Barclays Bank PLC

Annual Report

31 December 2023

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The Strategic Report was approved by the Board of Directors on 19 February 2024 and signed on their behalf by the Chairman.

Performance Review

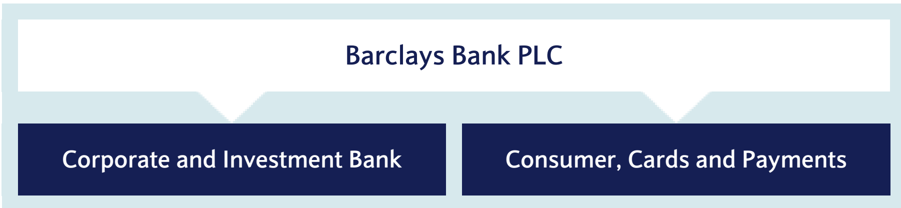
Overview

Barclays Bank PLC (BBPLC or the Company) 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 term Barclays refers to either Barclays PLC (BPLC) or, depending on the context, the Barclays Group. The term Barclays Group refers to BPLC together with its subsidiaries.

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 is comprised of 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 and is supported by the Barclays Group-wide service company, Barclays Execution Services Limited (BX), which provides technology, operations and functional services to businesses across the Barclays Group.

Barclays Bank PLC is focused on delivering for customers and clients around the world. Our diversified business portfolio provides balance, resilience and exciting opportunities. Barclays Bank PLC has strong global market positions and continues to invest in people and technology with the aim of delivering sustainable returns.

Our structure



CIB
The Corporate and Investment Bank helps money managers, financial institutions, governments, supranational organisations and corporate clients manage their funding, investing, financing, and strategic and risk management needs.

• Global Markets offers clients a full range of liquidity, risk management and financing solutions as well as ideas and content tailored to their investment and risk management needs - coupled with execution capabilities - across the spectrum of financial products.

• Investment Banking provides clients with strategic advice on mergers and acquisitions (M&A), corporate finance and financial risk management solutions, as well as equity and debt issuance services.

• Corporate Banking provides working capital, transaction banking (including trade and payments), and lending for multinational, large and medium corporates, and for financial institutions.

CC&P
The Consumer, Cards and Payments division of Barclays International comprises our International Cards and Consumer Bank, Private Bank and Wealth Management, Barclaycard Payments and German Consumer Finance businesses.

• Our US Consumer Bank offers co-branded and private-label credit cards, online retail deposits products, personal loans and instalment payments.

• Private Bank and Wealth Management provides UK and International clients with access to the full spectrum of wealth and private banking services.

• Barclaycard Payments provides a unified experience for making and receiving payments in-store and online.

• German Consumer Finance business offers own-branded and co-branded credit cards, online loans, electronic Point of Sale (ePOS) financing and deposits.

The world in which we operate

Barclays Bank PLC is driven by a common Purpose: working together for a better financial future. To do so we must be strong as an institution, prepared for the future, and able to navigate different market conditions and evolving trends.

We regularly review our operating environment for emerging trends, and adapt to address them. In 2021 we called out three long-term trends and continue to make good progress preparing for these, as you will find detailed throughout the report:

- The impact of technology on consumer products and services
- The role of capital markets as the principal drivers of global growth
- The transition of the global economy towards a low-carbon economy

Recently, we have adjusted our strategy and operating model to reflect changes in the environment we operate in, and evolving demands for our customers, clients, regulators and shareholders.

Strategic report

Performance review

We actively navigate risk and uncertainty, and are vigilant to deliver for our customers, clients, and shareholders in any environment.

Focus areas

CIB

a. Leveraging the Power of One Barclays[1] to deliver world-class service for clients.
b. Capitalising on our top-tier Global Markets franchise, focusing on areas of excellence across our diversified business model.
c. Capturing opportunities in our global, scaled Investment Bank franchise.

CC&P

a. Developing new financial products and capabilities to reflect growing trends, to drive growth in our strategic home and international markets.
b. Creating an enhanced digital customer experience to build a more efficient business.
c. Broadening relationships with existing partners, pursuing new partnerships, and building capabilities to offer new financing solutions across all markets.

Year in review

CIB

In 2023 we experienced a challenging market and wallet environment, characterised by inflation, macroeconomic uncertainty and heightened geopolitical tensions. These conditions contributed to subdued primary market activity, as reflected in the 16% year-on- year decline in the global investment banking wallet[2].

• Our resilient CIB performance reflects the benefits of our income diversification, the strength of our client relationships, and close collaboration across Investment Banking, Corporate Banking and Global Markets.

• In Investment Banking, we continued to deliver for our clients through rigorous focus, consistent execution and a strong solutions mindset. We ranked sixth globally in 2023[2], and in the UK we topped the investment banking league table - in fees earned - for the first time in six years[3]. Additionally, we continue to excel in areas of traditional strength, such as Debt Capital Markets where we rank fifth globally[2], and we are successfully expanding in priority areas such as Equity Capital Markets, where our share grew by 70bps.

• Among the year's highlights, Barclays was proud to serve as Joint Global Coordinator and Billing & Delivery Agent on Arm's IPO.

• In Global Markets, we continue to be a leading provider of liquidity to institutional clients around the world, helping them find opportunities and manage risk. Our clients recognised Barclays for our level of service amid continued market volatility as we were named Interest Rate Derivatives House of the Year by Risk magazine, as well as Credit Derivatives and Equity House of the Year by IFR.

• Our focus remains on delivering sustainable through-the-cycle returns and we have the breadth of capabilities across Fixed Income and Equities, combined with a top tier Financing business, to deliver on this. We continued to make progress against some of our key strategic initiatives, which offset compressed financing spreads and a weaker environment for intermediation. In parallel, we continued to grow our financing capabilities to deliver more stable, higher returning income.

• Over the past five years our ranking in Prime Services has moved up from 7th rank to joint 5th rank and ranked joint 1st for 2023[4], complementing our existing strength in Fixed Income Financing.

• Our Research team provides industry-leading analysis and investment advice for our institutional clients. For the second year in a row, Barclays ranked Top 3 for Fixed Income Research[5] in Institutional Investor Research 2023 rankings - and Top 5 in European Equity Research[5] for the first time - underscoring the value clients and investors place on our differentiated content. The CIB continues to play a fundamental role in Barclays' commitment to invest in the transition to a low-carbon economy, providing green, sustainable and transition products and services that will support our clients and the global economy to accelerate their transition to net zero. In 2023 the CIB facilitated $66.7bn of Sustainable and Transition Financing, meaningfully contributing towards the Barclays Group target to facilitate $1trn of Sustainable and Transition Financing by the end of 2030.

• In addition, we continue to invest thoughtfully in our talent to meet client demands and deliver the best service. In early 2024 we announced the formation of a new Energy Transition Group to support our ambition to be a leading adviser and financier to clients as they transition to a low-carbon future.

• In Corporate Banking, revenues grew off the back of elevated deposits income which continued to benefit from a strong net interest margin, and increased deposit balances from clients. We continued to make progress expanding our international capabilities, building out our Corporate Banking businesses in the US and Europe alongside strengthening our digital capabilities globally to provide our clients with seamless access to our transaction banking product set.

CC&P

• Our performance was driven by the impact of higher impairment charges, partially offset by deepening client relationships and market share in growth businesses, alongside continued digital innovation to enhance propositions and services.

• The strength of our client relationships is reflected in the performance of our US Consumer Bank (USCB), where income is up 24% year on year – driven by our leading position as the card of choice in the travel and airlines sector[6] .Building on the success of our partnership with Gap Inc., we announced a new partnership with Breeze Airways to issue its first consumer credit card programme. In addition, USCB launched a new partnership with Microsoft and Mastercard to issue Xbox's first co-branded credit card in the US. USCB's retail deposits have grown 14% year on year, reflecting excellent competitive positioning, brand strength, and the broadening of our partner base.

• Continued investment in and focus on enhancing digital propositions played an important role across our specialist businesses. In USCB mobile app enhancements – including enabling facial biometrics ID as part of app authentication – helped boost the Android app star rating to 4.7 out of 5 in 2023, up from 4 in 2022.

• As further testament of improvements to our digital platform, our USCB Digital tNPS – a newly tracked metric for USCB measuring customer experience at the digital journey level – increased from 59.8 in 2022 to a full year average of 61.3 in 2023.

• In parallel, we have remained focused on enhancing our product capabilities. In the first half of 2023 we launched the new JetBlue programme, a complete re-design to align with the airlines' new loyalty programme. Subsequently, we were recognised by J.D. Power[6] for the JetBlue Plus Card, issued by Barclays, which ranked the highest among co-branded airline credit cards - demonstrating the value it offers customers.

• The successful integration of Private Bank and Wealth Management in 2023 is helping build our advantage in reach and specialist capability.

• Similarly, in Barclaycard Payments we saw a 29% year-on-year increase in digital logins and a corresponding 10% reduction in customers using our call centres, supporting our increased efficiency. This momentum reflects the introduction of new digital features– including the launch of Smartpay Anywhere and Smartpay Fuse, enabling small business customers to take online payments as part of a seamless experience.

• We continued to build our client portfolio, signing new business deals in 2023 with prominent brands including department store Fenwick and plumbing specialist Wolseley. Barclaycard Payments and Barclays Corporate Banking were chosen by Fenwick to provide a range of banking and payment services to support the growth and digitisation of the business – testament to the breadth of our business services, collaboration, and digital capabilities.

• German Consumer Finance business delivered a strong performance, growing its deposit book 206% year on year, driven by our continued focus on enhancing the customer experience. We launched the in-app call facility to significantly improve the efficiency and speed of customer service. We also continued to be a leading provider of consumer finance through our credit cards and personal loans business.

Notes

1 The Power of One Barclays is about colleagues uniting across businesses to put our clients' needs first. By working as a cohesive unit - collaborating, sharing expertise and information - we can deliver the best outcomes for our clients.
2 Data from Dealogic for the period covering 1 January 2023 to 31 December 2023.
3 Data from Dealogic, UK Investment Bank revenue by bank, full year 2023. Based on our share of Top 10 peer banks reported revenues:
4 Coalition Greenwich Competitor Analytics, 1H23 Global Results. Analysis based on the following banks: Barclays, BoA, BNP, CITI, CS, DB, GS, JPM, MS and UBS. Analysis is based on Barclays' internal revenue numbers and business structure.
5 institutionalinvestor.com/section/research
6 https://ir.jetblue.com/news/news-details/2023/JetBlue-Plus-Card-Issued-by-Barclays-Earns-J.D.-Power-Award-For-Ranking-Number-One-Among-Airline-Co-Branded-Credit-Cards/default.aspx.

Performance measurement

Financial performance measures

The performance of Barclays Bank PLC contributes to the Barclays Group, upon which the delivery of strategy is measured.

Income Statement

Barclays Bank Group results For the year ended 31 December	2023 £m	2022 £m	2021 £m
Total income	**18,268**	18,194	15,408
Operating expenses	**(12,419)**	(10,971)	(9,885)
Litigation and conduct	**(44)**	(1,427)	(374)
Total operating expenses	**(12,463)**	(12,398)	(10,259)
Other net (expenses)/income	**(4)**	4	(8)
Profit before impairment	**5,801**	5,800	5,141
Credit impairment (charges)/releases	**(1,578)**	(933)	277
Profit before tax	**4,223**	4,867	5,418
Taxation	**(662)**	(485)	(830)
Profit after tax	**3,561**	4,382	4,588
Other equity instrument holders	**(808)**	(732)	(631)
Attributable profit	**2,753**	3,650	3,957

Income Statement commentary

The Barclays Bank Group's profit before tax decreased 13% to £4,223m including the impact of structural cost actions of £458m. CIB's profit decreased to £4,313m (FY22: £4,406m), CC&P's profit decreased to £482m (FY22: £704m) and the loss in Head Office increased to £572m (FY22: £243m loss). CIB's performance was impacted by the reduced industry banking fee pool and lower client activity in Global Markets. CC&P's performance was impacted by higher impairment charges and higher costs, partially offset by balance growth and increased income from continued investment in the business. Head Office performance was mainly driven by hedge accounting losses and structural cost actions. The Barclays Bank Group has a diverse income profile across businesses and geographies including a significant presence in the US.

To help drive future returns, Barclays Bank Group has taken £0.5bn of structural cost actions in 2023 (CIB £0.2bn, CC&P £0.1bn and Head Office £0.2bn) which are expected to result in cost savings over the coming years. Structural cost actions include initiatives across people, property and infrastructure.

2023 compared to 2022

- Total income of £18,268m
  - CIB income decreased 5% to £13,084m and decreased 3% excluding a £292m impact from prior year hedging arrangements related to the Over-issuance of Securities. Global Markets income decreased 17%. FICC income decreased, reflecting lower market volatility and client activity. Equities income decreased, driven by a decline in derivatives income reflecting less volatile equity market conditions. Investment Banking fees decreased 9% due to the reduced fee pool across the industry[a]. Advisory and Debt capital markets fees decreased, partially offset by an improvement in Equity capital markets. Corporate Bank income increased 50% driven by improved deposit margins in the higher rate environment, lower costs of hedging and lower fair value losses on leverage finance lending net of mark to market gains on related hedges.
  - CC&P income increased 17% to £5,340m reflecting higher US cards balances, including the Gap Inc. portfolio acquisition, the acquisition of the Wealth Management & Investments (WM&I) business from Barclays Bank UK PLC, client balance growth and improved deposits margin in the higher rate environment in the Private Bank, partially offset by margin compression in Payments.
  - Head Office income was a net expense of £156m (2022: £75m net expense) which primarily reflected hedge accounting losses.

- Total operating expenses increased 1% to £12,463m (FY22: £12,398)
  - CIB total operating expenses decreased 5% to £8,745m (FY22: £9,200m). Excluding litigation and conduct net release of £(6)m (2022: £1,189m charge), operating expenses increased 9% to £8,751m, reflecting investment in talent and technology, structural cost actions and the impact of inflation, partially offset by efficiency savings.
  - CC&P total operating expenses increased 10% to £3,333m. Excluding litigation and conduct charges of £53m (2022: £230m), operating expenses increased 17% to £3,280m, driven by higher investment spend to support growth, mainly marketing and partnership costs, the transfer of the WM&I business from Barclays Bank UK PLC, structural cost actions and the impact of inflation, partially offset by efficiency savings.
  - Head Office total operating expenses increased to £385m (2022: £168m) mainly driven by structural cost actions of £186m.

- Credit impairment charges were £1,578m (2022: £933m)
  - CIB credit impairment charges were £23m (2022: £119m), driven by single name charges, partially offset by the benefit of credit protection.
  - CC&P credit impairment charges increased to £1,525m (2022: £814m), driven by higher delinquencies in US cards, which was anticipated and led to higher coverage ratios. 30 and 90 day arrears were 2.9% (Q422: 2.2%) and 1.5% (Q422: 1.2%) respectively. The US cards total coverage ratio was 10.2% (December 2022: 8.1%).

  - Head Office total impairment charges were £30m, mainly driven by Italy Mortgages.

- The effective tax rate (ETR) was 15.7% (2022: 10.0%). The 2023 ETR includes tax relief on payments made under AT1 instruments and on holdings of inflation-linked government bonds.

Note
a Data source: Dealogic for the period covering 1 January 2023 to 31 December 2023.

Balance Sheet Information

The following assets and liabilities represent key balance sheet items for the Barclays Bank Group

As at 31 December	2023 £m	2022 £m
Assets		
Cash and balances at central banks	**189,686**	202,142
Loans and advances at amortised cost to banks	**9,024**	8,961
Loans and advances at amortised cost to customers	**137,177**	146,243
Debt securities at amortised cost	**39,046**	27,303
Trading portfolio assets	**174,566**	133,771
Financial assets at fair value through the income statement	**204,236**	211,128
Derivative financial instruments	**256,111**	302,976
Liabilities		
Deposits at amortised cost from banks	**14,598**	20,124
Deposits at amortised cost from customers	**287,200**	271,455
Financial liabilities designated at fair value	**298,573**	272,055
Derivative financial instruments	**249,880**	289,206

Balance Sheet commentary

- Cash and balances at central banks decreased £12.5bn to £189.7bn driven by investment in debt securities at amortised cost in Treasury, which increased £11.7bn to £39.0bn.
- Loans and advances at amortised cost to banks and customers decreased £9.0bn to £146.2bn driven by net loan repayments in CIB and transfer to held for sale of the German consumer finance business, partially offset by balance growth in CC&P.
- Trading portfolio assets increased £40.8bn to £174.6bn driven by an increase in debt and equity securities as we facilitate client demand in Global Markets.
- Financial assets at fair value through the income statement decreased £6.9bn to £204.2bn driven by secured lending which was more than offset by trade optimisations.
- Derivative financial instrument assets and liabilities decreased £46.9bn to £256.1bn and £39.3bn to £249.9bn respectively reflecting lower market volatility and a decrease in the forward interest rates.
- Deposits at amortised cost increased £10.2bn to £301.8bn driven by increased deposits in CIB.
- Financial liabilities designated at fair value increased £26.5bn to £298.6bn driven by increased secured borrowing and debt issuances.

The financial information above is extracted from the financial statements. This information should be read together with the information included in the accompanying consolidated financial statements.

Capital and Other Metrics[a]

Barclays Bank PLC capital requirements are set by the Prudential Regulation Authority (PRA) at a solo-consolidated level. Barclays Bank PLC solo-consolidated comprises Barclays Bank PLC, the parent, plus certain additional subsidiaries, whose inclusion within the consolidation is subject to PRA approval.

