

Barclays PLC
Q3 2022 Pillar 3 Report
30 September 2022

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Summary

Table 1: KM1 - Key metrics - Part 1

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

KM1 ref		As at	As at	As at	Restated ¹	Restated ¹
		30.09.22	30.06.22	31.03.22	As at 31.12.21	As at 30.09.21
		£m	£m	£m	£m	£m
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital ²	48,574	46,691	45,269	47,327	47,170
1a	Fully loaded common Equity Tier 1 (CET1) capital ³	47,815	46,049	44,668	46,098	45,838
2	Tier 1 capital ²	61,784	58,988	56,328	60,143	59,978
2a	Fully loaded tier 1 capital ³	61,025	58,346	55,727	58,277	58,010
3	Total capital ²	71,324	68,620	66,140	69,882	70,149
3a	Fully loaded total capital ³	69,747	67,142	64,672	67,909	68,044
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount ²	350,774	344,516	328,830	314,136	307,717
4a	Fully loaded total risk-weighted exposure amount ³	350,532	344,284	328,646	313,876	307,467
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%) ²	13.8%	13.6%	13.8%	15.1%	15.3%
5a	Fully loaded common Equity Tier 1 ratio (%) ³	13.6%	13.4%	13.6%	14.7%	14.9%
6	Tier 1 ratio (%) ^{2,4}	17.6%	17.1%	17.1%	19.1%	19.5%
6a	Fully loaded tier 1 ratio (%) ^{3,5}	17.4%	16.9%	17.0%	18.6%	18.9%
7	Total capital ratio (%) ^{2,4}	20.3%	19.9%	20.1%	22.2%	22.8%
7a	Fully loaded total capital ratio (%) ^{3,5}	19.9%	19.5%	19.7%	21.6%	22.1%
	Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)					
UK 7a	Additional CET1 SREP requirements (%)	2.4%	2.4%	2.5%		
UK 7b	Additional AT1 SREP requirements (%)	0.8%	0.8%	0.8%		
UK 7c	Additional T2 SREP requirements (%)	1.0%	1.1%	1.1%		
UK 7d	Total SREP own funds requirements (%)	12.2%	12.2%	12.4%		
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.5%	2.5%	2.5%	2.5%	2.5%
9	Institution specific countercyclical capital buffer (%)	0.0%	0.0%	0.0%	0.0%	0.0%
10	Global Systemically Important Institution buffer (%)	1.5%	1.5%	1.5%	1.5%	1.5%
11	Combined buffer requirement (%)	4.0%	4.0%	4.0%	4.0%	4.0%
UK 11a	Overall capital requirements (%)	16.2%	16.2%	16.4%		
12	CET1 available after meeting the total SREP own funds requirements (%)	7.0%	6.7%	6.8%		

Notes

1. Capital metrics as at 31 December 2021 and 30 September 2021 have been restated. More details are available in the Barclays Q3'22 Results Announcement on page 51.
2. CET1 capital and RWAs are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.
3. Fully loaded CET1 capital and RWAs are calculated without applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.
4. Transitional Tier 1 and Total capital are calculated applying the grandfathering of CRR II non-compliant capital instruments. Prior year comparatives include the grandfathering of CRR non-compliant capital instruments.
5. Fully loaded Tier 1 and Total capital are calculated without applying the grandfathering of CRR II non-compliant capital instruments.

The reported CET1 ratio decreased by c.130bps to 13.8% (December 2021: 15.1%) as RWAs increased by £36.6bn to £350.8bn partially offset by a CET1 capital increase of £1.2bn to £48.6bn

