Barclays Bank PLC
Interim Results Announcement

30 June 2023

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Notes

Barclays Bank PLC is a wholly-owned subsidiary of Barclays PLC. The consolidation of Barclays Bank PLC and its subsidiaries is referred to as the Barclays Bank Group. The consolidation of Barclays PLC and its subsidiaries is referred to as the Barclays Group or Barclays. Unless otherwise stated, the income statement analysis compares the six months ended 30 June 2023 to the corresponding six months of 2022 and the balance sheet analysis is as at 30 June 2023 with comparatives relating to 31 December 2022. The abbreviations '£m' and '£bn' represent millions and thousands of millions of Pounds Sterling respectively; the abbreviations '$m' and '$bn' represent millions and thousands of millions of US Dollars respectively; and the abbreviations '€m' and '€bn' represent millions and thousands of millions of Euros respectively.

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

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

The information in this announcement, which was approved by the Board of Directors on 26 July 2023, does not comprise statutory accounts within the meaning of Section 434 of the Companies Act 2006. Statutory accounts for the year ended 31 December 2022, which contained an unmodified audit report under Section 495 of the Companies Act 2006 (which did not make any statements under Section 498 of the Companies Act 2006) have been delivered to the Registrar of Companies in accordance with Section 441 of the Companies Act 2006.

These results will be furnished as a Form 6-K to the US Securities and Exchange Commission (SEC) as soon as practicable following their publication. Once furnished with the SEC, a copy of the Form 6-K will be available from the SEC's website at www.sec.gov.

The Barclays Bank Group is a frequent issuer in the debt capital markets, including in the US and the EU, and regularly meets with investors via formal road-shows and other ad hoc meetings. Consistent with its usual practice, the Barclays Bank Group expects that from time to time over the coming half year it will meet with investors globally to discuss these results and other matters relating to the Barclays Bank Group.

Forward-looking statements

This document contains certain forward-looking statements within the meaning of Section 21E of the US Securities Exchange Act of 1934, as amended, and Section 27A of the US Securities Act of 1933, as amended, with respect to the Barclays Bank Group. The Barclays Bank 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 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 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 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 Group's control; the impact of competition; 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; higher or lower asset valuations; changes in credit ratings of any entity within the Barclays Bank 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 and globally; the risk of cyber-attacks, information or security breaches or technology failures on the Barclays Bank Group's reputation, business or operations; the Barclays Bank 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 Group's control. As a result, the Barclays Bank 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 Group's forward-looking statements. Additional risks and factors which may impact the Barclays Bank Group's future financial condition and performance are identified in Barclays Bank PLC's filings with the SEC (including, without limitation, Barclays Bank PLC's Annual Report on Form 20-F for the financial year ended 31 December 2022), which are available on the SEC's website at www.sec.gov.

Subject to Barclays Bank PLC's 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.

Barclays Bank Group Overview

Barclays Bank PLC is the non-ring-fenced bank within the Barclays Group. The Barclays Bank Group contains the majority of the Barclays Group's Barclays International division, which comprises the Corporate and Investment Bank (CIB) and Consumer, Cards and Payments (CC&P) businesses. Barclays Bank PLC offers customers and clients a range of products and services spanning consumer and wholesale banking.

Barclays Bank Group results for the half year ended

	30.06.23 £m	30.06.22 £m	% Change
Total income	**9,804**	**9,990**	**(2)**
Operating expenses	(5,952)	(5,259)	(13)
Litigation and conduct	(34)	(1,833)	98
Total operating expenses	**(5,986)**	**(7,092)**	**16**
Other net income	2	—	
Profit before impairment	**3,820**	**2,898**	**32**
Credit impairment charge	(688)	(293)	
Profit before tax	**3,132**	**2,605**	**20**
Tax charge	(525)	(476)	(10)
Profit after tax	**2,607**	**2,129**	**22**
Other equity instrument holders	(419)	(328)	(28)
Attributable profit	**2,188**	**1,801**	**21**

Balance sheet information	As at 30.06.23 £bn	As at 31.12.22 £bn
Cash and balances at central banks	211.6	202.1
Cash collateral and settlement assets	124.0	107.9
Debt securities at amortised cost	35.2	27.3
Loans and advances at amortised cost	148.0	155.2
Trading portfolio assets	165.1	133.8
Financial assets at fair value through the income statement	233.1	211.1
Derivative financial instrument assets	266.1	303.0
Other assets	63.5	63.1
Total assets	**1,246.6**	**1,203.5**
Deposits at amortised cost	307.8	291.6
Cash collateral and settlement liabilities	114.3	96.8
Financial liabilities designated at fair value	311.6	272.1
Derivative financial instrument liabilities	254.8	289.2

Capital and liquidity metrics	As at 30.06.23 £bn	As at 31.12.22 £bn
Common equity tier 1 (CET1) ratio[1,2]	12.5 %	12.7 %
Barclays Bank PLC DoLSub Liquidity Coverage Ratio	155 %	148 %
Barclays Bank PLC DoLSub Liquidity Pool	216	191
Total risk weighted assets (RWAs)[1]	204.4	203.8
UK leverage ratio (sub-consolidated)[3]	5.9 %	

1 *Barclays Bank PLC's capital and RWAs are regulated by the Prudential Regulation Authority (PRA) on a solo-consolidated basis. The disclosure above provides a capital metric for Barclays Bank PLC solo-consolidated. For further information, refer to Treasury and Capital Risk on page 21.*
2 *The CET1 ratio is calculated applying the IFRS 9 transitional arrangements of the Capital Requirements Regulation (CRR) as amended by the Capital Requirements Regulation II (CRR II) applicable as at the reporting date. For further detail on the application of CRR and CRR II in the UK, refer to Treasury and Capital Risk on page 21.*
3 *Leverage minimum requirements for Barclays Bank PLC are set at sub-consolidated level effective from 1 January 2023 and the leverage disclosure above is for Barclays Bank PLC sub-consolidated. For further information, refer to Treasury and Capital Risk on page 21*

Barclays Bank Group performance

Income Statement - H123 compared to H122

The Barclays Bank Group's profit before tax increased 20% to £3,132m, driven by an increase in CIB to £3,022m (H122: £2,511m) and in CC&P to £364m (H122: £229m), partially offset by the loss in Head Office of £254m (H122: £135m loss). CIB's performance reflected the benefits of income diversification and investment in sustainable growth. CC&P's performance was driven by continued investment in the business resulting in balance growth and increased income, partially offset by higher impairment charges. Head office performance was mainly driven by hedge accounting losses.

The Barclays Bank Group has a diverse income profile across businesses and geographies including a significant presence in the US. The appreciation of average USD against GBP positively impacted income and profits, and adversely impacted credit impairment charges and total operating expenses.

- Total income decreased 2% to £9,804m
  - CIB income decreased 9% to £7,362m. Excluding the impact from prior year hedging arrangements related to the Over-issuance of Securities (refer to the table below), CIB income was broadly stable. Global Markets income decreased 23% and 12% excluding the impact from the Over-issuance of Securities. FICC income declined driven by macro, reflecting lower market volatility and client activity, partially offset by a strong performance in credit. Equities income reduced due to a decline in derivatives income reflecting less volatile equity market conditions. Investment Banking fees decreased 8% due to the reduced fee pool across Advisory and Debt capital markets[1], partially offset by an improvement in Equity capital markets. Corporate income increased 63% driven by improved deposit margins in the higher rate environment, lower costs of hedging and the non-repeat of fair value losses on leverage finance lending net of mark to market gains on related hedges in H122
  - CC&P income increased 30% to £2,599m reflecting higher US cards balances, including the Gap portfolio acquisition, and merchant acquiring turnover growth in Payments. An income increase in Private Bank was driven by client balance growth, improved margins and the acquisition of the Wealth Management & Investments (WM&I) business from Barclays Bank UK PLC (refer to page 4 for more details)
  - Head Office income was a net expense of £157m (H122: £88m net expense) which primarily reflected hedge accounting losses
- Total operating expenses decreased 16% to £5,986m
  - CIB total operating expenses decreased 22% to £4,322m. Excluding litigation and conduct charges, operating expenses increased 11% to £4,324m reflecting investment in talent and technology, and the impact of inflation
  - CC&P total operating expenses increased 6% to £1,576m. Excluding litigation and conduct charges, operating expenses increased 20% to £1,544m, driven by higher investment spend to support growth, mainly marketing and partnership costs, the Gap portfolio acquisition, the acquisition of the WM&I business from Barclays Bank UK PLC, and the impact of inflation
  - Head Office total operating expenses were £88m (H122: £63m)
- Credit impairment charges were £688m (H122: £293m)
  - CIB credit impairment charges of £20m (H122: £31m) were driven by single name charges partially offset by the benefit of credit protection and an updated macroeconomic scenarios
  - CC&P credit impairment charges increased to £659m (H122: £278m) reflecting higher US cards balances, including the Gap portfolio, and normalising delinquencies. US cards 30 and 90 day arrears were 2.4% (H122: 1.4%) and 1.2% (H122: 0.7%) respectively. The US cards total coverage ratio was 9.0% (December 2022: 8.1%)

Reconciliation of financial results excluding the impact of the Over-issuance of Securities for the half year ended

	30.06.23	30.06.22			
	Statutory	Statutory	Impact of the Over-issuance of Securities	Excluding impact of the Over-issuance of Securities	
	£m	£m	£m	£m	% Change
Total income	**9,804**	**9,990**	**758**	**9,232**	**6**
Operating costs	(5,952)	(5,259)	—	(5,259)	(13)
Litigation and conduct	(34)	(1,833)	(1,469)	(364)	91
Total operating expenses	**(5,986)**	**(7,092)**	**(1,469)**	**(5,623)**	**(6)**
Other net expenses	2	—	—	—	
Profit before impairment	**3,820**	**2,898**	**(711)**	**3,609**	**6**
Credit impairment charges	(688)	(293)	—	(293)	
Profit before tax	**3,132**	**2,605**	**(711)**	**3,316**	**(6)**
Attributable profit	**2,188**	**1,801**	**(581)**	**2,382**	**(8)**

1 *Data source: Dealogic for the period covering 1 January to 30 June 2023.*

- The effective tax rate (ETR) was 16.8% (H122: 18.3%). The prior year included the tax charge recognised for the re-measurement of the Barclays Bank Group's UK deferred tax assets as a result of the UK banking surcharge rate being reduced from 8% to 3%

Balance sheet, capital and liquidity

30 June 2023 compared to 31 December 2022

- Cash and balances at central banks increased £9.5bn to £211.6bn driven by increased deposits placed in the liquidity pool
- Debt securities at amortised cost increased £7.9bn to £35.2bn driven by increased investment in debt securities in Treasury
- Loans and advances at amortised cost decreased £7.2bn to £148.0bn driven by net loan repayments in CIB and the strengthening of GBP against USD
- Trading portfolio assets increased £31.3bn to £165.1bn driven by increased trading activity at the end of the period within Global Markets
- Financial assets at fair value through the income statement increased £22.0bn to £233.1bn driven by increased secured lending. Financial liabilities designated at fair value increased £39.5bn to £311.6bn driven by increased secured borrowing
- Derivative financial instrument assets and liabilities decreased £36.9bn to £266.1bn and £34.4bn to £254.8bn respectively reflecting lower market volatility and the strengthening of GBP against USD
- Deposits at amortised cost increased £16.2bn to £307.8bn driven by increased deposits in Treasury
- RWAs increased to £204.4bn (December 2022: £203.8bn) as increases in trading and credit RWAs were partly offset by the strengthening of GBP against USD
- The Barclays Bank PLC solo-consolidated CET1 ratio as at 30 June 2023 was 12.5% (December 2022: 12.7%), which is above regulatory capital minimum requirements
- The Liquidity Pool increased to £216bn (December 2022: £191bn) driven by deposit growth. The Barclays Bank PLC Domestic Liquidity Subgroup ('DoLSub') liquidity coverage ratio (LCR) remained well above the 100% regulatory requirement at 155% (December 2022: 148%), reflecting an increase in High Quality Liquid Assets (HQLA) relative to net cash outflows versus the year-end position

Other matters

Acquisition of Wealth Management & Investments: In May 2023, Barclays Bank PLC acquired the Wealth Management and Investment (WM&I) business from Barclays Bank UK PLC including the entire issued share capital of Barclays Asset Management Limited and Barclays Investment Solutions Limited along with certain other assets and liabilities, business guarantees and business contracts (together with the transfer of associated employees of Barclays Bank UK PLC). The acquisition and combination with the Private Bank business seeks to improve customer and client experience and create business synergies. The business acquired includes c.£28bn of invested assets generating annualised income of c.£200m.

Risk management and principal risks

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

The framework identifies nine principal risks: credit risk, market risk, treasury and capital risk, climate risk, operational risk, model risk, compliance risk, reputation risk and legal risk. Further detail on the Barclays Bank Group's principal risks and previously identified material existing and emerging risks and how such risks are managed is available in the Barclays Bank PLC Annual Report 2022 (pages 41 to 68), which can be accessed at home.barclays/annualreport. Other than the changes set out in the paragraph below, there have been no significant changes to these principal risks or previously identified material existing and emerging risks in the period.

In Q223, the 'conduct risk' principal risk was expanded to include "Laws, Rules and Regulations (LRR) Risk" and consequently renamed 'compliance risk'. Reflecting this, the definition of compliance risk is: 'The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the firm's products and services (also known as 'Conduct Risk') and the risk to Barclays Bank Group, its clients, customers or markets from a failure to comply with the laws, rules and regulations applicable to the firm (also known as Laws, Rules and Regulations Risk 'LRR Risk').' The definition of the 'legal risk' principal risk was updated to: 'The risk of loss or imposition of penalties, damages or fines from the failure of the firm to meet applicable laws, rules and regulations or contractual requirements or to assert or defend its intellectual property rights.' The revised framework has been in force from June 2023.

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

Taskforce on Disclosures about Expected Credit Losses (DECL)

The latest DECL III Taskforce recommendation for the minimum product groupings has been adopted in the credit risk performance section for this period and the prior period comparatives have been aligned accordingly. The Barclays Bank Group intends to adopt further enhancements in the credit risk performance section for future periods.

Loans and advances at amortised cost by product

Total loans and advances at amortised cost in the credit risk performance section includes Loans and advances at amortised cost to banks, Loans and advances at amortised cost to customers and Debt securities at amortised cost.

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

Impairment allowance under IFRS 9 considers both the drawn and the undrawn counterparty exposure. For retail portfolios, the total impairment allowance is allocated to the gross loans and advances to the extent that the allowance does not exceed the drawn exposure and any excess is reported on the liability side of the balance sheet as a provision. For wholesale portfolios the impairment allowance on the undrawn exposure is reported on the liability side of the balance sheet as a provision.