Barclays Bank PLC leverage minimum requirements are set at a sub-consolidated level effective from 1 January 2023 and the leverage disclosure below is for Barclays Bank PLC sub-consolidated. For further information, refer to Treasury and Capital Risk on page 124.

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 a Domestic Liquidity Sub-Group (Barclays Bank PLC DoLSub) arrangement.

Performance measures

	2023	2022	2021
Common equity tier 1 (CET1) ratio	**12.1%**	12.7%	12.9%
Total risk weighted assets (RWAs)	**£211.2bn**	£203.8bn	£185.5bn
UK leverage ratio (sub-consolidated)	**6.0%**		
Liquidity coverage ratio[b]	**151%**	134%	133%
Net stable funding ratio[c]	**110%**	108%	

Notes
a Capital, RWAs and leverage are calculated applying the IFRS 9 transitional arrangements of the Capital Requirements Regulation (CRR) as amended by CRR II.
b Liquidity Coverage Ratio (LCR) is now shown on an average basis, based on the average of the last 12 spot month end ratios. Prior period LCR comparatives have been updated for consistency.
c Average represents the last four spot quarter-end positions. No comparative available for 2021.

Capital Commentary

As at 31 December 2023, Barclays Bank PLC's solo-consolidated CET1 ratio was 12.1%, which exceeded the CET1 minimum regulatory capital requirement of 10.5%.

Non-financial performance measures

Barclays Bank PLC is part of the Barclays Group which uses a variety of quantitative and qualitative measures to track and assess holistic strategic delivery.

Barclays Bank PLC has addressed the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Companies Act 2006 through the disclosure contained in the Barclays PLC Annual Report 2023 on pages 40 to 47.

Strategic report
Managing risk

The Barclays Bank Group is exposed to internal and external risks as part of its ongoing activities. These risks are managed as part of our business model.

Enterprise Risk Management Framework

At Barclays Bank Group, risks are identified and overseen in accordance with the Enterprise Risk Management Framework (ERMF), which supports the business in its aim to embed effective risk management and a strong risk management culture.

The ERMF governs the way in which the Barclays Group identifies and manages its risks.

The management of risk is then embedded into each level of the business, with all colleagues being responsible for identifying and controlling risk.

In 2023, the Conduct Risk Principal Risk was renamed "Compliance Risk" and now incorporates Conduct Risk as well as risks from a failure to comply with laws, rules and regulations applicable to the firm.

Risk appetite

Risk appetite defines the level of risk we are prepared to accept across the different risk types, taking into consideration varying levels of financial and operational stress. Risk appetite is key to our decision-making processes, including ongoing business planning and setting of strategy, new product approvals and business change initiatives.

The Barclays Group sets its risk appetite in terms of performance metrics as well as a set of mandate and scale limits to monitor risks (i.e. to ensure business activities are aligned with expectations and are of an appropriate scale relative to the risk and reward of the underlying activities). During 2023, the Barclays Bank Group's performance remained within its risk appetite limits.

Three lines of defence

The first line of defence is comprised of the revenue-generating and client-facing areas, along with all associated support functions, including Finance, Treasury, Human Resources and Operations and Technology. The first line identifies the risks, sets the controls and escalates risk events to the second line of defence. Employees in the first line have primary responsibility for their risks and their activities are subject to oversight from the relevant parts of the second and third lines.

The second line of defence is made up of Risk and Compliance and oversees the first line by setting limits, rules and constraints on their operations, consistent with the risk appetite.

The third line of defence is comprised of Internal Audit, providing independent assurance to the Barclays Bank PLC Board and the Barclays Bank PLC Executive Committee on the effectiveness of governance, risk management and control over current, systemic and evolving risks.

The Legal function provides support to all areas of the Barclays Bank Group and is not formally part of any of the three lines of defence. The Legal function is responsible for proactively identifying, communicating and providing legal advice on applicable laws, rules and regulations. Except in relation to the legal advice it provides or procures, it is subject to second line oversight with respect to its own operational and compliance risks, as well as with respect to the legal risk to which the Barclays Bank Group is exposed.

Monitoring the risk profile

Together with a strong governance process, using business and Barclays Group level Risk Committees, as well as Board level forums, the Barclays Bank PLC Board receives regular information in respect of the risk profile of the Barclays Bank Group. Information received includes measures of risk profile against risk appetite as well as the identification of new and emerging risks, which are derived by mapping risk drivers, identified through horizon scanning, to risk themes, and similar analysis.

During 2023, the Barclays Bank Group ran a stress test to assess its capital adequacy and resilience under a severe but plausible macroeconomic scenario. This stress test targeted risks such as inflation, financial stress and a shock on demand; with terminal low rates set to test the Barclays Bank Group's vulnerabilities through NII (Net Interest Income) margin compression. The stress test outcome for macroeconomic tests assesses full financial performance over the horizon of the scenario in terms of profitability, capital, liquidity and leverage to ensure the Barclays Bank Group remains viable.

We believe that our structure and governance supports us in managing risk in the changing economic, political and market environments.

For further detailed analysis of our approach to risk management and risk performance see the full Risk review on pages 31 to 144.

The Enterprise Risk Management Framework defines nine Principal Risks[1]			
	Principal Risks	Risks are classified into Principal Risks, as below	How risks are managed
Principal Risk	Credit Risk	The risk of loss to the Barclays Bank Group from the failure of clients, customers or counterparties (including sovereigns) to fully honour their obligations to the Barclays Bank Group, including the whole and timely payment of principal, interest, collateral and other receivables.	Credit risk teams identify, evaluate, sanction, limit and monitor various forms of credit exposure, individually and in aggregate. The First Line delivers business plans and products within risk appetite and all limits set by the Second Line, by maintaining detailed financial forecasts, applying controls and managing risks to which they are exposed.
	Market Risk	The risk of loss arising from potential adverse changes in the value of the Barclays Bank Group's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.	Market Risk teams use a range of complementary approaches to identify and evaluate traded market risk exposures. These risks are measured, limited and monitored by market risk specialists. The First Line conduct trading activities within the risk appetite and all mandate & scale limits set by the Second Line.
	Treasury and Capital Risk	Liquidity Risk: The risk that the Barclays Bank Group is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets. Capital Risk: The risk that the Barclays Bank Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments and stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This also includes the risk from the Barclays Bank Group's pension plans. Interest Rate Risk in the banking book: The risk that the Barclays Bank Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.	Treasury and Capital risk is identified and managed by specialists in capital, liquidity and asset and liability management teams. A range of risk management approaches are used such as limits plan monitoring and stress testing.
	Climate Risk	The impact on Financial and Operational Risks arising from climate change through, physical risks, risks associated with transitioning to a low carbon economy and connected risks arising as a result of second order impacts on portfolios of these two drivers[2].	The Barclays Group and Barclays Bank Group is responsible for ensuring that climate risk considerations are integrated into existing risk assessment and management processes in both the First and Second Line of Defence. In addition, the Barclays Bank Group Climate team conduct their own climate risk management activities at an entity level, including proposing Climate Risk Appetite, identifying, assessing and monitoring climate risk drivers, setting limits and other controls to keep the bank within risk appetite, and reporting activities, where appropriate.
	Operational Risk	The risk of loss to the Barclays Bank Group from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.	Operational risks are managed in accordance with the Operational Risk Framework, owned and overseen by the Second Line, and the standards within the Barclays Control Framework. The primary responsibility for the management of operational risk rests within the business and functional units where the risk arises. Management complete Risk and Control Self-Assessments to assess operational risks and the effectiveness of the controls within processes. Identified risks, events and issues are escalated to senior management and the Board to ensure timely notification and to agree the appropriate response.
	Model Risk	The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.	The range of controls owned by First Line include: timely model identification, robust model development, testing, documentation, annual assessment, and ongoing performance monitoring. The range of controls owned by Second Line include: independent model validation, oversight over on-going model performance, and execution of overall model risk governance covering oversight and reporting and escalation to appropriate forums and committees.
	Compliance Risk	The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Barclays Bank Group's products and services (also known as 'Conduct Risk') and the risk to Barclays, its clients, customers or markets from a failure to comply with the laws, rules and regulations applicable to the Barclays Bank Group (also known as Laws, Rules and Regulations Risk 'LRR Risk').	The First Line is accountable for the overall assessment and management of compliance risks in their business or function and are responsible for implementing the requirements outlined in the Compliance Risk Management Framework (CRMF). Compliance must oversee adherence to the CRMF and the management of compliance risk, and provide independent Second Line of Defence oversight to all Barclays businesses, providing advice and challenge where appropriate.
	Reputation Risk	The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the Barclays Bank Group's integrity and/or competence.	Reputation risk is managed by embedding our purpose and values, and maintaining a controlled culture within the Barclays Bank Group, with the objective of acting with integrity, enabling strong and trusted relationships to be built with customers and clients, colleagues and broader society. Each business assesses reputation risk using standardised tools and the governance is fulfilled through management committees and forums, clear escalation and reporting lines to the Barclays Bank PLC Board.
	Legal risk	The risk of loss or imposition of penalties, damages or fines from the failure of the Barclays Bank Group to meet applicable laws, rules and regulations or contractual requirements or to assert or defend its intellectual property rights.	Legal risk is managed by the identification and management of legal risks by the Legal function and the escalation of legal risk as necessary. The Barclays Bank Group's businesses and functions have responsibility for engagement of the Legal function in situations that have the potential for legal risk.

Notes
1 The ERMF defines nine Principal risks. For further information on how these Financial and Operational Principal Risks apply specifically to the Barclays Bank Group, please see page 48,
2 Definition of climate risk amended as part of the updated climate policy in 2023.

Customer and clients

The following sub-sections include a summary of the Barclays Bank PLC specific items from the Barclays PLC Annual Report 2023. For full details, refer to the Customer and clients section of the Barclays PLC Annual Report 2023.

Barclays Bank PLC aims to build trust and loyalty by offering innovative products and services with an excellent customer and client experience. We seek to understand our customers' and clients' expectations and aspirations, and develop products and services to support them – especially during difficult economic conditions.

Engaging with customers and clients

Barclays Bank PLC is committed to serving our customers' and clients' best interests. To do so we regularly engage them, building our understanding of their evolving needs and enabling us to adapt our products and services accordingly. We engage in a wide variety of ways, including running regular surveys, analysing customer complaints, direct interaction and drawing on data from millions of individual transactions.

Customer and client feedback in Barclays US Consumer Bank has recently highlighted positive experiences with our specialists and customer agents, while areas for suggested improvement include making it even easier for customers and clients to interact with us. We are using this feedback to help prioritise improvements, for example simplifying the digital customer journey and reducing the need to contact our call centres as detailed on page 242 of *the Barclays PLC Annual Report 2023.*

In the Corporate and Investment Bank, reflecting on engagement with and feedback from our clients, we continued to build the expertise, knowledge and capabilities they are looking for. We strengthened partnerships across business lines to deliver a more integrated set of solutions and services to global clients, and growing client mindshare.

Supporting customers and clients

Our aim at Barclays is to offer an accessible, empathetic and inclusive service for our customers, including for those who may typically face barriers to accessing banking services – such as people living with disabilities, complex needs or experiencing difficult life events.

Consumer, cards and payments US customer digital engagement[1]

About this KPI and why we use it

Digital engagement assesses our digital value proposition and user experience. We measure usage over a 90-day period as a percentage of total active customers, reflecting the general health of the digital experience and allowing us to uncover any issues we may need to address.

How we performed

Overall, our customer digital engagement improved year-on-year by 190bps, excluding Gap Inc. customers who display lower digital activity. The improvement reflects the introduction of new and enhanced digital engagement features and technology advancements.

Corporate and Investment Bank revenue ranks and market shares

About this KPI and why we use it

Revenue ranks and market shares are a good indicator to monitor success, and identify opportunities. By using Dealogic Investment Banking global fee ranking and share, and a comparison to global peers share of reported revenues for Global Markets, we can assess our relative performance versus a defined peer group[2] clearly and transparently.

How we performed

In 2023 we maintained our rank of sixth across the Corporate and Investment Bank in both Global Markets and Investment Banking despite challenging market conditions and suppressed dealmaking.

Notes
1 Excluding Gap Inc. customers.
2 Global Markets rank based on Barclays' calculations using Peer reported financials. Top 10 peer group contains BoA, BNP, CITI, CS, DB, GS, JPM, MS and UBS. Where any of the peer group have not published results when we report, we use the consensus estimate for their quarterly performance.

Strategic report

Colleagues

The following sub-sections include a summary of the Barclays Bank PLC specific items from the Barclays PLC Annual Report 2023. For full details, refer to the Colleagues section of the Barclays PLC Annual Report 2023. Figures mentioned are for the Barclays Group, other than where specifically mentioned.

Our colleagues are connected by a shared Purpose, Values and Mindset, and commitment to delivering to a consistently excellent standard. We strive to make Barclays a great place to work, empower colleagues to attain sustainable high performance and deliver strong results for stakeholders.

Engaging with colleagues

The Barclays Bank PLC Group has a diverse talent pool of around 23,900 colleagues across the world. We engage in regular dialogue with our colleagues to understand what is working well and where there are opportunities to improve. This includes townhalls, skip-level meetings, site visits, leader-led engagement and surveys. We maintain an engagement approach in line with the UK's Financial Reporting Council (FRC) governance recommendations.

Maintaining a strong and effective partnership with Unite[a], national works councils and the Barclays Group European Forum helps us gather feedback. We continue to consult with colleague representatives on major change programmes impacting our people, to minimise compulsory job losses and focus on reskilling and redeployment.

Achieving a consistently excellent standard

Barclays continues to focus on delivering to a higher operating standard via our Barclays Group-wide cultural change programme, Consistently Excellent. This programme challenges colleagues to address five key areas – Precision, Service, Focus, Efficiency and Diversity of thought – to establish a new operating standard.

This higher standard is becoming part of our culture and we are working hard to equip everyone with the right skills to achieve this, while rewarding progress. We have incorporated it into our existing Values and Mindset behaviours and as part of an enhanced set of leadership behaviours. We also began updating our key processes for attracting, retaining and developing talent, planning for succession, and recognising and rewarding performance.

To help create a common understanding across the Barclays Group, we led Consistently Excellent workshops throughout 2023 for our senior leaders. In 2024, all colleagues will be invited to attend these workshops.

Investing in our talent

Our talent ambition underpins Barclays' approach to talent attraction, retention and development. We relaunched our ambition in 2023 to focus on the skills and capabilities we require for the future, and set the benchmark for what it means to lead at Barclays through our refreshed leadership framework. Together, these set clear behavioural expectations for our leaders, and enable our leaders to create the right culture for colleagues to deliver to a consistently excellent standard.

With our Diversity, Equity and Inclusion (DEI) agenda in mind, we continue to attract candidates who possess the capabilities, critical skills and experience required to provide exceptional service to our customers and clients. In 2023, our graduate intake was over 36% female, while our undergraduate Discovery Diversity Programme focused on showcasing successful career paths for underrepresented minorities. These hiring programmes have helped drive applications from a diverse pool of candidates. To further promote social mobility, we will continue our extensive apprentice hiring programme through engagement with educational institutions.

Maintaining our focus on wellbeing

We remain committed to supporting colleague wellbeing using data-driven insights and engagement through leader-led initiatives such as the 'Healthy to Talk' campaign on World Mental Health Day. This is supplemented by dedicated people leader workshops exploring practical ways to continue to embed wellbeing into ways of working.

Introducing structured hybrid working

Following our continuous test and learn approach, Barclays has adapted its ways of working to introduce structured hybrid working – supporting colleagues to connect in-person and plan their work to make the most of both their time in the office and remotely.

Our people policies

Our people policies[b] help us recruit the best people, provide equal opportunities and create an inclusive culture in line with our Purpose, Values and Mindset, and in support of our long-term success. They are regularly reviewed and updated to ensure alignment with our broader people strategy.

We are committed to paying our people fairly and appropriately relative to their role, skills, experience and performance. This means our remuneration policies reward performance in line with our Purpose, Values and Mindset, and our consistently excellent standard. We also encourage our people to benefit from Barclays' performance by enrolling in our employee share ownership plans.

Notes
a The collective bargaining coverage of Unite in the UK represents 80% (2022: 82%) of our UK workforce and 40% (2022: 43%) of our global workforce.
b Our policies reflect relevant employment law, including the provisions of the Universal Declaration of Human Rights and the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work.

Society

The following sub-sections include a summary of the Barclays Bank PLC specific items from the Barclays PLC Annual Report 2023. For full details, refer to the Society section of the Barclays PLC Annual Report 2023.

Our success is judged not only by our commercial performance, but also by our contribution to society and the way we work together for a better financial future for all our stakeholders. Our focus on society falls broadly into three categories: Climate, Communities and Suppliers.

Climate

Barclays is committed to achieving its ambition to be a net zero bank by 2050. We are focused on reducing our financed emissions through our policies, targets and financing. This includes working with its clients as they decarbonise and supporting their efforts to transition the real economy in a manner that is just, orderly and provides energy security.

We have now set 2030 reduction targets for eight of the highest-emitting sectors in our portfolio: Energy, Power, Cement, Steel, Automotive manufacturing, Aviation, Agriculture and Commercial Real Estate; and assessed the baseline and convergence point for our UK Housing portfolio. This meets our commitment under the Net Zero Banking Alliance (NZBA) to set targets for material high-emitting sectors in our portfolio.

