disclosed within this document, BCSL has followed the IFRS definitions used in the 2023 financial statements.

Scope of application

Where this document discloses credit exposures or capital requirements, BCSL has followed the scope and application of its Pillar 1 capital adequacy calculations (unless noted otherwise).

Definition of credit exposures

- Credit exposure, or 'Exposure at Default' (EAD) is defined as the estimate of the amount at risk in the event of a default (before any recoveries) or through the decline in value of an asset. This estimate takes account of contractual commitments related to undrawn amounts
- In contrast, an asset on the BCSL's balance sheet is reported as a drawn balance only. This is one of the reasons why exposure values in the Pillar 3 report differ from asset values as reported in the BCSL financial statements

Analysis of treasury and capital risk

Table 1: KM1 - Key metrics[a]

This table shows key regulatory metrics and ratios as well as related components such as own funds, RWAs, capital ratios, additional requirements based on Supervisory Review and Evaluation Process (SREP), capital buffer requirements and leverage ratio.

KM1 ref		As at 31.12.23 £ 000's	As at 31.12.22 £ 000's	As at 31.12.21 £ 000's
	Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	**1,742,631**	1,610,198	1,389,531
2	Tier 1 capital	**2,242,631**	2,110,198	1,589,531
3	Total capital	**2,542,631**	2,410,198	1,889,531
	Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	**9,005,755**	10,990,325	8,167,669
	Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	**19.4%**	14.7%	17.0%
6	Tier 1 ratio (%)	**24.9%**	19.2%	19.5%
7	Total capital ratio (%)	**28.2%**	21.9%	23.1%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)			
UK 7a	Additional CET1 SREP requirements (%)	**2.3%**	1.5%	
UK 7b	Additional AT1 SREP requirements (%)	**0.8%**	0.5%	
UK 7c	Additional T2 SREP requirements (%)	**1.0%**	0.7%	
UK 7d	Total SREP own funds requirements (%)	**12.1%**	10.7%	
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	**2.5%**	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	**0.4%**	0.3%	0.0%
10	Global Systemically Important Institution buffer (%)	**—**	—	—
11	Combined buffer requirement (%)	**2.9 %**	2.8%	2.5%
UK 11a	Overall capital requirements (%)	**15.0%**	13.5%	
12	CET1 available after meeting the total SREP own funds requirements (%)	**12.5%**	8.6%	

Notes:

a. LCR and NSFR ratios are not applicable on standalone basis as liquidity for the entity is managed as part of a single sub-group (Barclays Bank PLC DoLSub).

The CET1 ratio increased to 19.4% (December 2022: 14.7%) as CET1 capital increased by £132m to £1,743m and RWAs decreased by £1,985m to £9,006m:

- £132m increase in capital primarily due to attributable profit generated in the year
- £1,985m decrease in RWAs primarily due to decrease in Modelled Market risk driven by SVaR and VaR, partially offset by increase in RWAs within CCR due to reduction in parental guarantee facility

Analysis of treasury and capital risk (continued)

Table 1: KM1 - Key metrics - Part 2

KM1 ref		As at 31.12.23 £ 000's	As at 30.09.23 £ 000's	As at 30.06.23 £ 000's	As at 31.03.23 £ 000's	As at 31.12.22 £ 000's
	Leverage ratio					
13	Total exposure measure excluding claims on central banks[a]	**49,307,010**	49,771,049	49,457,252	49,600,928	52,687,321
14	Leverage ratio excluding claims on central banks (%)[a,c]	**4.5%**	4.5%	4.5%	4.2%	4.0%
	Additional leverage ratio disclosure requirements					
UK 14a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**4.5%**	4.5%	4.5%	4.2%	4.0%
UK 14b	Leverage ratio including claims on central banks (%)	**4.5%**	4.5%	4.5%	4.2%	4.0%
UK 14c	Average leverage ratio excluding claims on central banks (%)[b]	**4.3%**	4.3%	4.4%	3.9%	
UK 14d	Average leverage ratio including claims on central banks (%)[b]	**4.3%**	4.3%	4.4%	3.9%	
UK 14e	Countercyclical leverage ratio buffer (%)[c]	**0.1%**	0.1%	0.1%	0.1%	

Notes:

a. BCSL does not apply transitional arrangements of the CRR as amended by CRR II.

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

c. Although the leverage ratio is expressed in terms of T1 capital, 75% of the minimum requirement and countercyclical leverage ratio buffer (CCLB) must be covered solely with CET1 capital. The CET1 capital held against the 0.1% CCLB was £49.3m.

The BCSL UK leverage ratio increased to 4.5% (December 2022: 4.0%). This is driven by an increase in Tier 1 capital to £2,243m (December 2022: £2,110m) primarily due to attributable profit for the period and a decrease in exposures to £49,307m (December 2022: £52,687m) driven by a reduction in trading portfolio assets and securities financing transactions.

Analysis of treasury and capital risk (continued)

Table 2: CC1 – Composition of regulatory own funds

This table shows the components of regulatory capital presented on a fully loaded basis.

			As at 31.12.23	As at 31.12.22
		Ref†	£000's	£000's
	Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	a	**571,070**	571,070
	of which: Instrument type 1		**—**	—
2	Retained earnings	b	**909,061**	670,660
3	Accumulated other comprehensive income (and other reserves)	c	**250,000**	250,000
UK-5a	Independently reviewed interim profits net of any foreseeable charge or dividend [a]	b	**125,409**	238,401
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**		**1,855,540**	1,730,131
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments		**(108,530)**	(118,685)
8	Intangible assets (net of related tax liability)		**—**	—
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met)		**—**	—
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		**—**	—
12	Negative amounts resulting from the calculation of expected loss amounts		**(4,379)**	(1,248)
13	Any increase in equity that results from securitised assets (negative amount)		**—**	—
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		**—**	—
15	Defined-benefit pension fund assets		**—**	—
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions)		**—**	—
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		**—**	—
22	Amount exceeding the 17.65% threshold		**—**	—
23	*of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities*		**—**	—
25	*of which: deferred tax assets arising from temporary differences*		**—**	—
27a	Other regulatory adjustments to CET1 capital (including IFRS 9 transitional adjustments when		**—**	—
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**		**(112,909)**	(119,933)
29	**Common Equity Tier 1 (CET1) capital**		**1,742,631**	1,610,198

Notes:

† The references identify balance sheet components in Table 3: CC2 – Reconciliation of regulatory capital to balance sheet on page 08 which is used in the calculation of regulatory capital.

Analysis of treasury and capital risk (continued)

Table 2: CC1 – Composition of regulatory own funds – (continued)

		Ref†	As at 31.12.23 £ 000's	As at 31.12.22 £ 000's
	Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	d	**500,000**	500,000
31	*of which: classified as equity under applicable accounting standards*	d	***500,000***	*500,000*
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**		**500,000**	500,000
	Additional Tier 1 (AT1) capital: regulatory adjustments			
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions)		**—**	—
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**		**—**	—
44	**Additional Tier 1 (AT1) capital**		**500,000**	500,000
45	**Tier 1 capital (T1 = CET1 + AT1)**		**2,242,631**	2,110,198
	Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts		**300,000**	300,000
UK-47b	Amount of qualifying items referred to in Article 494b (2) CRR subject to phase out from T2		**—**	—
50	Credit risk adjustments		**—**	—
51	**Tier 2 (T2) capital before regulatory adjustments**		**300,000**	300,000
	Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans		**—**	—
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible		**—**	—
57	**Total regulatory adjustments to Tier 2 (T2) capital**		**—**	—
58	**Tier 2 (T2) capital**		**300,000**	300,000
59	**Total capital (TC = T1 + T2)**		**2,542,631**	2,410,198
60	**Total Risk exposure amount**		**9,005,755**	10,990,325
	Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)		**19.4%**	14.7%
62	Tier 1 (as a percentage of total risk exposure amount)		**24.9%**	19.2%
63	Total capital (as a percentage of total risk exposure amount)		**28.2%**	21.9%
64	Institution CET1 overall capital requirement (CET1 requirement in accordance with Article 92 (1) CRR, plus additional CET1 requirement which the institution is required to hold in accordance with point (a) of Article 104(1) CRD, plus combined buffer requirement in accordance with Article 128(6) CRD) expressed as a percentage of risk exposure amount		**9.7%**	8.8%
65	*of which: capital conservation buffer requirement*		***2.5%***	*2.5%*
66	*of which: countercyclical buffer requirement*		***0.4%***	*0.3%*
67	*of which: systemic risk buffer requirement*		**—**	—
68	**Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)**		**2.3%**	1.5%
	Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		**66,835**	82,171
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)		**—**	—
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)		**—**	—
	Applicable caps on the inclusions of provisions in Tier 2			
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach		**13,526**	6,504
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		**8,005**	8,000

Analysis of treasury and capital risk (continued)

Table 3: CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

These tables show the reconciliation between the balance sheet prepared for statutory and regulatory scope of consolidation. The amount shown under the regulatory scope of consolidation is not a RWA measure; it is based on an accounting measure and cannot be directly reconciled to other tables in this report.