- c.90bps largely driven by returns to shareholders including the 2.25p dividend paid in September 2022 and £1.5bn of share buybacks which have now completed. It also included £0.6bn of AT1 coupon payments and an accrual towards a FY22 dividend
- c.80bps reduction to the CET1 ratio due to the impact of regulatory change on 1 January 2022 as CET1 capital decreased by £1.7bn and RWAs increased by £6.6bn
- c.20bps reduction due to the impact of the Over-issuance of Securities reflecting the £0.6bn net of tax impact to CET1 capital
- Excluding the impacts above, the CET1 ratio increased by c.60bps reflecting an increase in CET1 capital of £6.5bn partially offset by a £30.0bn increase in RWAs:
 - The £6.5bn increase in CET1 capital largely reflects profits offset by a decrease in the fair value through other comprehensive income reserve. An increase in the currency translation reserve was broadly offset by increases in RWAs due to the appreciation of USD against GBP
 - The £30.0bn increase in RWAs was primarily due to foreign exchange movements, increased client activity within CIB and higher CC&P balances mainly driven by the GAP portfolio acquisition. This was marginally offset by the disposal of Barclays' equity stake in Absa

Summary

Table 1: KM1 - Key metrics - Part 2

KM1 ref	LR 2 Ref		As at	As at	As at	Restated ¹	Restated ¹
			30.09.22	30.06.22	31.03.22	As at 31.12.21	As at 30.09.21
			£m	£m	£m	£m	£m
		Leverage ratio					
13	UK 24b	Total exposure measure excluding claims on central banks ^{1,2}	1,232,105	1,151,214	1,123,531	1,137,904	1,162,668
14	25	Leverage ratio excluding claims on central banks (%) ^{1,2}	5.0%	5.1%	5.0%	5.2%	5.1%
		Additional leverage ratio disclosure requirements					
UK 14a	UK 25a	Fully loaded ECL accounting model leverage ratio excluding claims on central banks (%) ³	5.0%	5.1%	5.0%		
UK 14b	UK 25c	Leverage ratio including claims on central banks (%) ²	4.1%	4.1%	4.1%		
UK 14c	UK 33	Average leverage ratio excluding claims on central banks (%) ^{1,2,4}	4.8%	4.7%	4.8%	4.9%	4.9%
UK 14d	UK 34	Average leverage ratio including claims on central banks (%) ^{2,4}	4.0%	3.9%	4.0%		
UK 14e	UK 27b	Countercyclical leverage ratio buffer (%)	0.0%	0.0%	0.0%		
UK 14f	UK 27	Leverage ratio buffer (%)	0.5%	0.5%	0.5%		
		Liquidity Coverage Ratio					
15		Total high-quality liquid assets (HQLA) (Weighted)	319,177	308,489	300,538	293,556	291,764
UK 16a		Cash outflows - Total weighted value	278,887	269,331	260,731	256,986	257,080
UK 16b		Cash inflows - Total weighted value	74,794	72,972	72,251	73,330	75,217
16		Total net cash outflows (adjusted value) ⁵	204,093	196,359	188,480	183,656	181,863
17		Liquidity coverage ratio (%) ⁶	156%	157%	159%	160%	160%
17a		Liquidity coverage ratio (%) (period end)	151%	156%	159%	168%	161%

Notes

- Capital and leverage metrics as at 31 December 2021 and 30 September 2021 have been restated. More details are available in the Barclays Q3'22 Results Announcement on page 51.
- Transitional UK leverage ratios are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.
- Fully loaded UK leverage ratio is calculated without applying the IFRS9 transitional arrangements of the CRR as amended by CRR II.
- 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.
- Prior period comparatives have been updated to reflect the average measures as amended by CRR II.
- LCR Ratio computed as a trailing average of 12 month-end observations to the reporting date.

The UK leverage ratio decreased to 5.0% (December 2021: 5.2%) due to a £94.2bn increase in the leverage exposure, partially offset by a £2.3bn increase in Tier 1 Capital. The UK leverage exposure increased to £1,232.1bn (December 2021: £1,137.9bn) largely due to the following movements:

- £60.1bn increase in security financing transactions (SFTs) primarily driven by client activity in CIB
- £50.8bn increase in derivative financial instruments post additional regulatory netting and adjustments for cash collateral primarily driven by client and trading activity in CIB and the application of a 1.4 multiplier introduced under SA-CCR
- £42.7bn increase in loans and advances and other assets (excluding cash and settlement balances which are subject to regulatory exemptions) primarily due to increased lending
- £11.3bn increase in net written credit protection largely due to the inclusion of credit default swap options from 1 January 2022
- £52.7bn decrease in potential future exposure (PFE) on derivatives largely driven by increased netting eligibility due to the introduction of SA-CCR
- £39.2bn decrease in cash at central banks net of the qualifying central bank claims exemption primarily due to the matching of allowable liabilities rather than deposits introduced under the UK leverage framework review and an increase in eligible Euro denominated assets and liabilities.

