

**Barclays Bank UK PLC**  
**Q1 2023 Pillar 3 Report**

31 March 2023

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## Introduction

### Disclosure Background

Barclays Bank UK PLC is a wholly-owned subsidiary of Barclays PLC. The consolidation of Barclays Bank UK PLC and its subsidiaries is referred to as the Barclays Bank UK Group. Barclays Bank UK PLC is the ring-fenced bank within the Barclays Group.

RWA and RWEA are used interchangeably throughout the document.

### UK Leverage Ratio Framework

From 1 January 2023 as mandated by the amended SS45/15, Barclays Bank UK PLC became subject to UK Leverage Ratio disclosure requirements on an individual basis in addition to the existing requirements in place for Barclays Bank UK Group. As a result, the leverage disclosures contained within this document are presented on both the Barclays Bank UK PLC and Barclays Bank UK PLC group consolidated basis. Capital, RWA and Liquidity disclosure requirements remain set at the Barclays Bank UK Group level.

## Summary

**Table 1: UK KM1 - Key metrics (KM1 / IFRS9-FL<sup>1</sup> / UK LR 2) - Part 1**

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, leverage ratio and liquidity coverage ratio.

Barclays Bank UK Group's capital, RWAs and leverage is calculated applying transitional relief for IFRS9, no other transitional provisions in CRR as amended by CRR II are applicable. The table below therefore represents both transitional and fully loaded capital metrics which is equal to transitional capital and capital as if IFRS9 or analogous ECLs transitional arrangements had not been applied.

Part 2 of this table further includes all UK LR2 components which are required to be reported with a quarterly frequency as per Article 433a(4) for Barclays Bank UK Group and Barclays Bank UK PLC.

KM1 ref	IFRS9-FL ref		As at 31.03.23 £m	As at 31.12.22 £m	As at 30.09.22 £m	As at 30.06.22 £m	As at 31.03.22 £m
<b>Available own funds (amounts)</b>							
1	1	Common Equity Tier 1 (CET1) capital <sup>2</sup>	10,237	10,701	10,662	10,536	10,641
1a	2	Fully loaded common Equity Tier 1 (CET1) capital <sup>3</sup>	10,237	10,628	10,581	10,455	10,583
2	3	Tier 1 capital <sup>2</sup>	12,666	13,261	13,222	13,096	13,201
2a	4	Fully loaded tier 1 capital <sup>3</sup>	12,666	13,188	13,141	13,015	13,143
3	5	Total capital <sup>2</sup>	15,175	15,828	15,993	15,877	16,037
3a	6	Fully loaded total capital <sup>3</sup>	15,175	15,804	15,912	15,844	16,028
<b>Risk-weighted exposure amounts</b>							
4	7	Total risk-weighted exposure amount <sup>2</sup>	73,235	72,719	72,014	71,088	71,220
4a	8	Fully loaded total risk-weighted exposure amount <sup>3</sup>	73,235	72,707	71,981	71,055	71,244
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>							
5	9	Common Equity Tier 1 ratio (%) <sup>2</sup>	14.0%	14.7%	14.8%	14.8%	14.9%
5a	10	Fully loaded common Equity Tier 1 ratio (%) <sup>3</sup>	14.0%	14.6%	14.7%	14.7%	14.9%
6	11	Tier 1 ratio (%) <sup>2</sup>	17.3%	18.2%	18.4%	18.4%	18.5%
6a	12	Fully loaded tier 1 ratio (%) <sup>3</sup>	17.3%	18.1%	18.3%	18.3%	18.4%
7	13	Total capital ratio (%) <sup>2</sup>	20.7%	21.8%	22.2%	22.3%	22.5%
7a	14	Fully loaded total capital ratio (%) <sup>3</sup>	20.7%	21.7%	22.1%	22.3%	22.5%
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>							
UK 7a		Additional CET1 SREP requirements (%)	2.8%	2.8%	2.4%	2.4%	2.4%
UK 7b		Additional AT1 SREP requirements (%)	0.9%	0.9%	0.8%	0.8%	0.8%
UK 7c		Additional T2 SREP requirements (%)	1.3%	1.3%	1.0%	1.1%	1.1%
UK 7d		Total SREP own funds requirements (%)	13.0%	13.0%	12.2%	12.2%	12.2%
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>							
8		Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9		Institution specific countercyclical capital buffer (%)	1.0%	1.0%	0.0%	0.0%	0.0%
UK 10a		Other Systemically Important Institution buffer	1.0%	1.0%	1.0%	1.0%	1.0%
11		Combined buffer requirement (%)	4.5%	4.5%	3.5%	3.5%	3.5%
UK 11a		Overall capital requirements (%)	17.5%	17.5%	15.7%	15.7%	15.7%
12		CET1 available after meeting the total SREP own funds requirements (%)	6.7%	7.4%	7.9%	7.9%	8.0%