			Balance sheet as in published financial statements	Under regulatory scope of consolidation
As at 31 December 2023		**Ref[†]**	**£ 000's**	**£ 000's**
Assets				
1	Cash and balances at central banks[a]		1,040,469	1,040,469
2	Trading portfolio assets		26,803,692	26,803,692
3	Derivative financial instruments		10,577,863	10,577,863
4	Financial assets mandatorily at fair value		76,884,058	76,884,058
5	Loans and other receivables at amortised cost		51,255,016	51,255,016
6	Other assets		409,584	409,584
7	**Total assets**		**166,970,682**	**166,970,682**
Liabilities				
1	Trading portfolio liabilities		16,126,023	16,126,023
2	Derivative financial instruments		12,667,530	12,667,530
3	Repurchase agreements at amortised cost		2,543,951	2,543,951
4	Financial liabilities designated at fair value		57,145,127	57,145,127
5	Borrowings		75,573,160	75,573,160
6	Deferred tax liabilities		264	264
7	Current tax liabilities		38,171	38,171
8	Other liabilities		484,051	484,051
9	**Total liabilities**		**164,578,277**	**164,578,277**
Equity				
1	Called up share capital and share premium[b]		571,071	571,070
2	*- Of which: amount eligible for CET1*	a	*571,071*	*571,070*
3	*- Of which: amount eligible for AT1*		—	—
4	Other equity instruments	d	500,000	500,000
5	Other reserves	c	250,000	250,000
6	Retained earnings	b	1,071,334	1,071,334
7	**Total equity excluding non-controlling interests**		**2,392,405**	**2,392,404**
8	Non-controlling interests		—	—
9	**Total equity**		**2,392,405**	**2,392,404**
10	**Total liabilities and equity**		**166,970,682**	**166,970,681**

Notes:

† The references (a) – (d) identify balance sheet components that are used in the calculation of regulatory capital in Table2: Composition of regulatory capital on page 04.

a. Cash and balances at central banks includes other demand deposits.

b. Share capital under regulatory scope of consolidation excludes £1000 of disclaimed preference shares.

Analysis of treasury and capital risk (continued)

Table 4: RWAs by risk type

This table shows RWAs by risk type.

	Credit risk		Counterparty credit risk				Market risk			
	Std	AIRB	Std	AIRB	Settlement risk	CVA	Std	IMA	Operational risk	Total RWAs
As at 31 December 2023	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
Barclays Capital Securities Limited	**61,692**	**310,007**	**1,020,351**	**1,024,191**	**58,117**	**8,747**	**1,479,273**	**3,534,103**	**1,509,274**	**9,005,755**
As at 31 December 2022										
Barclays Capital Securities Limited	56,341	199,028	463,983	1,134,289	104,475	843	1,551,845	5,944,581	1,534,941	10,990,325

Table 5: OV1 – Overview of risk weighted exposure amounts

The table shows RWAs and minimum capital requirement by risk type and approach.

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements	
		As at 31.12.23	As at 31.12.22	As at 31.12.23	As at 31.12.22
		£ 000's	£ 000's	£ 000's	£ 000's
1	Credit risk (excluding CCR)	**371,699**	255,369	**29,736**	20,429
2	*Of which the standardised approach*	***61,692***	*56,341*	***4,935***	*4,507*
3	*Of which the foundation IRB (FIRB) approach*	**—**	—	**—**	—
4	*Of which: slotting approach*	**—**	—	**—**	—
UK 4a	*Of which: equities under the simple risk weight approach*	**—**	—	**—**	—
5	*Of which the advanced IRB (AIRB) approach*	***310,007***	*199,028*	***24,801***	*15,922*
6	Counterparty credit risk - CCR	**2,053,289**	1,599,115	**164,263**	127,929
7	*Of which the standardised approach*	***10,170***	*9,618*	***814***	*769*
8	*Of which internal model method (IMM)*	***1,481,742***	*1,143,420*	***118,539***	*91,474*
UK 8a	*Of which exposures to a CCP*	***23,603***	*12,819*	***1,888***	*1,026*
UK 8b	*Of which credit valuation adjustment - CVA*	***8,747***	*843*	***700***	*67*
9	*Of which other CCR*	***529,027***	*432,414*	***42,322***	*34,593*
15	Settlement risk	**58,117**	104,475	**4,649**	8,358
16	Securitisation exposures in the non-trading book (after the cap)	**—**	—	**—**	—
17	*Of which SEC-IRBA approach*	**—**	—	**—**	—
18	*Of which SEC-ERBA (including IAA)*	**—**	—	**—**	—
19	*Of which SEC-SA approach*	**—**	—	**—**	—
UK 19a	*Of which 1250%/ deduction*	**—**	—	**—**	—
20	Position, foreign exchange and commodities risks (Market risk)	**5,013,376**	7,496,426	**401,070**	599,714
21	*Of which the standardised approach*	***1,479,273***	*1,551,845*	***118,342***	*124,148*
22	*Of which IMA*	***3,534,103***	*5,944,581*	***282,728***	*475,567*
UK 22a	Large exposures	**—**	—	**—**	—
23	Operational risk	**1,509,274**	1,534,941	**120,742**	122,795
UK 23a	*Of which basic indicator approach*	**—**	—	**—**	—
UK 23b	*Of which standardised approach*	***1,509,274***	*1,534,941*	***120,742***	*122,795*
UK 23c	*Of which advanced measurement approach*	**—**	—	**—**	—
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	**—**	—	**—**	—
29	**Total**	**9,005,755**	10,990,325	**720,460**	879,226

Overall RWAs decreased by £1,985m to £9,006m in the year (December 2022: £10,990m) primarily due to:

- Market risk RWAs decreased by £2,483m to £5,013m (December 2022: £7,496m) primarily driven by SVaR and VaR
- Counterparty credit risk RWAs increased by £454m to £2,053m (December 2022: £1,599m) primarily due to decrease in the parental guarantee facility partially offset by a decrease in the trading activities

Analysis of treasury and capital risk (continued)

Tables 6, 7 and 8 below show a subset of the information included in table 4, focused on positions captured under modelled treatment.

Table 6: CR8 – RWEA flow statements of credit risk exposures under the advanced IRB approach

The total in this table shows the contribution of credit risk RWAs under the advanced IRB approach excluding Securitisation and non-credit obligation assets and hence will not directly reconcile to the credit risk advanced IRB RWAs in table 4.

		Twelve months ended 31.12.2023
		£ 000's
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**120,266**
2	Asset size	**102,147**
3	Asset quality	**(22,715)**
4	Model updates	**—**
5	Methodology and policy	**7,823**
6	Acquisitions and disposals	**—**
7	Foreign exchange movements	**(18,012)**
8	Other	**—**
9	**Risk weighted exposure amount as at the end of the reporting period**	**189,509**

Advanced credit risk RWAs increased by £70m to £190m in the year (December 2022: £120m) primarily driven by £102m increase in asset size due to termination of a parental guarantee facility.

Table 7: CCR7– RWEA flow statements of CCR exposures under the IMM

The total in this table shows the contribution of Internal Model Method (IMM) exposures to CCR RWAs (under both standardised and AIRB) in table 4.

		Twelve months ended 31.12.2023
		£ 000's
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**1,143,420**
2	Asset size	**310,062**
3	Credit quality of counterparties	**73,960**
4	Model updates (IMM only)	**—**
5	Methodology and policy (IMM only)	**—**
6	Acquisitions and disposals	**—**
7	Foreign exchange movements	**(45,700)**
8	Other	**—**
9	**Risk weighted exposure amount as at the end of the reporting period**	**1,481,742**

IMM RWAs increased by £338m to £1,482m in the year (December 2022: £1,143m) primarily driven by reduction in parental guarantee facility.

Analysis of treasury and capital risk (continued)

Table 8: MR2-B – RWA flow statements of market risk exposures under the IMA

This table shows the contribution of market risk RWA covered by internal models (i.e. value at risk (VaR), stressed value at risk (SVaR) and incremental risk charge (IRC).