		Stage 2					
As at 30.06.23	Stage 1	Not past due	<=30 days past due	>30 days past due	Total	Stage 3	Total[1]
Gross exposure	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	7,791	272	16	107	395	767	8,953
Retail credit cards	21,829	3,478	302	227	4,007	1,257	27,093
Retail other	4,583	368	33	249	650	336	5,569
Corporate loans	95,647	9,136	128	205	9,469	1,174	106,290
Debt securities and other[2]	35,497	3,664	—	—	3,664	2	39,163
Total	**165,347**	**16,918**	**479**	**788**	**18,185**	**3,536**	**187,068**
Impairment allowance							
Retail mortgages	9	18	3	2	23	327	359
Retail credit cards	307	860	143	128	1,131	1,006	2,444
Retail other	23	28	1	7	36	99	158
Corporate loans	201	261	11	8	280	336	817
Debt securities and other[2]	19	34	—	—	34	—	53
Total	**559**	**1,201**	**158**	**145**	**1,504**	**1,768**	**3,831**
Net exposure							
Retail mortgages	7,782	254	13	105	372	440	8,594
Retail credit cards	21,522	2,618	159	99	2,876	251	24,649
Retail other	4,560	340	32	242	614	237	5,411
Corporate loans	95,446	8,875	117	197	9,189	838	105,473
Debt securities and other[2]	35,478	3,630	—	—	3,630	2	39,110
Total	**164,788**	**15,717**	**321**	**643**	**16,681**	**1,768**	**183,237**
Coverage ratio	%	%	%	%	%	%	%
Retail mortgages	0.1	6.6	18.8	1.9	5.8	42.6	4.0
Retail credit cards	1.4	24.7	47.4	56.4	28.2	80.0	9.0
Retail other	0.5	7.6	3.0	2.8	5.5	29.5	2.8
Corporate loans	0.2	2.9	8.6	3.9	3.0	28.6	0.8
Debt securities and other[2]	0.1	0.9	—	—	0.9	—	0.1
Total	**0.3**	**7.1**	**33.0**	**18.4**	**8.3**	**50.0**	**2.0**

1 *Other financial assets subject to impairment excluded in the table above include cash collateral and settlement balances, financial assets at fair value through other comprehensive income, accrued income and sundry debtors. These have a total gross exposure of £172.4bn and impairment allowance of £156m. This comprises £15m Expected Credit Losses (ECL) on £171.3bn Stage 1 assets, £12m on £877m Stage 2 fair value through other comprehensive income assets, cash collateral and settlement balances and £129m on £137m Stage 3 other assets. Loan commitments and financial guarantee contracts have total ECL of £467m.*

2 *Predominantly includes debt securities within Treasury and CIB, these have a total gross exposure of £35.3bn and impairment allowance of £53m. Also includes loans and advances of £3.4bn within Treasury and £0.4bn within Head Office, which have impairment allowance of £nil.*

As at 31.12.22	Stage 1	Stage 2				Stage 3	Total[1]
		Not past due	<=30 days past due	>30 days past due	Total		
Gross exposure	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	10,458	310	11	41	362	978	11,798
Retail credit cards	22,669	3,252	237	391	3,880	1,129	27,678
Retail other	6,915	384	45	95	524	523	7,962
Corporate loans	96,799	10,235	154	103	10,492	935	108,226
Debt securities and other[2]	26,967	3,691	—	—	3,691	5	30,663
Total	**163,808**	**17,872**	**447**	**630**	**18,949**	**3,570**	**186,327**
Impairment allowance							
Retail mortgages	12	22	2	1	25	356	393
Retail credit cards	331	887	82	158	1,127	818	2,276
Retail other	38	21	3	5	29	171	238
Corporate loans	304	254	12	9	275	293	872
Debt securities and other[2]	8	33	—	—	33	—	41
Total	**693**	**1,217**	**99**	**173**	**1,489**	**1,638**	**3,820**
Net exposure							
Retail mortgages	10,446	288	9	40	337	622	11,405
Retail credit cards	22,338	2,365	155	233	2,753	311	25,402
Retail other	6,877	363	42	90	495	352	7,724
Corporate loans	96,495	9,981	142	94	10,217	642	107,354
Debt securities and other[2]	26,959	3,658	—	—	3,658	5	30,622
Total	**163,115**	**16,655**	**348**	**457**	**17,460**	**1,932**	**182,507**
Coverage ratio	%	%	%	%	%	%	%
Retail mortgages	0.1	7.1	18.2	2.4	6.9	36.4	3.3
Retail credit cards	1.5	27.3	34.6	40.4	29.0	72.5	8.2
Retail other	0.5	5.5	6.7	5.3	5.5	32.7	3.0
Corporate loans	0.3	2.5	7.8	8.7	2.6	31.3	0.8
Debt securities and other[2]	—	0.9	—	—	0.9	—	0.1
Total	**0.4**	**6.8**	**22.1**	**27.5**	**7.9**	**45.9**	**2.1**

1 *Other financial assets subject to impairment excluded in the table above include cash collateral and settlement balances, financial assets at fair value through other comprehensive income, accrued income and sundry debtors. These have a total gross exposure of £155.1bn and impairment allowance of £152m. This comprises £7m ECL on £153.8bn Stage 1 assets, £8m on £1,142m Stage 2 fair value through other comprehensive income assets, cash collateral and settlement balances and £137m on £141m Stage 3 other assets. Loan commitments and financial guarantee contracts have total ECL of £532m.*

2 *Predominantly includes debt securities within Treasury and CIB, these have a total gross exposure of £27.4bn and impairment allowance of £41m. Also includes loans and advances of £2.9bn within Treasury and £0.4bn within Head Office, which have impairment allowance of £nil.*

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

The following tables present a reconciliation of the opening to the closing balance of the exposure and impairment allowance. An explanation of the methodology used to determine credit impairment provisions is included in the Barclays Bank PLC Annual Report 2022.

Transfers between stages in the tables have been reflected as if they had taken place at the beginning of the period. 'Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes' includes additional drawdowns and partial repayments from existing facilities. Additionally, the below tables do not include other financial assets subject to impairment such as cash collateral and settlement balances, financial assets at fair value through other comprehensive income and other assets.

The movements are measured over a six-month period.

Loans and advances at amortised cost

	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m
Retail mortgages								
As at 1 January 2023	10,458	12	362	25	978	356	11,798	393
Transfers from Stage 1 to Stage 2	(218)	—	218	—	—	—	—	—
Transfers from Stage 2 to Stage 1	65	3	(65)	(3)	—	—	—	—
Transfers to Stage 3	(90)	—	(36)	(3)	126	3	—	—
Transfers from Stage 3	10	—	19	1	(29)	(1)	—	—
Business activity in the period	622	3	—	—	—	—	622	3
Refinements to models used for calculation	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(2,154)	(9)	(58)	4	(218)	(21)	(2,430)	(26)
Final repayments	(902)	—	(45)	(1)	(81)	(1)	(1,028)	(2)
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(9)	(9)	(9)	(9)
As at 30 June 2023	**7,791**	**9**	**395**	**23**	**767**	**327**	**8,953**	**359**
Retail credit cards								
As at 1 January 2023	22,669	331	3,880	1,127	1,129	818	27,678	2,276
Transfers from Stage 1 to Stage 2	(1,468)	(42)	1,468	42	—	—	—	—
Transfers from Stage 2 to Stage 1	1,033	290	(1,033)	(290)	—	—	—	—
Transfers to Stage 3	(197)	(12)	(404)	(205)	601	217	—	—
Transfers from Stage 3	5	3	4	2	(9)	(5)	—	—
Business activity in the period	904	16	45	16	1	1	950	33
Refinements to models used for calculation[1]	—	—	—	—	—	(20)	—	(20)
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(1,052)	(267)	64	475	(128)	334	(1,116)	542
Final repayments	(65)	(12)	(17)	(36)	—	(6)	(82)	(54)
Disposals[2]	—	—	—	—	(12)	(8)	(12)	(8)
Write-offs	—	—	—	—	(325)	(325)	(325)	(325)
As at 30 June 2023	**21,829**	**307**	**4,007**	**1,131**	**1,257**	**1,006**	**27,093**	**2,444**

1 *Refinements to models used for calculation reported within Retail credit cards include a £20m movement in US cards. These reflect model enhancements made during the period. Barclays continually reviews the output of models to determine accuracy of the ECL calculation including review of model monitoring, external benchmarking and experience of model operation over an extended period of time. This helps to ensure that the models used continue to reflect the risks inherent across the businesses.*

2 *The £12m disposals reported within Retail credit cards relates to debt sales undertaken during the period.*

	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL	Gross exposure	ECL
	£m	£m	£m	£m	£m	£m	£m	£m
Retail other								
As at 1 January 2023	6,915	38	524	29	523	171	7,962	238
Transfers from Stage 1 to Stage 2	(446)	(3)	446	3	—	—	—	—
Transfers from Stage 2 to Stage 1	138	4	(138)	(4)	—	—	—	—
Transfers to Stage 3	(57)	(1)	(41)	(6)	98	7	—	—
Transfers from Stage 3	1	1	7	2	(8)	(3)	—	—
Business activity in the period	1,086	3	6	1	3	2	1,095	6
Refinements to models used for calculation	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(2,145)	(17)	(79)	12	(148)	(32)	(2,372)	(37)
Final repayments	(909)	(2)	(75)	(1)	(47)	(1)	(1,031)	(4)
Disposals[1]	—	—	—	—	(75)	(35)	(75)	(35)
Write-offs	—	—	—	—	(10)	(10)	(10)	(10)
As at 30 June 2023	**4,583**	**23**	**650**	**36**	**336**	**99**	**5,569**	**158**
Corporate loans								
As at 1 January 2023	96,799	304	10,492	275	935	293	108,226	872
Transfers from Stage 1 to Stage 2	(4,747)	(21)	4,747	21	—	—	—	—
Transfers from Stage 2 to Stage 1	4,312	49	(4,312)	(49)	—	—	—	—
Transfers to Stage 3	(139)	(1)	(225)	(16)	364	17	—	—
Transfers from Stage 3	47	1	64	2	(111)	(3)	—	—
Business activity in the period	12,224	20	315	13	35	9	12,574	42
Refinements to models used for calculation[2]	—	(49)	—	142	—	—	—	93
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	1,810	(46)	(1,049)	(90)	212	182	973	46
Final repayments	(14,659)	(56)	(563)	(18)	(91)	(7)	(15,313)	(81)
Disposals[1]	—	—	—	—	(110)	(95)	(110)	(95)
Write-offs	—	—	—	—	(60)	(60)	(60)	(60)
As at 30 June 2023	**95,647**	**201**	**9,469**	**280**	**1,174**	**336**	**106,290**	**817**

1 *The £75m of disposals reported within Retail other includes £64m part sale of Wealth portfolio in Italy and £11m relates to debt sales. The £110m of disposals reported within Corporate loans relates to debt sales undertaken during the period.*

2 *Refinements to models used for calculation reported within Corporate loans include a* £93m *movement in CIB . These reflect model enhancements made during the period. Barclays continually reviews the output of models to determine accuracy of the ECL calculation including review of model monitoring, external benchmarking and experience of model operation over an extended period of time. This helps to ensure that the models used continue to reflect the risks inherent across the businesses.*

Loans and advances at amortised cost

	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m
Debt securities and other								
As at 1 January 2023	26,967	8	3,691	33	5	—	30,663	41
Transfers from Stage 1 to Stage 2	(260)	—	260	—	—	—	—	—
Transfers from Stage 2 to Stage 1	118	2	(118)	(2)	—	—	—	—
Transfers to Stage 3	—	—	—	—	—	—	—	—
Transfers from Stage 3	—	—	—	—	—	—	—	—
Business activity in the period	11,438	2	78	1	—	—	11,516	3
Refinements to models used for calculation	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(768)	7	(79)	4	2	—	(845)	11
Final repayments	(1,998)	—	(168)	(2)	(5)	—	(2,171)	(2)
Disposals	—	—	—	—	—	—	—	—
Write-off	—	—	—	—	—	—	—	—
As at 30 June 2023	**35,497**	**19**	**3,664**	**34**	**2**	**—**	**39,163**	**53**

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

	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Retail mortgages	*(3)*	*(2)*	*(20)*	*(25)*
Retail credit cards	*(24)*	*4*	*521*	*501*
Retail other	*(15)*	*7*	*(27)*	*(35)*
Corporate loans	*(103)*	*5*	*198*	*100*
Debt securities and other	*11*	*1*		*12*
ECL movement excluding assets derecognised due to disposals and write-offs[1]	*(134)*	*15*	*672*	553
ECL movement on loan commitments and other financial guarantees	*(47)*	*(36)*	*18*	(65)
ECL movement on other financial assets	*8*	*4*	*(8)*	4
Recoveries and reimbursements[2]	*64*	*(28)*	*(36)*	—
Total exchange and other adjustments				196
Total income statement charge for the period				**688**

1 *In H123, gross write-offs amounted to £404m (H122: £560m). Post write-off recoveries amounted to £7m (H122: £20m). Net write-offs represent gross write-offs less post write-off recoveries and amounted to £397m (H122: £540m).*

2 *Recoveries and reimbursements include a net reduction of £7m (H122 gain: £11m) in amounts expected to be received under the arrangement where Barclays Bank Group has entered into financial guarantee contracts which provide credit protection over certain loan assets with third parties; cash recoveries of previously written off amounts are £7m (H122: £20m).*

Loan commitments and financial guarantees

	Stage 1		Stage 2		Stage 3		Total	
	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m	Gross exposure £m	ECL £m
Retail mortgages								
As at 1 January 2023	61	—	1	—	5	—	67	—
Net transfers between stages	—	—	—	—	—	—	—	—
Business activity in the year	27	—	—	—	—	—	27	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(21)	—	—	—	(4)	—	(25)	—
Limit management and final repayments	(25)	—	(1)	—	—	—	(26)	—
As at 30 June 2023	**42**	**—**	**—**	**—**	**1**	**—**	**43**	**—**
Retail credit cards								
As at 1 January 2023	109,291	41	1,973	45	7	1	111,271	87
Net transfers between stages	(646)	14	644	(14)	2	—	—	—
Business activity in the year	9,242	6	76	5	—	—	9,318	11
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(4,448)	(19)	(469)	23	(1)	(1)	(4,918)	3
Limit management and final repayments	(6,304)	(4)	(274)	(16)	—	—	(6,578)	(20)
As at 30 June 2023	**107,135**	**38**	**1,950**	**43**	**8**	**—**	**109,093**	**81**
Retail other								
As at 1 January 2023	4,497	—	79	—	64	—	4,640	—
Net transfers between stages	(65)	—	39	—	26	—	—	—
Business activity in the year	467	—	1	—	—	—	468	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(1,120)	8	(30)	—	(47)	—	(1,197)	8
Limit management and final repayments	(293)	—	(10)	—	—	—	(303)	—
As at 30 June 2023	**3,486**	**8**	**79**	**—**	**43**	**—**	**3,608**	**8**
Corporate loans								
As at 1 January 2023	205,207	193	23,873	230	812	22	229,892	445
Net transfers between stages	624	18	(768)	(19)	144	1	—	—
Business activity in the year	22,926	7	543	8	1	—	23,470	15
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	1,862	(26)	534	(4)	208	20	2,604	(10)
Limit management and final repayments	(26,348)	(51)	(1,749)	(19)	(223)	(2)	(28,320)	(72)
As at 30 June 2023	**204,271**	**141**	**22,433**	**196**	**942**	**41**	**227,646**	**378**
Debt securities and other								
As at 1 January 2023	13	—	—	—	—	—	13	—
Net transfers between stages	—	—	—	—	—	—	—	—
Business activity in the year	14	—	—	—	—	—	14	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(1)	—	—	—	—	—	(1)	—
Limit management and final repayments	—	—	—	—	—	—	—	—
As at 30 June 2023	**26**	**—**	**—**	**—**	**—**	**—**	**26**	**—**

Management adjustments to models for impairment

Management adjustments to impairment models are applied in order to factor in certain conditions or changes in policy that are not fully incorporated into the impairment models, or to reflect additional facts and circumstances at the period end. Management adjustments are reviewed and incorporated into future model development where applicable.