Our policies are a lever for reducing our financed emissions. In 2024, Barclays updated its Climate Change Statement, to include[1]:

- No project finance, or other direct finance to energy companies, for upstream oil and gas expansion projects or related infrastructure.
- Restrictions for new energy company clients engaged in expansion from January 2025.
- Restrictions on non-diversified energy companies engaged in long lead expansion.
- Additional restrictions on unconventional oil and gas, including Amazon and extra heavy oil.
- Requirements for energy companies to have 2030 methane reduction targets, a commitment to end all routine / non-essential venting and flaring by 2030 and near-term net zero aligned Scope 1 and 2 targets from January 2026.
- Expectations for energy companies to produce relevant information in relation to their transition plans or decarbonisation strategies by January 2025

We understand that capital is critical for a successful energy transition and are focussing our financing to those clients actively engaged in the energy transition.

The scale of our business gives us the opportunity to help finance the energy transition – to use our global reach, products, expertise and position in the global economy to work with our clients, including those in the energy sector, as they transition to a low-carbon business model.

In 2023, Barclays financed $67.8bn of Sustainable and Transition Finance, demonstrating good momentum towards our target of $1trn by the end of 2030.

Please see the Climate and Sustainability Report in the Barclays PLC 2023 Annual Report.

Note
1 For details on the scope and application of the updated positions please refer to the Climate Change Statement found at: home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions

Communities

Barclays is committed to building a stronger, more inclusive economy that is better for everyone. We are supporting local communities where we operate by enabling people to develop the skills and confidence they need to succeed, and helping businesses to grow and create jobs.

We regularly engage with our community partners to help shape our strategy and deepen our understanding of evolving societal issues. We request formal quantitative and qualitative information from our charity partners on a quarterly basis and regularly seek feedback from the CEOs we support through our Unreasonable Impact programme - a partnership between Barclays and Unreasonable Group. Feedback and data from our community partners, charity partners and the businesses we support helps inform and evolve our programmes to ensure they best meet their needs.

Skills and employability

We believe everyone deserves the financial independence, security and opportunity that comes with a job – and a vibrant, skilled workforce ensures local communities and businesses can thrive.

Sustainable growth

Businesses are the engines of growth and innovation in communities around the world, pioneering solutions to support the transition to a more sustainable, inclusive and just future. Barclays is well-positioned with the capabilities, resources and networks to support the growth of these businesses at each stage of the lifecycle - from idea to IPO - with a dynamic package of innovative programming, workspaces and investment.

Suppliers

As a global institution, we have responsibility for a large supply chain. We engage directly with our suppliers - our Third Party Service Providers (TPSPs) to promote Diversity, Equity and Inclusion and we are committed to trying to identify and seeking to address the modern slavery risks in our supply chain.

We work closely with our TPSPs and set out our expectations in our Third Party Service Provider Code of Conduct (TPSP CoC). The TPSP CoC encourages our TPSPs to adopt our approach to doing business and details our expectations for matters including environmental management, human rights, diversity and inclusion and also for living the Barclays Values.

Section 172(1) statement

How the Board has regard to the interests of stakeholders

In accordance with the Companies Act 2006 (the Act), this statement sets out how the Directors have had regard to the matters set out in section 172(1) of the Act when performing their duty to promote the success of the Company under section 172.

You can read about the key activities of the Board and decisions taken during the year in the Governance report, in particular how we have complied with our corporate governance principles, on pages 14 to 23. You can also read about our key stakeholder groups and how we listen and respond to them in the Customer and clients, Colleagues and Society sections of the Strategic report on pages 9 to 11. Further relevant information regarding the Barclays Group's key stakeholder groups and how we listen and respond to them can be found in the Our stakeholders section of the Barclays PLC Annual Report 2023.

How the Board engages with stakeholders

Throughout the year, the Board and individual Directors engage directly and indirectly with stakeholders to ensure they have a deep understanding of the impact of the Barclays Bank Group's operations on key stakeholders, as well as their interests and views. This engagement, both directly and through reporting by executive management, to whom the day-to-day operations of the business are delegated, seeks to ensure the Board understands the key issues to enable the Directors to comply with their legal duty under Section 172(1).

Implementing and Embedding the new FCA Consumer Duty

In July 2023, the Financial Conduct Authority's (FCA) Consumer Duty came into force. The Consumer Duty is a new outcomes-based regulation, designed to ensure relevant financial services firms deliver good outcomes for retail customers consistent with the three cross-cutting rules to (i) act in good faith, (ii) avoid causing foreseeable harm, and (iii) enable and support retail customers, and the four retail customers outcomes relating to: (i) products and services, (ii) price and value, (iii) consumer understanding, and (iv) consumer support.

The implementation of, and ongoing compliance with, the Consumer Duty is the responsibility of the operating entities within the Barclays Group, primarily, BBPLC and Barclays Bank UK PLC. In addition, given the significance of the Consumer Duty, the BPLC Board also provides relevant oversight of the Consumer Duty across the Barclays Group.

The Board has established a BBPLC Consumer Duty Board Sub-Committee to oversee BBPLC's planning and, in February 2023, the Board approved changes to its Matters Reserved, in order to reflect its responsibility for approval of the BBPLC Annual Consumer Duty Compliance Report. This approval will include confirmation on whether the Board is satisfied that the business is complying with its obligation to deliver good outcomes for retail customers and whether future business strategy is consistent with the requirement to deliver good customer outcomes in accordance with the relevant FCA rules.

Throughout the first half of 2023, the BBPLC Consumer Duty Board Sub-Committee oversaw BBPLC's planning for the first Consumer Duty implementation deadline of 31 July 2023 for in-scope products and services. In addition to receiving its regular updates on the status of the Company's implementation plans, the Committee received a final update on overall compliance readiness shortly before the implementation deadline of 31 July 2023. This update included information on work conducted to ensure relevant frameworks align with the Consumer Duty rules and guidance and ongoing work to embed the Consumer Duty, including the roll-out of mandatory Consumer Duty training for impacted colleagues.

In May 2023, Mary Francis (as BBPLC Consumer Duty Champion), along with the BBPLC Chairman and the Barclays Bank UK PLC Consumer Duty Champion, visited our contact centre in Wavertree, Liverpool, to experience Consumer Duty in action, meeting with customer-facing colleagues and learning about how Barclays is addressing vulnerable customer needs.

In late 2023, the BBPLC Consumer Duty Board Sub-Committee received a further progress report on the continuing work to operationalise and embed the Consumer Duty across the business, the roll out of new Consumer Duty management information and ongoing planning for the second implementation date of 31 July 2024 for closed products. One continuing area of Board focus is oversight of work to develop robust data and monitoring capabilities to assess customer outcomes and identify potential or actual risks, and for reporting at business, Executive and Board level.

Given the Barclays Group-wide significance of the Consumer Duty, throughout 2023, there has been extensive engagement by the Boards of BPLC, BBPLC and Barclays Bank UK PLC.

The Board will continue its oversight of the embedment and implementation of the Consumer Duty in 2024, noting that, from July 2024, the Board is required to review and approve its first assessment as to whether the business is delivering good outcomes for its retail customers which are consistent with the Consumer Duty.

Nigel Higgins

Chairman – Barclays Bank PLC

19 February 2024

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The Board

Details of the Directors who served during the financial year ended 31 December 2023 are set out in the table below, together with the composition of each of the Board's Committees.

We welcomed Marc Moses and Julia Wilson to the Board as Non-Executive Directors on 23 January 2023 and 1 April 2023, respectively, and Mike Ashley stepped down from the Board on 3 May 2023. The Board is grateful for Mike's invaluable contribution to the Board during his tenure.

	Board	Nominations Committee	Audit Committee	Risk Committee	Remuneration Committee	Sustainability Committee[a]
Nigel Higgins Chairman of the Board	C	C				C
Robert Berry Independent Non-Executive Director	M		M	C		M
Anna Cross Executive Director	M					
Mohamed A. El-Erian Independent Non-Executive Director	M	M		M		
Dawn Fitzpatrick Independent Non-Executive Director	M			M	M	M
Mary Francis Independent Non-Executive Director	M				C	M
Marc Moses[b] Independent Non-Executive Director	M		M	M		
Diane Schueneman Independent Non-Executive Director	M	M	M	M		
C.S. Venkatakrishnan Executive Director	M					M
Julia Wilson[c] Independent Non-Executive Director	M	M	C	M	M	M
Former Directors						
Mike Ashley[d] Independent Non-Executive Director	M		C, M	M		

[C] Chair of Board or Board Committee.
[M] Member of Board or Board Committee.
[a] The Board Sustainability Committee was established with effect from 23 March 2023.
[b] Marc Moses was appointed to the Board and as a member of the Board Audit and Risk Committees with effect from 23 January 2023.
[c] Julia Wilson was appointed to the Board, as Chair of the Board Audit Committee and a member of the Board Risk, Nominations and Sustainability Committees with effect from 1 April 2023. Julia joined the Board Remuneration Committee with effect from 1 July 2023.
[d] Mike Ashley stepped down as Chair of the Board Audit Committee with effect from 31 March 2023 and retired from the Board and as a member of the Board Audit and Risk Committees with effect from 3 May 2023.

Attendance

Directors are expected to attend every Board meeting. During 2023, there were no ad hoc Board meetings held in addition to scheduled meetings. Attendance at meetings in 2023 is set out in the table below. The aggregate attendance for Board and relevant Board Committee meetings in 2023 did not fall below 75% for any Director.

Director	Scheduled eligible meetings attendance[a]	Effective date
Nigel Higgins	7/7	Appointed 1 March 2019
Robert Berry	7/7	Appointed 8 February 2022
Anna Cross	7/7	Appointed 23 April 2022
Mohamed A. El-Erian	7/7	Appointed 1 January 2020
Dawn Fitzpatrick	7/7	Appointed 25 September 2019
Mary Francis	7/7	Appointed 25 September 2019
Marc Moses	7/7	Appointed 23 January 2023
Diane Schueneman	7/7	Appointed 25 September 2019
C.S. Venkatakrishnan	7/7	Appointed 1 November 2021
Julia Wilson	6/6	Appointed 1 April 2023
Former Directors		
Mike Ashley	2/2	Stepped down 3 May 2023

a Each Board meeting is held over the course of two days. In the 2022 Annual Report, these were reported as two separate Board meetings. For the 2023 attendance figures, one Board meeting which was held over two days has been reported as one Board meeting.

Overview of governance framework

The membership of the BPLC and BBPLC Boards was partially consolidated and streamlined in 2019 to improve coordination and efficiency, whilst reducing complexity and unnecessary duplication. As a result, membership of the BBPLC Board is a subset of the BPLC Board, with all members of the

Corporate governance statement

BPLC Board (except the Senior Independent Director, the Chair of Barclays Bank UK PLC (BBUKPLC) and at least one other Non-Executive Director) also serving on the BBPLC Board. This structure provides oversight over the activities of BBPLC, in addition to which the Board members have direct accountability to BPLC's shareholders through their separate responsibilities as members of the BPLC Board.

The Board strives to have high standards of corporate governance and, in accordance with the Companies (Miscellaneous Reporting) Regulations 2018 (the 2018 Regulations), has adopted its own corporate governance arrangements, which it considers are appropriate to apply and are designed to ensure effective decision-making to promote BBPLC's long-term success.

The Board has chosen not to adopt and report against the 2018 UK Corporate Governance Code (Code), which is designed for premium listed companies. Further, whilst fully supportive of the Wates Corporate Governance Principles for Large Private Companies (in particular the focus on purpose, culture and colleague and stakeholder engagement), the Board considers that the Wates Principles are less appropriate for a wholly-owned subsidiary of a premium listed company, which is also a complex financial institution subject to a comprehensive regulatory regime. This is consistent with the approach of other significant subsidiaries within the Barclays Group which are subject to the 2018 Regulations.

The Board's primary aim is that our governance framework:
- ensures we have an effective and entrepreneurial Board which makes decisions and provides oversight to promote BBPLC's success, creating long-term sustainable value for the shareholder and the ultimate shareholders of BPLC, having regard to the interests of all our other stakeholders
- promotes our Purpose, Values, Mindset and culture, and seeks to ensure that our decision-making is aligned with these
- is effective in providing constructive challenge, strategic guidance and support to management
- provides checks and balances and drives informed, collaborative and accountable decision-making.

Set out below are the principles which underpin our corporate governance arrangements and how these principles have been applied during 2023. Certain additional information, signposted throughout this section, is also available in the Strategic report.

The Barclays Group-wide governance framework is set by BPLC and has been designed to facilitate the effective management of the Barclays Group. This includes the setting of Barclays Group policies and approach in relation to matters such as Barclays' Purpose, Values and Mindset, Barclays' Remuneration Policy and the Barclays *Charter of Expectations*. Where appropriate, this corporate governance statement makes reference to those Barclays Group-wide policies, which are relevant to the way in which the Company is governed.

The Company's corporate governance principles and how the Company has applied them during 2023 and to the date of this report

Principle One: Board leadership and company purpose

A successful company is led by an effective and entrepreneurial board, whose role is to establish the company's purpose, values and strategy, aligned to its culture and make decisions to promote its success for the long-term benefit of its shareholder, having regard to the interests of other relevant stakeholders and factors.

- Through the leadership of the Board, a clear vision of the Barclays Purpose, Values and Mindset is articulated, underpinning and defining the strategy and culture of the organisation, which is embedded at every level of management.
- The Board supports *The Barclays Way,* which sets the framework for achieving a dynamic and positive culture. The Board believes that a positive culture, supported by effective leadership and a consistent 'tone from the top' is crucial to our success. Therefore, culture remains a core area of focus for the Board and is reviewed in a number of ways, including through colleague feedback.
- Given its fundamental importance, the Board regularly considered strategy matters at its 2023 meetings, continuing to deepen its understanding of the Barclays Bank Group's business, as well as the risks and opportunities the Barclays Group and the wider banking industry face.
- Further detail on the Company's strategy can be found on pages 1 to 3 of the Strategic report and details of the Barclays Group strategy can be found within the Strategic report of the Barclays PLC Annual Report 2023.

What the Board did in 2023

During 2023, the Board focused on the following areas:

Strategy and operational matters

- Considered strategy matters regularly throughout the year. In addition, the Board participated in a series of business reviews covering areas including the Investment Bank, Consumer, Cards and Payments (CC&P), US Consumer Bank and Markets. The Board also received sessions during the year on 'horizontal topics' impacting the wider Barclays Group, such as reputation risk and financial crime.
- Reviewed and discussed the 2023 Medium Term Plan ahead of its approval by the Board in early 2024.
- Received updates on climate and sustainability matters, including on Barclays' sustainable finance strategy in relation to the Corporate and Investment Bank (CIB) and approved the establishment of the Board Sustainability Committee.
- Discussed regular updates from the Chief Executive and President of BBPLC on the progress being made against the Barclays Bank Group strategy and business performance.
- Continued to focus on culture and colleague engagement. The Board received feedback on culture through various channels, including reports on the outcome of colleague surveys and direct engagement with colleagues, such as through town halls and site visits. Refer to the Colleagues section in the Strategic report for more information on workforce matters.
- Received regular updates from the Chief Executive on the Barclays Group-wide cultural change programme aimed at ensuring we deliver to a consistently excellent standard.
- Received an update in relation to Diversity, Equity and Inclusion (DEI) matters, with a focus on progress against the Barclays Group's Gender Ambition (insofar as it relates to the Barclays Bank Group) and the actions required to promote gender diversity in the CIB.

Finance

- Regularly assessed the financial performance of the various businesses and Barclays Bank Group results through reports from the Chief Financial Officer and through business specific updates to the Board.
- Reviewed and approved BBPLC's financial results prior to publication.
- Reviewed and approved the payment by BBPLC in February 2023 of an interim dividend in respect of the year ended 31 December 2022, and approved the payment of a 2023 interim dividend in July 2023. Details of dividends paid in 2023 are set out in Note 10 of the financial statements.

- Considered and approved the BBPLC elements of the Barclays Group Recovery Plan.

Governance and risk (including regulatory issues)

- Received updates on management's implementation of the Financial Conduct Authority's (FCA) Consumer Duty leading up to the 31 July 2023 implementation deadline. The Board also received updates from the BBPLC Consumer Duty Board Sub-Committee and approved an amendment to the BBPLC *Matters Reserved to the Board* to reflect the Board's oversight and approval of the BBPLC Annual Consumer Duty Compliance Report. You can read more about the Board's oversight of the Consumer Duty in the Section 172(1) statement on page 12.
- Received regular updates on emerging risk themes, including the impacts of geopolitical uncertainty, high interest rates and inflationary pressures.
- Received reports on operational resilience and an update in relation to cybersecurity.
- Considered and approved appointments of Directors following recommendations from the Board Nominations Committee.
- Received regular reports from the Chair of each Board Committee.
- Received and considered feedback from the Barclays Group's key regulators.
- Considered the results of the internally facilitated 2023 Board effectiveness evaluation.

Principle Two: Division of responsibilities

An effective board requires a clear division of responsibilities with the Chair leading the board and being responsible for its overall effectiveness, and the executive leadership of the company's business being delegated to the Chief Executive. The board should consist of an appropriate combination of Executive and independent Non-Executive Directors, each with a clear understanding of their accountability and responsibilities. The board's policies and procedures should support effective decision-making and independent challenge.