		Twelve month ended 31.12.2023					
		VaR	SVaR	IRC	Other	Total RWEAs	Total own funds requirements
		£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
1	**RWAs at previous period end**	**1,305,803**	**3,855,224**	**5,521**	**778,032**	**5,944,581**	**475,567**
1a	Regulatory adjustment[a]	**(732,519)**	**(2,023,064)**	**(906)**	**—**	**(2,756,489)**	**(220,520)**
1b	RWAs at the end of previous reporting period (end of the day)	**573,284**	**1,832,160**	**4,615**	**778,032**	**3,188,092**	**255,047**
2	Movement in risk levels	**(153,582)**	**128,042**	**3,821**	**(233,457)**	**(255,176)**	**(20,414)**
3	Model updates/changes	**—**	**—**	**—**	**—**	**—**	**—**
4	Methodology and policy	**—**	**—**	**—**	**—**	**—**	**—**
5	Acquisitions and disposals	**—**	**—**	**—**	**—**	**—**	**—**
6	Foreign exchange movements	**—**	**—**	**—**	**—**	**—**	**—**
7	Other	**—**	**—**	**—**	**—**	**—**	**—**
8a	RWAs at the end of the reporting period (end of the day)	**419,702**	**1,960,202**	**8,436**	**544,575**	**2,932,916**	**234,633**
8b	Regulatory adjustment[b]	**231,680**	**369,508**	**—**	**—**	**601,187**	**48,095**
8	**RWAs at the end of the disclosure period**	**651,382**	**2,329,710**	**8,436**	**544,575**	**3,534,103**	**282,728**

Notes:

a. Row 1a reflects the difference between reported RWA (row 1) and the relevant spot measure (row 1b) for the previous period.

b. Row 8b reflects the difference between the relevant spot measure (row 8a) and reported RWA (row 8) for the current period.

Modelled Market risk RWAs decreased by £2,410m to £3,534m (December 2022: £5,945m) primarily driven by SVaR and VaR.

Analysis of treasury and capital risk (continued)

Leverage ratio and exposures

The following leverage tables show the components of the leverage ratio using the UK leverage ratio framework (UKLRF) definition for leverage exposure and Tier 1 capital.

Table 9: LR1 - Summary of reconciliation of accounting assets and leverage ratio exposures[a]

		As at 31st December 2023	As at 31st December 2022
		£ 000's	£ 000's
1	Total assets as per published financial statements [b]	**166,970,682**	141,704,098
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	**(12,774,034)**	(10,545,290)
8	Adjustments for derivative financial instruments	**2,268,307**	53,848,077
9	Adjustment for securities financing transactions (SFTs)	**4,640,580**	6,002,467
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	**194,949**	189,171
11	Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital	**(108,530)**	(118,685)
UK-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	**(111,828,268)**	(138,386,396)
12	Other adjustments	**(56,676)**	(6,121)
13	**Total exposure measure**	**49,307,010**	52,687,321

Notes:

a. BCSL does not apply any transitional arrangements of the CRR as amended by CRR II.

b. The BCSL total assets represents the total assets as published in page 25 of BCSL 2023 Financial Statements.

Analysis of treasury and capital risk (continued)

Table 10: LR2 - Leverage ratio common disclosure[a]

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

		As at 31st December 2023 £ 000's	As at 31st December 2022 £ 000's
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	**67,060,736**	55,051,866
3	Deductions of receivables assets for cash variation margin provided in derivatives transactions	**(52,296)**	(4,872)
6	Asset amounts deducted in determining tier 1 capital (leverage)	**(112,909)**	(119,934)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**66,895,531**	54,927,060
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	**55,694**	1,144,266
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	**12,790,303**	67,817,498
11	Adjusted effective notional amount of written credit derivatives	**89,588**	69,714
12	Adjusted effective notional offsets and add-on deductions for written credit derivatives	**(89,415)**	(69,714)
13	**Total derivatives exposures**	**12,846,170**	68,961,764
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	**76,558,048**	60,993,256
16	Counterparty credit risk exposure for SFT assets	**4,640,580**	6,002,466
18	**Total securities financing transaction exposures**	**81,198,628**	66,995,722
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	**974,746**	945,853
20	Adjustments for conversion to credit equivalent amounts	**(779,797)**	(756,682)
22	**Off-balance sheet exposures**	**194,949**	189,171
Excluded exposures			
UK-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) of the CRR)	**(111,828,268)**	(138,386,396)
UK-22k	**(Total exempted exposures)**	**(111,828,268)**	(138,386,396)
Capital and total exposure measure			
23	Tier 1 capital (leverage)	**2,242,631**	2,110,199
24	Total exposure measure including claims on central banks	**49,307,010**	52,687,321
UK-24b	**Total exposure measure excluding claims on central banks**	**49,307,010**	52,687,321
Leverage ratio			
25	Leverage ratio excluding claims on central banks (%)	**4.5%**	4.0%
UK-25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%)	**4.5%**	4.0%
UK-25c	Leverage ratio including claims on central banks (%)	**4.5%**	4.0 %
26	Regulatory minimum leverage ratio requirement (%)	**3.3%**	
Additional leverage ratio disclosure requirements - leverage ratio buffers			
27	Leverage ratio buffer (%)	**0.1%**	
Additional leverage ratio disclosure requirements - disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable[b]	**70,548,679**	
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables[b]	**76,558,048**	
UK-31	Average total exposure measure including claims on central banks[b]	**51,821,086**	
UK-32	Average total exposure measure excluding claims on central banks[b]	**51,821,086**	
UK-33	Average leverage ratio including claims on central banks[b]	**4.3%**	
UK-34	Average leverage ratio excluding claims on central banks[b]	**4.3%**	

Notes:

a. BCSL does not apply any transitional arrangements of the CRR as amended by CRR II.

b. No comparatives are provided for additional leverage ratio disclosure requirements given this is the first reporting year.

Analysis of treasury and capital risk (continued)

Table 11: LR3 - Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

The table shows a breakdown of the on-balance sheet exposures excluding derivatives, SFTs and exempted exposures, by regulatory asset class.

		As at 31st December 2023	As at 31st December 2022
		£ 000's	£ 000's
UK-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of**	**28,777,274**	29,741,611
UK-2	Trading book exposures	**27,817,912**	28,966,984
UK-3	Banking book exposures, of which:	**959,362**	774,627
UK-5	Exposures treated as sovereigns	**64,238**	61,822
UK-7	Institutions	**709,167**	476,009
UK-10	Corporates	**64,900**	152,535
UK-11	Exposures in default	**559**	5,499
UK-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	**120,498**	78,762

Management of Treasury and Capital Risk

Capital Risk Management

Capital risk is managed through ongoing monitoring and management of the capital and leverage position, regular stress testing and a robust capital governance framework. The objectives of the framework are to maintain adequate capital for BCSL to withstand the impact of the risks that may arise under normal and stressed conditions, and maintain adequate capital to cover current and forecast business needs and associated risks to provide a viable and sustainable business offering. BCSL aims to prudently manage its overall leverage position (including risk of excessive leverage) by utilising plausible stress scenarios, reviewing and deploying management actions in response to deteriorating economic and commercial positions. In order to manage contingent leverage risk, BCSL considers the context from which the business consumption arises, the impact of client utilisation on leverage and the available actions to manage.

Analysis of credit risk

Analysis of capital requirements and exposures for credit risk

Table 12: CR4 - Standardised approach - Credit risk exposure and CRM effects

This table shows the impact of credit risk mitigation (CRM) and credit conversion factors (CCF) on exposure values, broken down by regulatory exposure class. This table includes exposures subject to the standardised approach only.

The term 'before CCF and CRM' means the original gross exposures before the application of credit conversion factor and before the application of risk mitigation techniques.

		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
		On-balance sheet amount	Off-balance sheet amount	On-balance sheet amount	Off-balance sheet amount	RWA	RWA density
As at 31 December 2023		**£ 000's**	**£ 000's**	**£000's**	**£ 000's**	**£ 000's**	**%**
1	Central governments or central banks	**64,238**	—	**64,238**	—	**40,830**	**64%**
2	Regional governments or local authorities	—	—	—	—	—	—
3	Public sector entities	—	—	—	—	—	—
4	Multilateral development banks	—	—	—	—	—	—
5	International organisations	—	—	—	—	—	—
6	Institutions	**41,206,355**	—	**41,206,355**	**60,147**	**444**	**0%**
7	Corporates	**19,842**	—	**19,842**	—	**19,859**	**100%**
8	Retail	—	—	—	—	—	—
9	Secured by mortgages on immovable property	—	—	—	—	—	—
10	Exposures in default	**559**	—	**559**	—	**559**	**100%**
11	Exposures associated with particularly high risk	—	—	—	—	—	—
12	Covered bonds	—	—	—	—	—	—
13	Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—
14	Collective investment undertakings	—	—	—	—	—	—
15	Equity	—	—	—	—	—	—
16	Other items	—	—	—	—	—	—
17	**Total**	**41,290,994**	—	**41,290,994**	**60,147**	**61,692**	—
As at 31 December 2022							
1	Central governments or central banks	61,822	—	61,822	—	40,645	66%
2	Regional governments or local authorities	—	—	—	—	—	—
3	Public sector entities	—	—	—	—	—	—
4	Multilateral development banks	—	—	—	—	—	—
5	International organisations	—	—	—	—	—	—
6	Institutions	24,762,589	—	24,789,495	150,483	5	0%
7	Corporates	15,702	—	15,691	—	15,691	100%
8	Retail	—	—	—	—	—	—
9	Secured by mortgages on immovable property	—	—	—	—	—	—
10	Exposures in default	5,499	—	—	—	—	—
11	Exposures associated with particularly high risk	—	—	—	—	—	—
12	Covered bonds	—	—	—	—	—	—
13	Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—
14	Collective investment undertakings	—	—	—	—	—	—
15	Equity	—	—	—	—	—	—
16	Other items	—	—	—	—	—	—
17	**Total**	24,845,611	—	24,867,008	150,483	56,341	—

Standardised credit risk RWAs remained broadly stable at £61.7m (December 2022: £56.3m).