Management adjustments are captured through "Economic uncertainty" and "Other" adjustments, and are presented by product below:

Management adjustments to models for impairment allowance presented by product[1]

	Impairment allowance pre management adjustments[2]	Economic uncertainty adjustments[3]	Other adjustments	Management adjustments	Total impairment allowance[4]	Proportion of Management adjustments to total impairment allowance
		(a)	(b)	(a+b)		
As at 30 June 2023	£m	£m	£m	£m	£m	%
Retail mortgages	361	—	(2)	(2)	359	(0.6)
Retail credit cards	2,559	—	(34)	(34)	2,525	(1.3)
Retail other	199	—	(33)	(33)	166	(19.9)
Corporate loans	1,166	—	29	29	1,195	2.4
Debt securities and other	53	—	—	—	53	—
Total	**4,338**	**—**	**(40)**	**(40)**	**4,298**	**(0.9)**
As at 31 December 2022						
Retail mortgages	393	—	—	—	393	—
Retail credit cards	2,309	—	54	54	2,363	2.3
Retail other	217	2	19	21	238	8.8
Corporate loans	1,414	95	(192)	(97)	1,317	(7.4)
Debt securities and other	41	—	—	—	41	—
Total	**4,374**	**97**	**(119)**	**(22)**	**4,352**	**(0.5)**

Economic uncertainty adjustments presented by stage

	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2022	£m	£m	£m	£m
Retail mortgages	—	—	—	—
Retail credit cards	—	—	—	—
Retail other	—	2	—	2
Corporate loans	97	(2)	—	95
Debt securities and other	—	—	—	—
Total	**97**	**—**	**—**	**97**

1 Positive values reflect an increase in impairment allowance and negative values reflect a reduction in the impairment allowance.
2 Includes £3.7bn (December 2022: £3.7bn) of modelled ECL, £0.3bn (December 2022: £0.3bn) of individually assessed impairments and £0.3bn (December 2022: £0.4bn) ECL from non-modelled exposures.
3 Economic uncertainty adjustments are nil (December 2022: £97m) following the re-build of certain CIB impairment models.
4 Total impairment allowance consists of ECL stock on drawn and undrawn exposure.

Economic Uncertainty adjustments

Economic uncertainty adjustments are captured in two ways. Firstly, customer uncertainty: the identification of customers and clients who may be more vulnerable to economic instability; and secondly, model uncertainty: to capture the impact from model limitations and sensitivities to specific macroeconomic parameters which are applied at a portfolio level.

During the period, a re-build of certain Corporate and Investment Bank (CIB) models and a granular credit risk assessment for qualifying exposures have resulted in release of adjustments for high-risk sectors and model sensitivity. This is leading to £nil economic uncertainty adjustments as at 30 June 2023.

Other adjustments

Other adjustments are operational in nature and are expected to remain in place until they can be reflected in the underlying models. These adjustments result from data limitations and model performance related issues identified through model monitoring and other established governance processes.

Other adjustments of £(40)m (December 2022: £(119)m) includes:

- **Retail credit cards:** £(34)m (December 2022: £54m) primarily include adjustments informed by model monitoring partially offset by an adjustment in the US to the qualitative measures for high-risk account management (HRAM) accounts, and in Germany for recalibration of Loss Given Default (LGD) to reflect revised recovery expectations. The movement is primarily driven by an adjustment made during the period in the US to limit ECL sensitivity to certain macroeconomic variables.
- **Retail other:** £(33)m (December 2022: £19m) the movement is primarily informed by operational model adjustments made during the period within Private Banking and Wealth Management. Furthermore, adjustments for model monitoring and the definition of default under the Capital Requirements Regulation have been re-sized within Germany Loans.
- **Corporate loans:** £29m (December 2022: £(192)m) primarily includes an adjustment recognised to address unintuitive Probability of Default (PD) rates driven by the equity market volatilities.

  Management adjustments of £(192)m within Corporate loans as at 31 December 2022 primarily comprised of an adjustment to limit ECL sensitivity to the macroeconomic variable for Federal Tax Receipts and model monitoring adjustments. These adjustments are no longer needed following the re-build of certain CIB impairment models.

Measurement uncertainty

Scenarios used to calculate the Barclays Bank Group's ECL charge were refreshed in Q223 with the Baseline scenario reflecting the latest consensus macroeconomic forecasts available at the time of the scenario refresh. In the Baseline scenario, although the outlook in major economies has improved somewhat (since Q422), the full effect of the inflation shock and rising rates is lagged and so contributes to a further squeeze of household finances over the coming quarters, posing downside risks to GDP. UK and US unemployment rates increase only gradually in the coming quarters, peaking at 4.5% in Q424 and 4.7% in Q224 respectively. Central banks continue raising interest rates, with both the UK bank rate and the US federal funds rate peaking at 5.25% during 2023.

The Downside 2 scenario is broadly aligned to the previous scenario refresh. Inflation rates rise again as energy prices suddenly surge again amid renewed geopolitical risks. Inflation becomes entrenched and inflation expectations go up, contributing to higher pressure on wage growth. Central banks are forced to raise interest rates sharply with the UK bank rate reaching 8% and the US federal funds rate peaking at 7%. Weakened businesses lay off workers and consumers stop spending exacerbating the downward stress. Unemployment peaks at 8.5% in the UK and 9.8% in the US. Given already stretched valuations, the sharp increase in borrowing costs sees house prices decrease significantly. In the Upside scenarios, lower energy prices add downward pressure on prices globally, while recovering labour force participation limits wage growth. As a result of easing inflation, central banks lower interest rates to support the economic recovery.

The methodology for estimating scenario probability weights involves simulating a range of future paths for UK and US GDP using historical data with the five scenarios mapped against the distribution of these future paths. The median is centred around the Baseline with scenarios further from the Baseline attracting a lower weighting before the five weights are normalised to total 100%. The decrease in the Downside weightings and the increase in the Upside weightings reflected the improving economic outlook which moved the Baseline UK/US GDP paths closer to the Upside scenarios. For further details see page 15.

The tables on the following pages show the key macroeconomic variables used in the five scenarios (five year annual paths) and the probability weights applied to each scenario.

Macroeconomic variables used in the calculation of ECL

As at 30 June 2023	2023	2024	2025	2026	2027
Baseline	%	%	%	%	%
UK GDP[1]	0.3	0.9	1.6	1.8	1.9
UK unemployment[2]	4.1	4.4	4.2	4.2	4.2
UK HPI[3]	(6.1)	(1.3)	2.0	4.3	5.7
UK bank rate	4.8	4.6	3.9	3.8	3.5
US GDP[1]	1.1	0.7	2.0	2.0	2.0
US unemployment[4]	3.8	4.6	4.6	4.6	4.6
US HPI[5]	(0.7)	3.6	2.4	2.7	2.7
US federal funds rate	5.0	3.7	3.0	2.8	3.0
Downside 2					
UK GDP[1]	(0.5)	(5.0)	(0.4)	2.5	1.9
UK unemployment[2]	4.4	7.8	8.3	7.7	7.1
UK HPI[3]	(10.2)	(20.5)	(17.7)	5.6	8.2
UK bank rate	5.5	8.0	7.3	6.1	4.8
US GDP[1]	0.5	(4.8)	(0.3)	2.8	2.1
US unemployment[4]	4.5	8.7	9.6	8.5	7.0
US HPI[5]	(1.8)	(3.7)	(4.2)	2.6	4.8
US federal funds rate	5.7	7.0	6.5	5.1	4.2
Downside 1					
UK GDP[1]	(0.1)	(2.1)	0.6	2.2	1.9
UK unemployment[2]	4.2	6.1	6.2	5.9	5.6
UK HPI[3]	(8.1)	(11.3)	(8.2)	5.0	7.0
UK bank rate	5.2	6.1	5.6	4.8	4.1
US GDP[1]	0.8	(2.0)	0.8	2.4	2.0
US unemployment[4]	4.1	6.7	7.1	6.5	5.8
US HPI[5]	(1.2)	(0.1)	(0.9)	2.7	3.8
US federal funds rate	5.2	4.9	4.5	4.3	3.8
Upside 2					
UK GDP[1]	1.2	4.1	3.2	2.6	2.3
UK unemployment[2]	3.9	3.6	3.5	3.6	3.6
UK HPI[3]	0.4	10.6	4.8	4.2	3.8
UK bank rate	4.4	3.3	2.5	2.5	2.5
US GDP[1]	2.2	3.9	3.0	2.8	2.8
US unemployment[4]	3.4	3.5	3.6	3.6	3.6
US HPI[5]	2.5	5.5	4.6	4.5	4.5
US federal funds rate	4.7	3.2	2.2	2.0	2.0
Upside 1					
UK GDP[1]	0.8	2.5	2.4	2.2	2.1
UK unemployment[2]	4.0	4.0	3.9	3.9	3.9
UK HPI[3]	(2.9)	4.5	3.4	4.3	4.7
UK bank rate	4.6	4.0	3.1	3.0	3.0
US GDP[1]	1.6	2.3	2.5	2.4	2.4
US unemployment[4]	3.6	4.1	4.1	4.1	4.1
US HPI[5]	0.9	4.6	3.5	3.6	3.6
US federal funds rate	4.8	3.4	2.6	2.5	2.5

1 *Average Real GDP seasonally adjusted change in year.*
2 *Average UK unemployment rate 16-year+.*
3 *Change in year end UK HPI = Halifax All Houses, All Buyers index, relative to prior year end.*
4 *Average US civilian unemployment rate 16-year+.*
5 *Change in year end US HPI = FHFA House Price Index, relative to prior year end.*

Macroeconomic variables used in the calculation of ECL

As at 31 December 2022	2022	2023	2024	2025	2026
Baseline	%	%	%	%	%
UK GDP[1]	3.3	(0.8)	0.9	1.8	1.9
UK unemployment[2]	3.7	4.5	4.4	4.1	4.2
UK HPI[3]	8.4	(4.7)	(1.7)	2.2	2.2
UK bank rate	1.8	4.4	4.1	3.8	3.4
US GDP[1]	1.8	0.5	1.2	1.5	1.5
US unemployment[4]	3.7	4.3	4.7	4.7	4.7
US HPI[5]	11.2	1.8	1.5	2.3	2.4
US federal funds rate	2.1	4.8	3.6	3.1	3.0
Downside 2					
UK GDP[1]	3.3	(3.4)	(3.8)	2.0	2.3
UK unemployment[2]	3.7	6.0	8.4	8.0	7.4
UK HPI[3]	8.4	(18.3)	(18.8)	(7.7)	8.2
UK bank rate	1.8	7.3	7.9	6.6	5.5
US GDP[1]	1.8	(2.7)	(3.4)	2.0	2.6
US unemployment[4]	3.7	6.0	8.5	8.1	7.1
US HPI[5]	11.2	(3.1)	(4.0)	(1.9)	4.8
US federal funds rate	2.1	6.6	6.9	5.8	4.6
Downside 1					
UK GDP[1]	3.3	(2.1)	(1.5)	1.9	2.1
UK unemployment[2]	3.7	5.2	6.4	6.0	5.8
UK HPI[3]	8.4	(11.7)	(10.6)	(2.8)	5.2
UK bank rate	1.8	5.9	6.1	5.3	4.6
US GDP[1]	1.8	(1.1)	(1.1)	1.7	2.1
US unemployment[4]	3.7	5.1	6.6	6.4	5.9
US HPI[5]	11.2	(0.7)	(1.3)	0.2	3.6
US federal funds rate	2.1	5.8	5.4	4.4	3.9
Upside 2					
UK GDP[1]	3.3	2.8	3.7	2.9	2.4
UK unemployment[2]	3.7	3.5	3.4	3.4	3.4
UK HPI[3]	8.4	8.7	7.5	4.4	4.2
UK bank rate	1.8	3.1	2.6	2.5	2.5
US GDP[1]	1.8	3.3	3.5	2.8	2.8
US unemployment[4]	3.7	3.3	3.3	3.3	3.3
US HPI[5]	11.2	5.8	5.1	4.5	4.5
US federal funds rate	2.1	3.6	2.9	2.8	2.8
Upside 1					
UK GDP[1]	3.3	1.0	2.3	2.4	2.1
UK unemployment[2]	3.7	4.0	3.9	3.8	3.8
UK HPI[3]	8.4	1.8	2.9	3.3	3.2
UK bank rate	1.8	3.5	3.3	3.0	2.8
US GDP[1]	1.8	1.9	2.3	2.2	2.2
US unemployment[4]	3.7	3.8	4.0	4.0	4.0
US HPI[5]	11.2	3.8	3.3	3.4	3.4
US federal funds rate	2.1	3.9	3.4	3.0	3.0

1 *Average Real GDP seasonally adjusted change in year.*
2 *Average UK unemployment rate 16-year+.*
3 *Change in year end UK HPI = Halifax All Houses, All Buyers index, relative to prior year end.*
4 *Average US civilian unemployment rate 16-year+.*
5 *Change in year end US HPI = FHFA House Price Index, relative to prior year end.*

Scenario probability weighting

	Upside 2 %	Upside 1 %	Baseline %	Downside 1 %	Downside 2 %
As at 30 June 2023					
Scenario probability weighting	**13.0**	**24.7**	**40.2**	**15.2**	**6.9**
As at 31 December 2022					
Scenario probability weighting	10.9	23.1	39.4	17.6	9.0

Specific bases show the most extreme position of each variable in the context of the downside/upside scenarios, for example, the highest unemployment for downside scenarios, average unemployment for baseline scenarios and lowest unemployment for upside scenarios. GDP and HPI downside and upside scenario data represents the lowest and highest cumulative position relative to the start point in the 20 quarter period.

Macroeconomic variables (specific bases)[1]

	Upside 2 %	Upside 1 %	Baseline %	Downside 1 %	Downside 2 %
As at 30 June 2023					
UK GDP[2]	15.1	11.2	1.3	(2.7)	(6.9)
UK unemployment[3]	3.5	3.9	4.2	6.5	8.5
UK HPI[4]	25.8	14.6	0.8	(25.2)	(41.5)
UK bank rate[3]	2.5	3.0	4.1	6.3	8.0
US GDP[2]	15.9	11.9	1.6	(2.3)	(6.2)
US unemployment[3]	3.3	3.5	4.4	7.2	9.8
US HPI[4]	23.6	17.2	2.1	(2.3)	(10.1)
US federal funds rate[3]	2.0	2.5	3.5	5.3	7.0
As at 31 December 2022					
UK GDP[2]	13.9	9.4	1.4	(3.2)	(6.8)
UK unemployment[3]	3.4	3.6	4.2	6.6	8.5
UK HPI[4]	37.8	21.0	1.2	(17.9)	(35.0)
UK bank rate[3]	0.5	0.5	3.5	6.3	8.0
US GDP[2]	14.1	9.6	1.3	(2.5)	(6.3)
US unemployment[3]	3.3	3.6	4.4	6.7	8.6
US HPI[4]	35.0	27.5	3.8	3.7	0.2
US federal funds rate[3]	0.1	0.1	3.3	6.0	7.0

1 UK GDP = Real GDP growth seasonally adjusted; UK unemployment = UK unemployment rate 16-year+; UK HI = Halifax All Houses, All Buyers Index; US GDP = Real GDP growth seasonally adjusted; US unemployment = US civilian unemployment rate 16-year+; US HPI = FHFA House Price Index. 20 quarter period starts from Q123 (2022: Q122).

2 Maximum growth relative to Q422 (2022: Q421), based on 20 quarter period in Upside scenarios; 5-year yearly average Compound Annual Growth Rate (CAGR) in Baseline; minimum growth relative to Q422 (2022: Q421), based on 20 quarter period in Downside scenarios.

3 Lowest quarter in 20 quarter period in Upside scenarios; 5-year average in Baseline; highest quarter 20 quarter period in Downside scenarios.

4 Maximum growth relative to Q422 (2022: Q421), based on 20 quarter period in Upside scenarios; 5-year quarter end CAGR in Baseline; minimum growth relative to Q422 (2022: Q421), based on 20 quarter period in Downside scenarios.

Average basis represents the average quarterly value of variables in the 20 quarter period with GDP and HPI based on yearly average and quarterly CAGRs respectively.