### Notes

1. From 1 January 2018, Barclays Bank UK Group elected to apply the IFRS 9 transitional arrangements of the Capital Requirements Regulation (CRR). The transitional relief on the "day 1" impact on adoption of IFRS 9 and on increases in non-defaulted provisions between "day 1" and 31 December 2019 was phased out over a 5 year period ending on 1 January 2023. On 27 June 2020, CRR was amended to extend the transitional period by two years and to introduce a new modified calculation. The transitional relief for increases in non-defaulted provisions between 1 January 2020 and the reporting date is also phased out over a 5 year period with 75% applicable for 2022; 50% for 2023; 25% for 2024 and with no transitional relief from 2025.

2. Capital and RWAs are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.

3. Fully loaded capital and RWAs are calculated without applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.

The CET1 ratio decreased to 14.0% (December 2022: 14.7%):

- CET1 capital decreased by £0.5bn to £10.2bn (December 2022: £10.7bn) primarily due to an increase in the goodwill and intangibles deduction as a result of the acquisition of Kensington Mortgage Company (KMC) and a decrease in IFRS9 transitional relief.
- RWAs increased by £0.5bn to £73.2bn (December 2022: £72.7bn) primarily driven by acquisition of KMC and increase in mortgages due to House Price Index (HPI) refresh partially offset by decrease in derivatives.

## Summary

**Table 1: UK KM1 - Key metrics (KM1 / IFRS9-FL / UK LR 2) - Part 2**

KM1 ref	IFRS9 - FL ref	LR 2 Ref		As at 31.03.23 £m	As at 31.12.22 £m	As at 30.09.22 £m	As at 30.06.22 £m	As at 31.03.22 £m
<b>Leverage ratio</b>								
<b>Barclays Bank UK Group</b>								
13	15	UK 24b	Total exposure measure excluding claims on central banks <sup>1</sup>	248,931	250,092	249,298	248,241	241,491
14	16	25	Leverage ratio excluding claims on central banks (%) <sup>1</sup>	5.1%	5.3%	5.3%	5.3%	5.5%
<b>Additional leverage ratio disclosure requirements</b>								
UK 14a	17	UK 25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%) <sup>2</sup>	5.1%	5.3%	5.3%	5.2%	5.4%
UK 14b		UK 25c	Leverage ratio including claims on central banks (%) <sup>1</sup>	4.2%	4.3%	4.2%	4.2%	4.1%
UK 14c		UK 33	Average leverage ratio excluding claims on central banks (%) <sup>1,3</sup>	5.1%	5.3%	5.3%	5.3%	5.5%
UK 14d		UK 34	Average leverage ratio including claims on central banks (%) <sup>1,3</sup>	4.2%	4.3%	4.2%	4.2%	4.2%
UK 14e		UK 27b	Countercyclical leverage ratio buffer (%)	0.3%	0.3%	0.0%	0.0%	0.0%
UK 14f		UK 27	Leverage ratio buffer (%)	0.7%	0.7%	0.4%	0.4%	0.4%
<b>Barclays Bank UK PLC</b>								
13	15	UK 24b	Total exposure measure excluding claims on central banks <sup>1</sup>	249,218				
14	16	25	Leverage ratio excluding claims on central banks (%) <sup>1</sup>	5.1%				
<b>Additional leverage ratio disclosure requirements</b>								
UK 14a	17	UK 25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%) <sup>2</sup>	5.1%				
UK 14b		UK 25c	Leverage ratio including claims on central banks (%) <sup>1</sup>	4.2%				
<b>Liquidity Coverage Ratio</b>								
15			Total high-quality liquid assets (HQLA) (Weighted value)	79,425	81,791	82,528	81,548	80,530
UK 16a			Cash outflows - Total weighted value	44,228	45,306	44,584	43,766	42,837
UK 16b			Cash inflows - Total weighted value	1,127	1,340	1,401	1,432	1,472
16			Total net cash outflows (adjusted value) <sup>4</sup>	43,101	43,966	43,183	42,334	41,365
17			Liquidity coverage ratio (%) <sup>5</sup>	184%	186%	191%	193%	195%
17a			Liquidity coverage ratio (%) (period end)	179%	183%	182%	185%	187%
<b>Net Stable Funding Ratio<sup>6</sup></b>								
18			Total available stable funding	265,539	266,421			
19			Total required stable funding	158,384	158,156			
20			NSFR ratio (%)	168%	168%			