Analysis of credit risk (continued)

Table 13: CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques

This table shows the effect of credit derivatives on the advanced IRB credit risk approach and will not directly reconcile to the credit risk advanced IRB RWAs in table 4.

		Pre-credit derivatives risk weighted exposure amount		Actual risk weighted exposure amount	
		As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
		£ 000's	£ 000's	£ 000's	£ 000's
5	**Exposures under AIRB**	**189,509**	120,266	**189,509**	120,266
6	Central governments and central banks	**—**	—	**—**	—
7	Institutions	**159,942**	77,893	**159,942**	77,893
8	Corporates	**29,567**	42,373	**29,567**	42,373
8.1	*of Corporates - which SMEs*	**—**	—	**—**	—
8.2	*of which Corporates - Specialised lending*	**—**	—	**—**	—
9	Retail	**—**	—	**—**	—
9.1	*of which Retail – SMEs - Secured by immovable property collateral*	**—**	—	**—**	—
9.2	*of which Retail – non-SMEs - Secured by immovable property collateral*	**—**	—	**—**	—
9.3	*of which Retail – Qualifying revolving*	**—**	—	**—**	—
9.4	*of which Retail – SMEs - Other*	**—**	—	**—**	—
9.5	*of which Retail – Non-SMEs- Other*	**—**	—	**—**	—
10	**TOTAL**	**189,509**	120,266	**189,509**	120,266

Analysis of credit risk (continued)

Table 14: CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques

This table shows the extent of the use of CRM techniques broken down by exposure classes under the IRB approach. The exposure classes capture both secured and unsecured balances, resulting in the CRM coverage percentages being calculated on an aggregate basis.

		Credit risk Mitigation techniques												Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
A-IRB		Total exposures	Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Other funded credit protection	Part of exposures covered by Cash on deposit	Part of exposures covered by Life insurance policies	Part of exposures covered by Instruments held by a third party	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives	RWEA post all CRM assigned to the obligor exposure class	RWEA with substitution effects
As at 31 December 2023		£ 000's	%	%	%	%	%	%	%	%	%	%	%	£ 000's	£ 000's
1	Central governments and central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2	Institutions	**856,995**	—	—	—	—	—	—	—	—	—	—	—	**159,942**	**159,942**
3	Corporates	**52,134**	—	—	—	—	—	—	—	—	—	—	—	**29,567**	**29,567**
3.1	*Of which Corporates – SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3.2	*Of which Corporates – Specialised lending*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3.3	*Of which Corporates – Other*	***52,134***	—	—	—	—	—	—	—	—	—	—	—	***29,567***	***29,567***
4	Retail	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.1	*Of which Retail – Immovable property SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.2	*Of which Retail – Immovable property non-SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.3	*Of which Retail – Qualifying revolving*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.4	*Of which Retail – Other SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.5	*Of which Retail – Other non-SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	**Total**	**909,129**	—	—	—	—	—	—	—	—	—	—	—	**189,509**	**189,509**

Analysis of credit risk (continued)

Table 14: CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques (continued)

			Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
			Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)			
	A-IRB	Total exposures	Part of exposures covered by Financial Collaterals	Part of exposures covered by Other eligible collaterals	Part of exposures covered by Immovable property Collaterals	Part of exposures covered by Receivables	Part of exposures covered by Other physical collateral	Part of exposures covered by Other funded credit protection	Part of exposures covered by Cash on deposit	Part of exposures covered by Life insurance policies	Part of exposures covered by Instruments held by a third party	Part of exposures covered by Guarantees	Part of exposures covered by Credit Derivatives	RWEA post all CRM assigned to the obligor exposure class	RWEA with substitution effects
	As at 31 December 2022	£000's	%	%	%	%	%	%	%	%	%	%	%	£000's	£000's
1	Central governments and central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—
2	Institutions	473,405	—	—	—	—	—	—	—	—	—	—	—	77,893	77,893
3	Corporates	290,800	—	—	—	—	—	—	—	—	—	—	—	42,373	42,373
3.1	*Of which Corporates – SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3.2	*Of which Corporates – Specialised lending*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
3.3	*Of which Corporates – Other*	*290,800*	—	—	—	—	—	—	—	—	—	—	—	*42,373*	*42,373*
4	Retail	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.1	*Of which Retail – Immovable property SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.2	*Of which Retail – Immovable property non-SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.3	*Of which Retail – Qualifying revolving*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.4	*Of which Retail – Other SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4.5	*Of which Retail – Other non-SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	**Total**	764,205	—	—	—	—	—	—	—	—	—	—	—	120,266	120,266

Analysis of credit risk (continued)

Table 15: CR1 - Performing and non-performing exposures and related provisions[a]

This table provides an overview of the credit quality of on- and off-balance sheet non-performing exposures and related impairments, provisions and valuation adjustments by portfolio and exposure class.

		Gross carrying amount/nominal						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
			Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3		Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3			
	As at 31 December 2023	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
005	**Cash balances at central banks and other demand deposits**	**1,039,910**	**1,039,910**	**—**	**5,196**	**—**	**5,196**	**—**	**—**	**—**	**(4,637)**	**—**	**(4,637)**	**—**	**—**	**—**
010	**Loans and advances**	**127,918,893**	**51,255,328**	**—**	**—**	**—**	**—**	**(312)**	**(312)**	**—**	**—**	**—**	**—**	**—**	**76,533,571**	**—**
020	Central banks	553	353	—	—	—	—	—	—	—	—	—	—	—	201	—
030	General governments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
040	Credit institutions	101,515,854	39,671,923	—	—	—	—	(312)	(312)	—	—	—	—	—	61,737,142	—
050	Other financial corporations	26,399,608	11,581,518	—	—	—	—	—	—	—	—	—	—	—	14,794,884	—
060	Non-financial corporations	2,878	1,534	—	—	—	—	—	—	—	—	—	—	—	1,344	—
070	*Of which SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
080	Households	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
090	**Debt securities**	**220,493**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**
100	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
110	General governments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	220,493	—	—	—	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
150	**Off-balance-sheet exposures**	**974,746**	**974,746**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**—**		**—**	**—**
160	Central banks	—	—	—	—	—	—	—	—	—	—	—	—		—	—
170	General governments	—	—	—	—	—	—	—	—	—	—	—	—		—	—
180	Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—		—	—
190	Other financial corporations	974,746	974,746	—	—	—	—	—	—	—	—	—	—		—	—
200	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—		—	—
210	Households	—	—	—	—	—	—	—	—	—	—	—	—		—	—
220	**Total**	**130,154,042**	**53,269,984**	**—**	**5,196**	**—**	**5,196**	**(312)**	**(312)**	**—**	**(4,637)**	**—**	**(4,637)**	**—**	**76,533,571**	**—**

Analysis of credit risk (continued)

Table 15: CR1 - Performing and non-performing exposures and related provisions (continued)

		Gross carrying amount/nominal						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3		Of which Stage 1	Of which Stage 2		Of which Stage 2	Of which Stage 3			
	As at 31 December 2022	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
005	**Cash balances at central banks and other demand deposits**	849,014	849,014	—	5,499	—	5,499	—	—	—	(4,907)	—	(4,907)	—	—	—
010	**Loans and advances**	96,898,709	35,774,494	—	—	—	—	(185)	(185)						60,993,648	—
020	Central banks	133,524	2,017	—	—	—	—	—	—	—	—	—	—	—	131,507	—
030	General governments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
040	Credit institutions	72,366,484	27,277,757	—	—	—	—	(185)	(185)	—	—	—	—	—	44,958,168	—
050	Other financial corporations	24,353,973	8,470,611	—	—	—	—	—	—	—	—	—	—	—	15,883,354	—
060	Non-financial corporations	44,728	24,109	—	—	—	—	—	—	—	—	—	—	—	20,619	—
070	*Of which SMEs*	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
080	Households	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
090	**Debt securities**	227,844	—	—	—	—	—	—	—	—	—	—	—	—	—	—
100	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
110	General governments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	227,844	—	—	—	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
150	**Off-balance-sheet exposures**	945,856	187,528	758,328	—	—	—	—	—	—	—	—	—		—	—
160	Central banks	—	—	—	—	—	—	—	—	—	—	—	—		—	—
170	General governments	—	—	—	—	—	—	—	—	—	—	—	—		—	—
180	Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—		—	—
190	Other financial corporations	945,856	187,528	758,328	—	—	—	—	—	—	—	—	—		—	—
200	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—		—	—
210	Households	—	—	—	—	—	—	—	—	—	—	—	—		—	—
220	**Total**	98,921,423	36,811,036	758,328	5,499	—	5,499	(185)	(185)	—	(4,907)	—	(4,907)	—	60,993,648	—

Notes:

a. Loans at fair value through profit and loss are included in the total performing and non-performing exposures but no staging analysis is provided as these instruments are not eligible for staging.