- There is a clear division of responsibilities between the Chair and Chief Executive. Page 14 sets out the details of the Board members, the majority of whom are independent Non-Executive Directors.
- Policies and protocols are in place to support effective decision-making and independent challenge, including the Barclays *Charter of Expectations* which sets out the individual role profiles and required behaviours and competencies of the Chair, Non-Executive Directors, Executive Directors and Committee Chairs. In accordance with the *Charter of Expectations*, the Non-Executive Directors are responsible for providing effective oversight, strategic guidance and constructive challenge while holding the Executive Directors to account against agreed performance objectives. The Chairman meets privately with the Non-Executive Directors when appropriate, to promote independence.
- The Board's responsibilities are executed in part through the Board Committees, each of which has its own Terms of Reference which set out its remit and decision-making powers. The Chairs of each of the Board Committees provide a report on the work of the Committee at every scheduled Board meeting. Details of the principal Board Committees and their core responsibilities and activities in 2023 are set out later in this report.
- Appropriate information and support is provided to the Board, to enable it to undertake its work with due care and discharge its responsibilities.
- The Barclays Group *Corporate Governance Operating Manual* sets out guidelines as to how the Barclays Group significant subsidiaries (and their respective Boards and Board Committees) should interact with each other, while providing guidance and clarity for management and Directors as to how these relationships and processes should work in practice. It is a dynamic document that continues to evolve with the changing nature of the Barclays Group.

The Board

Executive and Non-Executive Directors share the same duties and are subject to the same constraints. However, a clear division of responsibilities has been established. The Chairman is responsible for leading the Board and its overall effectiveness in directing the Company, demonstrating objective judgement and promoting a culture of openness and inclusion, and facilitating and encouraging constructive challenge and debate between all Directors, and which challenges executives where appropriate. The Chairman facilitates constructive Board relations and the effective contribution of all Non-Executive Directors, and ensures Directors receive information in an accurate, timely and clear form that is relevant to discharge their obligations. It is the Board's responsibility to ensure that management delivers on short-term objectives, whilst promoting the long-term success of the Company and the Barclays Bank Group.

The Board is responsible for the Barclays Bank Group, which contains the majority of the Barclays Group's Barclays International division, comprising the CIB and CC&P businesses.

The BBPLC *Matters Reserved to the Board* ensures that appropriate coordination with the governance of the partially consolidated BPLC and BBPLC Boards is in place. The *Matters Reserved to the Board* specifies those decisions reserved solely to the decision-making power of the Board. Those matters include material decisions relating to strategy, risk appetite, medium term plans, capital and liquidity plans, risk management and controls frameworks, approval of financial statements, approval of large transactions and the approval of share allotments, dividends and share buybacks. The Board has delegated the responsibility for making and implementing operational decisions and running the Company's business on a day-to-day basis to the Chief Executive, supported by his Executive Committee.

The current Board comprises a Chairman, who was independent on appointment, two Executive Directors and seven independent Non-Executive Directors. The Board comprises a majority of independent Non-Executive Directors, bringing significant expertise (including external perspectives) and independent challenge. The independence of the Non-Executive Directors is considered by the Board Nominations Committee annually and makes any recommendation to the Board accordingly.

Non-Executive Directors' time commitment and conflicts of interest

Non-Executive Directors, including the Chairman, are informed of the minimum time commitment prior to their appointment and they are required to devote sufficient time to the Company to discharge their responsibilities effectively.

The time commitments of Directors are considered prior to appointment and are monitored by the Board Nominations Committee. All Directors must seek approval (providing an indication of expected time commitment) before accepting any significant new commitments outside of Barclays. The Board is satisfied that there are no Directors whose time commitment is considered to be a matter for concern. A record of each Director's time commitments is maintained by the Company.

In accordance with the Companies Act 2006 (the Act) and the Articles, the Board has authority to authorise conflicts of interest, and this ensures that the influence of third parties does not compromise or override the independent judgement of the Board. A conflicts register is maintained by the Company, which is a record of actual and potential conflicts, together with any Board authorisation of the conflict.

Corporate governance statement

Executive Committee

During 2023, the Executive Committee membership included the Chief Executive, the Global Head of the CIB and President of BBPLC, the Co-Heads of Global Markets, the Co-Heads of Investment Banking, the Head of Consumer Banking and Payments, the Chief Financial Officer, Chief Risk Officer and other functional partners.

During the year, we welcomed the following new members of the Executive Committee:
- Vim Maru, Global Head of Consumer Banking and Payments
- Cathal Deasy and Taylor Wright, Global Co-Heads of Investment Banking
- Bevan Cowie, Chief Risk Officer of BBPLC
- Crystal Lalime, General Counsel of Barclays International

The Executive Committee meets quarterly and is chaired by the Global Head of the CIB and President of BBPLC. In addition to the day-to-day management of the Company, the Executive Committee supports the Chief Executive in ensuring that the Barclays values, strategy and culture align, are implemented and are communicated consistently to colleagues.

Principle Three: Composition, succession and evaluation

A board with the right balance of skills, experience and diversity is critical to the sustainable delivery of value to the company's shareholder and broader stakeholders. The size of the board should be guided by the scale and complexity of the company and appointments should be based on merit and objective criteria, with a view to promoting diversity and subject to a formal, rigorous and transparent procedure, which is underpinned by an effective succession plan for board and senior management. A successful board is a cohesive board that provides informed and constructive challenge to the management team and measures its effectiveness.

- The membership of the Board is drawn exclusively from the BPLC Board. The size and composition of the Board is considered appropriate for the Barclays Bank Group. There is a good balance between Executive and independent Non-Executive Directors, with the Non-Executive Directors able to provide essential independent challenge. Board members have a strong combination of technical, finance (including significant financial services experience) and commercial skills along with broader experience in culture and colleague engagement. The Company considers the composition of the principal Board Committees to meet the independence criteria of the Code, notwithstanding that the Company has chosen not to adopt and report against the Code, as stated above, and there is appropriate cross-membership on the Board Committees to further promote effectiveness.
- All appointments to the Board and senior management are based on merit and objective criteria, with a continued strong belief in the benefits that diversity, in all its forms, brings to the Board. This includes in relation to gender, ethnicity, age, sexual orientation, disability and socio-economic background. Board appointments are made following a formal, rigorous and transparent process, facilitated by the Board Nominations Committee, with the aid of external search consultancy firms.
- Across the Barclays Group, DEI remains a key area of focus. The Company continues to strive to build a diverse, equitable and inclusive workplace, making the most of the different backgrounds, perspectives, and experiences of our colleagues to better serve Barclays' customers and clients. Further information, including in relation to Barclays' DEI strategy and progress in this area, can be found within the Colleagues section of the Barclays PLC Annual Report 2023 and in Barclays' DEI report, which will be made available on the Barclays website later in the year.
- There is regular review of the leadership and succession needs of the business to maintain the depth and diversity of the talent and succession pipeline at the Board, executive and key management level. This remains a key focus to maintain the quality of leadership that is in place to lead the business in the delivery of the strategy, against a challenging economic and operating environment.
- Ongoing training and professional development is key in providing Board members with a deeper and more granular understanding of the business, contributing to informed and sound decision-making.
- Effectiveness is supported through annual evaluations of the Board, Board Committees and individual Directors. In 2023, the Board, Board Committee and individual Director effectiveness evaluations were conducted internally.
- Feedback from the 2023 Board effectiveness review indicated that the Board is operating well and effectively, with Board members commenting favourably on the culture of the Board, where members feel able to share their different perspectives and views. The review indicated that Board composition is considered a strength, bringing together a range of diverse and complementary range of backgrounds. The review highlighted an appropriate level of support and challenge to management. Feedback from the effectiveness reviews of each Board Committee for 2023 can be found later in this report.

Board Nominations Committee

The Board Nominations Committee is comprised solely of independent Non-Executive Directors. The Board Nominations Committee members are Nigel Higgins, as Chairman of the BBPLC Board, along with Mohamed A. El-Erian, Diane Schueneman and Julia Wilson (appointed 1 April 2023).

In addition to two scheduled meetings, the Board Nominations Committee also held one ad-hoc meeting during 2023. Board Nominations Committee meetings were attended during the year by the Chief Executive and the BPLC HR Director, as appropriate.

Attendance at Board Nominations Committee meetings during 2023 was as follows:

Member	Meetings attended/eligible to attend	Effective date
Nigel Higgins (Chair)	3/3	Appointed 1 March 2019
Mohamed A. El-Erian	3/3	Appointed 1 September 2022
Diane Schueneman	3/3	Appointed 25 September 2019
Julia Wilson	2/2	Appointed 1 April 2023

The principal role and responsibilities of the Board Nominations Committee, pursuant to its Terms of Reference, are:
- considering appointments to the Board, its Committees and boards of BBPLC's significant subsidiaries
- considering the composition of the Board and its Committees
- considering succession planning and talent management
- evaluating Board effectiveness
- assessing the length of Directors' tenure

- considering Board induction and training
- evaluating governance matters.

During 2023, the principal activities of the Committee included:
- Reviewing and approving Board and Board Committee size, composition and succession planning, taking into account tenure, time commitment, skills, knowledge, experience and diversity of the Directors, and identifying any desirable skills to aid the Company in operating and competing effectively (and leading the search and recruitment process).
- Receiving updates on the Company's executive governance framework, talent and succession management, including Executive Committee succession planning and reviewing and approving proposed changes to Executive Committee composition.
- Continuing to support, alongside the Board, the Barclays Group's Gender Ambition and Multicultural agenda, including Barclays' Underrepresented Race and Ethnicity Ambition. You can read more about Barclays' approach to DEI, including Barclays' DEI vision and strategy, and data on gender and ethnic diversity, within the Colleagues section of the Barclays PLC Annual Report 2023 and in the Barclays DEI report which will be made available on the Barclays website later in the year.
- Reviewing and recommending to the Board for approval a revised Board Diversity and Inclusion Policy on 8 February 2024, including re-affirming the Board's existing gender diversity target to ensure that, by 2025 (i) the proportion of women on the Board is at least 40% and (ii) at least one of the Chair, Chief Executive, Senior Independent Director or Chief Financial Officer is held by a woman, and that this is to be maintained going forward, and the Board's existing ethnic diversity target aligned with the Parker Review on the ethnic diversity of UK Boards (at least one Board member to be from an ethnic minority background excluding white ethnic groups, and this is maintained going forward). Please refer to the Diversity, equity and inclusion section below for further information.
- Receiving updates on succession planning for the Company's main subsidiary company boards.
- Reviewing conclusions and recommendations (as applicable) arising from the internally facilitated 2022 Board, Board Committee and individual Director effectiveness reviews, and overseeing the internally conducted 2023 Board, Board Committee and individual Director effectiveness reviews.

An internal review of the effectiveness of the Board Nominations Committee was undertaken for 2023. The results of the review confirm the Committee is operating effectively. It is considered well constituted and chaired, providing high-quality oversight and constructive challenge to management in the areas within its remit. The Committee's interaction with the Board, Board Committees and senior management is considered effective. Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Nominations Committee continue to be effective, with coverage of BBPLC matters within concurrent meetings considered appropriate.

Appointment and retirement of Directors

The appointment and retirement of Directors is governed by the Articles, the Act and related legislation.

The Articles may be amended only by a special resolution of the shareholders. The Board has the power to appoint additional Directors or to fill a casual vacancy amongst the Directors and any Director so appointed holds office only until the next AGM where they may offer themselves for re-election.

The Board Nominations Committee regularly reviews the composition of the Board, Board Committees and Executive Committee and the core skills, experience, knowledge and diversity required. For the Board, it is standard practice to appoint any new Non-Executive Director or Chair for an initial three-year term, which may be extended for up to a further three-year term. As such, Non-Executive Directors typically serve up to a minimum of six years, although this period may be extended where considered appropriate by the Board Nominations Committee.

Diversity, equity and inclusion

Having due regard to the benefits of diversity - including in relation to gender, ethnicity, age, sexual orientation, disability and socio-economic background - is a vital element of the Board Nominations Committee's role in leading appointments and succession planning for the Board, Board Committees and the Executive Committee. Both the Committee and the Board recognise the benefits of a diverse, equitable and inclusive Board, reflective of the communities in which Barclays operates, in driving effective decision-making. With this in mind, the Board adopted a revised version of the Board Diversity and Inclusion Policy on 8 February 2024, which more clearly articulated these aims.

As at the date of this report, BBPLC Board gender diversity stands at 50% female (with five female directors on the Board), meeting the Board target of 40% gender diversity. The Company also satisfies the Board's target of having at least one Board member who is from an ethnic minority background (excluding white ethnic groups).

In addition, the Company recognises that being a diverse and inclusive company is an integral part of our success. The Barclays Group's DEI vision and strategy, which was refreshed in 2022, includes a series of principles and strategic priorities designed to support Barclays in making progress against the six core DEI agendas. Further information on DEI at Barclays can be found within the Colleagues section and Board Nominations Committee report in the Barclays PLC Annual Report 2023, and in the Barclays DEI report 2023 which will be made available on the Barclays website later in the year.

Training and induction

Directors are provided with the opportunity to take part in ongoing training and development and can also request specific training they may consider necessary or useful. In 2023, training and development was supported through briefings for Board members on key 'horizontal topics', and business and function reviews. The Board also received an annual briefing on regulatory responsibilities (including the Senior Managers Regime) and on Barclays' conduct and financial crime policies and standards. In addition, the Board received updates on Public Policy and Corporate Responsibility matters and developments in corporate governance.

On appointment, all Directors receive a comprehensive induction tailored to their individual requirements, designed to provide them with an understanding of how the Barclays Bank Group works and the key issues that the Company and the Barclays Bank Group face. When a Director joins a Board Committee, the schedule also includes an induction to the operation of that Board Committee.

Principle Four: Audit, risk and internal control

A board should establish formal and transparent policies and procedures to (i) identify the nature and extent of principal risks the company is willing to take in order to achieve its long-term strategic objectives; (ii) manage such risks effectively; (iii) oversee the internal control framework; (iv) promote the independence and effectiveness of internal and external audit functions; and (v) satisfy itself on the integrity of financial reporting.

- The Company is committed to operating within a strong system of internal controls that enables business to be transacted and risks taken without exposure to unacceptable potential losses or reputational damage. The principal risks facing the Barclays Bank Group have been identified and robust processes are in place to evaluate and manage such risks including regular reporting to, and oversight by, the Board Risk Committee and the Board. A key component of the risk management framework is the Enterprise Risk Management Framework (ERMF), which supports the business in its aim to embed effective risk management and a strong risk management culture. The ERMF is designed to identify and set minimum requirements, in respect of the main risks, to achieve the Company's strategic objectives and to provide reasonable assurance that internal controls are effective. Further detail on the Principal Risks and management of them can be found in the Strategic report.
- The Board approves the Barclays Bank Group's risk appetite (the amount of risk the Barclays Bank Group is able to take to earn an appropriate return while meeting minimum internal and regulatory capital requirements in a severe but plausible stress environment), including testing whether the Barclays Bank Group's financial position and risk profile provide sufficient resilience to withstand the impact of severe but plausible economic scenarios within the parameters set by the BPLC Board Risk Committee.
- Effectiveness of risk management and internal controls is reviewed regularly by the Board Risk Committee (responsible for providing oversight on current and potential future risk exposures) and the Board Audit Committee (responsible for evaluating the effectiveness of internal controls).
- The Board Audit Committee also has oversight of the financial reporting processes and the work of the external and internal auditors (including independence and effectiveness).

Board Audit Committee

The Board Audit Committee is comprised solely of independent Non-Executive Directors, with membership of the Board Audit Committee aligned with the BPLC Board Audit Committee and designed to provide the breadth of financial expertise and commercial acumen it needs to fulfil its responsibilities. Its members as a whole have recent and relevant experience of the banking and financial services sector, in addition to general management and commercial experience, and are financially literate. The Board Audit Committee is chaired by Julia Wilson, who has significant corporate finance, tax and accounting experience. Julia was appointed Chair of the Committee on her appointment to the Board as a Non-Executive Director on 1 April 2023. Marc Moses, Robert Berry and Diane Schueneman are the other members of the Committee, with Marc's appointment to the Committee having taken effect on 23 January 2023. Mike Ashley stepped down as Chair of the Board Audit Committee on 31 March 2023, and subsequently as a member of the Committee on 3 May 2023 when he retired from the Board.

The Board Audit Committee did not hold any ad-hoc meetings in 2023 in addition to scheduled meetings. Owing to prior commitments, Diane Schueneman was unable to attend four meetings (with both sets of meetings in February and October being held in short succession). Board Audit Committee meetings were attended by representatives from the Barclays Group and/or BBPLC management in respect of matters relevant to their business or function area, including the Chief Executive, the Chief Financial Officer, the Barclays Group Chief Compliance Officer, the Chief Controls Officer, the Barclays Group Chief Operating Officer, the Barclays Group and BBPLC Chief Internal Auditors, the Barclays Group General Counsel, as appropriate, and the Company's statutory auditors, KPMG.

As part of the Company's commitment to effective oversight and allocation of responsibilities between the BPLC Board Audit Committee, the BBUKPLC Board Audit Committee and the Committee, Julia Wilson held regular meetings during 2023 with the BBUKPLC Board Audit Committee Chair to share relevant information and to ensure embedment of information flows and governance practice. In addition, discussions were held with the Board Audit Committee Chairs of the Company's other major subsidiaries, Barclays Bank Ireland PLC and Barclays US LLC.

Attendance at Board Audit Committee meetings during 2023 was as follows:

Member	Meetings attended/eligible to attend	Effective date
Julia Wilson (Chair)	8/8	Appointed 1 April 2023
Robert Berry	12/12	Appointed 1 March 2022
Marc Moses	12/12	Appointed 23 January 2023
Diane Schueneman	8/12	Appointed 25 September 2019
Mike Ashley	6/6	Stepped down 3 May 2023

The principal role and responsibilities of the Board Audit Committee, pursuant to its Terms of Reference, are:
- assessing the integrity of the Barclays Bank Group's financial reporting and satisfying itself that any significant financial judgements made by management are sound
- evaluating the effectiveness of the Barclays Bank Group's internal controls, including internal financial controls
- scrutinising the activities and performance of the internal and statutory auditors, including monitoring their independence and objectivity
- overseeing the relationship with the Barclays Bank Group's statutory auditor
- reviewing and monitoring the effectiveness of the Barclays Bank Group's whistleblowing procedures.