Macroeconomic variables (5-year averages)[1]

	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
As at 30 June 2023	%	%	%	%	%
UK GDP[2]	2.7	2.0	1.3	0.5	(0.3)
UK unemployment[3]	3.6	3.9	4.2	5.6	7.0
UK HPI[4]	4.7	2.8	0.8	(3.4)	(7.6)
UK bank rate[3]	3.0	3.6	4.1	5.2	6.4
US GDP[2]	2.9	2.3	1.6	0.8	—
US unemployment[3]	3.5	4.0	4.4	6.0	7.6
US HPI[4]	4.3	3.2	2.1	0.8	(0.5)
US federal funds rate[3]	2.8	3.2	3.5	4.5	5.7
As at 31 December 2022					
UK GDP[2]	3.0	2.2	1.4	0.7	—
UK unemployment[3]	3.5	3.8	4.2	5.4	6.7
UK HPI[4]	6.6	3.9	1.2	(2.6)	(6.4)
UK bank rate[3]	2.5	2.9	3.5	4.7	5.8
US GDP[2]	2.9	2.1	1.3	0.7	—
US unemployment[3]	3.4	3.9	4.4	5.5	6.7
US HPI[4]	6.2	5.0	3.8	2.5	1.2
US federal funds rate[3]	2.8	3.1	3.3	4.3	5.2

1 *UK GDP = Real GDP growth seasonally adjusted; UK unemployment = UK unemployment rate 16-year+; UK HPI = Halifax All Houses, All Buyers Index; US GDP = Real GDP growth seasonally adjusted; US unemployment = US civilian unemployment rate 16-year+; US HPI = FHFA House Price Index.*
2 *5-year yearly average CAGR, starting 2022 (2022: 2021).*
3 *5-year average. Period based on 20 quarters from Q123 (2022: Q122).*
4 *5-year quarter end CAGR, starting Q422 (2022: Q421).*

Analysis of management value at risk (VaR)

The table below shows the total management VaR on a diversified basis by asset class. Total management VaR includes all trading positions in CIB and Treasury and it is calculated with a one-day holding period. VaR limits are applied to total management VaR and by asset class. Additionally, the market risk management function applies VaR sub-limits to material businesses and trading desks.

Management VaR (95%) by asset class

	Half year ended 30.06.23			Half year ended 31.12.22			Half year ended 30.06.22		
	Average	High	Low	Average	High	Low	Average	High	Low
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Credit risk	48	57	38	35	71	17	16	24	8
Interest rate risk	16	25	9	16	23	10	10	19	4
Equity risk	6	10	3	10	16	4	10	29	4
Basis risk	15	24	11	15	20	11	9	24	4
Spread risk	10	14	7	8	11	5	5	10	3
Foreign exchange risk	3	6	1	5	17	3	10	25	2
Commodity risk	—	1	—	—	1	—	—	1	—
Inflation risk	9	11	6	7	11	5	6	17	3
Diversification effect[1]	(62)	n/a	n/a	(52)	n/a	n/a	(39)	n/a	n/a
Total management VaR	**45**	**60**	**35**	**44**	**72**	**27**	**27**	**44**	**14**

1 *Diversification effects recognise that forecast losses from different assets or businesses are unlikely to occur concurrently, hence the expected aggregate loss is lower than the sum of the expected losses from each area. Historical correlations between losses are taken into account in making these assessments. The high and low VaR figures reported for each category did not necessarily occur on the same day as the high and low VaR reported as a whole. Consequently, a diversification effect balance for the high and low VaR figures would not be meaningful and is therefore omitted from the above table.*

Average Management VaR was stable at £45m (H2 2022: £44m) and the range narrowed. Management VaR decreased in H1 2023 from a high of £73m as at November 2022, driven by a reduction in funded, fair value leverage loan exposure in Investment Banking and lower volatility. Market volatility and credit spread levels declined in H1 2023 as geopolitical tensions eased, inflation decreased and the pace of interest rate rises moderated.

Funding and liquidity

Overview

The Liquidity pool increased to £216bn (December 2022: £191bn) driven by deposit growth. The Barclays Bank PLC Domestic Liquidity Subgroup ('DoLSub') Liquidity Coverage Ratio (LCR) remained well above the 100% regulatory requirement at 155% (December 2022: 148%), reflecting the increase in High Quality Liquid Assets (HQLA) relative to net cash outflows versus the year-end position.

For the purpose of liquidity management, Barclays Bank PLC and its subsidiary Barclays Capital Securities Limited, a UK broker dealer entity, are monitored on a combined basis by the PRA under the Barclays Bank PLC DoLSub arrangement.

Liquidity risk stress testing

The Internal Liquidity Stress Tests (ILST) measure the potential contractual and contingent stress outflows under a range of scenarios, which are then used to determine the size of the liquidity pool that is immediately available to meet anticipated outflows if a stress occurs. The scenarios include a 30 day Barclays-specific stress event, a 90 day market-wide stress event and a 30 day combined scenario consisting of both a Barclays-specific and market-wide stress event.

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

As at 30 June 2023, Barclays Bank PLC DoLSub held eligible liquid assets well above 100% of the net cash outflows to its internal and regulatory requirements. The proportional split of the liquidity pool between cash and deposits with central banks, government bonds and other eligible securities is broadly similar to the Barclays Group. The Barclays Bank PLC DoLSub liquidity pool was held entirely within Barclays Bank PLC.

	As at 30.06.23	As at 31.12.22
	£bn	£bn
Barclays Bank PLC DoLSub Liquidity Pool	216	191

	%	%
Barclays Bank PLC DoLSub Liquidity Coverage Ratio	155	148

Capital and leverage

Barclays Bank PLC capital requirements are set by the PRA at a solo-consolidated level. Barclays Bank PLC solo-consolidated comprises Barclays Bank PLC plus certain additional subsidiaries, whose inclusion within the consolidation is subject to PRA approval. On 20 December 2022, the PRA granted permission for leverage minimum requirements to be set at the sub-consolidated level for Barclays Bank PLC effective from 1 January 2023 replacing the individual requirement that was due to become effective at that time. The sub-consolidated group represents the Barclays Bank Group on a regulatory scope of consolidation subject to PRA approval.

The disclosures below provide key capital metrics for Barclays Bank PLC on a solo-consolidated basis and leverage metrics on a sub-consolidated basis. Further information on the risk profile will be included in the Barclays Bank PLC Interim 2023 Pillar 3 Report, expected to be published on 11 August 2023, and which will be available at home.barclays/investor-relations/reports-and-events.

In the disclosures that follow, 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.

As at 30 June 2023, the Barclays Bank PLC solo-consolidated CET1 ratio was 12.5% which is above its minimum regulatory requirement of 9.9%.

Capital ratios[1,2,4]	As at 30.06.23	As at 31.12.22
CET1	12.5%	12.7%
Tier 1 (T1)	16.9%	16.7%
Total regulatory capital	20.1%	20.8%

Capital resources	As at 30.06.23 £m	As at 31.12.22 £m
CET1 capital	25,607	25,907
T1 capital	34,546	34,139
Total regulatory capital	41,068	42,321
Risk weighted assets (RWAs)	204,351	203,833

Barclays Bank PLC is required to disclose a UK leverage ratio at a sub-consolidated level based on capital and exposure on the last day of the quarter. Additionally, it is also required to disclose an average UK leverage ratio based on capital on the last day of each month in the quarter and an exposure measure for each day in the quarter.

Leverage ratio BBPLC Sub-consolidated[1,3,4,5]	As at 30.06.23 £m
UK leverage ratio	5.9 %
T1 capital	55,032
UK leverage exposure	937,242
Average UK leverage ratio	5.4 %
Average T1 Capital	55,383
Average UK leverage exposure	1,016,946

1 *Capital, RWAs and leverage are calculated applying the transitional arrangements of the CRR as amended by CRR II. This includes IFRS 9 transitional arrangements and the grandfathering of CRR II non-compliant capital instruments.*
2 *The fully loaded CET1 ratio was 12.5%, with £25.6bn of CET1 capital and £204.3bn of RWAs calculated without applying the transitional arrangements of the CRR as amended by CRR II.*
3 *No comparatives are provided for Leverage as this is the first reporting period for Barclays Bank PLC sub-consolidated.*
4 *The fully loaded Barclays Bank PLC Solo-consolidated and Barclays Bank PLC sub-consolidated CET1 ratios, as are relevant for assessing against the conversion triggers in Barclays Bank PLC AT1 securities (all of which are held by Barclays PLC), were 12.5% and 16.4% respectively calculated without applying the transitional arrangements of the CRR as amended by CRR II.*
5 *The CET1 capital held against the 0.1% countercyclical leverage ratio buffer was £0.9bn*

Statement of Directors' Responsibilities

The Directors (the names of whom are set out below) are required to prepare the financial statements on a going concern basis unless it is not appropriate to do so. In making this assessment, the Directors have considered information relating to present and future conditions. Each of the Directors confirm that, to the best of their knowledge, the condensed consolidated interim financial statements set out on pages 25 to 30 have been prepared in accordance with (a) UK-adopted International Accounting Standard 34, Interim Financial Reporting, (b) International Accounting Standard 34, Interim Financial Reporting, as published by the International Accounting Standards Board (IASB) and (c) International Accounting Standard 34, Interim Financial Reporting, as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union (EU) and that the interim management report herein includes a fair review of the following information:

- *an indication of important events that have occurred during the six months ended 30 June 2023 and their impact on the condensed consolidated interim financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year, and*
- *any related party transactions in the six months ended 30 June 2023 that have materially affected the financial position or performance of the Barclays Bank Group during that period and any changes in the related party transactions described in the last Annual Report that could have a material effect on the financial position or performance of the Barclays Bank Group in the six months ended 30 June 2023,*

in *accordance with (i) Rule 4.2.7 of the Disclosure Guidance and Transparency Rules of the UK's Financial Conduct Authority, and (ii) Regulations 8(2) and (3) of the Transparency (Directive 2004/109/EC) Regulations 2007 of Ireland (as amended).*

Signed on 26 July 2023 on behalf of the Board by

C.S. Venkatakrishnan
Barclays Bank Group - Chief Executive

Steven Ewart
Barclays Bank Group - Chief Financial Officer

Barclays Bank PLC - Board of Directors:

Chairman
Nigel Higgins

Executive Directors
C.S. Venkatakrishnan
Anna Cross

Non-Executive Directors
Robert Berry
Mohamed A. El-Erian
Dawn Fitzpatrick
Mary Francis CBE
Marc Moses
Diane Schueneman
Julia Wilson

Conclusion

We have been engaged by Barclays Bank PLC ("the Company" or "Group") to review the condensed set of financial statements in the Interim Results Announcement for the six months ended 30 June 2023 which comprises:

- the condensed consolidated income statement and condensed consolidated statement of comprehensive income for the period then ended;
- the condensed consolidated balance sheet as at 30 June 2023;
- the condensed consolidated statement of changes in equity for the period then ended;
- the condensed consolidated cash flow statement for the period then ended; and
- the related explanatory notes.

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the Interim Results Announcement for the six months ended 30 June 2023 is not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting* as adopted for use in the UK, the Disclosure Guidance and Transparency Rules ("the DTR") of the UK's Financial Conduct Authority ("the UK FCA") and the Transparency (Directive 2004/109/EC) Regulations 2007 of Ireland (as amended).

Basis for conclusion

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

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

Conclusions relating to going concern

Based on our review procedures, which are less extensive than those performed in an audit as described in the Basis for conclusion section of this report, nothing has come to our attention that causes us to believe that the directors have inappropriately adopted the going concern basis of accounting, or that the directors have identified material uncertainties relating to going concern that have not been appropriately disclosed.

This conclusion is based on the review procedures performed in accordance with ISRE (UK) 2410. However, future events or conditions may cause the Group to cease to continue as a going concern, and the above conclusions are not a guarantee that the Group will continue in operation.

Directors' responsibilities

The Interim Results Announcement is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the Interim Results Announcement in accordance with the DTR of the UK FCA and the Transparency (Directive 2004/109/EC) Regulations 2007 of Ireland (as amended).

As disclosed in note 1, the annual financial statements of the Barclays Bank PLC Group are prepared in accordance with UK-adopted international accounting standards.

The directors are responsible for preparing the condensed set of financial statements included in the Interim Results Announcement in accordance with IAS 34 as adopted for use in the UK.

In preparing the condensed set of financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Our responsibility

Our responsibility is to express to the Company a conclusion on the condensed set of financial statements in the Interim Results Announcement based on our review. Our conclusion, including our conclusions relating to going concern, are based on procedures that are less extensive than audit procedures, as described in the Basis for conclusion section of this report.

The purpose of our review work and to whom we owe our responsibilities
This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the DTR of the UK FCA and the Transparency (Directive 2004/109/EC) Regulations 2007 of Ireland (as amended). Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company for our review work, for this report, or for the conclusions we have reached.

Stuart Crisp
for and on behalf of KPMG LLP
Chartered Accountants
15 Canada Square
London, E14 5GL
26 July 2023

Condensed consolidated income statement (unaudited)

	Notes[1]	Half year ended 30.06.23 £m	Half year ended 30.06.22 £m
Interest and similar income		10,692	4,098
Interest and similar expense		(7,572)	(1,865)
Net interest income		**3,120**	**2,233**
Fee and commission income	3	4,527	4,008
Fee and commission expense	3	(1,721)	(1,169)
Net fee and commission income	3	**2,806**	**2,839**
Net trading income		3,853	5,026
Net investment expense		(14)	(139)
Other income		39	31
Total income		**9,804**	**9,990**
Staff costs		(2,827)	(2,600)
Infrastructure, administration and general expenses		(3,125)	(2,659)
Litigation and conduct		(34)	(1,833)
Operating expenses		**(5,986)**	**(7,092)**
Share of post-tax results of associates and joint ventures		2	—
Profit before Impairment		**3,820**	**2,898**
Credit impairment charge		(688)	(293)
Profit before tax		**3,132**	**2,605**
Tax charge		(525)	(476)
Profit after tax		**2,607**	**2,129**
Attributable to:			
Equity holders of the parent		2,188	1,801
Other equity instrument holders		419	328
Profit after tax		**2,607**	**2,129**

1 *For notes to the Financial Statements see pages 31 to 49.*

Condensed consolidated statement of comprehensive income (unaudited)

	Notes[1]	Half year ended 30.06.23 £m	Half year ended 30.06.22 £m
Profit after tax		**2,607**	**2,129**
Other comprehensive (loss)/income that may be recycled to profit or loss[2]			
Currency translation reserve	9	(1,325)	2,008
Fair value through other comprehensive income reserve	9	58	(799)
Cash flow hedging reserve	9	(383)	(2,874)
Other comprehensive loss that may be recycled to profit or loss		**(1,650)**	**(1,665)**
Other comprehensive (loss)/income not recycled to profit or loss			
Retirement benefit remeasurements	8	(476)	1,090
Own credit	9	(494)	855
Other comprehensive (loss)/income not recycled to profit or loss		**(970)**	**1,945**
Other comprehensive (loss)/income for the period		**(2,620)**	**280**
Total comprehensive (loss)/income for the period		**(13)**	**2,409**

1 *For notes to the Financial Statements see pages 31 to 49.*
2 *Reported net of tax.*

Condensed consolidated balance sheet (unaudited)