Performing gross carrying exposures increased by £31,233m to £130,154m (December 2022: £98,921m) primarily due to intra group funding and increased business activities within Credit Institutions.

Analysis of credit risk (continued)

Table 16: CR1-A - Maturity of exposures

This table shows the on- and off- balance sheet net credit risk exposures by residual contractual maturity, split by either loans and advances or debt securities. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		Net Exposure Value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
As at 31 December 2023		£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
1	Loans and advances	**974,746**	**126,860,585**	**1,052,005**	**5,991**	**—**	**128,893,327**
2	Debt securities	**—**	**10,045**	**210,448**	**—**	**—**	**220,493**
3	**Total**	**974,746**	**126,870,630**	**1,262,453**	**5,991**	**—**	**129,113,820**
As at 31 December 2022							
1	Loans and advances	945,856	95,744,969	1,139,967	13,587	—	97,844,379
2	Debt securities	—	119,043	107,454	1,348	—	227,844
3	**Total**	945,856	95,864,012	1,247,421	14,935	—	98,072,223

Loans and advances increased by £31,049m to £128,894m (December 2022: £97,844m) primarily due to intra group funding and increased business activities

Table 17: CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

This table shows a breakdown of on balance sheet unsecured and secured credit risk exposures secured by various methods of collateral for both loans and advances and debt securities. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
As at 31 December 2023		£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
1	Loans and advances	**52,430,428**	**76,533,571**	**76,533,571**	**—**	**—**
2	Debt securities	**220,493**	**—**	**—**	**—**	
3	**Total**	**52,650,921**	**76,533,571**	**76,533,571**	**—**	**—**
4	*Of which non-performing exposures*	***5,196***	**—**	**—**	**—**	**—**
5	*Of which defaulted*	***5,196***	**—**			
As at 31 December 2022						
1	Loans and advances	36,759,574	60,993,648	60,993,648	—	—
2	Debt securities	227,844	—	—	—	
3	**Total**	36,987,418	60,993,648	60,993,648	—	—
4	*Of which non-performing exposures*	*5,499*	—	—	—	—
5	*Of which defaulted*	*5,499*	—			

Secured Loans and advances increased by £15,540m to £76,534m (December 2022: £60,994m) due to business activity.

Unsecured loans and advances increased by £15,671m to £52,430m (December 2022: £36,760m) due to intra group funding.

Analysis of credit risk (continued)

Table 18: CQ3 - Credit quality of performing and non-performing exposures by past due days

This table provides an overview of the credit quality of performing and non-performing exposures by past due days. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 year ≤ 5 years	Past due > 5 year ≤ 7 years	Past due > 7 years	Of which defaulted
As at 31 December 2023		£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
005	Cash balances at central banks and other demand deposits	1,039,910	1,039,910	—	5,196	—	—	—	5,196	—	—	—	5,196
010	Loans and advances	127,918,893	127,918,893	—	—	—	—	—	—	—	—	—	—
020	Central banks	553	553	—	—	—	—	—	—	—	—	—	—
030	General governments	—	—	—	—	—	—	—	—	—	—	—	—
040	Credit institutions	101,515,854	101,515,854	—	—	—	—	—	—	—	—	—	—
050	Other financial corporations	26,399,608	26,399,608	—	—	—	—	—	—	—	—	—	—
060	Non-financial corporations	2,878	2,878	—	—	—	—	—	—	—	—	—	—
070	*Of which SMEs*	—	—	—	—	—	—	—	—	—	—	—	—
080	Households	—	—	—	—	—	—	—	—	—	—	—	—
090	Debt securities	220,493	220,493	—	—	—	—	—	—	—	—	—	—
100	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
110	General governments	—	—	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	220,493	220,493	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	974,746			—								—
160	Central banks	—			—								—
170	General governments	—			—								—
180	Credit institutions	—			—								—
190	Other financial corporations	974,746			—								—
200	Non-financial corporations	—			—								—
210	Households	—			—								—
220	**Total**	130,154,042	129,179,296	—	5,196	—	—	—	5,196	—	—	—	5,196

Analysis of credit risk (continued)

Table 18: CQ3 - Credit quality of performing and non-performing exposures by past due days (continued)

		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 year ≤ 5 years	Past due > 5 year ≤ 7 years	Past due > 7 years	Of which defaulted
As at 31 December 2022		£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
005	Cash balances at central banks and other demand deposits	849,014	849,014	—	5,499	—	—	5,499	—	—	—	—	5,499
010	Loans and advances	96,898,709	96,898,709	—	—	—	—	—	—	—	—	—	—
020	Central banks	133,524	133,524	—	—	—	—	—	—	—	—	—	—
030	General governments	—	—	—	—	—	—	—	—	—	—	—	—
040	Credit institutions	72,366,484	72,366,484	—	—	—	—	—	—	—	—	—	—
050	Other financial corporations	24,353,973	24,353,973	—	—	—	—	—	—	—	—	—	—
060	Non-financial corporations	44,728	44,728	—	—	—	—	—	—	—	—	—	—
070	*Of which SMEs*	—	—	—	—	—	—	—	—	—	—	—	—
080	Households	—	—	—	—	—	—	—	—	—	—	—	—
090	Debt securities	227,844	227,844	—	—	—	—	—	—	—	—	—	—
100	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
110	General governments	—	—	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	227,844	227,844	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	945,856			—								—
160	Central banks	—			—								—
170	General governments	—			—								—
180	Credit institutions	—			—								—
190	Other financial corporations	945,856			—								—
200	Non-financial corporations	—			—								—
210	Households	—			—								—
220	**Total**	98,921,423	97,975,567	—	5,499	—	—	5,499	—	—	—	—	5,499

Analysis of credit risk (continued)

Table 19: CQ4 - Quality of non-performing exposures by geography[a]

This table shows the credit quality of on balance sheet and off balance sheet exposure for loans and advances, debt securities derivatives and equity instruments by geography. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

	Gross carrying/Nominal amount						
		of which: non-performing					
			of which: defaulted	of which: subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
As at 31 December 2023	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's
On balance sheet exposures	**129,184,492**	**5,196**	**5,196**	**52,300,434**	**(4,949)**		**—**
UNITED KINGDOM	**110,037,040**	**—**	**—**	**42,666,973**	**(312)**		**—**
UNITED STATES	**6,805,863**	**—**	**—**	**782,900**	**—**		**—**
JAPAN	**5,443,375**	**—**	**—**	**5,425,036**	**—**		**—**
KOREA, REPUBLIC OF	**1,415,680**	**—**	**—**	**853,823**	**—**		**—**
SINGAPORE	**1,367,041**	**—**	**—**	**260,392**	**—**		**—**
OTHER COUNTRIES	**4,115,493**	**5,196**	**5,196**	**2,311,310**	**(4,637)**		**—**
Off balance sheet exposures	**974,746**	**—**	**—**			**—**	
UNITED KINGDOM	**778,568**	**—**	**—**			**—**	
UNITED STATES	**180,476**	**—**	**—**			**—**	
NETHERLANDS	**15,702**	**—**	**—**			**—**	
Total	**130,159,238**	**5,196**	**5,196**	**52,300,434**	**(4,949)**	**—**	**—**
As at 31 December 2022							
On balance sheet exposures	97,981,065	5,499	5,499	36,629,006	(5,092)		—
UNITED KINGDOM	77,053,592	—	—	28,994,729	(185)		—
UNITED STATES	7,987,551	—	—	605,699	—		—
JAPAN	5,084,580	—	—	3,809,196	—		—
KOREA, REPUBLIC OF	1,646,918	—	—	619,720	—		—
HONG KONG	1,551,044	—	—	774,756	—		—
IRELAND	1,110,214	—	—	662,844	—		—
OTHER COUNTRIES	3,547,166	5,499	5,499	1,162,061	(4,907)		—
Off balance sheet exposures	945,856	—	—			—	
UNITED KINGDOM	774,946	—	—			—	
UNITED STATES	154,293	—	—			—	
NETHERLANDS	16,617	—	—			—	
Total	98,926,921	5,499	5,499	36,629,006	(5,092)	—	—

Notes:

a. Countries that have more than 1% of the total gross exposure are disclosed in the table and countries with <1% gross exposure are aggregated within 'other countries'

Analysis of credit risk (continued)

Table 20: CQ5 - Credit quality of loans and advances to non-financial corporations by industry

This table shows the credit quality of loans and advances on balance sheet exposure to non-financial corporation by industry types. The amounts shown are based on IFRS accounting values according to the regulatory scope of consolidation.