During 2023, the principal activities of the Board Audit Committee included:
- Financial reporting: assessing the appropriateness of financial disclosures and scrutinising management's approach to judgements, including in respect of expected credit loss and post-model adjustments. The Committee reviewed and recommended to the BBPLC Board for approval the Barclays Bank PLC Annual Report and Accounts 2022 and the Barclays Bank PLC Results Announcement for the period ended 30 June 2023.
- Impairment: assessing management's approach to impairment coverage levels, including the impact of increasing delinquency levels in certain areas of the portfolio.
- Conduct provisions: analysing the judgements and estimates made with regard to the Barclays Bank Group's material conduct provisions.
- Legal, competition and regulatory provisions: evaluating advice on the status of current legal, competition and regulatory matters and considering management's judgements on the level of provisions.
- Valuations: monitoring the valuation methods applied by management to significant valuation items and areas of judgement, with a particular focus on the leverage finance portfolio.
- Tax: overseeing tax matters relating to the Barclays Bank Group, including tax risk provisions, regulatory matters and interactions with tax authorities.
- Internal controls and business control environment: monitoring and evaluating the status of significant control issues through regular reports from the Chief Controls Officer, including updates on progress of remediation programmes within the Barclays Bank Group businesses (including in respect of trading controls).

- Raising concerns: reviewing management's reports on whistleblowing matters, monitoring key whistleblowing metrics, as well as considering potential whistleblowing trends. The Committee monitored the implementation of enhancements to certain elements of the Group whistleblowing process (as it applies to BBPLC) following an external benchmarking review conducted in 2022.
- Internal audit: receiving reports from Barclays Internal Audit in relation to specific audits, key areas of focus and themes arising with respect to businesses in the Barclays Bank Group (including Barclays Europe and the US Consumer Bank); overseeing issues arising from unsatisfactory audit reports and monitoring related remediation plans; discussing Barclays Internal Audit's assessment of the management control approach and control environment in the Barclays Bank Group; approving the annual audit plan for the Barclays Bank Group.
- External audit: reviewing and approving the annual external audit plan for the Barclays Bank Group (including the main areas of focus) and assessing the progress of the 2023 audit. The Committee also reviewed audit quality and discussed KPMG's feedback on the Barclays Bank Group's critical accounting estimates and judgements.

An internal review of the effectiveness of the Board Audit Committee was undertaken for 2023. The results of the review confirm the Committee is operating effectively. It is considered well constituted and chaired, providing an effective and appropriate level of challenge and oversight of the areas within its remit. The review noted that the Committee's interaction with the Board, Board Committees and senior management is considered effective. Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Audit Committee continue to be effective, with coverage of BBPLC matters within concurrent meetings considered appropriate.

Board Risk Committee

The Board Risk Committee is comprised solely of independent Non-Executive Directors with membership of the Committee broadly aligned with the BPLC Board Risk Committee. The Board Risk Committee is chaired by Robert Berry. Mohamed A. El-Erian, Dawn Fitzpatrick, Marc Moses, Diane Schueneman and Julia Wilson are the other members of the Committee. Marc and Julia joined the Committee upon their appointments to the Board on 23 January 2023 and 1 April 2023, respectively. Mike Ashley stepped down from the Committee with effect from 3 May 2023.

Board Risk Committee meetings are attended by management, including the Chief Executive, Barclays Group Finance Director, Chief Financial Officer, BBPLC President, Barclays Group Chief Risk Officer, BBPLC Chief Risk Officer, Barclays Group Chief Compliance Officer, BBPLC Chief Compliance Officer, Barclays Group Chief Internal Auditor, Barclays Group General Counsel, as appropriate, and the Company's statutory auditors, KPMG.

In addition to nine scheduled meetings, the Board Risk Committee also held two ad hoc meetings during 2023. Owing to prior commitments, Mohamed A. El-Erian was unable to attend two scheduled meetings, and Diane Schueneman was unable to attend one scheduled meeting and one ad hoc meeting.

Attendance at Board Risk Committee meetings during 2023 was as follows:

Member	Meetings attended/eligible to attend	Effective date
Robert Berry (Chair)	11/11	Appointed 1 March 2022
Mohamed El-Erian	9/11	Appointed 1 July 2020
Dawn Fitzpatrick	11/11	Appointed 1 January 2020
Marc Moses	11/11	Appointed 23 January 2023
Diane Schueneman	9/11	Appointed 25 September 2019
Julia Wilson	9/9	Appointed 1 April 2023
Mike Ashley	4/4	Stepped down 3 May 2023

The principal role and responsibilities of the Board Risk Committee, pursuant to its Terms of Reference, are to:
- review, on behalf of the Board, the management of the Principal Risks as set out in the ERMF with the exception of Reputation risk which is a matter reserved to the Board
- consider and recommend to the Board, within the risk parameters set by the BPLC Risk Committee, the Company's risk appetite and tolerance for those Principal Risks
- review, on behalf of the Board, the Barclays Bank Group's risk profile for those Principal Risks
- commission, receive and consider reports on key risk issues.

During 2023, the principal activities of the Board Risk Committee included:
- Advising the Board on the appropriate risk appetite and risk tolerance for the Barclays Bank Group in respect of the Principal Risks in the ERMF when determining strategy; reviewing and/or approving (as appropriate) risk limits throughout the year.
- Reviewing reports on key themes arising from the current and prospective macroeconomic, geopolitical, macro-prudential and financial environment and their impact on the Company's risk appetite and risk profile.
- Reviewing updates on Credit and Market risk including within the CIB, with particular consideration given to the structured lending and finance and leveraged finance portfolios, and actions taken to mitigate rising risk.
- Receiving regular reporting on areas of elevated Climate risk and progress against sector targets.
- Considering and approving the Company's internal stress test themes and the results of internal stress testing, including the internal reverse stress test and climate stress test.
- Considering reports on Barclays US LLC's (IHC) 2023 horizontal capital exam outcomes, IHC's Stress Capital Buffer for 2023-2024, and its supervisory capital rating and new capabilities.
- Monitoring the capital, liquidity and financial resources of BBPLC to ensure it meets its regulatory requirements and obligations, taking into account potential impacts of the increased cost of living, geopolitical tensions, and other macroeconomic factors.
- Reviewing and considering the operational risks arising from the Company's procedures, processes, systems and policies.
- Overseeing the management of Compliance risk within BBPLC, and the performance of the Compliance function.
- Overseeing the Company's regulatory requirements, as they relate to risk management, including regulatory and internal capital and funding requirements, approving the Company's Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process.
- Reviewing the frameworks, policies and resources in place to support effective risk management and oversight of the Barclays Bank Group.
- Overseeing and providing feedback to management on work to redesign the new products process, including a new governance framework.
- Advising the Board Remuneration Committee when making remuneration adjustment decisions for 2023.

- Discussing reports on key risk areas specific to the Barclays Bank Group which were provided to the Board Risk Committee throughout the year including, amongst others, actions taken by central banks to combat high and increasingly persistent inflation, weakening economic conditions and deteriorating consumer confidence, financial markets remaining volatile and geopolitical tensions and associated credit risk strategy.

The Board Risk Committee continually considers the impact of issues on the Barclays Bank Group and the risk environment in which it operates. It reviews steps taken by the business to manage exposures in this context. The Committee also received focused presentations on a number of areas specific to the business and activities of Barclays Bank Group. This included a report from management following market events in relation to the distress of a number of financial institutions and takeover of a global bank and lessons learned for process and operational improvements.

An internal review of the effectiveness of the Board Risk Committee was undertaken for 2023. The results of the review confirm the Committee is operating effectively. It is considered well constituted and chaired, providing an effective and appropriate level of challenge and oversight of the areas within its remit. The review concluded that the Committee's interaction with the Board, Board Committees and senior management is considered effective. Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Risk Committee continue to be effective, with coverage of BBPLC matters within concurrent meetings considered appropriate.

Audit, risk and internal control

The Board, together with the Board Audit Committee, is responsible for ensuring the independence and effectiveness of the internal and external audit functions. For this reason, the Board Audit Committee held regular private sessions with the Barclays Group Chief Internal Auditor and the BBPLC Chief Internal Auditor and the lead audit engagement partner of the statutory auditor without management present.

The Board is also responsible for ensuring that management maintains an effective system of risk management and internal control and for assessing its effectiveness. Such a system is designed to identify, evaluate and manage, rather than eliminate, the risk of failure to achieve business objectives and can only provide reasonable, and not absolute, assurance against material misstatement or loss.

Key controls are assessed on a regular basis for both design and operating effectiveness. Issues arising out of these assessments, where appropriate, are reported to the Board Audit Committee.

The Board Audit Committee oversees the control environment (and remediation of related issues). It also reviews annually the risk management and internal control system. It has concluded that throughout the year ended 31 December 2023 and to the date of this report, the Barclays Bank Group has operated an effective system of internal control that provides reasonable assurance of financial and operational controls and compliance with laws and regulations.

Please refer to the report of the Board Audit Committee in the Barclays PLC Annual Report 2023 for further information about the BPLC Board Audit Committee's oversight of the internal control framework for the Barclays Group and areas of ongoing enhancement.

Controls over financial reporting

A framework of disclosure controls and procedures is in place to support the approval of the financial statements of the Barclays Bank Group.

Specific governance committees are responsible for examining the financial reports and disclosures to help ensure that they have been subject to adequate verification and comply with applicable standards and legislation.

Where appropriate, these committees report their conclusions to the Board Audit Committee, which debates such conclusions and provides further challenge. Finally, the Board scrutinises and approves results announcements and the Annual Report to ensure that appropriate disclosures have been made. This governance process is designed to ensure that both management and the Board are given sufficient opportunity to debate and challenge the financial statements of the Barclays Bank Group and other significant disclosures before they are made public.

Management's report on internal control over financial reporting

Management is responsible for establishing and maintaining adequate internal controls over financial reporting under the supervision of the principal executive and financial officers, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements, in accordance with (a) UK-adopted international accounting standards; (b) International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretations Committee; and (c) IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union.

Internal control over financial reporting includes policies and procedures that pertain to the maintenance of records that, in reasonable detail:
- accurately and fairly reflect transactions and dispositions of assets
- provide reasonable assurances that transactions are recorded as necessary to permit preparation of financial statements in accordance with UK-adopted international accounting standards and IFRS and that receipts and expenditures are being made only in accordance with authorisations of management and the respective Directors
- provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use or disposition of assets that could have a material effect on the financial statements.

Internal control systems, no matter how well designed, have inherent limitations and may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that internal control over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Management has assessed internal control over financial reporting as at 31 December 2023. In making its assessment, management utilised the criteria set out in the 2013 COSO framework. Management has concluded that, based on its assessment, internal control over financial reporting was effective as at 31 December 2023.

The system of internal financial and operational controls is also subject to regulatory oversight in the UK and overseas. Further information on supervision by financial services regulators is provided under Supervision and Regulation in the Risk review section on pages 135 to 144.

Corporate governance statement

Changes in internal control over financial reporting

There have been no changes that occurred during the period covered by this report, which have materially affected or are reasonably likely to materially affect the Barclays Bank Group's internal control over financial reporting.

Principle Five: Remuneration

The remuneration policies and practices should support strategy and promote long-term sustainable success and be developed in accordance with formal and transparent procedures, ensuring no Director is involved in deciding their own remuneration outcome. Executive remuneration should be aligned to the company's purpose and values and the successful delivery of the strategy with outcomes taking account of company and individual performance, and wider circumstances such as pay across the company's workforce and Barclays' Fair Pay Agenda.

- The Barclays Group Remuneration Policy is set by the BPLC Board Remuneration Committee and reviewed and adopted by the BBPLC Board Remuneration Committee. The policy ensures that remuneration is aligned to the Barclays Bank Group's strategy and risk management approach and is designed to promote the long-term success of the Company.
- Remuneration for executives and senior management is considered in the context of the wider workforce remuneration and alignment of incentives and rewards with performance and culture. Their remuneration is reviewed annually by the BBPLC Board Remuneration Committee and the BPLC Board Remuneration Committee, as appropriate. No individual is involved in deciding their own remuneration.
- The Barclays Bank Group is committed to paying people fairly, with regards to their specific role, seniority, responsibilities, skills and experience and other factors that properly affect pay, in a way that balances the needs of the Barclays Bank Group's stakeholders. You can find more information on the Barclays Fair Pay Agenda which underpins all remuneration decisions in the Barclays Fair Pay Report 2023. The Barclays Bank Group also remains focused on closing its gender and ethnicity representation gaps where they exist, and the pay gaps that result, by increasing the representation of females and employees from underrepresented minority group at more senior levels. You can find more information in the Barclays Group's UK Pay Gaps 2023 disclosure.

Board Remuneration Committee

The Board Remuneration Committee is comprised solely of independent Non-Executive Directors. The Committee is chaired by Mary Francis, with Dawn Fitzpatrick and Julia Wilson (appointed 1 July 2023) as members.

There were five scheduled meetings during 2023, with no ad hoc meetings held. Meetings were attended by the Group Chief Executive, Group Finance Director, Group Chief Risk Officer, Group Human Resources Director, and the Group Reward and Performance Director.

Attendance at Board Remuneration Committee meetings during 2023 was as follows:

Member	Meetings attended/eligible to attend	Effective date
Mary Francis	5/5	Appointed 25 September 2019
Dawn Fitzpatrick	5/5	Appointed 1 July 2021
Julia Wilson	2/2	Appointed 1 July 2023

The principal role and responsibilities of the Board Remuneration Committee, pursuant to its Terms of Reference, are to:
- set the overarching principles of remuneration policy for the Barclays Bank Group within the parameters set by the BPLC Board Remuneration Committee
- consider and endorse the incentive pool for the Barclays Bank Group and the remuneration of key BBPLC executives and other specified individuals as determined by the Board Remuneration Committee from time to time
- exercise oversight of remuneration issues within the Barclays Bank Group.

During 2023, the principal activities of the Committee included:
- Reviewing and adopting the Barclays Group People Risk Reward Policy and Incentive Funding Frameworks.
- Reviewing the Board Remuneration Committee's Control Framework, Terms of Reference, annual activity and effectiveness.
- Reviewing and adopting the methodology and framework for 2023 incentive funding, and reviewing and endorsing the resulting incentive pool, including considering financial and risk performance updates (and the appropriateness of risk adjustments to incentives).
- Reviewing progress against the Fair Pay Agenda and the gender and ethnicity pay gaps for the year.
- Considering regular updates on stakeholders, regulatory and legal considerations, financial and risk performance, and pay round considerations.
- Reviewing and approving, as appropriate, specific remuneration proposals for individuals within the Committee's remit.

An internal review of the effectiveness of the Board Remuneration Committee was undertaken for 2023. The results of the review confirm the Committee is operating effectively. It is considered well constituted and chaired, providing an effective and appropriate level of challenge and oversight of the areas within its remit. The Committee's interaction with the Board, Board Committees and senior management is considered effective. Following the consolidation of the membership of the Committee with the BPLC Board Remuneration Committee in September 2019 (with the exception of the BPLC Committee Chair and the Chair of BBUKPLC, who attend as observers only for matters relating to BBPLC), coverage of BBPLC matters within aligned meetings was considered appropriate.

Principle Six: Stakeholder relationships and engagement

Directors should foster effective stakeholder relationships aligned to the company's purpose. The board should recognise the importance of listening to, and understanding, the views of its stakeholders, including the workforce, and specifically the impact of the company's behaviour and business on customers and clients, colleagues, suppliers, communities and society more broadly; having regard to these views and impact when taking decisions.

- As described under Principle One, the Company has a defined Purpose and strategy; through this the Board has identified key stakeholders on whom the success of the Company depends.
- The Board and management engage throughout the year with the Company's stakeholders. The Board seeks to understand the views of key stakeholders and the impact of the Company's behaviour and business on customers and clients, colleagues, suppliers, communities and society

more broadly. Refer to pages 9 to 11 of the Strategic report for further information about our engagement with stakeholders. See also the Directors' report for information about how we engage with suppliers.
- The Company's long-standing commitment to the importance and value of colleague engagement continues; the Company's people are its most valuable asset. Further detail on the Company's workforce commitment and engagement model can be found in the Colleagues section on page 10 of the Strategic report.
- Recognising the importance of addressing the climate challenge, the Board approved the establishment of the Board Sustainability Committee in March 2023.

Board Sustainability Committee

The Board Sustainability Committee comprises a majority of independent Non-Executive Directors, with membership of the Committee broadly aligned with the BPLC Board Sustainability Committee. The Board Sustainability Committee is chaired by Nigel Higgins. Robert Berry, Dawn Fitzpatrick, Mary Francis, C.S. Venkatakrishnan and Julia Wilson (appointed 1 April 2023) are also members of the Committee.

There were four scheduled meetings during 2023 with no ad hoc meetings held. Owing to a prior commitment, Dawn Fitzpatrick was unable to attend one scheduled meeting.

Board Sustainability Committee meetings are attended by management, including the Group Head of Public Policy and Corporate Responsibility, Group Head of Sustainability, Global Head of Sustainable Finance and Head of Legal, Public Policy and Corporate Responsibility.