Assets	Notes[1]	As at 30.06.23 £m	As at 31.12.22 £m
Cash and balances at central banks		211,644	202,142
Cash collateral and settlement balances		123,955	107,862
Debt securities at amortised cost[2]		35,245	27,303
Loans and advances at amortised cost to banks		10,433	8,961
Loans and advances at amortised cost to customers		137,559	146,243
Reverse repurchase agreements and other similar secured lending		1,293	725
Trading portfolio assets		165,095	133,771
Financial assets at fair value through the income statement		233,105	211,128
Derivative financial instruments		266,128	302,976
Financial assets at fair value through other comprehensive income		47,032	45,084
Investments in associates and joint ventures		27	26
Goodwill and intangible assets		1,531	1,665
Property, plant and equipment		1,305	1,379
Current tax assets		167	737
Deferred tax assets		4,795	4,583
Retirement benefit assets	8	4,140	4,743
Other assets		3,182	4,209
Total assets		**1,246,636**	**1,203,537**
Liabilities			
Deposits at amortised cost from banks		26,964	20,124
Deposits at amortised cost from customers		280,856	271,455
Cash collateral and settlement balances		114,289	96,811
Repurchase agreements and other similar secured borrowing		25,156	11,965
Debt securities in issue		58,377	60,012
Subordinated liabilities	6	36,325	38,253
Trading portfolio liabilities		70,269	72,460
Financial liabilities designated at fair value		311,595	272,055
Derivative financial instruments		254,794	289,206
Current tax liabilities		347	422
Retirement benefit liabilities	8	180	184
Other liabilities		8,404	10,779
Provisions	7	732	858
Total liabilities		**1,188,288**	**1,144,584**
Equity			
Called up share capital and share premium		2,348	2,348
Other equity instruments		11,304	10,691
Other reserves	9	(3,388)	(1,464)
Retained earnings		48,084	47,378
Total equity		**58,348**	**58,953**
Total liabilities and equity		**1,246,636**	**1,203,537**

1 *For notes to the Financial Statements see pages 31 to 49.*
2 *For the fair value of debt securities at amortised cost see page 40.*

Condensed consolidated statement of changes in equity (unaudited)

Half year ended 30.06.23	Called up share capital and share premium £m	Other equity instruments[1] £m	Other reserves[2] £m	Retained earnings £m	Total equity £m
Balance as at 1 January 2023	**2,348**	**10,691**	**(1,464)**	**47,378**	**58,953**
Profit after tax	—	419	—	2,188	2,607
Currency translation movements	—	—	(1,325)	—	(1,325)
Fair value through other comprehensive income reserve	—	—	58	—	58
Cash flow hedges	—	—	(383)	—	(383)
Retirement benefit remeasurements	—	—	—	(476)	(476)
Own credit	—	—	(494)	—	(494)
Total comprehensive income for the period	**—**	**419**	**(2,144)**	**1,712**	**(13)**
Issue and exchange of equity instruments	—	613	—	—	613
Other equity instruments coupons paid	—	(419)	—	—	(419)
Equity settled share schemes	—	—	—	241	241
Vesting of Barclays PLC shares under equity settled share schemes	—	—	—	(430)	(430)
Dividends paid - ordinary shares	—	—	—	(700)	(700)
Dividends paid - preference shares	—	—	—	(19)	(19)
Own credit realisation	—	—	—	—	—
Net equity impact on intra group transfers	—	—	220	(96)	124
Other movements	—	—	—	(2)	(2)
Balance as at 30 June 2023	**2,348**	**11,304**	**(3,388)**	**48,084**	**58,348**

Half year ended 31.12.22	Called up share capital and share premium £m	Other equity instruments[1] £m	Other reserves[2] £m	Retained earnings £m	Total equity £m
Balance as at 1 July 2022	**2,348**	**9,794**	**53**	**46,721**	**58,916**
Profit after tax	—	404	—	1,849	2,253
Currency translation movements	—	—	403	—	403
Fair value through other comprehensive income reserve	—	—	(425)	—	(425)
Cash flow hedges	—	—	(2,065)	—	(2,065)
Retirement benefit remeasurements	—	—	—	(1,372)	(1,372)
Own credit	—	—	608	—	608
Total comprehensive income for the period	**—**	**404**	**(1,479)**	**477**	**(598)**
Issue and exchange of other equity instruments	—	897	—	8	905
Other equity instruments coupons paid	—	(404)	—	—	(404)
Equity settled share schemes	—	—	—	177	177
Vesting of Barclays PLC shares under equity settled share schemes	—	—	—	(11)	(11)
Dividends paid - ordinary shares	—	—	—	—	—
Dividends paid - preference shares	—	—	—	(16)	(16)
Own credit realisation	—	—	(36)	36	—
Capital contribution from Barclays PLC	—	—	—	—	—
Other movements	—	—	(2)	(14)	(16)
Balance as at 31 December 2022	**2,348**	**10,691**	**(1,464)**	**47,378**	**58,953**

Condensed consolidated statement of changes in equity (unaudited)

Half year ended 30.06.22	Called up share capital and share premium £m	Other equity instruments[1] £m	Other reserves[2] £m	Retained earnings £m	Total equity £m
Balance as at 1 January 2022	**2,348**	**9,693**	**861**	**43,415**	**56,317**
Profit after tax	—	328	—	1,801	2,129
Currency translation movements	—	—	2,008	—	2,008
Fair value through other comprehensive income reserve	—	—	(799)	—	(799)
Cash flow hedges	—	—	(2,874)	—	(2,874)
Retirement benefit remeasurements	—	—	—	1,090	1,090
Own credit	—	—	855	—	855
Total comprehensive income for the period	**—**	**328**	**(810)**	**2,891**	**2,409**
Issue and exchange of other equity instruments		101		30	131
Other equity instruments coupon paid	—	(328)	—	—	(328)
Equity settled share schemes	—	—	—	242	242
Vesting of Barclays PLC shares under equity settled share schemes	—	—	—	(402)	(402)
Dividends paid - ordinary shares	—	—	—	(200)	(200)
Dividends paid - preference shares	—	—	—	(15)	(15)
Own credit realisation	—	—	—	—	—
Capital contribution from Barclays PLC	—	—	—	750	750
Other movements	—	—	2	10	12
Balance as at 30 June 2022	**2,348**	**9,794**	**53**	**46,721**	**58,916**

1 *Other equity instruments of £11,304m (December 2022: £10,691m) comprise AT1 securities issued to Barclays PLC. Barclays PLC uses funds from market issuances to purchase AT1 securities from Barclays Bank PLC. There were two issuances in the form of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities totalling £1,113m which includes issuance cost of £11m and one redemption for £500m for the period ended 30 June 2023. During the period ended 31 December 2022, there were three issuances in the form of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities totalling £3,134m, which includes issuance costs of £32m and two redemptions totalling £2,136m.*

2 *Details of other reserves are shown on pages 42.*

Condensed consolidated cash flow statement (unaudited)

	Half year ended 30.06.23 £m	Half year ended 30.06.22 £m
Profit before tax	3,132	2,605
Adjustment for non-cash items	5,832	(7,938)
Net decrease/(increase) in loans and advances at amortised cost	8,081	(22,252)
Net increase in deposits at amortised cost	16,241	48,637
Net (decrease)/increase in debt securities in issue	(1,635)	20,268
Changes in other operating assets and liabilities	308	14,462
Corporate income tax received/(paid)	174	(280)
Net cash from operating activities	**32,133**	**55,502**
Net cash from investing activities	(11,947)	(7,071)
Net cash from financing activities	(1,114)	488
Effect of exchange rates on cash and cash equivalents	(6,546)	7,045
Net increase in cash and cash equivalents	**12,526**	**55,964**
Cash and cash equivalents at beginning of the period	219,854	185,860
Cash and cash equivalents at end of the period	**232,380**	**241,824**

1. Basis of preparation

These condensed consolidated interim financial statements ("the financial statements") for the six months ended 30 June 2023 have been prepared in accordance with (a) the Disclosure Guidance and Transparency Rules (DTR) of the UK's Financial Conduct Authority (FCA), (b) the Transparency (Directive 2004/109/EC) Regulations 2007 of Ireland (as amended), and (c) (i) UK adopted IAS 34, Interim Financial Reporting (ii) IAS 34, Interim Financial Reporting, as published by the International Accounting Standards Board (IASB), and (iii) IAS 34, Interim Financial Reporting as adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union (EU). UK adopted IAS 34 and EU adopted IAS 34 are currently the same and were the same as at 31 December 2022.

The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2022. The annual financial statements for the year ended 31 December 2022 were prepared in accordance with the requirements of the Companies Act 2006 and in accordance with (i) UK-adopted international accounting standards (ii) International Financial Reporting Standards (IFRS) and interpretations (IFRICs) as issued by the IASB, and (iii) IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the EU. UK adopted IFRS and EU adopted IFRS are currently the same and were the same as at 31 December 2022.

The accounting policies and methods of computation used in these condensed consolidated interim financial statements are the same as those used in the Barclays Bank PLC Annual Report 2022.

1. Going concern

The financial statements are prepared on a going concern basis, as the Directors are satisfied that the Barclays Bank Group and parent company have the resources to continue in business for a period of at least 12 months from approval of the interim financial statements. In making this assessment, the Directors have considered a wide range of information relating to present and future conditions which includes a review of a working capital report (WCR). The WCR is used by the Directors to assess the future performance of the Barclays Bank Group and that it has the resources in place that are required to meet its ongoing regulatory requirements. The WCR includes an assessment of the impact of internally generated stress testing scenarios on the liquidity and capital requirements forecasts. The stress tests used were based upon an assessment of reasonably possible downside economic scenarios that the Barclays Bank Group could experience.

The WCR indicated that the Barclays Bank Group had sufficient capital in place to support its future business requirements and remained above its regulatory minimum requirements in the internal stress scenarios.

2. Other disclosures

The Credit risk disclosures on pages 6 to 18 form part of these interim financial statements.

2. Segmental reporting

Analysis of results by business

Half year ended 30.06.23	Corporate and Investment Bank £m	Consumer, Cards and Payments £m	Head Office £m	Barclays Bank Group £m
Total income	**7,362**	**2,599**	**(157)**	**9,804**
Operating expenses	(4,324)	(1,544)	(84)	(5,952)
Litigation and conduct	2	(32)	(4)	(34)
Total operating expenses	**(4,322)**	**(1,576)**	**(88)**	**(5,986)**
Other net income[1]	2	—	—	2
Profit/(loss) before impairment	**3,042**	**1,023**	**(245)**	**3,820**
Credit impairment charge	(20)	(659)	(9)	(688)
Profit/(loss) before tax	**3,022**	**364**	**(254)**	**3,132**

As at 30.06.23	£bn	£bn	£bn	£bn
Total assets	**1,147.2**	**88.0**	**11.4**	**1,246.6**
Total liabilities	**1,105.7**	**82.4**	**0.2**	**1,188.3**

Half year ended 30.06.22	Corporate and Investment Bank £m	Consumer, Cards and Payments £m	Head Office £m	Barclays Bank Group £m
Total income	**8,086**	**1,992**	**(88)**	**9,990**
Operating expenses	(3,912)	(1,285)	(62)	(5,259)
Litigation and conduct	(1,632)	(200)	(1)	(1,833)
Total operating expenses	**(5,544)**	**(1,485)**	**(63)**	**(7,092)**
Other net income[1]	—	—	—	—
Profit/(loss) before impairment	**2,542**	**507**	**(151)**	**2,898**
Credit impairment (charge)/release	(31)	(278)	16	(293)
Profit/(loss) before tax	**2,511**	**229**	**(135)**	**2,605**

As at 31.12.22	£bn	£bn	£bn	£bn
Total assets	**1,111.2**	**79.9**	**12.4**	**1,203.5**
Total liabilities	**1,058.2**	**85.0**	**1.4**	**1,144.6**

Split of income by geographic region[2]

	Half year ended 30.06.23 £m	Half year ended 30.06.22 £m
United Kingdom	3,555	4,674
Europe	1,255	1,310
Americas	4,234	3,276
Africa and Middle East	42	31
Asia	718	699
Total	**9,804**	**9,990**

1 *Other net income represents the share of post-tax results of associates and joint ventures.*
2 *The geographical analysis is based on the location of the office where the transactions are recorded.*

3. Net fee and commission income

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

Half year ended 30.06.23	Corporate and Investment Bank £m	Consumer, Cards and Payments £m	Head Office £m	Total £m
Fee type				
Transactional	242	1,583	—	1,825
Advisory	363	94	—	457
Brokerage and execution	999	43	—	1,042
Underwriting and syndication	1,036	—	—	1,036
Other	49	36	8	93
Total revenue from contracts with customers	**2,689**	**1,756**	**8**	**4,453**
Other non-contract fee income	71	3	—	74
Fee and commission income	**2,760**	**1,759**	**8**	**4,527**
Fee and commission expense	(747)	(973)	(1)	(1,721)
Net fee and commission income	**2,013**	**786**	**7**	**2,806**

Half year ended 30.06.22	Corporate and Investment Bank £m	Consumer, Cards and Payments £m	Head Office £m	Total £m
Fee type				
Transactional	216	1,229	—	1,445
Advisory	440	72	—	512
Brokerage and execution	734	28	—	762
Underwriting and syndication	1,101	—	—	1,101
Other	30	78	11	119
Total revenue from contracts with customers	**2,521**	**1,407**	**11**	**3,939**
Other non-contract fee income	67	2	—	69
Fee and commission income	**2,588**	**1,409**	**11**	**4,008**
Fee and commission expense	(461)	(707)	(1)	(1,169)
Net fee and commission income	**2,127**	**702**	**10**	**2,839**

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

Advisory fees are generated from wealth management services and investment banking advisory services related to mergers, acquisitions and financial restructurings.

Brokerage and execution fees are earned for executing client transactions with various exchanges and over-the-counter markets and assisting clients in clearing transactions and facilitating foreign exchange transactions for spot/forward contracts.

Underwriting and syndication fees are earned for the distribution of client equity or debt securities and the arrangement and administration of a loan syndication. These include commitment fees to provide loan financing.

4. Dividends on ordinary shares and preference shares

Dividends paid during the period	Half year ended 30.06.23 £m	Half year ended 30.06.22 £m
Ordinary shares	700	200
Preference shares	19	15
Total	**719**	**215**

An interim dividend in respect of six months ended 30 June 2023 of £648m was declared on 26 July 2023.

5. Fair value of financial instruments

This section should be read in conjunction with Note 16, Fair value of financial instruments of the Barclays Bank PLC Annual Report 2022, which provides more detail about accounting policies adopted, valuation methodologies used in calculating fair value and the valuation control framework which governs oversight of valuations. There have been no changes in the accounting policies adopted or the valuation methodologies used.

Valuation

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

	Valuation technique using			
	Quoted market prices (Level 1)	Observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
As at 30.06.23	£m	£m	£m	£m
Trading portfolio assets	86,232	72,064	6,799	165,095
Financial assets at fair value through the income statement	6,067	220,867	6,171	233,105
Derivative financial instruments	3,484	258,112	4,532	266,128
Financial assets at fair value through other comprehensive income	18,683	28,299	50	47,032
Investment property	—	—	2	2
Total assets	**114,466**	**579,342**	**17,554**	**711,362**
Trading portfolio liabilities	(36,740)	(33,477)	(52)	(70,269)
Financial liabilities designated at fair value	(115)	(310,388)	(1,092)	(311,595)
Derivative financial instruments	(4,064)	(245,461)	(5,269)	(254,794)
Total liabilities	**(40,919)**	**(589,326)**	**(6,413)**	**(636,658)**
As at 31.12.22				
Trading portfolio assets	62,469	64,822	6,480	133,771
Financial assets at fair value through the income statement	5,647	199,370	6,111	211,128
Derivative financial instruments	10,054	287,749	5,173	302,976
Financial assets at fair value through other comprehensive income	15,029	30,051	4	45,084
Investment property	—	—	5	5
Total assets	**93,199**	**581,992**	**17,773**	**692,964**
Trading portfolio liabilities	(43,679)	(28,725)	(56)	(72,460)
Financial liabilities designated at fair value	(133)	(270,880)	(1,042)	(272,055)
Derivative financial instruments	(10,823)	(272,020)	(6,363)	(289,206)
Total liabilities	**(54,635)**	**(571,625)**	**(7,461)**	**(633,721)**

The following table shows the Barclays Bank Group's Level 3 assets and liabilities that are held at fair value disaggregated by product type:

	As at 30.06.23		As at 31.12.22	
	Assets	Liabilities	Assets	Liabilities
	£m	£m	£m	£m
Interest rate derivatives	2,520	(2,043)	2,361	(2,858)
Foreign exchange derivatives	182	(176)	1,513	(1,474)
Credit derivatives	342	(694)	290	(603)
Equity derivatives	1,488	(2,356)	1,009	(1,428)
Corporate debt	1,710	(35)	1,677	(49)
Reverse repurchase and repurchase agreements	44	(643)	37	(434)
Non-asset backed loans	7,946	—	8,105	—
Private equity investments	138	—	140	—
Other[1]	3,184	(466)	2,641	(615)
Total	**17,554**	**(6,413)**	**17,773**	**(7,461)**

1 *Other includes commercial real estate loans, fund and fund-linked products, asset backed loans, asset backed securities, equity cash products, issued debt, commercial paper, Government and Government sponsored debt and investment property.*

Assets and liabilities reclassified between Level 1 and Level 2

During the period there were no material transfers between Level 1 and Level 2 (year ended December 2022: no material transfers between Level 1 and Level 2).