Capital

Table 2: IFRS 9¹ / Article 468-FL - Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR²

	As at 30.09.22	As at 30.06.22	As at 31.03.22	Restated ³ As at 31.12.21	Restated ³ As at 30.09.21
	£m	£m	£m	£m	£m
Available capital (amounts)					
1 CET1 capital ⁴	48,574	46,691	45,269	47,327	47,170
2 CET1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	47,815	46,049	44,668	46,098	45,838
3 Tier 1 capital ⁵	61,784	58,988	56,328	60,143	59,978
4 Tier 1 capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	61,025	58,346	55,727	58,914	58,646
5 Total capital ⁵	71,324	68,620	66,140	69,882	70,149
6 Total capital as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	70,565	68,011	65,578	68,982	69,241
Risk-weighted assets (amounts)					
7 Total risk-weighted assets ⁴	350,774	344,516	328,830	314,136	307,717
8 Total risk-weighted assets as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	350,532	344,284	328,646	313,876	307,467
Capital ratios					
9 CET1 (as a percentage of risk exposure amount) ⁴	13.8%	13.6%	13.8%	15.1%	15.3%
10 CET1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	13.6%	13.4%	13.6%	14.7%	14.9%
11 Tier 1 (as a percentage of risk exposure amount) ^{4,5}	17.6%	17.1%	17.1%	19.1%	19.5%
12 Tier 1 (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	17.4%	16.9%	17.0%	18.8%	19.1%
13 Total capital (as a percentage of risk exposure amount) ^{4,5}	20.3%	19.9%	20.1%	22.2%	22.8%
14 Total capital (as a percentage of risk exposure amount) as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	20.1%	19.8%	20.0%	22.0%	22.5%
Leverage ratio					
15 Leverage ratio total exposure measure	1,232,105	1,151,214	1,123,531		
16 Leverage ratio ⁴	5.0%	5.1%	5.0%		
17 Leverage ratio as if IFRS 9 or analogous ECLs transitional arrangements had not been applied	5.0%	5.1%	5.0%		

Notes

- From 1 January 2018, Barclays Group elected to apply the IFRS 9 transitional arrangements of the 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 is phased out over a 5 year period with 25% applicable for 2022 and with no transitional relief from 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.
- As at 30 September 2022, the Group had not elected to apply the temporary treatment specified in Article 468 of the CRR, amended by Regulation EU 2020/873, resulting in the Group's capital and leverage ratios reflecting the full impact of unrealised gains and losses measured at fair value through other comprehensive income.
- Capital metrics as at 31 December 2021 and 30 September 2021 have been restated. More details are available in the Barclays Q3'22 Results Announcement on page 51.
- Transitional CET1 capital, RWAs and leverage ratio are calculated applying the IFRS 9 transitional arrangements of the CRR as amended by CRR II.
- Transitional Tier 1 and Total capital are calculated applying the transitional arrangements of the CRR as amended by CRR II. Prior year comparatives include the grandfathering of CRR non-compliant capital instruments.

Risk weighted assets

Table 3: RWAs by risk type and business

This table shows RWAs by business and risk type.