Attendance at Board Sustainability Committee meetings during 2023 was as follows:

Member	Meetings attended/eligible to attend	Effective date
Nigel Higgins (Chair)	4/4	Appointed 23 March 2023
Robert Berry	4/4	Appointed 23 March 2023
Dawn Fitzpatrick	3/4	Appointed 23 March 2023
Mary Francis	4/4	Appointed 23 March 2023
CS Venkatakrishnan	4/4	Appointed 23 March 2023
Julia Wilson	3/3	Appointed 1 April 2023

The principal role and responsibilities of the Board Sustainability Committee, pursuant to its Terms of Reference, are:
- supporting and advising the Board on its oversight of climate and sustainability matters relating to (i) the services and products provided to the Company's clients and customers, (ii) particular sectors, and (iii) its own corporate activities
- supporting the Board in monitoring the implementation of the Company's climate and sustainability strategy
- reviewing and making recommendations to the Board on the suitability of the Company's climate and sustainability strategy, position statements, frameworks, ambitions, metrics, and targets
- reporting to the Board on the climate and sustainability matters for which it is responsible, escalating issues and making recommendations to the Board where appropriate.

During 2023, the principal activities of the Committee included:
- Considering proposals relating to sustainable finance strategy and the CIB energy transition strategy.
- Endorsing new restrictions on oil and gas financing.
- Endorsing proposals for new targets for three additional sectors - Aviation, Agriculture and Commercial Real Estate.
- Monitoring progress against the Barclays Group climate and sustainability targets.
- Considering investor feedback and perspectives of institutional investors of the Barclays Group.
- Receiving updates on the work in relation to the Client Transition Framework (CTF), including management's approach to working with clients going through CTF assessments, expected outcomes following the assessments and proposed expansion of the application of the framework following further targets set by the Barclays Group.
- Receiving an external briefing on policy and regulatory developments in relation to biodiversity and nature.

An internal review of the effectiveness of the Board Sustainability Committee was undertaken for 2023. The results of the review confirm the Committee is operating effectively. It is considered well constituted and chaired, providing high quality oversight and constructive challenge to management in the areas within its remit. The review concluded that the Committee's interaction with the Board, Board Committees and senior management is considered effective. Feedback indicated that concurrent meetings of the BPLC and BBPLC Board Sustainability Committee is effective, with coverage of BBPLC matters within concurrent meetings considered appropriate.

Directors' report

The Directors present their report together with the audited accounts for the Company for the year ended 31 December 2023.

Section 414A of the Act requires the Directors to present a Strategic report in the Annual Report. The report can be found on pages 1 to 12.

BBPLC has addressed the Non-Financial Reporting requirements contained in sections 414CA and 414CB of the Act through the disclosure contained in the Barclays PLC Annual Report 2023 on pages 40 to 47. In addition, the Company has chosen, in accordance with section 414C(11) of the Act, and as noted in this Directors' report, to include certain matters in its Strategic report that would otherwise be disclosed in this Directors' report:

- An indication of likely future developments may be found in the Strategic report.
- The particulars of important events affecting the Company since the financial year end can be found in the Strategic report and Note 24 (Legal, competition and regulatory matters) to the financial statements.

Other information that is relevant to the Directors' report, and which is incorporated by reference into this report, can be located at:

	Pages
Performance measures	4 to 6
Corporate governance statement	14 to 23
Risk Management	33 to 34
Principal Risks	8, 33, 48 to 58
Disclosures required pursuant to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 as updated by the 2018 Regulations can be found on the following pages:	
Engagement with employees (Sch.7 Para 11 and 11A Regs 2008/2018 and Section 172(1) Statement)	10
Financial Instruments (Sch.7 Para 6 Regs 2008)	196
Hedge accounting policy (Sch.7 Para 6 Regs 2008)	198

Profits and dividends

The results of the Barclays Bank Group show statutory profit after tax of £3,561m (2022: £4,382m). The Barclays Bank Group had net assets of £60,504m as at 31 December 2023 (2022: £58,953m).

The Company declared a £852m dividend to its parent, Barclays PLC, in respect of 2023, which is expected to be paid on or around 21 February 2024.

Dividends paid on preference shares for the year ended 31 December 2023 amounted to £40m (2022: £31m).

Further details on dividends on ordinary shares and preference shares paid in 2023 are set out in Note 10 to the financial statements.

Share capital

There was no increase in ordinary share capital during the year. BPLC owns 100% of the issued ordinary shares. There are no restrictions on the transfer of ordinary shares or agreements between holders of ordinary shares known to the Company which may result in restrictions on the transfer of securities or voting rights. Further information on the Company's share capital, including preference shares, can be found in Note 26 of the financial statements.

Powers of Directors to issue and allot or buy back the Company's shares

The powers of the Directors are determined by the Act and the Articles. No shares were issued or bought back in 2023. The Directors are authorised to issue and allot shares and to buy back shares subject to annual shareholder approval at the AGM. Such authorities were granted by shareholders at the 2023 AGM. It will be proposed at the 2024 AGM that the Directors be granted new authorities to allot and buy back shares.

Repurchase of shares

The Company did not repurchase any of its shares in 2023.

Directors

The list of current Directors of the Company can be found in the Corporate Governance Statement on page 14. Changes to Directors during 2023 and up to the date of this report are set out below.

Name	Role	Effective date
Marc Moses	Non-Executive Director	Appointed 23 January 2023
Julia Wilson	Non-Executive Director	Appointed 1 April 2023
Mike Ashley	Non-Executive Director	Stepped down 3 May 2023

Directors' indemnities

Qualifying third party indemnity provisions (as defined by section 234 of the Act) were in force during the course of the financial year ended 31 December 2023 for the benefit of the then Directors of the Company and the then directors of certain of the Company's subsidiaries and, at the date of this report, are in force for the benefit of the Directors of the Company and the directors of certain of the Company's subsidiaries in relation to certain losses and liabilities which they may incur (or have incurred) in connection with their duties, powers or office. The Barclays Group also maintains Directors' & Officers' Liability Insurance which gives appropriate cover for legal action brought against its Directors.

Qualifying pension scheme indemnity provisions (as defined by section 235 of the Act) were in force during the course of the financial year ended 31 December 2023 for the benefit of the then directors and, at the date of this report are in force for the benefit of directors of Barclays Pension Funds Trustees Limited as trustee of the Barclays Bank UK Retirement Fund, and Barclays Executive Schemes Trustees Limited as Trustee of Barclays Capital

International Pension Scheme (No.1) and Barclays PLC Funded Unapproved Retirement Benefits Scheme. The directors of the trustees are indemnified against liability incurred in connection with the trustee's activities in relation to the aforementioned schemes.

Political donations

The Barclays Bank Group did not give any money for political purposes in the UK or outside the UK, nor did it make any political donations to political parties or other political organisations or to any independent election candidates, or incur any political expenditure during the year. Details of any political contributions made by the wider Barclays Group can be found in the Barclays PLC Annual Report 2023.

Environment

As part of the overall strategy of the Barclays Group, the Barclays Bank Group is determined to play its part in supporting the transition to a low-carbon economy. In March 2020, the Barclays Group announced its ambition to be a net zero bank by 2050, becoming one of the first banks to do so. Our climate strategy is driven by considerations of all relevant risks and opportunities, as well as our Purpose to deploy finance responsibly to support people and businesses, acting with empathy and integrity, championing innovation and sustainability, for the common good and the long term.

We have a three-part strategy to turn that ambition into action:

1. Achieving net zero operations - Barclays is working to reduce its Scope 1, Scope 2 and Scope 3 operational emissions consistent with a 1.5°C aligned pathway and counterbalance any residual emissions.
2. Reducing our financed emissions - Barclays is committed to aligning its financing with the goals and timelines of the Paris Agreement, consistent with limiting the increase in global temperatures to 1.5°C.
3. Financing the transition - Barclays is helping to provide the green and sustainable finance required to transform the economies, customers and clients we serve.

Please see the Barclays PLC Annual Report 2023 for further detail on the above.

Our strategy is underpinned by the way we assess and manage our exposure to climate-related risks.

Climate scenario analysis forms a key part of the Barclays Group's, and therefore the Barclays Bank Group's, approach to assessing and quantifying the impact of physical and transition climate risks on the Bank's portfolio. We have developed our approach to scenario analysis through detailed quantitative and qualitative risk assessments of particular portfolios and activities. Since 2018, Barclays has progressively enhanced its scenario analysis capabilities, developing new climate assessment methodologies, running internal targeted exercise with external subject matter experts and participating in regulatory climate stress-testing, collaborating with external subject matter experts, and participating in regulatory exercises. The Barclays Group has developed key metrics and targets to track progress against its climate strategy. Please see the Barclays PLC Annual Report 2023 for further details on scenario analysis and key metrics.

Support for candidates and colleagues with disabilities and long-term conditions

Barclays is committed to attracting and retaining a diverse workforce, and our commitment to inclusion means we want to ensure that candidates with disabilities and long-term health conditions receive support and adjustments in the application process and beyond. Barclays welcomes applications from all candidates and is committed to ensuring reasonable adjustments (accommodations) are put in place to ensure a fair and inclusive recruitment process. Barclays is committed to providing all colleagues with the support and tools they need to have a productive and fulfilling career. We can consider making adjustments to remove or reduce barriers colleagues might face if they have a disability, health concern or mental health condition. We also ensure opportunities for training, career development and promotion are available to all.

Engagement with customers, suppliers and others in a business relationship with the Company

The Directors, via management, must effectively manage, monitor and mitigate risks in our supply chain. We expect our Third Party Service Providers (TPSP) to make responsible decisions that, where relevant, take our stakeholders' needs into account in both the short and the long term. Barclays expects the TPSPs to comply with applicable laws, regulations and standards within the geographies in which they operate. Barclays' standard approach to new TPSP on-boarding and renewal begins by assessing the services that are being provided and ascertaining the level of risk. TPSPs that are assessed as being above a low risk of exposure from a business risk perspective (at the point of onboarding and on an ongoing basis) are subject to Barclays' Supplier Control obligations (SCOs). TPSPs to whom the SCOs apply become managed TPSPs and are subject to ongoing management and controls assurance during the term of service. Prior to contractual agreement and service go live, these TPSPs are required to complete a pre-contractual questionnaire which captures their adherence to the SCOs and Barclays' TPSP Code of Conduct (TPSP CoC). The TPSP CoC encourages our TPSPs to adopt our approach to doing business and details our expectations for matters including environmental management, human rights, diversity and inclusion and also for living the Barclays Values.

Barclays is proud to be a signatory of the Prompt Payment Code in the UK and we also work closely with the Small Business Commissioner and other organisations, including Good Business Pays, to educate the public on late payments and the impact they can have on businesses and business owners, and to raise the social conscience of larger businesses who do not pay on time.

For information on our engagement with customers and clients, please refer to page 9 of the Strategic report and the Customers and clients section of the Barclays PLC Annual Report 2023.

Branches and Country-by-Country reporting

The Barclays Bank Group operates through branches, offices and subsidiaries in the UK and overseas. Those branches are in a number of different jurisdictions including in Hong Kong, Singapore and New York. The Company is exempt from publishing information required by the Capital Requirements (Country-by-Country Reporting) Regulations 2013 as this information is published by its parent, BPLC. This information is available on the Barclays website: home.barclays/annualreport.

Research and development

In the ordinary course of business, the Barclays Bank Group develops new products and services in each of its business divisions.

Change of control

There are no significant agreements to which the Company is a party that take effect, alter or terminate on a change of control of the Company following a takeover bid.

There are no agreements between the Company and its Directors or employees providing for compensation for loss of office or employment that occurs because of a takeover bid.

The Auditors

The BPLC Board Audit Committee reviews the appointment of the statutory auditors, as well as their relationship with the Barclays Group, including monitoring the Barclays Group's use of the statutory auditors for non-audit services and the balance of audit and non-audit fees paid to them. The BBPLC Board Audit Committee also monitors the use of the statutory auditors for non-audit services within the Barclays Bank Group.

An external audit tender was conducted in 2015 and the decision was made to appoint KPMG as Barclays Group's statutory auditor with effect from the 2017 financial year.

The Company is in compliance with the requirements of The Statutory Audit Services for Large Companies Market Investigation (Mandatory Use of Competitive Tender Processes and Audit Committee Responsibilities) Order 2014, which relates to the frequency and governance of tenders for the appointment of the statutory auditor and the setting of a policy on the provision of non-audit services.

Provided that KPMG continues to maintain its independence and objectivity, and the BPLC Board Audit Committee remains satisfied with its performance, the Barclays Group does not intend to tender for an alternative statutory auditor to be appointed before the end of the current required period of 10 years. Accordingly, any tender is expected to be in respect of the 2027 financial year onwards and is likely to take place in 2025. The BPLC Board Audit Committee has reconfirmed that it would not be appropriate to tender before this date. Further, there has been significant rotation of the senior members of the KPMG audit team since 2017 and more recent changes in certain members of the Barclays senior finance team, both of which have reduced any potential familiarisation threat.

Non-audit services

In order to safeguard the statutory auditor's independence and objectivity, the Barclays Group has in place a policy on the Provision of Services by the Barclays Group Statutory Auditor (the Policy) setting out the circumstances in which the statutory auditor may be engaged to provide services other than those covered by the Barclays Group audit. The Policy applies to all Barclays subsidiaries and other material entities over which Barclays has significant influence. The core principle of the Policy is that non-audit services (other than those legally required to be carried out by the Barclays Group's auditor) should be performed by the statutory auditor only in certain controlled circumstances. The Policy sets out those types of services that are permitted.

Under the Policy, except for specific categories of 'permitted' services that require explicit Board Audit Committee approval, the BPLC Board Audit Committee has pre-approved all permitted services for which fees are less than £100,000. All requests to engage the statutory auditor are assessed by independent management before work can commence. Requests for permitted service types in respect of which the fees are expected to meet or exceed the above threshold, but expected to be less than £250,000, must be approved by the Chair of the BPLC Board Audit Committee before work is permitted to begin. Services where the fees are expected to be £250,000 or higher must be approved by the BPLC Board Audit Committee as a whole. All expenses and disbursements must be included in the fees calculation. More information on this can be found in the Barclays PLC Annual Report 2023.

The Audit Committee considered KPMG's independence in particular as regards to the breach of the UK ethical requirements referred to in their audit report. The Audit Committee agreed with KPMG's assessment that this does not impair their integrity and objectivity.

The fees payable to KPMG for the year ended 31 December 2023 amounted to £49m (2022: £47m), of which £9m (2022: £9m) was payable in respect of non-audit services. A breakdown of the fees payable to the auditor for statutory audit and non-audit work can be found in Note 38 to the financial statements.

Disclosure of information to the Auditor

Each Director confirms that, so far as he/she is aware, there is no relevant audit information of which the Company's auditor is unaware and that each of the Directors has taken all the steps that he/she ought to have taken as a Director to make himself/herself aware of any relevant audit information and to establish that the Company's auditor is aware of that information. This confirmation is given pursuant to section 418 of the Act and should be interpreted in accordance with and subject to those provisions.

Directors' responsibilities

The following statements, which should be read in conjunction with the auditor's report set out on pages 146 to 167, are made with a view to distinguishing for shareholders the respective responsibilities of the Directors and of the auditor in relation to the accounts.

Going concern

In preparing each of the Barclays Bank Group and Company financial statements, the Directors are required to:

- assess the Barclays Bank Group's and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Barclays Bank Group and the Company or to cease operations, or have no realistic alternative but to do so.

The Barclays Bank Group's business activities, financial position, capital, factors likely to affect its future development and performance, and its objectives and policies in managing the financial risks to which it is exposed are discussed in the Strategic report and Risk review sections of this report.

The Directors have evaluated these risks in the preparation of the financial statements and consider it appropriate to prepare the financial statements on a going concern basis.

Preparation of accounts

The Directors are required by the Act to prepare the Company and the Barclays Bank Group accounts for each financial year and, with regard to Barclays Bank Group accounts, in accordance with UK-adopted international accounting standards. The Directors have prepared these accounts in accordance with (a) UK-adopted international accounting standards; (b) IFRS as issued by the IASB, including interpretations issued by the IFRS Interpretations Committee; and (c) IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union. Pursuant to the Act, the Directors must not approve the accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Barclays Bank Group and the Company and of their profit or loss for that period.

The Directors consider that, in preparing the financial statements, the Barclays Bank Group and the Company have used appropriate accounting policies, supported by reasonable judgements and estimates, and that all accounting standards which they consider to be applicable have been followed.

The Directors are satisfied that the Annual Report and Financial Statements, taken as a whole, are fair, balanced and understandable, and provide the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Directors are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Directors' responsibility statement

The Directors have responsibility for ensuring that the Company and the Barclays Bank Group keep accounting records which disclose, with reasonable accuracy, the financial position of the Company and the Barclays Bank Group, and which enable them to ensure that the accounts comply with the Act.

The Directors are also responsible for preparing a Strategic report, Directors' report and Corporate Governance Statement in accordance with applicable law and regulations.

The Directors are responsible for the maintenance and integrity of the Annual Report and Financial Statements as they appear on the Barclays website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

The Directors have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The Directors are responsible for preparing the financial statements in accordance with Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format.

The current Directors, whose names and functions are set out on page 14, confirm to the best of their knowledge that:

(a) the financial statements, prepared in accordance with (a) UK-adopted international accounting standards; (b) IFRS as issued by the IASB, including interpretations issued by the IFRS Interpretations Committee; and (c) IFRS adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Company and the undertakings included in the consolidation taken as a whole; and

(b) the strategic report, on pages 1 to 12, which is incorporated in the Directors' report, includes a fair review of the development and performance of the business and the position of the Company and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

By order of the Board

Hannah Ellwood
Company Secretary
19 February 2024

Barclays Bank PLC
Registered in England. Company No. 1026167
Registered office, 1 Churchill Place, London E14 5HP

Managing data privacy, security and resilience

We have strict policies to protect privacy and keep data secure.