Level 3 movement analysis

The following table summarises the movements in the balances of Level 3 assets and liabilities during the period. The table shows gains and losses and includes amounts for all financial assets and liabilities that are held at fair value transferred to and from Level 3 during the period. Transfers have been reflected as if they had taken place at the beginning of the period.

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

Level 3 movement analysis

	As at 01.01.23 £m	Purchases £m	Sales £m	Issues £m	Settle-ments £m	Total gains and (losses) in the period recognised in the income statement: Trading income £m	Total gains and (losses) in the period recognised in the income statement: Other income £m	Total gains or (losses) recognised in OCI £m	Transfers: In £m	Transfers: Out £m	As at 30.06.23 £m
Corporate debt	595	338	(118)	—	(53)	5	—	—	36	(29)	774
Non-asset backed loans	4,837	919	(1,152)	—	(311)	4	—	—	556	(334)	4,519
Other	1,048	1,028	(606)	—	(38)	(43)	—	—	430	(313)	1,506
Trading portfolio assets	**6,480**	**2,285**	**(1,876)**	**—**	**(402)**	**(34)**	**—**	**—**	**1,022**	**(676)**	**6,799**
Corporate debt	1,079	—	(120)	—	—	(20)	(3)	—	—	—	936
Non-asset backed loans	3,268	1,053	(305)	—	(483)	(33)	(42)	—	28	(106)	3,380
Private equity investments	140	—	—	—	(5)	(5)	8	—	—	—	138
Reverse repurchase and repurchase agreements	38	—	—	—	—	(11)	—	—	46	(29)	44
Other	1,586	794	(530)	—	(150)	(23)	(10)	—	22	(16)	1,673
Financial assets at fair value through the income statement	**6,111**	**1,847**	**(955)**	**—**	**(638)**	**(92)**	**(47)**	**—**	**96**	**(151)**	**6,171**
Non-asset backed loans	—	47	—	—	—	—	—	—	—	—	47
Other	4	—	—	—	(1)	—	—	—	—	—	3
Financial assets at fair value through other comprehensive income	**4**	**47**	**—**	**—**	**(1)**	**—**	**—**	**—**	**—**	**—**	**50**
Investment property	**5**	**—**	**—**	**—**	**—**	**—**	**(3)**	**—**	**—**	**—**	**2**
Trading portfolio liabilities	**(56)**	**(16)**	**4**	**—**	**—**	**15**	**—**	**—**	**(8)**	**9**	**(52)**
Financial liabilities designated at fair value	**(1,042)**	**—**	**—**	**(226)**	**—**	**4**	**(1)**	**—**	**(290)**	**463**	**(1,092)**
Interest rate derivatives	(497)	—	—	—	19	(35)	—	—	544	446	477
Foreign exchange derivatives	39	—	—	—	—	(31)	—	—	13	(15)	6
Credit derivatives	(313)	(191)	5	—	66	13	—	—	52	16	(352)
Equity derivatives	(419)	(90)	—	—	(132)	(135)	—	—	(104)	12	(868)
Net derivative financial instruments[1]	**(1,190)**	**(281)**	**5**	**—**	**(47)**	**(188)**	**—**	**—**	**505**	**459**	**(737)**
Total	**10,312**	**3,882**	**(2,822)**	**(226)**	**(1,088)**	**(295)**	**(51)**	**—**	**1,325**	**104**	**11,141**

1 *Derivative financial instruments are represented on a net basis. On a gross basis, derivative financial assets were £4,532m and derivative financial liabilities were £5,269m.*

Level 3 movement analysis

	As at 01.01.22	Purchases	Sales	Issues	Settle-ments	Total gains and (losses) in the period recognised in the income statement		Total gains or (losses) recognised in OCI	Transfers		As at 30.06.22
						Trading income	Other income		In	Out	
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Corporate debt	389	90	(144)	—	(17)	54	—	—	43	(11)	404
Non-asset backed loans	758	2,448	(459)	—	—	11	—	—	50	(113)	2,695
Other	1,134	419	(178)	—	(302)	60	—	—	191	(167)	1,157
Trading portfolio assets	**2,281**	**2,957**	**(781)**	**—**	**(319)**	**125**	**—**	**—**	**284**	**(291)**	**4,256**
Corporate debt	816	45	—	—	(148)	55	—	—	—	—	768
Non-asset backed loans	2,985	1,848	(757)	—	(315)	(76)	—	—	52	—	3,737
Private equity investments	148	19	(60)	—	—	7	11	—	3	(4)	124
Reverse repurchase and repurchase agreements	13	66	—	—	(12)	16	—	—	95	—	178
Other	2,117	4,706	(5,579)	—	5	(59)	181	—	4	(19)	1,356
Financial assets at fair value through the income statement	**6,079**	**6,684**	**(6,396)**	**—**	**(470)**	**(57)**	**192**	**—**	**154**	**(23)**	**6,163**
Non-asset backed loans	—	—	—	—	—	—	—	—	—	—	—
Other	38	—	—	—	—	—	—	(2)	—	—	36
Financial assets at fair value through other comprehensive income	**38**	**—**	**—**	**—**	**—**	**—**	**—**	**(2)**	**—**	**—**	**36**
Investment property	**7**	**—**	**(1)**	**—**	**—**	**—**	**(1)**	**—**	**—**	**—**	**5**
Trading portfolio liabilities	**(27)**	**(35)**	**3**	**—**	**—**	**(29)**	**—**	**—**	**—**	**6**	**(82)**
Financial liabilities designated at fair value	**(404)**	**(5)**	**—**	**(13)**	**47**	**(22)**	**2**	**—**	**(81)**	**37**	**(439)**
Interest rate derivatives	(260)	25	—	—	(4)	(305)	(9)	—	271	6	(276)
Foreign exchange derivatives	2	—	—	—	(9)	273	—	—	(65)	25	226
Credit derivatives	(386)	(36)	5	—	60	(99)	—	—	20	55	(381)
Equity derivatives	(1,405)	(83)	—	—	170	980	—	—	(9)	272	(75)
Net derivative financial instruments[1]	**(2,049)**	**(94)**	**5**	**—**	**217**	**849**	**(9)**	**—**	**217**	**358**	**(506)**
Total	**5,925**	**9,507**	**(7,170)**	**(13)**	**(525)**	**866**	**184**	**(2)**	**574**	**87**	**9,433**

1 *Derivative financial instruments are presented on a net basis. On a gross basis, derivative financial assets were £3,873m and derivative financial liabilities were £4,379m.*

Unrealised gains and losses on Level 3 financial assets and liabilities

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

	Half year ended 30.06.23				Half year ended 30.06.22			
	Income statement		Other compre-hensive income		Income statement		Other compre-hensive income	
	Trading income	Other income		Total	Trading income	Other income		Total
	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	(35)	—	—	(35)	121	—	—	121
Financial assets at fair value through the income statement	(87)	(50)	—	(137)	16	9	—	25
Financial assets at fair value through other comprehensive income	—	—	—	—	—	—	(2)	(2)
Investment properties	—	(3)	—	(3)	—	(1)	—	(1)
Trading portfolio liabilities	15	—	—	15	(35)	—	—	(35)
Financial liabilities designated at fair value	2	(1)	—	1	(14)	—	—	(14)
Net derivative financial instruments	(186)	—	—	(186)	862	(1)	—	861
Total	**(291)**	**(54)**	—	**(345)**	**950**	**7**	**(2)**	**955**

Valuation techniques and sensitivity analysis

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

Sensitivities are dynamically calculated on a monthly basis. The calculation is based on range or spread data of a reliable reference source or a scenario based on relevant market analysis alongside the impact of using alternative models. Sensitivities are calculated without reflecting the impact of any diversification in the portfolio.

Current period valuation and sensitivity methodologies are consistent with those described within Note 16, Fair value of financial instruments in the Barclays Bank PLC Annual Report 2022.

Sensitivity analysis of valuations using unobservable inputs

	As at 30.06.23				As at 31.12.22			
	Favourable changes		Unfavourable changes		Favourable changes		Unfavourable changes	
	Income statement	Equity	Income Statement	Equity	Income statement	Equity	Income Statement	Equity
	£m	£m	£m	£m	£m	£m	£m	£m
Interest rate derivatives	123	—	(186)	—	119	—	(155)	—
Foreign exchange derivatives	11	—	(17)	—	16	—	(22)	—
Credit derivatives	27	—	(79)	—	79	—	(71)	—
Equity derivatives	186	—	(264)	—	161	—	(168)	—
Corporate debt	23	—	(22)	—	45	—	(27)	—
Non-asset backed loans	295	1	(535)	(1)	244	—	(450)	—
Private equity investments	7	—	(7)	—	10	—	(10)	—
Other[1]	112	—	(109)	—	53	—	(64)	—
Total	**784**	**1**	**(1,219)**	**(1)**	**727**	—	**(967)**	—

1 *Other includes commercial real estate loans, asset backed securities, equity cash products, fund and fund-linked products, asset backed loans, issued debt, commercial paper, Government and Government sponsored debt and investment property.*

The effect of stressing unobservable inputs to a range of reasonably possible alternatives, alongside considering the impact of using alternative models, would be to increase fair values by up to £785m (December 2022: £727m) or to decrease fair values by up to £1,220m (December 2022: £967m) with substantially all the potential effect impacting profit and loss rather than reserves.

Significant unobservable inputs

The valuation techniques and significant unobservable inputs for assets and liabilities recognised at fair value and classified as Level 3 are consistent with those set out in Note 16, Fair value of financial instruments in the Barclays Bank PLC Annual Report 2022.

Fair value adjustments

Key balance sheet valuation adjustments are quantified below:

	As at 30.06.23 £m	As at 31.12.22 £m
Exit price adjustments derived from market bid-offer spreads	(543)	(566)
Uncollateralised derivative funding	(24)	(11)
Derivative credit valuation adjustments	(241)	(319)
Derivative debit valuation adjustments	196	208

- Exit price adjustments derived from market bid-offer spreads decreased by £23m to £543m
- Uncollateralised derivative funding increased by £13m to £24m
- Derivative credit valuation adjustments decreased by £78m to £241m as a result of tightening input counterparty credit spreads
- Derivative debit valuation adjustments decreased by £12m to £196m

Portfolio exemption

The Barclays Bank Group uses the portfolio exemption in IFRS 13, Fair Value Measurement to measure the fair value of groups of financial assets and liabilities. Instruments are measured using the price that would be received to sell a net long position (i.e. an asset) for a particular risk exposure or to transfer a net short position (i.e. a liability) for a particular risk exposure in an orderly transaction between market participants at the balance sheet date under current market conditions. Accordingly, the Barclays Bank Group measures the fair value of the group of financial assets and liabilities consistently with how market participants would price the net risk exposure at the measurement date.

Unrecognised gains as a result of the use of valuation models using unobservable inputs

The amount that has yet to be recognised in income that relates to the difference between the transaction price (the fair value at initial recognition) and the amount that would have arisen had valuation models using unobservable inputs been used on initial recognition, less amounts subsequently recognised, is £183m (December 2022: £106m) for financial instruments measured at fair value and £24m (December 2022: £25m) for financial instruments carried at amortised cost. There are additions and FX gains of £107m (December 2022: £49m) and amortisation and releases of £30m (December 2022: £65m) for financial instruments measured at fair value and amortisation and releases of £1m (December 2022: £3m) offset by additions of nil (December 2022: £nil) for financial instruments carried at amortised cost.

Third party credit enhancements

Structured and brokered certificates of deposit issued by the Barclays Bank Group are insured up to $250,000 per depositor by the Federal Deposit Insurance Corporation (FDIC) in the United States. The FDIC is funded by premiums that the Barclays Bank Group and other banks pay for deposit insurance coverage. The carrying value of these issued certificates of deposit that are designated under the IFRS 9 fair value option includes this third party credit enhancement. The on-balance sheet value of these brokered certificates of deposit amounted to £4,648m (December 2022: £5,197m).

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

Valuation methodologies employed in calculating the fair value of financial assets and liabilities measured at amortised cost are consistent with those described within Note 16, Fair value of financial instruments in the Barclays Bank PLC Annual Report 2022.

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

	As at 30.06.23		As at 31.12.22	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets	£m	£m	£m	£m
Debt securities at amortised cost	35,245	33,869	27,303	27,006
Loans and advances at amortised cost	147,992	148,490	155,204	154,721
Reverse repurchase agreements and other similar secured lending	1,293	1,293	725	725
Financial liabilities				
Deposits at amortised cost	(307,820)	(307,811)	(291,579)	(291,552)
Repurchase agreements and other similar secured borrowing	(25,156)	(25,153)	(11,965)	(11,966)
Debt securities in issue	(58,377)	(58,266)	(60,012)	(59,895)
Subordinated liabilities	(36,325)	(35,403)	(38,253)	(38,686)

6. Subordinated liabilities

	Half year ended 30.06.23	Year ended 31.12.22
	£m	£m
Opening balance	38,253	32,185
Issuances	3,502	15,381
Redemptions	(3,661)	(8,367)
Other	(1,769)	(946)
Closing balance	**36,325**	**38,253**
Designated at fair value (Note 5)	503	521
Total subordinated liabilities	**36,828**	**38,774**

Issuances of £3,502m comprise £3,365m in intra-group loans from Barclays PLC and £137m USD Floating Rate Notes issued externally by a Barclays Bank PLC subsidiary.

Redemptions of £3,661m comprise £3,644m in intra-group loans from Barclays PLC and £17m USD Floating Rate Notes issued externally by a Barclays Bank PLC subsidiary.

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

7. Provisions

	As at 30.06.23 £m	As at 31.12.22 £m
Customer redress	35	46
Legal, competition and regulatory matters	59	113
Redundancy and restructuring	17	45
Undrawn contractually committed facilities and guarantees	467	532
Sundry provisions	154	122
Total	**732**	**858**

8. Retirement benefits

As at 30 June 2023, the Barclays Bank Group's IAS 19 net pension surplus across all schemes was £4.0bn (December 2022: £4.6bn). The UK Retirement Fund (UKRF), which is the Barclays Bank Group's main scheme, had an IAS 19 net pension surplus of £4.1bn (December 2022: £4.7bn). The movement for the UKRF was mainly driven by actual price inflation being higher than assumed, future long-term price inflation expected to be higher than assumed at the start of the year and assets underperforming relative to the discount rate, partially offset by an increase in discount rate.

UKRF funding valuations

The latest triennial actuarial valuation of the UKRF with an effective date of 30 September 2022 was completed in February 2023. The valuation showed a funding surplus of £2bn (2021 update: £0.6bn surplus).