	Credit risk		Counterparty credit risk				Market risk		Operational risk	Total RWAs
	Std	A-IRB	Std	A-IRB	Settlement risk	CVA	Std	IMA		
As at 30 September 2022	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Barclays UK	6,487	55,121	246	—	—	84	256	—	11,047	73,241
<i>Corporate and Investment Bank</i>	38,886	75,561	20,115	24,735	446	3,111	15,596	26,879	25,296	230,625
<i>Consumer, Cards and Payments</i>	28,180	3,597	279	35	—	69	—	104	6,424	38,688
Barclays International	67,066	79,158	20,394	24,770	446	3,180	15,596	26,983	31,720	269,313
Head Office	2,785	6,431	—	—	—	—	—	—	(996)	8,220
Barclays Group	76,338	140,710	20,640	24,770	446	3,264	15,852	26,983	41,771	350,774
As at 31 December 2021										
Barclays UK	7,195	53,408	426	—	—	138	100	—	11,022	72,289
<i>Corporate and Investment Bank</i>	29,420	64,416	15,223	19,238	105	2,289	17,306	27,308	25,359	200,664
<i>Consumer, Cards and Payments</i>	20,770	2,749	215	18	—	21	—	57	6,391	30,221
Barclays International	50,190	67,165	15,438	19,256	105	2,310	17,306	27,365	31,750	230,885
Head Office	4,733	7,254	—	—	—	—	—	—	(1,025)	10,962
Barclays Group	62,118	127,827	15,864	19,256	105	2,448	17,406	27,365	41,747	314,136

Risk weighted assets

Table 4: 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 30.09.22	As at 30.06.22	As at 31.12.21 ¹	As at 30.09.22	As at 30.06.22	As at 31.12.21 ¹
		£m	£m	£m	£m	£m	£m
1	Credit risk (excluding CCR)	198,941	194,932	177,898	15,915	15,595	14,232
2	Of which the standardised approach	69,936	69,826	58,008	5,595	5,586	4,641
4	Of which: slotting approach	4,915	5,101	4,168	393	408	333
5	Of which the advanced IRB (AIRB) approach	124,089	120,005	115,722	9,926	9,600	9,258
6	Counterparty credit risk - CCR	48,630	44,793	37,491	3,890	3,583	2,999
7	Of which the standardised approach	5,605	4,948	2,674	448	396	214
8	Of which internal model method	29,732	27,281	24,196	2,379	2,183	1,936
UK 8a	Of which exposures to a CCP	1,667	1,360	1,601	133	109	128
UK 8b	Of which credit valuation adjustment - CVA	3,264	3,497	2,448	261	280	196
9	Of which other CCR	8,361	7,708	6,572	669	617	526
15	Settlement risk	446	440	105	36	35	8
16	Securitisation exposures in the non-trading book (after the cap)	18,151	16,232	12,124	1,452	1,299	970
17	Of which SEC-IRBA approach	11,704	10,302	7,937	936	824	635
18	Of which SEC-ERBA (including IAA)	1,883	1,809	1,424	151	145	114
19	Of which SEC-SA approach	4,562	4,119	2,755	365	330	220
UK 19a	Of which 1250%/ deduction	2	2	9	—	—	1
20	Position, foreign exchange and commodities risks (Market risk)	42,835	46,348	44,771	3,427	3,708	3,582
21	Of which the standardised approach	15,852	17,730	17,406	1,268	1,418	1,392
22	Of which IMA	26,983	28,618	27,365	2,159	2,289	2,189
UK 22a	Large exposures	—	—	—	—	—	—
23	Operational risk	41,771	41,771	41,747	3,342	3,342	3,340
UK 23b	Of which standardised approach	41,771	41,771	41,747	3,342	3,342	3,340
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	9,322	8,654	11,276	746	692	902
29	Total	350,774	344,516	314,136	28,062	27,562	25,131

Note

1. Prior period comparatives have been updated to reflect the new CRR II requirements.

Overall RWAs increased £6.3bn to £350.8bn (June 2022: £344.5bn) primarily driven by:

- Credit risk RWAs increased £4.0bn to £198.9 primarily driven by appreciation of period end USD against GBP and an increase in lending activities across CC&P and mortgages within Barclays UK. This was partially offset by a decrease in RWAs due to completion of the rescission offer relating to the Over-issuance of Securities
- Counterparty Credit risk RWAs increased £3.8bn to £48.6bn primarily driven by an increase in trading activities within SFTs and derivatives as well as an increase due to appreciation of period end USD against GBP
- Securitisation RWAs increased £1.9bn to £18.1bn primarily driven by an increase in business activities
- Market risk RWAs decreased £3.5bn to £42.8bn primarily driven by client and trading activities offset by an increase in the Stressed Value at Risk (SVaR) model adjustment as a result of changes in portfolio composition as well as an increase due to appreciation of period end USD against GBP.