Data privacy

Most of the jurisdictions in which Barclays operates have privacy and data protection laws in effect. While these may vary in detail, generally they reflect internationally recognised privacy principles found in the UN's Universal Declaration of Human Rights, the European Convention on Human Rights and the European Union's Charter of Fundamental Rights.

We strive to operate in accordance with these standards and recognise that respect for privacy rights is a key element of good corporate governance and social responsibility. We strive to be transparent about our use of personal information when delivering our products and services and acknowledge the responsibility we have for safeguarding privacy.

As Barclays increasingly adopts digital solutions to deliver next-generation consumer financial services, we appreciate our clients, customers and others may wish to understand how this may impact the use of their personal information. A globally applicable Barclays Data Privacy Standard sets out what is expected of all Barclays businesses and functions when collecting, using and sharing personal information.

To promote clear accountability, the Standard includes the requirement for each business to appoint an accountable executive who has ultimate responsibility for the processing of personal data within that business. An agreed assurance programme measures compliance with the Data Privacy Standard. Barclays colleagues must complete annual privacy training which is reviewed and refreshed each year, with additional tailored training provided as necessary. The Group Data Protection Officer (DPO) reports on data privacy issues to the highest level of management.

Through customer and employee privacy notices, we endeavour to explain clearly and openly how and why we use personal information and the legal grounds we rely on. When we receive complaints we seek to address them fairly. Several jurisdictions also provide individuals with specific rights, such as the right to have access to or request deletion of their personal information.

Barclays provides a public mailbox and secure channels via its website to enable individuals to make their privacy requests and receive responses from a dedicated team.

Barclays requires its suppliers to comply with data protection and privacy laws, regulations and standards relevant to the jurisdictions in which they operate and relevant to any transferred personal data. Our requirements are set out and managed through the Barclays Supplier Control Obligations, available online, which look to provide assurance that all new and existing suppliers commit to ensuring personal data shared with them is safeguarded and respected throughout the supply chain.

Data security

Barclays deploys automated controls to protect its sensitive information and the data that has been entrusted to us by customers and clients, in line with our standards, taking into account findings from internal and external reviews of our controls. As Barclays accelerates the migration of digital services to the cloud, we apply the same design principles that underpin our existing control environment. We have controls and monitoring in place designed to secure cloud-hosted data and maintain its integrity.

Barclays seeks to protect the security of data we share with third parties, including by conducting remote and on-site inspections with certain suppliers to review their controls against contractual obligations and industry standards. A Third Party Service Provider Framework is in place which sets out control requirements for business units to manage the operational, reputational, conduct and legal risks to Barclays through its supply chain.

As we have transitioned to a more hybrid working model, we have educated colleagues on cybersecurity risks in order to help minimise the risk of data exploitation or leakage.

Data resilience

Barclays' CSO operates key controls that mitigate cybersecurity-related risks. CSO focuses on understanding internal and external threats and delivering on our capabilities to counteract them.

As part of our efforts to continuously review and improve our response and recovery plans in preparation for evolving threats, Barclays works with industry bodies to learn from risk events in other organisations. Our teams use intelligence to create plausible cybersecurity and data compromise scenarios which we simulate to help us focus on continuous improvement.

Operational resilience

Customers and clients have increased expectations for us to be 'Always On', and the interconnectivity of the financial sector means the stability and resilience of our systems, workforce and the continued provision of third party services, all of which have a direct impact on the quality of our service.

Resilience and Security is a focus for the board. Barclays continues to invest in a multi-year resilience programme which is focused on our ability to recover from 'severe but plausible' scenarios which could cause detriment to our customers and clients and the broader financial market. To enable this, we define Group-wide business services and their interdependencies across the Group, including technology, third party services and our workforce, and develop the recovery plans and business response plans for disruption events, such as cyber or data integrity disruptions. We review and validate these recovery plans through regular testing which supports our aim to reduce the volume and impact of operational incidents year on year. We also conduct regular assurance on third parties to assess their capability, as defined by our contractual Information & Cyber Security Supplier Control Obligations.

Resilience and security is the responsibility of everyone within the Group. All permanent employees are required to complete mandatory training on these topics at regular intervals across the year.

Please refer to the 'Material existing and emerging risks' section in our Risk review on pages 43 to 44 for further details on cyberattacks, data management and information protection.
Please refer to the 'Supervision and regulation' section in our Risk review on page 141 to 142 for further details on our regulatory approach to managing such risks.

Chief Security Office

Barclays' CSO exists to keep the bank, its customers, clients, and colleagues safe and secure, and to maintain the resilience of our operations. CSO supports Barclays' business to operate in a protected and secure environment, and actively promotes the culture that security is everyone's responsibility.

The Chief Security Officer for the Group heads Barclays' CSO and reports up through the Chief Operating Officer, who sits on the Group Executive Committee. The Group CISO reports directly to the Chief Security Officer and is supported by a team of CISOs for individual business units and jurisdictions, as well as other teams of cybersecurity experts and analysts. Barclays' Group Chief Security Officer combines 10 years of law enforcement experience with over 20 years of experience serving in senior leadership roles managing security at global financial institutions. The Group CISO and supporting leadership team collectively have advanced degrees and senior level experience managing security risks in a variety of sectors, including those that represent critical national infrastructure, such as telecommunications and peer financial institutions. They are supported by analysts and subject matter experts in a variety of specialisations, such as intelligence, penetration testing, cyber-forensic investigations, security engineering, and vulnerability management.

CSO leadership manages Barclays' cybersecurity activities and is accountable for the day-to-day monitoring of residual risk, identification of gaps, oversight of remedial actions and implementation of strategy. As described below, the Chief Security Officer and CISO for the Group provide updates to the Board and Board Risk Committee about cybersecurity risks facing the Group.

Within its oversight of Operational risk as a Principal Risk, the Board Risk Committee is responsible for oversight of risks arising from cybersecurity threats. As part of this oversight, the Board Risk Committee receives periodic updates from Barclays' Chief Security Officer or CISO for the Group on cybersecurity matters. In 2023, such updates addressed topics that included the shifting cybersecurity threat landscape, measurement of Barclays' risk and control posture, cybersecurity incident trends and Barclays' response, Barclays' ability to recover from a material cyberattack scenario, third party control and assurance monitoring, privileged access to Barclays' systems, regulatory developments, and Barclays' technology and resource investment strategy.

Barclays assesses its cybersecurity activities against the industry-recognised National Institute of Standards and Technology (NIST) security maturity framework, and we periodically engage external security consultants to conduct independent benchmarking assessments. In 2023, findings from such an assessment conducted in late 2022 were briefed to the Board and Board Risk Committee.

Barclays' CSO partners with third party security providers throughout the Group's cybersecurity activities, including for cyber recovery, penetration testing, software vulnerability scanning, distributed denial of service (DDoS) attack prevention, phishing simulations, third party risk management, incident response, intelligence, fraud prevention, and industry benchmarking.

Under Barclays' Enterprise Risk Management Framework, there is an Information and Cyber Security Policy supported by ten Standards which define the minimum requirements for cybersecurity matters across the entire Barclays Group. These Standards cover the following topics: Cryptography, Network Security, Security Configuration, Data Loss Prevention, Vulnerability Management, Data Security, Incident Response & Threat Intelligence, Threat Management, Governance, and Identity & Access Management.

An important part of Barclays' cybersecurity environment is its Joint Operations Centres (JOCs), which operate 24x7x365 from three globally strategic locations, linking CSO's security professionals and incident response managers with control functions and business unit representatives. The JOCs deliver security responsiveness by uniting core security functions and providing a central information and coordination point for security incident management.

To manage security risk related to our third party suppliers, many of which perform critical services for Barclays and handle sensitive Barclays data, we have a set of contractual Information & Cyber Security Supplier Control Obligations that are based off of the requirements of our internal standards. We conduct assurance over our third and fourth parties against those obligations through a dedicated External Cyber Assurance & Monitoring team (ECAM) and a set of control indicators. This is achieved through our own assurance capabilities and use of a third party assurance utility. Activity is structured on a risk-based approach that prioritizes suppliers that underpin our most important business services.

Identified issues are managed formally, but we also engage proactively with third party suppliers to help them strengthen their security and resilience posture. To recognise the changing risk presented by third party suppliers, which are increasingly targeted by threat actors, we regularly alert third party suppliers where we anticipate that they may be more vulnerable and should take preventative action.

Notwithstanding such third party risk management efforts, Barclays does not have direct control over the cybersecurity of the systems of its third parties, limiting the Group's ability to effectively protect and defend against certain threats.

Certifications

Barclays holds three ISO27001 certifications (i.e. the international standard on how to manage information security), Cyber Essentials / Cyber Essentials Plus Certification, and has a UK certification for Digital Banking.

Reporting phishing

CSO performs a number of key activities related to identifying, investigating, responding to and containing phishing / malicious email incidents. CSO has embedded an operational process that provides education and awareness content via email to colleagues who click a malicious link or attachment in a phishing email, with escalating training exercises and management interventions for repeated instances. To report suspected phishing to Barclays' JOC for further investigation, colleagues have a tool integrated into their email account, and colleagues receive feedback on whether the reported email was suspect or genuine. CSO also runs monthly phishing simulations to understand colleagues' susceptibility to real attacks, using the analysis to refine education and training.

Training

Barclays has adopted a 65-day window for mandatory training completion to allow colleagues sufficient time to complete training. The consequence of non-completion is a breach which can lead to disciplinary action and impact compensation.

The 65-day window covers many different colleague situations, including new joiners, returners from sick leave or parental leave and internal movers. Some of these situations are required by law to have a reasonable adjustment time to enable the successful completion of training. This process is managed by Barclays HR and Compliance.

Risk review
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The management of risk is a critical underpinning to the execution of the Barclays Bank Group's strategy. The material risks and uncertainties the Barclays Bank Group faces across its business and portfolios are key areas of management focus.

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Treasury and capital risk – Interest rate risk in the banking book: The risk that the Barclays Bank Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.	• Interest rate risk in the banking book overview and summary of performance • Net interest income sensitivity • Analysis of equity sensitivity • Volatility of the fair value through other comprehensive income (FVOCI) portfolio in the liquidity pool	128 128 129 129
Operational risk: The risk of loss to the Barclays Bank Group from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.	• Operational risk overview and summary of performance • Operational risk profile	130 131
Model risk: The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.	• Model risk overview and summary of performance	133
Compliance risk: The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Barclays Bank Group's products and services.	• Compliance risk overview and summary of performance	133
Reputation risk: The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the Barclays Bank Group's integrity and/or competence.	• Reputation risk overview and summary of performance	133
Legal risk: The risk of loss or imposition of penalties, damages or fines from the failure of the Barclays Bank Group to meet its legal obligations including regulatory or contractual requirements.	• Legal risk overview and summary of performance	134
Supervision and regulation		
The Barclays Bank Group's operations, including its overseas offices, subsidiaries and associates, are subject to a significant body of rules and regulations.	• Supervision of the Barclays Bank Group	135

Risk review

Risk management

Barclays' risk management strategy

The Barclays Bank Group's risk management strategy

This section introduces the Barclays Bank Group's approach to managing and identifying risks, and for fostering a sound risk culture.

Enterprise Risk Management Framework (ERMF)

The ERMF outlines the highest level principles for risk management by setting out standards, objectives and key responsibilities of different groups of employees of the Barclays Bank Group. It is approved by the Barclays PLC Board on recommendation of the Barclays Group Board Risk Committee and the Barclays Bank Group Chief Risk Officer (CRO); it is then adopted by the Barclays Bank Group.

The ERMF sets out:

- risk management and segregation of duties: the ERMF defines a Three Lines of Defence model
- principal risks faced by the Barclays Bank Group which guide the organisation of risk management processes
- risk appetite requirements: this helps define the level of risk we are willing to undertake in our business
- roles and responsibilities for key risk management and governance.

The ERMF is complemented by frameworks, policies and standards which are mainly aligned to individual principal risks:

- frameworks cover high level principles guiding the management of principal risks, and set out details of which policies are needed, and high level governance arrangements
- policies set out the control objectives and high level requirements to address the key principles articulated in their associated frameworks. Policies state 'what' those within scope are required to do
- standards set out detail of the control requirements to ensure the control objectives set by the policies are met.

Segregation of duties - the "Three Lines of Defence" model

The ERMF sets out a clear lines of defence model. All colleagues are responsible for understanding and managing risks within the context of their individual roles and responsibilities, as set out below.

- The first line comprises of all employees engaged in the revenue generating and client facing areas of the Barclays Bank Group and all associated support functions, including Finance, Operations, Treasury and Human Resources. The first line is responsible for identifying and managing the risks in which they are engaged, operating within applicable limits and developing a control framework, and escalating risk events or issues as appropriate. Employees in the first line have primary responsibility for their risks and their activities are subject to oversight from the relevant parts of the second and third lines.
- The second line is comprised of the Risk and Compliance functions. The role of the second line is to establish the limits, rules and constraints, and the frameworks, policies and standards under which all activities shall be performed, consistent with the risk appetite of the Barclays Bank Group, and to oversee the performance of the Barclays Bank Group against these limits, rules and constraints. Controls for first line activities will ordinarily be established by the control officers operating within the control framework of the Barclays Bank Group. These controls will remain subject to oversight by the second line.
- The third line of defence is Internal Audit, who are responsible for providing independent assurance over the effectiveness of governance, risk management and controls over current, systemic and evolving risks.
- The legal function provides support to all areas of the Barclays Bank Group and is not formally part of any of the three lines of defence. The Legal function is responsible for proactively identifying, communicating and providing legal advice on applicable laws, rules and regulations. Except in relation to the legal advice it provides or procures, it is subject to second line oversight with respect to its own operational and compliance risks, as well as with respect to the legal risk to which the Barclays Bank Group is exposed.

Principal risks

The ERMF identifies nine principal risks (see managing risks in the strategic report section) namely: credit risk, market risk, treasury and capital risk, climate risk, operational risk, model risk, compliance risk, reputation risk and legal risk. Note that "compliance risk" replaced "conduct risk" in 2023 with an expanded definition; see page 46 for more information.

Each of the principal risks is overseen by an accountable executive at the Barclays Group level who is responsible for overseeing and/or assigning responsibilities for the framework, policies and standards that set out associated responsibilities and expectations, and detail the related requirements around risk management. In addition, certain risks span across more than one principal risk.

Risk appetite

Risk appetite is defined as the level of risk which the Barclays Bank Group is prepared to accept in carrying out its activities. It provides a basis for ongoing dialogue between management and Board with respect to the Barclays Bank Group's current and evolving risk profile, allowing strategic and financial decisions to be made on an informed basis.

Risk appetite is approved by the Barclays PLC Board in aggregate and disseminated across legal entities and businesses, including the Barclays Bank Group. The Barclays Bank PLC Board cannot approve a higher risk appetite than that determined by the Barclays PLC Board without the approval of the Barclays PLC Board but may choose to operate at a lower level of risk appetite than that approved by the Barclays PLC Board.

The Barclays Group total risk appetite and its allocation to the Barclays Bank Group are supported by limits to enable and control specific exposures and activities that have material concentration risk implications.

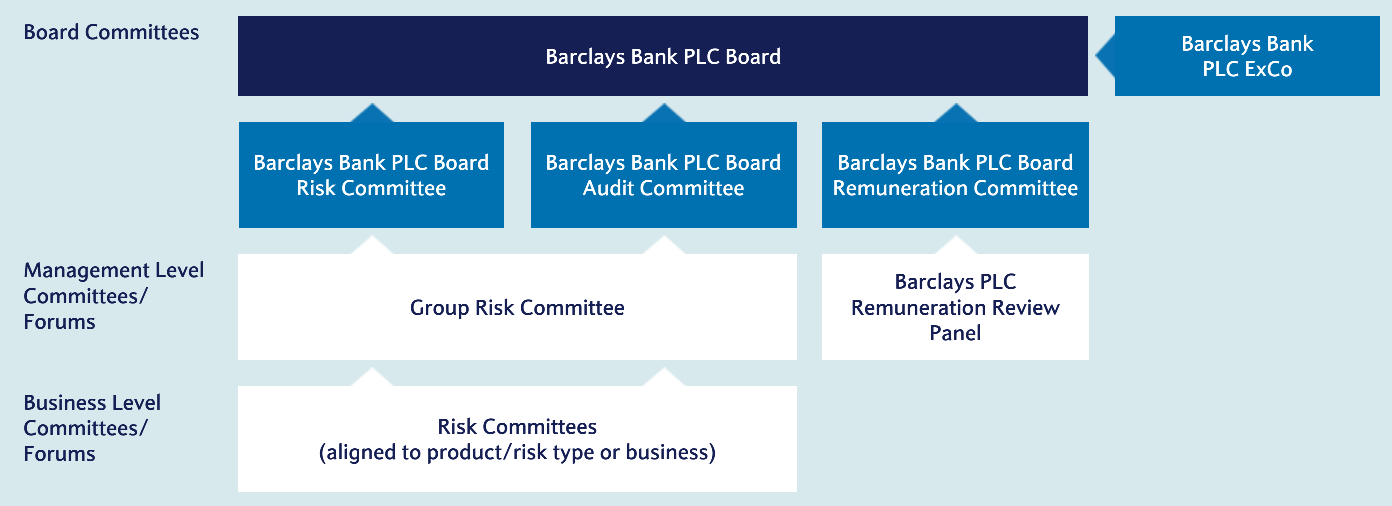
Risk Committees

The Barclays Bank Group's various risk committees consider risk matters relevant to their business, and escalate as required to the Barclays Group Risk Committee, whose Chair, in turn, escalates to the Barclays Bank PLC Board Risk Committees and the Barclays Bank PLC Board.