As the UKRF had a funding surplus at the valuation date the 2023 deficit reduction contribution (£286m), agreed as part of the 2019 triennial actuarial valuation, is no longer required, and no recovery plan is needed.

9. Other reserves

	As at 30.06.23 £m	As at 31.12.22 £m
Currency translation reserve	3,667	4,992
Fair value through other comprehensive income reserve	(1,284)	(1,342)
Cash flow hedging reserve	(5,940)	(5,557)
Own credit reserve	(27)	467
Other reserves	196	(24)
Total	**(3,388)**	**(1,464)**

Currency translation reserve

The currency translation reserve represents the cumulative gains and losses on the retranslation of the Barclays Bank Group's net investment in foreign operations, net of the effects of hedging.

As at 30 June 2023, there was a cumulative gain of £3,667m (December 2022: £4,992m gain) in the currency translation reserve, a loss during the period of £1,325m. This principally reflects the strengthening of GBP against USD and EUR during the period.

Fair value through other comprehensive income reserve

The fair value through other comprehensive income reserve represents the cumulative unrealised gains and losses on fair value through other comprehensive income investments since initial recognition.

As at 30 June 2023, there was a cumulative loss of £1,284m (December 2022: £1,342m loss) in the fair value through other comprehensive income reserve, a gain during the period of £58m. This is principally driven by a £96m gain from the increase in fair value of bonds due to decreasing bond yields, partially offset by a net gain of £19m transferred to the income statement and a tax charge of £19m.

Cash flow hedging reserve

The cash flow hedging reserve represents the cumulative gains and losses on effective cash flow hedging instruments that will be recycled to the income statement when the hedged transactions affect profit or loss.

As at 30 June 2023, there was a cumulative loss of £5,940m (December 2022: £5,557m loss) in the cash flow hedging reserve, a loss during the period of £383m. This principally reflects a £1,262m loss from fair value movements of interest rate swaps held for hedging purposes as major interest rate forward curves increased partially offset by £724m losses transferred to the income statement and a tax credit of £155m.

Own credit reserve

The own credit reserve reflects the cumulative own credit gains and losses on financial liabilities at fair value. Amounts in the own credit reserve are not recycled to profit or loss in future periods.

As at 30 June 2023, there was a cumulative loss of £27m (December 2022: £467m gain) in the own credit reserve, a loss during the period of £494m. This principally reflects a £682m loss from the tightening of credit spreads partially offset by a tax credit of £188m.

Other reserves

As at 30 June 2023, there was a cumulative gain of £196m (December 2022: £24m loss) in other reserves. The gain during the period is driven by the recognition of a £124m merger reserve, which arose on the acquisition of the issued share capital of Barclays Asset Management Limited and Barclays Investment Solutions Limited and certain other assets and liabilities, business guarantees, business contracts and business employee contracts from Barclays Bank UK PLC. See Note 14 Barclays Bank PLC parent company information for further information.

10. Contingent liabilities and commitments

Contingent liabilities and financial guarantees	As at 30.06.23 £m	As at 31.12.22 £m
Guarantees and letters of credit pledged as collateral security	19,108	17,700
Performance guarantees, acceptances and endorsements	8,041	8,100
Total	**27,149**	**25,800**
Commitments		
Documentary credits and other short-term trade related transactions	1,356	1,748
Standby facilities, credit lines and other commitments	324,223	333,229
Total	**325,579**	**334,977**

Further details on contingent liabilities, where it is not practicable to disclose an estimate of the potential financial effect on the Barclays Bank Group relating to legal and competition and regulatory matters can be found in note 11 below.

11. Legal, competition and regulatory matters

The Barclays Bank Group faces legal, competition and regulatory challenges, many of which are beyond our control. The extent of the impact of these matters cannot always be predicted but may materially impact our operations, financial results, condition and prospects. Matters arising from a set of similar circumstances can give rise to either a contingent liability or a provision, or both, depending on the relevant facts and circumstances.

The recognition of provisions in relation to such matters involves critical accounting estimates and judgments in accordance with the relevant accounting policies applicable to Note 7, Provisions. We have not disclosed an estimate of the potential financial impact or effect on the Barclays Bank Group of contingent liabilities where it is not currently practicable to do so. Various matters detailed in this note seek damages of an unspecified amount. While certain matters specify the damages claimed, such claimed amounts do not necessarily reflect the Barclays Bank Group's potential financial exposure in respect of those matters.

Investigations into certain advisory services agreements

FCA proceedings

In 2008, Barclays Bank PLC and Qatar Holdings LLC entered into two advisory service agreements (the Agreements). The Financial Conduct Authority (FCA) conducted an investigation into whether the Agreements may have related to Barclays PLC's capital raisings in June and November 2008 (the Capital Raisings) and therefore should have been disclosed in the announcements or public documents relating to the Capital Raisings. In 2013, the FCA issued warning notices (the Warning Notices) finding that Barclays PLC and Barclays Bank PLC acted recklessly and in breach of certain disclosure-related listing rules, and that Barclays PLC was also in breach of Listing Principle 3. The financial penalty provided in the Warning Notices was £50m. Barclays PLC and Barclays Bank PLC contested the findings. In September 2022, the FCA's Regulatory Decisions Committee (RDC) issued Decision Notices finding that Barclays PLC and Barclays Bank PLC breached certain disclosure-related listing rules. The RDC also found that in relation to the disclosures made in the Capital Raising of November 2008, Barclays PLC and Barclays Bank PLC acted recklessly, and that Barclays PLC breached Listing Principle 3. The RDC upheld the combined penalty of £50m on Barclays PLC and Barclays Bank PLC, the same penalty as in the Warning Notices. Barclays PLC and Barclays Bank PLC have referred the RDC's findings to the Upper Tribunal for reconsideration.

Investigations into LIBOR and other benchmarks and related civil actions

Regulators and law enforcement agencies, including certain competition authorities, from a number of governments have conducted investigations relating to Barclays Bank PLC's involvement in allegedly manipulating certain financial benchmarks, such as LIBOR. Various individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Barclays Bank Group and other banks in relation to the alleged manipulation of LIBOR and/or other benchmarks.

USD LIBOR civil actions

The majority of the USD LIBOR cases, which have been filed in various US jurisdictions, have been consolidated for pre-trial purposes in the US District Court in the Southern District of New York (SDNY). The complaints are substantially similar and allege, among other things, that Barclays PLC, Barclays Bank PLC, Barclays Capital Inc. (BCI) and other financial institutions individually and collectively violated provisions of the US Sherman Antitrust Act (Antitrust Act), the US Commodity Exchange Act (CEA), the US Racketeer Influenced and Corrupt Organizations Act (RICO), the US Securities Exchange Act of 1934 and various state laws by manipulating USD LIBOR rates.

Putative class actions and individual actions seek unspecified damages with the exception of one lawsuit, in which the plaintiffs are seeking no less than $100m in actual damages and additional punitive damages against all defendants, including Barclays Bank PLC. Some of the lawsuits also seek trebling of damages under the Antitrust Act and RICO. Barclays Bank PLC has previously settled certain claims. The financial impact of these settlements is not material to the Barclays Bank Group's operating results, cash flows or financial position.

Sterling LIBOR civil actions

In 2016, two putative class actions filed in the SDNY against Barclays Bank PLC, BCI and other Sterling LIBOR panel banks alleging, among other things, that the defendants manipulated the Sterling LIBOR rate in violation of the Antitrust Act, CEA and RICO, were consolidated. The defendants' motion to dismiss the claims was granted in 2018. The plaintiffs have appealed the dismissal.

Japanese Yen LIBOR civil actions

In 2012, a putative class action was filed in the SDNY against Barclays Bank PLC and other Japanese Yen LIBOR panel banks by a lead plaintiff involved in exchange-traded derivatives and members of the Japanese Bankers Association's Euroyen Tokyo Interbank Offered Rate (Euroyen TIBOR) panel. The complaint alleges, among other things, manipulation of the Euroyen TIBOR and Yen LIBOR rates and breaches of the CEA and the Antitrust Act. In 2014, the court dismissed the plaintiff's antitrust claims, and, in 2020, the court dismissed the plaintiff's remaining CEA claims.

In 2015, a second putative class action, making similar allegations to the above class action, was filed in the SDNY against Barclays PLC, Barclays Bank PLC and BCI. Barclays and the plaintiffs reached a settlement of $17.75m for both actions, which received final court approval in March 2023. This matter is now concluded.

ICE LIBOR civil action

In August 2020, an action related to the LIBOR benchmark administered by the Intercontinental Exchange Inc. and certain of its affiliates (ICE) was filed by a group of individual plaintiffs in the US District Court for the Northern District of California on behalf of individual borrowers and consumers of loans and credit cards with variable interest rates linked to USD ICE LIBOR. The plaintiffs' motion seeking, among other things, preliminary and permanent injunctions to enjoin the defendants from continuing to set LIBOR or enforce any financial instrument that relies in whole or in part on USD LIBOR was denied. The defendants' motion to dismiss the case was granted in September 2022. The plaintiffs have filed an amended complaint, which the defendants have moved to dismiss.

Non-US benchmarks civil actions

There remains one claim, issued in 2017 against Barclays Bank PLC and other banks in the UK in connection with alleged manipulation of LIBOR. Proceedings have also been brought in a number of other jurisdictions in Europe, Argentina and Israel relating to alleged manipulation of LIBOR and EURIBOR. Additional proceedings in other jurisdictions may be brought in the future.

Credit Default Swap civil action

A putative antitrust class action is pending in New Mexico federal court against Barclays Bank PLC, BCI and various other financial institutions. The plaintiffs, the New Mexico State Investment Council and certain New Mexico pension funds, allege that the defendants conspired to manipulate the benchmark price used to value Credit Default Swap (CDS) contracts at settlement (i.e. the CDS final auction price). The plaintiffs allege violations of US antitrust laws and the CEA, and unjust enrichment under state law. The defendants' motion to dismiss was denied in June 2023.

Foreign Exchange investigations and related civil actions

The Barclays Bank Group has been the subject of investigations in various jurisdictions in relation to certain sales and trading practices in the Foreign Exchange market. Settlements were reached in various jurisdictions in connection with these investigations, including the EU and US. The financial impact of any remaining ongoing investigations is not expected to be material to the Barclays Bank Group's operating results, cash flows or financial position. Various individuals and corporates in a range of jurisdictions have threatened or brought civil actions against the Barclays Bank Group and other banks in relation to alleged manipulation of Foreign Exchange markets.

US FX opt out civil action

In 2018, Barclays Bank PLC and BCI settled a consolidated action filed in the SDNY, alleging manipulation of Foreign Exchange markets (Consolidated FX Action), for a total amount of $384m. Also in 2018, a group of plaintiffs who opted out of the Consolidated FX Action filed a complaint in the SDNY against Barclays PLC, Barclays Bank PLC, BCI and other defendants. Some of the plaintiffs' claims were dismissed in 2020. Barclays PLC, Barclays Bank PLC, and BCI have reached a settlement of all claims against them in the matter. A settlement payment was made in April 2023 and the matter is now concluded. The financial impact of this settlement is not material to the Barclays Bank Group's operating results, cash flows or financial position.

US retail basis civil action

In 2015, a putative class action was filed against several international banks, including Barclays PLC and BCI, on behalf of a proposed class of individuals who exchanged currencies on a retail basis at bank branches (Retail Basis Claims). The SDNY has ruled that the Retail Basis Claims are not covered by the settlement agreement in the Consolidated FX Action. The Court subsequently dismissed all Retail Basis Claims against the Barclays Bank Group and all other defendants. The plaintiffs filed an amended complaint. The defendants' motion for summary judgment was granted in March 2023, dismissing the plaintiffs' remaining claims. The plaintiffs are appealing the decision.

Non-US FX civil actions

Legal proceedings have been brought or are threatened against Barclays PLC, Barclays Bank PLC, BCI and Barclays Execution Services Limited (BX) in connection with alleged manipulation of Foreign Exchange in the UK, a number of other jurisdictions in Europe, Israel, Brazil and Australia. Additional proceedings may be brought in the future.

The above-mentioned proceedings include two purported class actions filed against Barclays PLC, Barclays Bank PLC, BX, BCI and other financial institutions in the UK Competition Appeal Tribunal (CAT) in 2019. The CAT refused to certify these claims in the first quarter of 2022. In July 2023, the Court of Appeal overturned the CAT's decision and found that the claims should be certified on an opt out basis. The Court of Appeal upheld the CAT's determination as to which of the two purported class representatives should be chosen to bring the claim. Subject to further appeal, only the claim brought by the chosen class representative will now proceed in the CAT. Also in 2019, a separate claim was filed in the UK in the High Court of Justice (High Court), and subsequently transferred to the CAT, by various banks and asset management firms against Barclays Bank PLC and other financial institutions alleging breaches of European and UK competition laws related to FX trading. This claim has been settled as part of the settlement payment referred to under the US FX opt out civil action above and the matter is now concluded.

Metals related civil actions

A US civil complaint alleging manipulation of the price of silver in violation of the CEA, the Antitrust Act and state antitrust and consumer protection laws was brought by a proposed class of plaintiffs against a number of banks, including Barclays Bank PLC, BCI and BX, and transferred to the SDNY. The complaint was dismissed against these Barclays entities and certain other defendants in 2018, and against the remaining defendants in May 2023. The plaintiffs have appealed the dismissal of the complaint against all defendants.

Civil actions have also been filed in Canadian courts against Barclays PLC, Barclays Bank PLC, Barclays Capital Canada Inc. and BCI on behalf of proposed classes of plaintiffs alleging manipulation of gold and silver prices.

US residential mortgage related civil actions

There are two US Residential Mortgage-Backed Securities (RMBS) related civil actions arising from unresolved repurchase requests submitted by Trustees for certain RMBS, alleging breaches of various loan-level representations and warranties (R&Ws) made by Barclays Bank PLC and/or a subsidiary acquired in 2007. In one action, the parties have agreed to settle the litigation. The financial impact of the settlement is not material to the Barclays Bank Group's operating results, cash flows or financial position. The other repurchase action is pending.

Government and agency securities civil actions

Treasury auction securities civil actions

Consolidated putative class action complaints filed in US federal court against Barclays Bank PLC, BCI and other financial institutions under the Antitrust Act and state common law allege that the defendants (i) conspired to manipulate the US Treasury securities market and/or (ii) conspired to prevent the creation of certain platforms by boycotting or threatening to boycott such trading platforms. The court dismissed the consolidated action in March 2021. The plaintiffs filed an amended complaint. The defendants' motion to dismiss the amended complaint was granted in March 2022. The plaintiffs are appealing this decision.

In addition, certain plaintiffs have filed a related, direct action against BCI and certain other financial institutions, alleging that defendants conspired to fix and manipulate the US Treasury securities market in violation of the Antitrust Act, the CEA and state common law. This action remains stayed.

Supranational, Sovereign and Agency bonds civil actions

Civil antitrust actions have been filed in the SDNY and Federal Court of Canada in Toronto against Barclays Bank PLC, BCI, BX, Barclays Capital Securities Limited and, with respect to the civil action filed in Canada only, Barclays Capital Canada, Inc. and other financial institutions alleging that the defendants conspired to fix prices and restrain competition in the market for US dollar-denominated Supranational, Sovereign and Agency bonds. The SDNY actions were dismissed and these matters are now concluded.

In the Federal Court of Canada action, the parties have reached a settlement in principle, which will require court approval. The financial impact of the settlement is not expected to be material to the Barclays Bank Group's operating results, cash flows or financial position.