Risk weighted assets

Table 5: CR8 - RWEA flow statements of credit risk exposures under the AIRB 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 3.

	Three months ended 30 September 2022 £m	Nine months ended 30 September 2022 ¹ £m
1 Risk weighted exposure amount as at the end of the previous reporting period	110,811	104,413
2 Asset size	(1,355)	1,068
3 Asset quality	127	(3,715)
4 Model updates	—	—
5 Methodology and policy	1,035	5,746
6 Acquisitions and disposals	(192)	(347)
7 Foreign exchange movements	2,975	6,236
8 Other	—	—
9 Risk weighted exposure amount as at the end of the reporting period	113,401	113,401

Note

1. Opening balance has been updated to exclude Securitisation and non-credit obligation assets as per CRR II guidelines.

Three months ended advanced credit risk RWAs increased £2.6bn to £113.4bn primarily driven by:

- A £1.3bn decrease in asset size primarily driven by securitisation of originated assets offset by increased lending activities within CIB and growth in mortgage within Barclays UK
- A £1.0bn increase in methodology and policy primarily relating to implementation of IRB roadmap changes
- A £3.0bn increase in FX primarily driven by appreciation of period end USD against GBP.

Nine months ended advanced credit risk RWAs increased £9.0bn to £113.4bn primarily driven by:

- A £1.1bn increase in asset size primarily driven by an increase in lending activities across CIB and growth in mortgages within Barclays UK, partially offset by securitisation of originated assets
- A £3.7bn decrease in asset quality primarily driven by the benefit in mortgages from an increase in the House Price Index (HPI) and improved credit quality within CIB
- A £5.7bn increase in methodology and policy primarily relating to implementation of IRB roadmap changes
- A £6.2bn increase in FX primarily driven by appreciation of period end USD against GBP.

Table 6: 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) and will not directly reconcile to the CCR AIRB RWAs in table 3.

	Three months ended 30 September 2022 £m	Nine months ended 30 September 2022 ¹ £m
1 Risk weighted exposure amount as at the end of the previous reporting period	27,281	24,198
2 Asset size	1,160	2,548
3 Credit quality of counterparties	193	(32)
4 Model updates (IMM only)	—	—
5 Methodology and policy (IMM only)	—	683
6 Acquisitions and disposals	—	—
7 Foreign exchange movements	1,098	2,335
8 Other	—	—
9 Risk weighted exposure amount as at the end of the reporting period	29,732	29,732

Note

1. Opening balance has been updated to exclude the exposure to central counterparties as per CRR II guidelines.

Three months ended Internal Model Method RWAs increased by £2.5bn to £29.7bn primarily driven by:

- A £1.2bn increase in asset size primarily due to increase in trading activities within derivatives and SFTs
- A £1.1bn increase in FX primarily due to appreciation of period end USD against GBP.

Nine months ended Internal Model Method RWAs increased by £5.5bn to £29.7bn primarily driven by:

- A £2.5bn increase in asset size primarily due to increase in trading activities within derivatives and SFTs
- A £2.3bn increase in FX primarily due to appreciation of period end USD against GBP.

Risk weighted assets

Table 7: MR2-B – RWA flow statements of market risk exposures under the IMA

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

		Three months ended 30 September 2022					Total own funds requirements
		VaR	SVaR	IRC	Other	Total RWEAs	
		£m	£m	£m	£m	£m	£m
1	RWAs at previous period end	8,849	11,180	3,193	5,396	28,618	2,289
1a	Regulatory adjustment ¹	(4,103)	(4,486)	—	—	(8,589)	(687)
1b	RWAs at the previous quarter-end (end of the day)	4,746	6,694	3,193	5,396	20,029	1,602
2	Movement in risk levels	(1,387)	654	114	(844)	(1,463)	(117)
3	Model updates/changes	—	—	—	—	—	—
4	Methodology and policy	—	—	—	—	—	—
5	Acquisitions and disposals	—	—	—	—	—	—
8a	RWAs at the end of the disclosure period (end of the day)	3,359	7,348	3,307	4,552	18,566	1,485
8b	Regulatory adjustment ²	4,159	4,258	—	—	8,417	674
8	RWAs at the end of the disclosure period	7,518	11,606	3,307	4,552	26,983	2,159

Notes

- Row 1a reflects the difference between reported RWA (row 1) and the relevant spot measure (row 1b) for the previous period.
- 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 £1.6bn to £27.0bn primarily driven by client and trading activity, partially offset by an increase in the SVaR model adjustment as a result of changes in the portfolio composition.