### Notes

1. Transitional UK leverage ratios are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.
2. Fully loaded UK leverage ratio is calculated without applying the IFRS9 transitional arrangements of the CRR as amended by CRR II.
3. 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.
4. Prior period comparatives have been updated to reflect the average measures as amended by CRR II.
5. Liquidity Coverage Ratio computed as a trailing average of 12 month-end observations to the reporting date
6. Net Stable Funding Ratio is computed as a trailing average of the last four spot quarter end positions.

The UK leverage ratio decreased to 5.1% (December 2022: 5.3%) due to reduction in T1 capital, partially offset by a decrease in leverage exposure of £1.2bn due to reduction in Loans & Advances and other assets and securities financing transactions.

## Risk weighted assets

**Table 2: RWAs by risk type**

This table shows RWAs by risk type.

	Credit risk		Counterparty credit risk				Market risk		Operational risk	Total RWAs
	Std £m	AIRB £m	Std £m	AIRB £m	Settlement risk £m	CVA £m	Std £m	IMA £m		
<b>As at 31 March 2023</b>										
Barclays Bank UK Group	6,324	55,054	282	—	0	293	196	—	11,086	73,235
<b>As at 31 December 2022</b>										
Barclays Bank UK Group	5,606	54,716	348	—	0	735	233	—	11,081	72,719

## Risk weighted assets

**Table 3: OV1 - Overview of risk weighted exposure amounts**

The table shows RWEAs and minimum capital requirement by risk type and approach

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements	
		As at 31.03.23 £m	As at 31.12.22 £m	As at 31.03.23 £m	As at 31.12.22 £m
1	Credit risk (excluding CCR)	59,997	58,885	4,800	4,711
2	<i>Of which the standardised approach</i>	5,518	4,827	441	387
4	<i>Of which: slotting approach</i>	495	491	40	39
5	<i>Of which the advanced IRB (AIRB) approach</i>	53,984	53,567	4,319	4,285
6	Counterparty credit risk - CCR	574	1,083	45	87
7	<i>Of which the standardised approach</i>	256	225	20	18
UK 8a	<i>Of which exposures to a CCP</i>	14	16	1	1
UK 8b	<i>Of which credit valuation adjustment - CVA</i>	293	735	23	59
9	<i>Of which other CCR</i>	11	107	1	9
15	Settlement risk	0	0	0	0
16	Securitisation exposures in the non-trading book (after the cap)	1,382	1,437	110	115
17	<i>Of which SEC-IRBA approach</i>	576	658	46	53
18	<i>Of which SEC-ERBA (including IAA)</i>	—	—	—	—
19	<i>Of which SEC-SA approach</i>	806	779	64	62
UK 19a	<i>Of which 1250%/ deduction</i>	—	—	—	—
20	Position, foreign exchange and commodities risks (Market risk)	196	233	16	19
21	<i>Of which the standardised approach</i>	196	233	16	19
23	Operational risk	11,086	11,081	887	887
UK 23b	<i>Of which standardised approach</i>	11,086	11,081	887	887
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	2,621	2,704	210	216
<b>29</b>	<b>Total</b>	<b>73,235</b>	<b>72,719</b>	<b>5,858</b>	<b>5,819</b>

Overall RWAs increased £0.5bn to £73.2bn (December 2022: £72.7bn) primarily driven by:

- Credit risk RWAs increased £1.1bn to £60.0bn primarily due to acquisition of KMC and increase in mortgages due to HPI refresh
- Counterparty credit risk RWAs decreased £0.5bn to £0.6bn primarily due to a decrease in derivatives

## Risk weighted assets

**Table 4: CR8 - RWEA flow statements of credit risk exposures under the IRB approach**

The total in this table shows the contribution of credit risk RWAs under the AIRB approach and will not directly reconcile to the CR AIRB RWAs in table 2.