Variable Rate Demand Obligations civil actions

Civil actions have been filed against Barclays Bank PLC and BCI and other financial institutions alleging the defendants conspired or colluded to artificially inflate interest rates set for Variable Rate Demand Obligations (VRDOs). VRDOs are municipal bonds with interest rates that reset on a periodic basis, most commonly weekly. Two actions in state court have been filed by private plaintiffs on behalf of the states of Illinois and California. Three putative class action complaints have been consolidated in the SDNY. In the consolidated SDNY class action, certain of the plaintiffs' claims were dismissed in November 2020 and June 2022 and the plaintiffs' motion for class certification is pending. In the California action, the California appeals court reversed the dismissal of the plaintiffs' claims in April 2023. In the Illinois action, the defendants have reached a settlement in principle with the Attorney General for the State of Illinois to resolve the litigation, which is subject to approval by the court. The financial impact of the settlement is not material to the Barclays Bank Group's operating results, cash flows or financial position.

Odd-lot corporate bonds antitrust class action

In 2020, BCI, together with other financial institutions, were named as defendants in a putative class action. The complaint alleges a conspiracy to boycott developing electronic trading platforms for odd-lots and price fixing. The plaintiffs demand unspecified money damages. The defendants' motion to dismiss was granted in 2021 and the plaintiffs have appealed the dismissal.

Interest rate swap and credit default swap US civil actions

Barclays PLC, Barclays Bank PLC and BCI, together with other financial institutions that act as market makers for interest rate swaps (IRS), are named as defendants in several antitrust class actions which were consolidated in the SDNY in 2016. The complaints allege the defendants conspired to prevent the development of exchanges for IRS and demand unspecified money damages.

In 2018, trueEX LLC filed an antitrust class action in the SDNY against a number of financial institutions including Barclays PLC, Barclays Bank PLC and BCI based on similar allegations with respect to trueEX LLC's development of an IRS platform. In 2017, Tera Group Inc. filed a separate civil antitrust action in the SDNY claiming that certain conduct alleged in the IRS cases also caused the plaintiff to suffer harm with respect to the Credit Default Swaps market. In 2018 and 2019, respectively, the court dismissed certain claims in both cases for unjust enrichment and tortious interference but denied motions to dismiss the federal and state antitrust claims, which remain pending.

BDC Finance L.L.C.

In 2008, BDC Finance L.L.C. (BDC) filed a complaint in the Supreme Court of the State of New York (NY Supreme Court), demanding damages of $298m, alleging that Barclays Bank PLC had breached a contract in connection with a portfolio of total return swaps governed by an ISDA Master Agreement (the Master Agreement). Following a trial, the court ruled in 2018 that Barclays Bank PLC was not a defaulting party, which was affirmed on appeal. In April 2021, the trial court entered judgement in favour of Barclays Bank PLC for $3.3m and as yet to be determined legal fees and costs. BDC appealed. In January 2022, the appellate court reversed the trial court's summary judgment decision in favour of Barclays Bank PLC and remanded the case to the lower court for further proceedings. The parties have filed cross-motions on the scope of trial. The trial has been adjourned pending a decision on the motions and any subsequent appeal.

In 2011, BDC's investment advisor, BDCM Fund Adviser, LLC and its parent company, Black Diamond Capital Holdings, LLC also sued Barclays Bank PLC and BCI in Connecticut State Court for unspecified damages allegedly resulting from Barclays Bank PLC's conduct relating to the Master Agreement, asserting claims for violation of the Connecticut Unfair Trade Practices Act and tortious interference with business and prospective business relations. This case is currently stayed.

Civil actions in respect of the US Anti-Terrorism Act

There are a number of civil actions, on behalf of more than 4,000 plaintiffs, filed in US federal courts in the US District Court in the Eastern District of New York (EDNY) and SDNY against Barclays Bank PLC and a number of other banks. The complaints generally allege that Barclays Bank PLC and those banks engaged in a conspiracy to facilitate US dollar-denominated transactions for the Iranian Government and various Iranian banks, which in turn funded acts of terrorism that injured or killed the plaintiffs or the plaintiffs' family members. The plaintiffs seek to recover damages for pain, suffering and mental anguish under the provisions of the US Anti-Terrorism Act, which allow for the trebling of any proven damages.

The court granted the defendants' motions to dismiss three out of the six actions in the EDNY. The plaintiffs appealed in one action and the dismissal was affirmed, and judgment was entered, in January 2023. The court later gave the plaintiffs until December 2023 to make a motion to vacate the judgment. The plaintiffs have also petitioned for US Supreme Court review. In the other two dismissed actions in the EDNY, the court gave plaintiffs until September 2023 to serve amended complaints. This was also the case for the fourth action in the EDNY. Those actions, as well as the two other actions in the EDNY, are currently stayed. Out of the two actions in the SDNY, the court granted the defendants' motion to dismiss the first action. That action is stayed and the second SDNY action is stayed pending any appeal on the dismissal of the first.

Shareholder derivative action

In November 2020, a purported Barclays shareholder filed a putative derivative action in New York state court against BCI and a number of current and former members of the Board of Directors of Barclays PLC and senior executives or employees of the Barclays Bank Group. The shareholder filed the claim on behalf of nominal defendant Barclays PLC, alleging that the individual defendants harmed the company through breaches of their duties, including under the Companies Act 2006. The plaintiff seeks damages on behalf of Barclays PLC for the losses that Barclays PLC allegedly suffered as a result of these alleged breaches. An amended complaint was filed in April 2021, which BCI and certain other defendants moved to dismiss. The motion to dismiss was granted in April 2022. The plaintiff appealed the decision, and the dismissal was unanimously affirmed in June 2023 by the First Judicial Department in New York. The plaintiff has sought leave to appeal the First Judicial Department's decision to the New York Court of Appeals.

Derivative transactions civil action

In 2021, Vestia a Dutch housing association brought a claim against Barclays Bank PLC in the UK in the High Court in relation to a series of derivative transactions entered into with Barclays Bank PLC between 2008 and 2011, seeking damages of £329m. Barclays Bank PLC is defending the claim and has made a counterclaim.

Skilled person review in relation to historic timeshare loans and associated matters

Clydesdale Financial Services Limited (CFS), which trades as Barclays Partner Finance and houses Barclays' point-of-sale finance business, was required by the FCA to undertake a skilled person review in 2020 following concerns about historic affordability assessments for certain loans to customers in connection with timeshare purchases. The skilled person review was concluded in 2021. CFS complied fully with the skilled person review requirements, including carrying out certain remediation measures. CFS was not required to conduct a full back book review. Instead, CFS reviewed limited historic lending to ascertain whether its practices caused customer harm and is remediating any examples of harm. This work is expected to be substantially completed during 2023, utilising provisions booked to account for any remediations.

Over-issuance of securities in the US

In March 2022, executive management became aware that Barclays Bank PLC had issued securities materially in excess of the set amount under its US shelf registration statements. As a result, Barclays Bank PLC commenced a rescission offer on 1 August 2022, by which Barclays Bank PLC offered to repurchase relevant affected securities from certain holders, which expired on 12 September 2022. Further, in September 2022, the SEC announced the resolution of its investigation of Barclays PLC and Barclays Bank PLC relating to such over-issuance of securities. The Barclays Bank Group has engaged with, and responded to inquiries and requests for information from, various other regulators who may seek to impose fines, penalties and/or other sanctions as a result of this matter.

Furthermore, Barclays Bank PLC and/or its affiliates may incur costs and liabilities in relation to private civil claims which have been filed and may face other potential private civil claims, class actions or other enforcement actions in relation to the over-issuance of securities. By way of example, in September 2022, a purported class action claim was filed in the US District Court in Manhattan seeking to hold Barclays PLC, Barclays Bank PLC and former and current executives responsible for declines in the prices of Barclays PLC's American depositary receipts, which the plaintiffs claim occurred as a result of alleged misstatements and omissions in its public disclosures. The defendants have moved to dismiss the case. In addition, holders of a series of ETNs have brought claims against Barclays PLC, Barclays Bank PLC, and former and current executives and board members in the US alleging, among other things, that Barclays' failure to disclose that these ETNs were unregistered securities misled investors and that, as a result, Barclays is liable for the holders' alleged losses following the suspension of further sales and issuances of such series of ETNs. Two such actions are purported class actions that the plaintiffs have moved to consolidate into a single action in federal court in New York.

A contingent liability exists in relation to civil claims or any further enforcement actions taken against Barclays Bank PLC and/or its affiliates, but Barclays Bank PLC is unable to assess the likelihood of liabilities that may arise out of such claims or actions.

Any liabilities, claims or actions in connection with the over-issuance of securities under Barclays Bank PLC's US shelf registration statements could have an adverse effect on Barclays Bank PLC's and the Barclays Bank Group's business, financial condition, results of operations and reputation as a frequent issuer in the securities markets.

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

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

FCA investigation into transaction monitoring

The FCA has been investigating Barclays' compliance with UK money laundering regulations and the FCA's rules and Principles for Businesses in an investigation which is focussed on aspects of Barclays' transaction monitoring in relation to certain business lines now in Barclays Bank UK PLC. Barclays has been co-operating with the investigation and responding to information requests.

General

The Barclays Bank Group is engaged in various other legal, competition and regulatory matters in the UK, the US and a number of other overseas jurisdictions. It is subject to legal proceedings brought by and against the Barclays Bank Group which arise in the ordinary course of business from time to time, including (but not limited to) disputes in relation to contracts, securities, debt collection, consumer credit, fraud, trusts, client assets, competition, data management and protection, intellectual property, money laundering, financial crime, employment, environmental and other statutory and common law issues.

The Barclays Bank Group is also subject to enquiries and examinations, requests for information, audits, investigations and legal and other proceedings by regulators, governmental and other public bodies in connection with (but not limited to) consumer protection measures, compliance with legislation and regulation, wholesale trading activity and other areas of banking and business activities in which the Barclays Bank Group is or has been engaged. The Barclays Bank Group is cooperating with the relevant authorities and keeping all relevant agencies briefed as appropriate in relation to these matters and others described in this note on an ongoing basis.

At the present time, Barclays Bank PLC does not expect the ultimate resolution of any of these other matters to have a material adverse effect on its financial position. However, in light of the uncertainties involved in such matters and the matters specifically described in this note, there can be no assurance that the outcome of a particular matter or matters (including formerly active matters or those matters arising after the date of this note) will not be material to Barclays Bank PLC's results, operations or cash flows for a particular period, depending on, among other things, the amount of the loss resulting from the matter(s) and the amount of profit otherwise reported for the reporting period.

12. Related party transactions

Related party transactions in the half year ended 30 June 2023 were similar in nature to those disclosed in the Barclays Bank PLC Annual Report 2022. No related party transactions that have taken place in the half year ended 30 June 2023 have materially affected the financial position or performance of the Barclays Bank Group during this period.

During the six month ended 30 June 2023, Barclays Bank PLC acquired the entire issued share capital of Barclays Asset Management Limited and Barclays Investment Solutions Limited along with certain other assets and liabilities, business guarantees and business contracts (together with the transfer of associated employees of Barclays Bank UK PLC) from Barclays Bank UK PLC. See Note 14 Barclays Bank PLC parent company information for further details.

13. Interest rate benchmark reform

Following the financial crisis, the reform and replacement of benchmark interest rates such as LIBOR became a priority for global regulators. The FCA and other global regulators instructed market participants to prepare for the cessation of most LIBOR rates after the end of 2021, and to adopt "Risk Free Rates" (RFRs).

Barclays established a Barclays Group-wide LIBOR Transition Programme, which aims to drive strategic execution and identify, manage and resolve keys risks and issues as they arise.

Whilst EUR and CHF LIBOR ceased to be published after 31 December 2021, a synthetic version of GBP and JPY LIBOR was made available for certain tenors for a limited period of time, to mitigate the risk of widespread disruption to legacy contracts which had not transitioned by end-2021.

- Synthetic JPY LIBOR tenors ceased permanently at the end of 2022 in line with an announcement made by the FCA on 29 September 2022.
- 1- and 6-month synthetic GBP LIBOR tenors ceased permanently after 31 March 2023 in line with the announcement made by the FCA on 29 September 2022.
- 3-month synthetic GBP LIBOR remains available until 31 March 2024 as per an announcement made by the FCA on 23rd November 2022.

In addition, GBP LIBOR ICE Swap Rate and JPY LIBOR Tokyo Swap Rate ceased to be published at the end of 2021.

All of the Barclays Bank Group's exposure to JPY LIBOR and JPY LIBOR Tokyo Swap Rates and to 1- and 6-month GBP LIBOR have now been remediated with only residual exposure remaining to 3-month synthetic GBP LIBOR and GBP LIBOR ICE Swap Rates.

For USD LIBOR, certain actively used tenors continued to be published after 2021. However, in line with the US banking regulators' joint statement, the Barclays Bank Group ceased issuing or entering into new contracts that use USD LIBOR as a reference rate from 31 December 2021, other than in relation to those allowable use cases set out under the FCA's prohibition notice (ref 21A). The overnight and 12-month USD LIBOR tenors ceased to be published after 30 June 2023, with synthetic versions of the 1-, 3- and 6-month USD LIBOR tenors made available for a limited period of time until 30 September 2024. The synthetic versions are for use in legacy contracts only, to help ensure an orderly wind-down of USD LIBOR, as outlined in a statement made by the FCA on 3 April 2023.

In addition, the USD LIBOR ICE Swap Rate ceased to be published at the end of June 2023.

During H123, the Barclays Group-wide LIBOR Transition Programme focused on the remediation of its exposure to the benchmarks which ceased at the end of June 2023. The majority of the Barclays Bank Group's' exposure to those rates is now considered remediated contractually via central clearing counterparties (CCP) led conversions for cleared derivatives and actively negotiated conversion or insertion of fallbacks to RFRs for other products. In addition to this, whilst active transition and fallback insertion were attempted in most cases, there were also exposures under certain US law governed contracts which were transitioned pursuant to the US Federal Legislation (the Adjustable Interest Rate (LIBOR) Act) at the end of June 2023.

The Barclays Bank Group continues to (i) identify, manage and mitigate key risks and issues as they arise, (ii) work with clients and counterparties to remediate any trades which remain on synthetic LIBOR or on the GBP or USD LIBOR ICE Swap Rates and (iii) remain on track to meet the associated industry deadlines.

14. Barclays Bank PLC parent company information

Investments in subsidiaries

In May 2023, Barclays Bank PLC acquired the entire issued share capital of Barclays Asset Management Limited and Barclays Investment Solutions Limited along with certain other assets and liabilities, business guarantees and business contracts (together with the transfer of associated employees of Barclays Bank UK PLC) from Barclays Bank UK PLC. Consideration of £3 was paid by Barclays Bank PLC, which represented the fair value of the transferring businesses. Barclays Bank Group recognised the difference between the carrying value of the net assets acquired and the cash consideration paid directly in equity as a £124m merger reserve within Other reserves.

During the period, Barclays Bank PLC injected €150m (£130m) of additional capital into its subsidiary Barclays Bank Ireland PLC by way of a subscription for ordinary shares. This capital injection was subsequently fully impaired. The carrying value of the investment in Barclays Bank Ireland PLC at 30 June 2023 was £2.5bn.

Other Information

Exchange rates[1]	30.06.23	31.12.22	30.06.22	% Change[2] 31.12.22	% Change[2] 30.06.22
Period end - USD/GBP	1.27	1.21	1.22	5 %	4 %
6 month average - USD/GBP	1.23	1.18	1.30	4 %	(5)%
3 month average - USD/GBP	1.25	1.17	1.26	7 %	(1)%
Period end - EUR/GBP	1.16	1.13	1.16	3 %	— %
6 month average - EUR/GBP	1.14	1.16	1.19	(2%)	(4%)
3 month average - EUR/GBP	1.15	1.15	1.18	— %	(3%)

For further information please contact

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1 *The average rates shown above are derived from daily spot rates during the period.*
2 *The change is the impact to GBP reported information.*