		Nine months ended 30 September 2022					Total own funds requirements
		VaR	SVaR	IRC	Other	Total RWEAs	
		£m	£m	£m	£m	£m	£m
1	RWAs at previous period end	4,476	13,751	4,112	5,026	27,365	2,189
1a	Regulatory adjustment ¹	(2,372)	(3,136)	—	—	(5,508)	(440)
1b	RWAs at the previous quarter-end (end of the day)	2,104	10,615	4,112	5,026	21,857	1,749
2	Movement in risk levels	1,255	(3,267)	(805)	(474)	(3,291)	(264)
3	Model updates/changes	—	—	—	—	—	—
4	Methodology and policy	—	—	—	—	—	—
5	Acquisitions and disposals	—	—	—	—	—	—
8a	RWAs at the end of the disclosure period (end of the day)	3,359	7,348	3,307	4,552	18,566	1,485
8b	Regulatory adjustment ²	4,159	4,258	—	—	8,417	674
8	RWAs at the end of the disclosure period	7,518	11,606	3,307	4,552	26,983	2,159

Notes

- Row 1a reflects the difference between reported RWA (row 1) and the relevant spot measure (row 1b) for the previous period.
- 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 £0.4bn to £27.0bn primarily driven by a reduction in the SVaR model adjustment as a result of changes in the portfolio composition, partially offset by increased client and trading activity.

Minimum requirement for own funds and eligible liabilities (MREL)

KM2 has been prepared in accordance with CRR as amended by CRR II, using the uniform format set out in the Basel Committee for Banking Supervision (BCBS) Standard on Pillar 3 disclosure requirements.

Table 8: KM2 - Key metrics - TLAC requirements (at resolution group level)¹

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

	As at 30.09.22 £m	As at 30.06.22 £m	As at 31.03.22 £m	Restated ³ As at 31.12.21 £m	Restated ³ As at 30.09.21 £m
1 Total Loss Absorbing Capacity (TLAC) available ^{1,2}	111,892	106,480	102,486	109,771	108,936
1a Fully loaded ECL accounting model TLAC available	111,133	105,871	101,923	108,871	108,028
2 Total RWA at the level of the resolution group ¹	350,774	344,516	328,830	314,136	307,717
3 TLAC as a percentage of RWA (row 1 / row 2) (%) ^{1,2}	31.9%	30.9%	31.2%	34.9%	35.4%
3a Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model RWA (%)	31.7%	30.8%	31.0%	34.7%	35.1%
4 Leverage ratio exposure measure at the level of the resolution group ⁴	1,232,105	1,151,214	1,123,531	1,356,191	1,368,259
5 TLAC as a percentage of leverage ratio exposure measure (row 1 / row 4) (%) ^{2,4}	9.1%	9.2%	9.1%	8.1%	8.0%
5a Fully loaded ECL accounting model TLAC as a percentage of fully loaded ECL accounting model Leverage exposure measure (%)	9.0%	9.2%	9.1%	8.0%	7.9%
6a Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6b Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply?	No	No	No	No	No
6c If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be	N/A	N/A	N/A	N/A	N/A

Notes

1. Own funds included in TLAC, and RWAs are calculated applying the IFRS9 transitional arrangements of the CRR as amended by CRR II.

2. Prior year comparatives include subsidiary issuances, which are no longer eligible from 1 January 2022.

3. Capital and leverage metrics as at 31 December 2021 and 30 September 2021 have been restated. More details are available in the Barclays Q3'22 Results Announcement on page 51.