		Three months ended 31 March 2023
		£m
<b>1</b>	<b>Risk weighted exposure amount as at the end of the previous reporting period</b>	<b>50,815</b>
2	Asset size	7
3	Asset quality	801
4	Model updates	—
5	Methodology and policy	(88)
6	Acquisitions and disposals	(102)
7	Foreign exchange movements	—
8	Other	—
<b>9</b>	<b>Risk weighted exposure amount as at the end of the reporting period</b>	<b>51,433</b>

Three months ended advanced credit risk RWAs increased £0.6bn to £51.4bn primarily due to a £0.8bn increase in asset quality RWAs primarily driven by an increase in mortgages due to HPI refresh.



## Liquidity

### Table 5: LIQ1 - Liquidity Coverage ratio

This table shows the level and components of the Liquidity Coverage Ratio (LCR).

Liquidity coverage ratio (period end)		Total period end value							
		31.03.23	31.12.22	30.09.22	30.06.22				
		£m	£m	£m	£m				
Total High Quality Liquid Assets (HQLA)		73,095	79,442	81,750	83,201				
Total net cash outflows		40,778	43,411	44,802	44,872				
Liquidity coverage ratio (%) (period end)		179%	183%	182%	185%				
LIQ1 - Liquidity coverage ratio (average)		Total unweighted value (average)				Total weighted value (average)			
UK-1a		31.03.23	31.12.22	30.09.22	30.06.22	31.03.23	31.12.22	30.09.22	30.06.22
UK-1b	Number of data points used in calculation of averages <sup>1</sup>	12	12	12	12	12	12	12	12
High-quality liquid assets		£m	£m	£m	£m	£m	£m	£m	£m
1	Total high-quality liquid assets (HQLA)					79,425	81,791	82,528	81,548
Cash outflows									
2	Retail deposits and deposits from small business customers, of which:	218,998	221,979	223,600	223,823	16,996	17,207	17,246	17,089
3	Stable deposits	137,393	138,939	139,543	139,616	6,870	6,947	6,977	6,981
4	Less stable deposits	81,569	82,286	82,119	80,841	10,115	10,248	10,256	10,097
5	Unsecured wholesale funding, of which:	38,869	39,619	38,807	37,792	18,582	18,912	18,203	17,436
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	7,022	7,070	6,945	6,764	1,621	1,629	1,596	1,551
7	Non-operational deposits (all counterparties) <sup>2</sup>	26,669	27,266	27,229	26,877	11,783	12,000	11,974	11,734
8	Unsecured debt	5,178	5,283	4,633	4,151	5,178	5,283	4,633	4,151
9	Secured wholesale funding					35	81	74	74
10	Additional requirements, of which:	5,648	9,285	12,869	16,517	3,918	4,553	4,904	5,249
11	Outflows related to derivative exposures and other collateral requirements	3,756	3,889	4,057	4,195	3,627	3,889	4,057	4,195
12	Outflows related to loss of funding on debt products	104	286	264	264	104	285	264	264
13	Credit and liquidity facilities	1,788	5,110	8,548	12,057	187	379	583	790
14	Other contractual funding obligations	537	467	353	288	156	91	21	0
15	Other contingent funding obligations	56,873	54,509	49,017	45,712	4,541	4,462	4,137	3,919
16	Total cash outflows					44,228	45,306	44,584	43,766
Cash inflows									
17	Secured lending (e.g. reverse repos)	1,725	2,003	1,979	3,004	1	0	—	—
18	Inflows from fully performing exposures	826	1,259	1,438	1,636	474	679	745	826
19	Other cash inflows <sup>3</sup>	2,433	2,458	2,467	2,359	652	661	657	606
UK-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					—	—	—	—
UK-19b	(Excess inflows from a related specialised credit institution)					—	—	—	—
20	Total cash inflows	4,984	5,720	5,883	6,999	1,127	1,340	1,401	1,432
UK-20a	Fully exempt inflows	—	—	—	—	—	—	—	—
UK-20b	Inflows subject to 90% cap	—	—	—	—	—	—	—	—
UK-20c	Inflows subject to 75% cap	4,851	5,720	5,883	6,999	1,127	1,340	1,401	1,432
UK-21	Liquidity buffer					79,425	81,791	82,528	81,548
22	Total net cash outflows					43,101	43,966	43,183	42,334
23	Liquidity coverage ratio (%) (average)					184%	186%	191%	193%

#### Notes

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

2. Non-operational deposits in row 7 also includes excess operational deposits as defined in the PRA Rulebook (Liquidity Coverage Ratio - CRR) Article 27(4).