		Gross carrying amount					
			of which: non-performing		of which: loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
				of which: defaulted			
As at 31 December 2023		**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
010	Agriculture, forestry and fishing	—	—	—	—	—	—
020	Mining and quarrying	**12**	—	—	**12**	—	—
030	Manufacturing	**18**	—	—	**18**	—	—
040	Electricity, gas, steam and air conditioning supply	—	—	—	—	—	—
050	Water supply	—	—	—	—	—	—
060	Construction	—	—	—	—	—	—
070	Wholesale and retail trade	—	—	—	—	—	—
080	Transport and storage	—	—	—	—	—	—
090	Accommodation and food service activities	—	—	—	—	—	—
100	Information and communication	**56**	—	—	**56**	—	—
110	Financial and insurance activities	—	—	—	—	—	—
120	Real estate activities	—	—	—	—	—	—
130	Professional, scientific and technical activities	—	—	—	—	—	—
140	Administrative and support service activities	**2,045**	—	—	**1,448**	—	—
150	Public administration and defense, compulsory social security	—	—	—	—	—	—
160	Education	**747**	—	—	—	—	—
170	Human health services and social work activities	—	—	—	—	—	—
180	Arts, entertainment and recreation	—	—	—	—	—	—
190	Other services	—	—	—	—	—	—
200	**Total**	**2,878**	—	—	**1,534**	—	—
As at 31 December 2022							
010	Agriculture, forestry and fishing	—	—	—	—	—	—
020	Mining and quarrying	9	—	—	9	—	—
030	Manufacturing	4,747	—	—	4,747	—	—
040	Electricity, gas, steam and air conditioning supply	—	—	—	—	—	—
050	Water supply	—	—	—	—	—	—
060	Construction	—	—	—	—	—	—
070	Wholesale and retail trade	5,228	—	—	5,228	—	—
080	Transport and storage	—	—	—	—	—	—
090	Accommodation and food service activities	—	—	—	—	—	—
100	Information and communication	62	—	—	62	—	—
110	Financial and insurance activities	—	—	—	—	—	—
120	Real estate activities	—	—	—	—	—	—
130	Professional, scientific and technical activities	7,046	—	—	4,992	—	—
140	Administrative and support service activities	1,924	—	—	1,924	—	—
150	Public administration and defense, compulsory social security	—	—	—	—	—	—
160	Education	18,565	—	—	—	—	—
170	Human health services and social work activities	—	—	—	—	—	—
180	Arts, entertainment and recreation	—	—	—	—	—	—
190	Other services	7,147	—	—	7,147	—	—
200	**Total**	44,728	—	—	24,109	—	—

For additional disclosure related to the credit quality of assets, please see 'Note 8 Credit impairment charges/(releases)' in the Barclays PLC Annual Report 2023.

Management of credit risk mitigation techniques and counterparty credit risk

Credit risk mitigation

BCSL employs a range of techniques and strategies to actively mitigate credit risks. These can broadly be divided into three types:

- netting and set-off
- collateral
- risk transfer

BCSL has detailed policies in place to maintain that credit risk mitigation is appropriately recognised and recorded. The recognition of credit risk mitigation is subject to a number of considerations including legal certainty of enforceability and effectiveness, that the valuation and liquidity of the collateral is adequately monitored, and that the value of the collateral is not materially correlated with the credit quality of the counterparty.

All three types of credit risk mitigation may be used by different areas of BCSL for exposures with a full range of counterparties. For instance, businesses may take property, cash or other physical assets as collateral for exposures to retailers, property companies or other client types.

Netting and set-off

In most jurisdictions in which BCSL operates, credit risk exposures can be reduced by applying netting and set-off. In exposure terms, this credit risk mitigation technique has the largest overall impact on net exposure to derivative transactions, compared with other risk mitigation techniques.

For derivative transactions, BCSL's normal practice is to enter into standard master agreements with counterparties (e.g. ISDAs). These master agreements typically allow for netting of credit risk exposure to a counterparty resulting from derivative transactions against the obligations to the counterparty in the event of default, and so produce a lower net credit exposure. These agreements may also reduce settlement exposure (e.g. for foreign exchange transactions) by allowing payments on the same day in the same currency to be set-off against one another.

Under IFRS, netting is permitted only if both of the following criteria are satisfied:

- the entity currently has a legally enforceable right to set off the recognised amounts; and
- the entity intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Collateral

BCSL has the ability to call on collateral in the event of default of the counterparty, comprising any or a combination of the following:

- wholesale lending: a fixed charge over commercial property and other physical assets, in various forms
- derivatives: BCSL also often seeks to enter into a margin agreement (e.g. Credit Support Annex) with counterparties with which BCSL has master netting agreements in place. These annexes to master agreements provide a mechanism for further reducing credit risk, whereby collateral (margin) is posted on a regular basis (typically daily) to collateralise the mark to market exposure of a derivative portfolio measured on a net basis. BCSL may additionally negotiate the receipt of an independent amount further mitigating risk by collateralising potential mark to market exposure moves
- reverse repurchase agreements: collateral typically comprises highly liquid securities which have been legally transferred to BCSL subject to an agreement to return them for a fixed price
- financial guarantees and similar off-balance sheet commitments: cash collateral may be held against these arrangements

Risk transfer

A range of instruments including guarantees can be used to transfer credit risk from one counterparty to another. These mitigate credit risk in three main ways:

- if the risk is transferred to a counterparty which is more creditworthy than the original counterparty, then overall credit risk is reduced;
- where recourse to the first counterparty remains, both counterparties must default before a loss materialises. This is less likely than the default of either counterparty individually so credit risk is reduced; and
- first loss exposures across pools of credit risk can be hedged via synthetic securitisation structures, typically via CLN issuance. As these are fully funded upfront they provide for a direct reduction in credit risk exposure on referenced pools.

In order to transfer risk, BCSL has contractual guarantees in place with the parent entity Barclays Bank PLC. Further details can be found on page 73 of 2023 BCSL Financial Statements.

Risk transfer can also be used to reduce risk concentrations within portfolios lowering the impact of stress events.

Risk transfer transactions are undertaken with consideration to whether the collateral provider is correlated with the exposure, the credit worthiness of the collateral provider and legal certainty of enforceability and effectiveness. Where credit risk mitigation is deemed to transfer credit risk, this exposure is appropriately recorded against the credit risk mitigation provider.

In exposure terms, risk transfer is used most extensively as a credit risk mitigation technique for wholesale loans and derivative financial instruments.

Off-balance sheet risk mitigation

BCSL applies fundamentally the same risk management policies for off-balance sheet risks as it does for its on-balance sheet risks. In the case of commitments to lend, counterparties/customers will be subject to the same credit management policies as for loans and advances. Collateral may be sought depending on the strength of the counterparty and the nature of the transaction.

Management of counterparty credit risk and credit risk mitigation techniques (continued)

Recognition of credit risk mitigation in capital calculations

Credit risk mitigation is used to reduce credit risk associated with an exposure, which may reduce potential losses in the event of obligor default or other specified credit events.

Credit risk mitigation that meets certain regulatory criteria may be used to improve risk parameters and reduce RWA consumption against a given obligor. Collateral that meets these regulatory conditions is referred to as eligible collateral. Eligibility criteria are specified in articles 195 to 204 of the CRR.

BCSL's policies and standards set out criteria for the recognition of collateral as eligible credit risk mitigation and are designed to be fully consistent with all applicable local regulations and regulatory permissions.

Where regulatory capital is calculated under advanced IRB regulations, the benefit of collateral is generally taken by adjusting LGDs. For standardised portfolios, the benefit of collateral is taken using the financial collateral comprehensive method: supervisory volatility adjustments approach.

For instruments that are deemed to transfer credit risk, in advanced IRB portfolios the protection is generally recognised by using the PD and LGD of the protection provider.

For exposures treated under the standardised approach, the impact of eligible credit risk mitigation is primarily recognised by reducing the EAD associated with the exposure that benefits from the mitigation.

Managing concentrations within credit risk mitigation

Credit risk mitigation taken by BCSL to reduce credit risk may result in credit or market risk concentrations.

Guarantees that are treated as eligible credit risk mitigation are marked as an exposure against the guarantor and aggregated with other credit exposure to the guarantor. Limit monitoring at the counterparty level is then used for monitoring of concentrations in line with BCSL's policy.

Counterparty credit risk

Counterparty credit exposures for derivatives and securities financing transactions

BCSL enters into financial instruments that are traded or cleared on an exchange, including interest rate swaps, futures and options on futures. Holders of exchange traded instruments provide daily margins with cash or other securities at the exchange, to which the holders look for ultimate settlement.

BCSL also enters into financial instruments that are traded over the counter, rather than on a recognised exchange. These instruments arise mainly from standardised transactions in derivative markets. In most cases, industry standard documentation is used, most commonly in the form of a master agreement, with individual transaction confirmations. The existence of a signed master agreement is intended to give BCSL protection in situations where BCSL's counterparty is in default.

Counterparty credit exposure arises from the risk that parties are unable to meet their payment obligations under certain financial contracts such as derivatives, securities financing transactions (SFTs) (e.g. repurchase agreements), or long settlement transactions.