4. Prior year comparatives are based on fully loaded CRR leverage exposure which was no longer applicable to UK banks from 1 January 2022.

Liquidity

Table 9: LIQ1 - Liquidity Coverage ratio

This table shows the level and components of the Liquidity Coverage Ratio prepared in accordance with the requirements set out in the Annex XIV 'Instructions on Liquidity requirements' under Article 451a(2) CRR.

Liquidity coverage ratio (period end)		Total period end value							
		30.09.22	30.06.22	31.03.22	31.12.21				
Barclays Group		£m	£m	£m	£m				
Liquidity buffer		317,391	331,096	310,291	285,272				
Total net cash outflows		210,612	211,911	194,920	169,342				
Liquidity coverage ratio (%) (period end)		151%	156%	159%	168%				
LIQ1 - Liquidity coverage ratio (average)		Total unweighted value (average)				Total weighted value (average)			
UK-1a		30.09.22	30.06.22	31.03.22	31.12.21	30.09.22	30.06.22	31.03.22	31.12.21
UK-1b	Number of data points used in calculation of averages ¹	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)					319,177	308,489	300,538	293,556
Cash outflows									
2	Retail deposits and deposits from small business customers, of which:	267,555	264,959	262,267	258,737	23,582	23,085	22,569	22,047
3	Stable deposits	140,312	140,387	140,312	139,457	7,016	7,019	7,016	6,973
4	Less stable deposits	121,985	118,259	114,334	110,798	16,507	16,026	15,519	15,048
5	Unsecured wholesale funding, of which:	258,762	249,032	238,591	230,221	134,238	127,466	119,836	114,848
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	66,143	63,328	61,133	58,777	16,212	15,507	14,956	14,373
7	Non-operational deposits (all counterparties) ²	180,426	174,668	167,796	162,363	105,833	100,923	95,217	91,685
8	Unsecured debt	12,193	11,036	9,662	9,081	12,193	11,036	9,662	8,790
9	Secured wholesale funding					57,601	57,555	57,348	56,779
10	Additional requirements, of which:	182,951	182,422	183,697	185,531	51,237	50,313	51,619	54,548
11	Outflows related to derivative exposures and other collateral requirements	19,120	18,968	19,623	21,030	16,427	16,414	17,144	18,604
12	Outflows related to loss of funding on debt products	5,686	6,316	7,883	10,105	5,686	6,316	7,883	10,105
13	Credit and liquidity facilities	158,144	157,137	156,191	154,396	29,124	27,582	26,591	25,839
14	Other contractual funding obligations	6,340	5,226	3,839	3,010	5,663	4,669	3,403	2,628
15	Other contingent funding obligations	169,072	154,562	147,039	151,612	6,568	6,243	5,957	6,136
16	Total cash outflows					278,887	269,331	260,731	256,986
Cash inflows									
17	Secured lending (e.g. reverse repos)	585,325	568,552	548,009	531,068	58,524	56,564	55,097	55,088
18	Inflows from fully performing exposures	13,144	12,070	11,872	12,179	8,659	7,622	7,367	7,694
19	Other cash inflows ³	12,362	13,100	13,687	14,184	7,611	8,786	9,788	10,548
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)								
UK-19b	(Excess inflows from a related specialised credit)								
20	Total cash inflows	610,831	593,722	573,567	557,431	74,794	72,972	72,251	73,330
UK-20a	Fully exempt inflows	—	—	—	—	—	—	—	—
UK-20b	Inflows subject to 90% cap	—	—	—	—	—	—	—	—
UK-20c	Inflows subject to 75% cap	495,130	479,472	461,221	448,286	74,794	72,972	72,251	73,330
UK-21	Liquidity buffer					319,177	308,489	300,538	293,556
22	Total net cash outflows					204,093	196,359	188,480	183,656
23	Liquidity coverage ratio (%) (average)					156%	157%	159%	160%

Notes

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

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

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

Liquidity

The liquidity pool was £326bn (December 2021: £291bn) and the liquidity coverage ratio (LCR) remained significantly above the 100% regulatory requirement at 151% (December 2021: 168%), equivalent to a surplus of £107bn (December 2021: £116bn). The increase in the liquidity pool was driven by deposit growth and an increase in wholesale funding, which were partly offset by an increase in business funding consumption. The increase in the liquidity pool was more than offset by increased net stress outflows, related to higher balances of deposits and wholesale funding, which resulted in a reduction in the LCR.