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

## Liquidity

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As at 31 March 2023, the LCR was 179% (December 2022: 183%), equivalent to a surplus of £32bn (December 2022: £36bn) above the 100% regulatory requirement. The decrease in HQLA was driven by lower deposit balances and a decrease in wholesale funding this also led to lower net cash outflows resulting in a lower LCR.

The average LCR for the 12 months to 31 March 2023 was 184% (December 2022: 186%)

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

The strong deposit franchise is a primary funding source for Barclays Bank UK Group. Barclays Bank UK Group continued to issue in the shorter-term markets and maintain capacity to issue from secured funding programmes. This funding capacity enables Barclays Bank UK Group to maintain its stable and diversified funding base.

Barclays Bank UK Group also supports various central bank monetary initiatives, such as the Bank of England's Term Funding Scheme with additional incentives for SMEs (TFSME). These are reported under 'repurchase agreements and other similar secured borrowing' on the balance sheet.

## Notes

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Barclays Bank UK Group refers to Barclays Bank UK PLC together with its subsidiaries. The abbreviations '£m' and '£bn' represent millions and thousands of millions of Pounds Sterling respectively.

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

Relevant terms that are used in this document but are not defined under applicable regulatory guidance or International Financial Reporting Standards (IFRS) are explained in the results glossary that can be accessed at [home.barclays/investor-relations/reportsand-events/latest-financial-results](https://home.barclays/investor-relations/reportsand-events/latest-financial-results).

### Forward-looking statements

This document contains certain forward-looking statements with respect to the Barclays Bank UK Group. Barclays Bank UK Group cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by directors, officers and employees of the Barclays Bank UK Group (including during management presentations) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Barclays Bank UK Group's future financial position, income levels, costs, assets and liabilities, impairment charges, provisions, capital, leverage and other regulatory ratios, capital distributions (including dividend policy and share buybacks), return on tangible equity, projected levels of growth in banking and financial markets, industry trends, any commitments and targets (including environmental, social and governance (ESG) commitments and targets), business strategy, plans and objectives for future operations and other statements that are not historical or current facts. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. Forward-looking statements speak only as at the date on which they are made. Forward-looking statements may be affected by a number of factors, including, without limitation: changes in legislation, regulation and the interpretation thereof, changes in IFRS and other accounting standards, including practices with regard to the interpretation and application thereof and emerging and developing ESG reporting standards; the outcome of current and future legal proceedings and regulatory investigations; the policies and actions of governmental and regulatory authorities; the Barclays Bank UK Group's ability along with governments and other stakeholders to measure, manage and mitigate the impacts of climate change effectively; environmental, social and geopolitical risks and incidents and similar events beyond the Barclays Bank UK Group's control; the impact of competition; capital, leverage and other regulatory rules applicable to past, current and future periods; macroeconomic and business conditions in the UK and in any systemically important economy which impacts the UK, including inflation; volatility in credit and capital markets; market related risks such as changes in interest rates and foreign exchange rates; higher or lower asset valuations; changes in credit ratings of any entity within the Barclays Bank UK Group or any securities issued by it; changes in counterparty risk; changes in consumer behaviour; the direct and indirect consequences of the Russia-Ukraine war on European and global macroeconomic conditions, political stability and financial markets; direct and indirect impacts of the coronavirus (COVID-19) pandemic; instability as a result of the UK's exit from the European Union (EU), the effects of the EU-UK Trade and Cooperation Agreement and any disruption that may subsequently result in the UK; the risk of cyber-attacks, information or security breaches or technology failures on the Barclays Bank UK Group's reputation, business or operations; the Barclays Bank UK Group's ability to access funding; and the success of acquisitions, disposals and other strategic transactions. A number of these factors are beyond the Barclays Bank UK Group's control. As a result, the Barclays Bank UK Group's actual financial position, results, financial and non-financial metrics or performance measures or its ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Barclays Bank UK Group's forward-looking statements. Additional risks and factors which may impact the Barclays Bank UK Group's future financial condition and performance are identified in the description of material existing and emerging risks on pages 46 to 58 of the Barclays Bank UK PLC Annual Report.

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