A Monte Carlo simulation engine is used to estimate the Potential Future Exposure (PFE) to derivative and securities financing counterparties. The exposure simulation model simulates future market states and the MTM of the derivative transactions under those states. Simulated exposures taking into account the effect of credit mitigants such as netting, collateral and mandatory break clauses can then be generated.

Credit limits for CCR are assessed and allocated using the PFE measure. A number of factors are taken into account when setting credit limits for individual counterparties, including but not limited to the credit quality and nature of the counterparty, the rationale for the trading activity entered into and any wrong-way risk considerations.

The expected exposures generated by this engine are also used as an input into both internal and regulatory capital calculations covering CCR.

'Wrong-way risk' in a derivative or SFT exposure arises when there is significant correlation between the underlying asset and the counterparty, which in the event of default would lead to a significant MTM loss to the counterparty. Specific wrong-way risk trades, which are self-referencing or reference to other entities within the same counterparty group, require approval by a senior credit officer. The exposure to the counterparty will reflect the additional risk generated by these transactions (the exposure will be consistent with jump-to-default of the reference asset assuming zero recovery).

Derivative CCR (credit value adjustments)

As BCSL participates in derivative transactions it is exposed to CCR, which is the risk that a counterparty will fail to make the future payments agreed in the derivative contract. This is considered as a separate risk to the volatility of the MTM payment flows.

The counterparty risk arising under derivative transactions is taken into account when reporting the fair value of derivative positions. The adjustment to the value is known as credit value adjustment (CVA). It is the difference between the value of a derivative contract with a risk-free counterparty and that of a contract with the actual counterparty. This is equivalent to the cost of hedging the counterparty risk in the Credit Default Swap (CDS) market.

BCSL uses the standardised approach to calculate CVA capital charge. This approach takes account of the external credit rating of each counterparty, and incorporates the effective maturity and EAD from the calculation of the CCR.

Management of counterparty credit risk and credit risk mitigation techniques (continued)

Netting and collateral arrangements for derivatives and SFTs

Credit risk from derivatives and securities financing transactions (SFTs) is mitigated where possible through netting agreements whereby assets and liabilities with the same counterparty can be offset. BCSL policy requires all netting arrangements to be legally documented. The ISDA Master Agreement is BCSL's preferred agreement for documenting Over the Counter (OTC) derivatives. It provides the contractual framework within which dealing activities across a full range of OTC products are conducted, and contractually binds both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or other predetermined events occur. The majority of BCSL's OTC derivative exposures are covered by ISDA master netting and ISDA CSA collateral agreements. SFTs are documented under Global Master Repurchase agreement.

Collateral may be obtained against derivative and SFTs, depending on the creditworthiness of the counterparty and/or nature of the transaction. Any non-cash collateral taken in respect of OTC trading exposures will be subject to a 'haircut', which is negotiated at the time of signing the collateral agreement. A haircut is the valuation percentage applicable to each type of collateral and will be largely based on liquidity and price volatility of the underlying security, as well as the counterparty's creditworthiness. The collateral obtained for derivatives is predominantly either cash, direct debt obligation government (G14+) bonds denominated in the domestic currency of the issuing country or debt issued by supranationals. Where BCSL has ISDA master agreements, the collateral document will be the ISDA CSA. The collateral document must give BCSL the power to realise any collateral placed with it in the event of the failure of the counterparty.

Internal Capital Adequacy Assessment Process

BCSL tests its capital adequacy thorough its annual planning cycle by verifying it complies with the minimum regulatory requirements during the Medium-Term Plan projection period (5 years) and under its Internal Stress Test. In addition, an annual assessment of Pillar 2A risks is also submitted to the PRA in order to support the PRA in setting the BCSL-specific Individual Capital Requirements.

Appendix A – Countercyclical Capital Buffer

Table 21: CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

The below table shows the geographical distribution of credit exposures relevant to the calculation of the countercyclical buffer in line with CRR Article 440. Note that exposures in the below table are prepared in accordance with CRD Article 140 and as such exclude exposures to central governments/banks, regional governments, local authorities, public sector entities, multilateral development banks, international organisations and institutions and hence the exposure values differ to those found in the Analysis of credit risk section.

As at 31 December 2023	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund require-ments weights	Counter-cyclical buffer rate (%)
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book		Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
Breakdown by country	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	%	%
NORWAY	800	1,833	5,277	—	—	7,910	73	422	—	495	6,190	0.27%	2.5%
DENMARK	—	—	4,079	136	—	4,215	—	327	—	327	4,085	0.18%	2.5%
UNITED KINGDOM	73,507	985,721	84,971	1,728	—	1,145,927	11,626	10,456	—	22,083	276,031	12.25%	2.0%
SWEDEN	2,832	9,493	12,499	364	—	25,188	279	1,007	—	1,285	16,067	0.71%	2.0%
CZECH REPUBLIC	—	—	13	127	—	140	—	3	—	3	39	—	2.0%
ICELAND	1	—	—	—	—	1	—	—	—	—	1	—	2.0%
IRELAND	13,728	537,030	7,355	—	—	558,113	4,111	1,147	—	5,257	65,714	2.92%	1.0%
NETHERLANDS	12,036	109,059	36,879	5,174	—	163,148	2,111	2,992	—	5,103	63,788	2.83%	1.0%
AUSTRALIA	434	42,041	11,157	—	—	53,632	348	1,007	—	1,354	16,929	0.75%	1.0%
HONG KONG	37	20,340	9,938	—	—	30,315	228	1,125	—	1,354	16,920	0.75%	1.0%
GERMANY	190	20,965	87,553	1,116	—	109,824	143	7,673	—	7,816	97,706	4.34%	0.8%
FRANCE	33,539	50	71,513	5,909	—	111,011	2,683	5,959	—	8,643	108,035	4.80%	0.5%
LUXEMBOURG	12,163	176,297	5,613	730	—	194,804	1,842	693	—	2,535	31,680	1.42%	0.5%
CYPRUS	—	—	62	—	—	62	—	5	—	5	62	—	0.5%
Total (countries with existing CCyB rate)	**149,267**	**1,902,829**	**336,909**	**15,284**	**—**	**2,404,290**	**23,444**	**32,816**	**—**	**56,260**	**703,247**	**31.22%**	—
UNITED STATES	387,520	604,255	85,845	877	—	1,078,497	36,514	7,115	—	43,629	545,360	24.21%	—
TAIWAN	23,021	622,125	29,100	—	—	674,246	20,426	4,355	—	24,781	309,763	13.75%	—
JAPAN	4,764	360,816	26,473	—	—	392,054	3,829	3,627	—	7,456	93,199	4.14%	—
CHINA	—	10,967	85,738	130	—	96,835	228	6,860	—	7,088	88,604	3.93%	—
KOREA, REPUBLIC OF	29,205	50,005	30,846	—	—	110,056	2,619	2,915	—	5,534	69,176	3.07%	—
SINGAPORE	55,950	101,501	783	—	—	158,234	4,954	82	—	5,036	62,956	2.79%	—
INDIA	—	—	53,450	125	—	53,575	—	4,278	—	4,278	53,479	2.37%	—
SOUTH AFRICA	—	4,586	44,261	—	—	48,847	345	3,759	—	4,104	51,301	2.28%	—
MALAYSIA	23	41,476	573	—	—	42,071	2,894	46	—	2,940	36,753	1.63%	—
KUWAIT	—	289,036	112	—	—	289,148	2,899	9	—	2,908	36,351	1.61%	—
SWITZERLAND	—	17,925	28,243	4,332	—	50,500	134	2,267	—	2,401	30,009	1.33%	—
ITALY	10	206	27,237	5,205	—	32,660	6	2,211	—	2,217	27,713	1.23%	—
UNITED ARAB EMIRATES	—	384,989	18,771	—	—	403,758	1,959	64	—	2,023	25,281	1.14%	—
Total (countries with own funds requirements weights 1% or above)	**500,493**	**2,487,887**	**431,432**	**10,669**	**—**	**3,430,481**	**76,807**	**37,588**	**—**	**114,395**	**1,429,945**	**63.48%**	—
Total (rest of the world less than 1% requirement)	**4,351**	**147,466**	**86,164**	**528**	**—**	**238,509**	**2,825**	**6,720**	**—**	**9,545**	**119,308**	**5.30%**	—
TOTAL	**654,111**	**4,538,182**	**854,505**	**26,481**	**—**	**6,073,280**	**103,076**	**77,124**	**—**	**180,200**	**2,252,500**	**100.00%**	—

Appendix A – Countercyclical Capital Buffer

Table 21: CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (continued)