The average LCR for the 12 months to 30 September 2022 decreased to 156% (December 2021: 160%), as proportional growth in net stress outflows exceeded the growth in high quality liquid assets.

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. As at 30 September 2022, 61% (December 2021: 58%) of the liquidity pool was located in Barclays Bank PLC, 26% (December 2021: 30%) in Barclays Bank UK PLC and 8% (December 2021: 7%) in Barclays Bank Ireland PLC. The residual portion of the liquidity pool is held outside of these entities, predominantly in the US subsidiaries, to meet entity-specific stress outflows and local regulatory requirements. To the extent the use of this portion of the liquidity pool is restricted due to local regulatory requirements, it is assumed to be unavailable to the rest of the Group in calculating the LCR.

The strong deposit franchises in Barclays Bank Group and Barclays Bank UK Group are primary funding sources for Barclays Group. The Group expects to continue issuing public wholesale debt from Barclays PLC (the Parent company), in order to maintain compliance with indicative MREL requirements and maintain a stable and diverse funding base by type, currency and market. Barclays Bank PLC continued to issue in the shorter-term markets and maintain active medium-term notes programmes. Barclays Bank UK PLC continued to issue in the shorter-term markets and maintain active secured funding programmes. This funding capacity enables the respective entities to maintain their stable and diversified funding bases.

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

Notes

The terms Barclays or Group refer to Barclays PLC together with its subsidiaries. The abbreviations '£m' represents 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 that can be accessed at home.barclays/investor-relations/reports-and-events/latest-financial-results.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by members of the management of the Group (including, without limitation, during management presentations to financial analysts) in connection with this document. Examples of forward-looking statements include, among others, statements or guidance regarding or relating to the Group's future financial position, income levels, assets and liabilities, impairment charges, provisions, capital, leverage and other regulatory ratios, capital distributions (including dividend pay-out ratios and expected payment strategies), projected levels of growth in banking and financial markets, projected expenditures, costs or savings, any commitments and targets (including, without limitation, environmental, social and governance (ESG) commitments and targets), business strategy, plans and objectives for future operations, group structure, IFRS impacts 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, the development of IFRS and other accounting standards, including evolving practices with regard to the interpretation and application of accounting standards, emerging and developing ESG reporting standards, the outcome of current and future legal proceedings and regulatory investigations and any related impact on provisions, the policies and actions of governmental and regulatory authorities, the 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 or similar events beyond the Group's control, and the impact of competition. In addition, factors including (but not limited to) the following may have an effect: capital, leverage and other regulatory rules applicable to past, current and future periods; UK, US, Eurozone and global macroeconomic and business conditions, including inflation; volatility in credit and capital markets; market-related risks such as changes in interest rates and foreign exchange rates; changes in valuation of credit market exposures; changes in valuation of issued securities; changes in credit ratings of any entity within the Group or any securities issued by such entities; 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 the disruption that may subsequently result in the UK and globally; the risk of cyber-attacks, information or security breaches or technology failures on the Group's reputation, business or operations; the Group's ability to access funding; and the success of acquisitions, disposals and other strategic transactions. A number of these influences and factors are beyond the Group's control. As a result, the Group's actual financial position, future results, capital distributions, capital, leverage or other regulatory ratios or other financial and non-financial metrics or performance measures or ability to meet commitments and targets may differ materially from the statements or guidance set forth in the Group's forward-looking statements. Additional risks and factors which may impact the Group's future financial condition and performance are identified in Barclays PLC's filings with the SEC (including, without limitation, Barclays PLC's Annual Report on Form 20-F for the financial year ended 31 December 2021, as amended, and Interim Results Announcement for the six months ended 30 June 2022 filed on Form 6-K), which are available on the SEC's website at www.sec.gov.

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