As at 31 December 2022	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund require-ments weights	Counter -cyclical buffer rate (%)
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
Breakdown by country	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	£ 000's	%	%
DENMARK	—	—	2,256	—	—	2,256	—	180	—	180	2,256	0.11%	2.0%
NORWAY	8	1,770	1,997	—	—	3,774	9	160	—	169	2,114	0.11%	2.0%
CZECH REPUBLIC	—	—	26	—	—	26	—	2	—	2	26	—	1.5%
UNITED KINGDOM	55,254	1,539,735	97,674	1,701	—	1,694,364	30,948	9,458	—	40,406	505,073	25.45%	1.0%
HONG KONG	—	6,359	14,316	—	—	20,675	315	1,202	—	1,518	18,970	0.96%	1.0%
SWEDEN	4,454	22,125	10,478	281	—	37,338	471	853	—	1,325	16,557	0.83%	1.0%
LUXEMBOURG	10,510	368,450	11,960	762	—	391,683	2,363	1,896	—	4,258	53,231	2.68%	0.5%
ROMANIA	—	—	0	—	—	0	—	0	—	0	0	—	0.5%
Total (countries with existing CCyB rate)	**70,226**	**1,938,439**	**138,707**	**2,744**	**—**	**2,150,117**	**34,107**	**13,751**	**—**	**47,858**	**598,227**	**30.14%**	**—**
UNITED STATES	15,751	968,135	178,675	659	—	1,163,221	7,482	16,112	—	23,594	294,923	14.86%	—
TAIWAN	11,524	510,134	7,701	—	—	529,359	14,536	698	—	15,234	190,426	9.60%	—
FRANCE	1,339	64,911	93,562	1,650	—	161,462	363	7,299	—	7,662	95,773	4.83%	—
CHINA	—	104,570	55,366	129	—	160,065	2,655	4,484	—	7,139	89,239	4.50%	—
GERMANY	830	50,116	76,614	1,241	—	128,802	328	6,735	—	7,063	88,291	4.45%	—
JAPAN	1,363	363,565	41,068	—	—	405,996	3,107	3,532	—	6,639	82,988	4.18%	—
IRELAND	9,029	732,854	3,975	12	—	745,870	4,165	766	—	4,932	61,647	3.11%	—
NETHERLANDS	1,228	201,997	37,851	5,142	—	246,217	1,829	3,084	—	4,913	61,411	3.09%	—
UNITED ARAB EMIRATES	—	468,489	30,461	—	—	498,950	2,202	2,437	—	4,639	57,988	2.92%	—
SOUTH AFRICA	—	4,898	39,933	—	—	44,831	356	3,795	—	4,151	51,885	2.61%	—
KUWAIT	—	468,739	52	—	—	468,791	3,340	4	—	3,344	41,799	2.11%	—
SWITZERLAND	26	20,211	33,685	4,594	—	58,516	318	2,745	—	3,063	38,285	1.93%	—
SOUTH KOREA	1	173,242	20,669	—	—	193,911	1,118	1,297	—	2,415	30,187	1.52%	—
VIETNAM	—	19,101	225	—	—	19,325	2,012	18	—	2,030	25,379	1.28%	—
SINGAPORE	767	350,760	672	—	—	352,200	1,684	86	—	1,771	22,134	1.12%	—
AUSTRALIA	427	132,624	7,769	—	—	140,820	931	779	—	1,710	21,376	1.08%	—
Total (countries with own funds requirements weights 1% or above)	**42,285**	**4,634,345**	**628,279**	**13,429**	**—**	**5,318,338**	**46,427**	**53,872**	**—**	**100,298**	**1,253,730**	**63.19%**	**—**
Total (rest of the world less than 1% requirement)	**1,275**	**149,811**	**110,626**	**9,794**	**—**	**271,506**	**1,399**	**9,196**	**—**	**10,595**	**132,439**	**6.66%**	**—**
TOTAL	**113,786**	**6,722,596**	**877,612**	**25,967**	**—**	**7,739,961**	**81,932**	**76,819**	**—**	**158,752**	**1,984,396**	**100.00%**	**—**

Appendix A - Countercyclical capital buffer (continued)

Table 26: CCyB2 - Amount of institution-specific countercyclical capital buffer

This table shows an overview of institution specific countercyclical exposure and buffer requirements

		As at 31 December 2023	As at 31 December 2022
		£ 000's	£ 000's
1	Total risk exposure amount	**9,005,755**	10,990,325
2	Institution specific countercyclical capital buffer rate	**0.41%**	0.29%
3	Institution specific countercyclical capital buffer requirement	**36,642**	31,894

Appendix B – Disclosure on remuneration

The following disclosures are made by applying instructions provided in Annex XXXIV and the tables as presented in Annex XXXIII of the PRA Rulebook, Disclosure (CRR) Part in application of Article 450 CRR.

Remuneration governance

Barclays Bank PLC ('BBPLC') is the parent company of BCSL. BCSL does not employ any individuals, although a number of BBPLC employees (including individuals identified as Material Risk Takers ('MRTs') of BBPLC) may provide services to BCSL from time to time. The remuneration decisions in respect of BBPLC employees are overseen by the Barclays PLC and BBPLC Board Remuneration Committees.

Decision-making processes for remuneration allow for appropriate consideration of the interests of BCSL and responsibilities related to BCSL in pay and performance outcomes for relevant individuals. Information on the remuneration of BBPLC employees (including BBPLC MRTs) is included in Appendix B of the BBPLC Pillar 3 disclosure. This includes an explanation of how Barclays PLC Group has a holistic approach to performance management and managers consider risk, control and conduct issues arising within all areas of the organisation. These mechanisms ensure that any issues found within BCSL are factored into the performance ratings and pay outcomes for those individuals who provide services to BCSL. The BCSL Board Remuneration Committee is provided with information to satisfy themselves that the structure of remuneration for the BCSL Executive Committee members and Senior Managers providing services to BCSL is in line with applicable regulatory requirements.

Remuneration of MRTs in respect of the financial year

As BCSL has no employees, BCSL MRTs are limited to the Non-Executive Directors on the Board of BCSL. Decisions in respect of the fees payable to the Non-Executive Directors of BCSL for their services as members of the BCSL Board are made by the Barclays PLC Remuneration Committee. Executive Directors of BCSL are employees of BBPLC and they are not paid any remuneration by BCSL or in respect of their BCSL Board membership.

The following tables set out the remuneration disclosures for individuals identified as MRTs for BCSL in respect of the fees received by them for their services as members of the BCSL Board.

In the tables, the terms below mean:

- 'MB' means BCSL's management body (i.e. the BCSL Board); and
- 'MB Supervisory function' means those individuals who were Non-Executive Directors of BCSL during 2023.

Table 27: UK REM1 - Remuneration awarded for the financial year (all figures are in £000's except for 'Number of identified staff')

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	4	—	—	—
2		Total fixed remuneration	61.9	—	—	—
3		*Of which: cash-based*	*61.9*	—	—	—
4		(Not applicable in the UK)				
UK-4a		Of which: shares or equivalent ownership interests	—	—	—	—
5		*Of which: share-linked instruments or equivalent non-cash instruments*	—	—	—	—
UK-5x		*Of which: other instruments*	—	—	—	—
6		(Not applicable in the UK)				
7		*Of which: other forms*	—	—	—	—
8		(Not applicable in the UK)				
9	Variable remuneration	Number of identified staff	—	—	—	—
10		Total variable remuneration	—	—	—	—
11		*Of which: cash-based*	—	—	—	—
12		*Of which: deferred*	—	—	—	—
UK-13a		*Of which: shares or equivalent ownership interests*	—	—	—	—
UK-14a		*Of which: deferred*	—	—	—	—
UK-13b		*Of which: share-linked instruments or equivalent non-cash instruments*	—	—	—	—
UK-14b		*Of which: deferred*	—	—	—	—
UK-14x		*Of which: other instruments*	—	—	—	—
UK-14y		*Of which: deferred*	—	—	—	—
15		*Of which: other forms*	—	—	—	—
16		*Of which: deferred*	—	—	—	—
17	**Total remuneration (2 + 10)**		**61.9**	**—**	**—**	**—**

Appendix B – Disclosure on remuneration (continued)

Table 28: UK REM2 - Special payments to staff whose professional activities have a material impact on institution's risk profile (identified staff)

There are no special payments to disclose.

Table 29: UK REM3 - Deferred remuneration

There is no deferred remuneration to disclose.

Table 30: UK REM4 - Remuneration of 1 million EUR or more per year

There are no MRTs of BCSL who earn remuneration of 1 million EUR or more to include in this disclosure.

Table 31: UK REM5 - Information on remuneration of staff whose professional activities have a material impact on institution's risk profile (identified staff) (all figures are in £000's except for 'Total number of identified staff')

		Management body remuneration			Business areas						Total
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	
1	**Total number of identified staff**										**4**
2	*Of which: members of the MB*	*4*	—	*4*							
3	*Of which: other senior management*				—	—	—	—	—	—	
4	*Of which: other identified staff*				—	—	—	—	—	—	
5	**Total remuneration of identified staff**	**61.9**	**—**	**61.9**	**—**	**—**	**—**	**—**	**—**	**—**	
6	*Of which: variable remuneration*	—	—	—	—	—	—	—	—	—	
7	*Of which: fixed remuneration*	*61.9*	—	*61.9*	—	—	—	—	—	—	