Risk review

Risk management

Barclays' risk management strategy



The Barclays Bank PLC Board receives regular information on the risk profile of the Barclays Bank Group, and has ultimate responsibility for approval of risk appetite and capital plans, within the parameters set by the Barclays PLC Board. The Barclays Bank PLC Board is also responsible for the adoption of the ERMF.

Further, there are two Board-level committees which oversee the application of the ERMF and review and monitor risk across the Barclays Bank Group. These are: the Barclays Bank PLC Board Risk Committee and the Barclays Bank PLC Board Audit Committee. Additionally, the Barclays Bank PLC Board Remuneration Committee oversees pay practices focusing on aligning pay to sustainable performance:

- **The Barclays Bank PLC Board Risk Committee (BRC):** The BRC monitors Barclays Bank Group's risk profile against the agreed appetite. Where actual performance differs from expectations, the actions taken by management are reviewed to ascertain that the BRC is comfortable with them. The Barclays Bank Group CRO regularly presents a report to the BRC summarising developments in the risk environment and performance trends in the key portfolios. The BRC also reviews certain key risk methodologies, the effectiveness of risk management, and the Barclays Bank Group risk profile, including the material issues affecting each business portfolio and forward risk trends. The committee also commissions in-depth analyses of significant risk topics, which are presented by the Barclays Bank Group CRO or senior risk managers in the businesses.

- **The Barclays Bank PLC Board Audit Committee (BAC):** The BAC receives regular reports on the effectiveness of internal control systems, on material control issues of significance, and on accounting judgements (including impairment), and a quarterly review of the adequacy of impairment allowances.

- **The Barclays Bank PLC Board Remuneration Committee (RemCo):** The RemCo receives proposals on ex-ante and ex-post risk adjustments to variable remuneration based on risk management performance including events, issues and the wider risk profile. These inputs are considered in the setting of performance incentives.

Barclays' risk culture

Risk culture can be defined as the norms, attitudes and behaviours related to risk awareness, risk taking and risk management. This is reflected in how the Barclays Bank Group identifies, escalates and manages risk matters.

The Barclays Bank Group is committed to maintaining a robust risk culture in which:

- management expect, model and reward the right behaviours from a risk and control perspective; and
- colleagues identify, manage and escalate risk and control matters, and meet their responsibilities around risk management.

The Barclays Group CEO works with the Executive Management to embed a strong risk culture within the Barclays Group, with particular regard to the identification, escalation and management of risk matters, in accordance with the ERMF. This is supported by our Purpose, Values and Mindset, as well by as by setting a standard of consistent excellence. Specifically, all employees regardless of their positions, functions or locations must play their part in the Barclays Bank Group's risk management. Employees are required to be familiar with risk management policies which are relevant to their responsibilities, know how to escalate actual or potential risk issues, and have a role-appropriate level of awareness of the risk management process as defined by the ERMF.

Our Code of Conduct – the Barclays Way

Globally, all colleagues must attest to the "Barclays Way", our Code of Conduct, and comply with all frameworks, policies and standards applicable to their roles. The Code of Conduct outlines the Purpose, Values and Mindset which govern our 'Barclays Way' of working across our business globally. It constitutes a reference point covering all aspects of colleagues' working relationships, and provides guidance on working with other Barclays employees, customers and clients, governments and regulators, business partners, suppliers, competitors and the broader community. See home.barclays/sustainability/esg-resource-hub/statements-and-policy-positions/ for more details.

Material existing and emerging risks to the Barclays Bank Group's future performance

The Barclays Bank Group has identified a broad range of risks to which its businesses are exposed. Material risks are those to which senior management pay particular attention and which could cause the delivery of the Barclays Bank Group's strategy, results of operations, financial condition and/or prospects to differ materially from expectations. Emerging risks are those which have unknown components, the impact of which could crystallise over a longer time period. In addition, certain other factors beyond the Barclays Bank Group's control, including escalation of global conflicts, acts of terrorism, natural disasters, pandemics and similar events, although not detailed below, could have a similar impact on the Barclays Bank Group.

Material existing and emerging risks potentially impacting more than one principal risk

i) Business conditions, general economy and geopolitical issues

The Barclays Bank Group's operations are subject to changes in global and local economic and market conditions, as well as geopolitical developments, which may have a material impact on the Barclays Bank Group's business, results of operations, financial condition and prospects.

A deterioration in global or local economic and market conditions may result in (among other things): (i) deteriorating business, consumer or investor confidence and lower levels of investment and productivity growth, which in turn may lead to lower customer and client activity, including lower demand for borrowing; (ii) higher default rates, delinquencies, write-offs and impairment charges as borrowers struggle with their debt commitments; (iii) subdued asset prices, which may impact the value of collateral held by the Group and require the Group and its customers to post additional collateral in order to satisfy margin calls; (iv) mark-to-market losses in trading portfolios resulting from changes in factors such as credit ratings, share prices and solvency of counterparties; and (v) revisions to calculated ECLs leading to increases in impairment allowances. In addition, the Group's ability to borrow from other financial institutions or raise funding from external investors may be affected by deteriorating economic conditions and market disruption. Geopolitical events can also cause financial instability and affect economic growth.

In particular:

- Global GDP growth in 2023 was severely hampered by inflationary pressures resulting from: (i) restricted labour markets, industrial disputes, and upward pressure on employment costs; (ii) high energy prices intensified by the conflicts in Ukraine and the Middle East; and (iii) resilient consumer spending, particularly on services, funded by drawing household savings. High inflation has led to the on-going 'cost of living' pressures in much of the world, including in the UK.

- In response to persistent inflation, 2023 saw central banks continue to tighten monetary policy through raising interest rates and exercising quantitative tightening. While markets are forecasting that rates are at or near their cycle peak and inflation has begun to ease back (albeit remaining well above central banks' targets), economies in which the Barclays Bank Group operates are vulnerable to recession risk in 2024. Such risk is heightened by the turbulent geopolitical outlook and volatile market conditions with these factors acting as a drag on potential global economic growth. Higher mortgage rates, rising taxes, elevated bond yields, depleted household savings, higher corporate insolvencies, and rising unemployment have potentially negative implications for the Barclays Bank Group's performance, including increased impairment allowances.

- The loss of 'the presumption of compliance' is widely reported to have raised costs for UK customers exporting to the European Union (EU) which, together with the risk of regulatory divergence between the UK and the EU, could adversely impact both the Barclays Bank Group's EU and UK operations.

- Further, any trading disruption between the EU and the UK may have a significant impact on economic activity in the EU and the UK which, in turn, could have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition and prospects.

- Unstable economic conditions could result in (among other things):
    - a deeper slowdown in the UK and/or one or more member states of the EU in which the Barclays Bank Group operates, with lower growth, higher unemployment and a greater fall in property prices, which could lead to increased impairments in relation to a number of the Barclays Bank Group's portfolios (including, but not limited to, unsecured lending portfolio (including credit cards) and commercial real estate exposures);

    - increased market volatility (in particular in currencies and interest rates), which could impact the Barclays Bank Group's trading book positions and affect the underlying value of assets in the banking book and securities held by the Barclays Bank Group for liquidity purposes. In addition, depositor perceptions of banking fragility as seen in certain institutions in 2023 could increase the severity and velocity of deposit outflows, impacting the Barclays Bank Group's liquidity position;

    - a credit rating downgrade for one or more members of the Barclays Bank Group (either directly or indirectly as a result of a downgrade in the UK sovereign credit ratings), which could significantly increase the Barclays Bank Group's cost of funding and/or reduce its access to funding, widen credit spreads and have a material adverse impact on the Barclays Bank Group's interest margins and liquidity position; and/or

    - a market-wide widening of credit spreads or reduced investor appetite for the Barclays Bank Group's debt securities, which could negatively impact the Barclays Bank Group's cost of and/or access to funding.

- A significant proportion of the Barclays Bank Group's portfolio is located in the US, including a major credit card portfolio and a range of corporate and investment banking exposures. Political instability and/or increased polarisation ahead of the 2024 elections together with the possibility of significant changes in US policy in certain sectors may negatively impact the Barclays Bank Group's associated portfolios. Stress in the US economy, weakening GDP and associated exchange rate fluctuations, heightened political and/or trade tensions (such as between the US and China), and increased unemployment could lead to higher levels of impairment, which may have a material adverse effect on the Barclays Bank Group's results of operations and profitability.

- An escalation in geopolitical tensions or increased use of protectionist measures (such as the US and China implementing reciprocal trade tariffs and/or outright export bans on specific products and/or in specific sectors) may have a material adverse effect on the Barclays Bank Group's business in the affected regions.

- In China, a significant global economy, the property market slump, shrinking exports, and weakened currency (and resulting capital outflows) have caused an economic slowdown and with deflation a real risk. The high levels of debt, particularly in the property sector, remain a concern given the high leverage multiples, despite government and regulatory action. Any property shock risks contaminating the financial sector and precipitating a wider banking crisis. A shift away from market-based reforms towards state led initiatives to stimulate the economy could damage private-sector confidence and economic growth.

- High US interest rates and a potential global slow-down in demand for natural resources, means an economic deterioration in emerging markets still remains a risk. This could have a material adverse effect on the Barclays Bank Group's results from operations if these stresses lead to higher impairment charges from a deterioration in sovereign or corporate creditworthiness.

- New strains of COVID-19 (or reduced vaccine efficacy) could impact the Barclays Bank Group's ability to conduct business in the jurisdictions in which it operates through disruptions to: (i) infrastructure and supply chains, (ii) business processes and technology services provided by third parties and (iii), the availability of staff due to illness. These interruptions to business may be detrimental to customers (who may seek reimbursement from the Barclays Bank Group for costs and losses incurred as a result of such interruptions), and result in potential litigation costs (including regulatory fines, penalties and other sanctions), as well as reputational damage. It may also have the effect of increasing the likelihood and/or magnitude of other risks described herein (with consequential impairment charge volatility) or may pose other risks which are not presently known to the Barclays Bank Group or not currently expected to be significant to the Barclays Bank Group's profitability, capital and liquidity.

Any and all such events mentioned above could have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition, prospects, liquidity, capital position and credit ratings (including potential credit rating agency changes of outlooks or ratings), as well as on the Barclays Bank Group's customers, employees and suppliers.

ii) The impact of interest rate changes on the Barclays Bank Group's profitability

Changes to interest rates are significant for the Barclays Bank Group, especially given the uncertainty as to the size and frequency of such changes, particularly in the Barclays Bank Group's main markets of the UK, the US and the EU.

Interest rate rises result in higher funding costs either due to higher refinancing costs or due to deposit balance mix changes as customer prefer higher rate deposits. Interest rate rises however may positively impact the Barclays Bank Group's profitability as retail and corporate business net interest income (that is, the difference between lending income and borrowing costs) increases as observed during the interest rate rises in 2023. However, interest rates rises that are larger or more frequent than expected, particularly when combined with inflationary pressures and reduced affordability, could lead to weaker than expected growth and higher unemployment, leading to higher credit losses and increased impairment charges. Interest rate cuts may reduce net interest margins and adversely affect profitability.

Changes in interest rates may also adversely impact the value of the securities held in the Barclays Bank Group's liquid asset portfolio. Consequently, this could create capital volatility through the Barclays Bank Group's fair value through other comprehensive income (FVOCI) reserve.

iii) Competition in the banking and financial services industry

The Barclays Bank Group operates in a highly competitive environment in which it must evolve and adapt to significant changes as a result of regulatory reform, technological advances, increased public scrutiny, prevailing market environment and changes to economic conditions. The Barclays Bank Group expects that competition in the financial services industry will continue to be intense and may have a material adverse effect on the Barclays Bank Group's future business, results of operations, financial condition and prospects.

New competitors in the financial services industry continue to emerge. Technological advances and the growth of e-commerce have made it possible for non-banks to offer products and services that traditionally were banking products such as electronic securities trading, payments processing and online automated algorithmic-based investment advice. Furthermore, payments processing and other services could be significantly disrupted by technologies, such as blockchain (used in cryptocurrency systems) and 'buy now pay later' lending, both of which are currently subject to lower levels of regulatory oversight compared to many activities undertaken by banks. Furthermore, the introduction of central bank digital currencies could have significant impact on the banking system and the role of commercial banks by disrupting the current provision of banking products and services. This disruption could allow new competitors, some previously hindered by banking regulation (such as certain FinTechs), to provide customers with access to banking facilities and increase the disintermediation of banking services.

New technologies and changing consumer behaviour have previously required, and could continue to require, the Barclays Bank Group to incur additional costs to modify or adapt its products or make additional capital investments in its businesses to attract and retain clients and customers or to match products and services offered by its competitors, including technology companies.

Ongoing or increased competition and/or disintermediation of banking services may put pressure on the pricing of the Barclays Bank Group's products and services, which could reduce the Barclays Bank Group's revenues and profitability, or may cause the Barclays Bank Group to lose market share, particularly with respect to traditional banking products such as deposits, bank accounts and mortgage lending. This competition may be on the basis of the quality and variety of products and services offered, transaction execution, innovation, reputation and/or price. These factors may be exacerbated by further industry wide initiatives to address access to banking. The failure of any of the Barclays Bank Group's businesses to meet the expectations of clients and customers, whether due to general market conditions, underperformance, a decision not to offer a particular product or service, branch closures, changes in client and customer expectations or other factors, could affect the Barclays Bank Group's ability to attract or retain clients and customers. Any such impact could, in turn, reduce the Barclays Bank Group's revenues.

iv) Regulatory change agenda and impact on business model

The Barclays Bank Group's businesses are subject to ongoing regulation and associated regulatory risks, including the effects of changes in the laws, regulations, policies, voluntary codes of practice and interpretations of the foregoing in the UK, the US, the EU and the other markets in which it operates. Many regulatory changes that are relevant to the Barclays Bank Group's business may have an effect beyond the country in which they are enacted, either because the Barclays Bank Group's regulators deliberately enact regulation with extra-territorial effect or its global operations mean that the Barclays Bank Group gives effect to local laws and regulations on a wider basis.

Material existing and emerging risks

In recent years, regulators and governments have focused on reforming both the prudential regulation of the financial services industry and the ways in which the business of financial services is conducted. Measures taken include enhanced capital, liquidity and funding requirements, the structural separation or prohibition of certain activities by banks, changes in the operation of capital markets activities, the introduction of tax levies and transaction taxes, changes in compensation practices and more detailed requirements on how business is conducted and customers are treated. The governments and regulators in the UK, the US, the EU or elsewhere may intervene further in relation to areas of industry risk already identified, or in new areas, which could adversely affect the Barclays Bank Group.

Current and anticipated areas of particular focus for the Barclays Bank Group's regulators, where regulatory changes could have a material effect on the Barclays Bank Group's business, financial condition, results of operations, prospects, capital position, and reputation include, but are not limited to:

- the increasing focus by regulators, international bodies, organisations and unions on how institutions conduct business, particularly with regard to the delivery of fair outcomes for customers, promoting effective competition in the interests of consumers and ensuring the orderly and transparent operation of global financial markets, including the new Consumer Duty in the UK and measures resulting from ongoing thematic reviews into the workings of the retail, small and medium enterprises and wholesale banking sectors and the provision of financial advice to consumers;
- the implementation of any conduct measures as a result of regulators' focus on organisational culture, employee behaviour and whistleblowing;
- the demise of certain benchmark interest rates and the transition to new risk-free reference rates (as discussed further below under section v) Impact of benchmark interest rate reforms on the Barclays Bank Group);
- reviews of regulatory frameworks applicable to the wholesale financial markets, including reforms and other changes to conduct of business, listing, securitisation and derivatives related requirements;
- the focus globally on technology adoption and digital delivery, including the use of artificial intelligence (AI), digital assets and digital money (including central bank digital currencies), financial technology risks, payments and related infrastructure, operational resilience, and cybersecurity. This also includes the introduction of new and/or enhanced regulatory standards in these areas, underpinned by customer protection principles;
- increasing regulatory expectations of firms around governance and risk management frameworks, particularly for the management of climate change and other ESG risks, enhanced ESG disclosure and reporting obligations, and proposals for a new regulatory framework on diversity and inclusion in the UK;
- the continued evolution of the UK's regulatory framework following the UK's withdrawal from the EU, particularly following the introduction of the Financial Services and Markets Act 2023 (FSMA 2023) which provides for the revocation of retained EU law relating to financial services and the UK financial services regulatory reform agenda announced in December 2022, and similarly regarding the access of UK and other non-EU financial institutions to EU markets;
- the implementation of the reforms to the Basel III package, which includes changes to the RWA approaches to credit risk, market risk, counterparty risk, operational risk, and credit valuation adjustments and the application of RWA floors and the leverage ratio;
- the implementation of more stringent capital, liquidity and funding requirements;
- the incorporation of climate change within the global prudential framework, including the transition risks resulting from a shift to a low carbon economy and its financial effects;
- proposed reforms to the UK ring-fencing regime, which requires the separation of core banking operations for retail and small and medium enterprise depositors from other wholesale and investment banking operations;
- the reform of corporate criminal liability in the Economic Crime and Corporate Transparency Act 2023, which includes a failure to prevent fraud offence;
- requirements to detail management accountability within the Barclays Bank Group (for example, the requirements of the Senior Managers and Certification Regime in the UK and similar regimes elsewhere that are either in effect or under consideration/implementation), as well as requirements relating to executive remuneration;
- changes in national or supra-national requirements regarding the ability to offshore or outsource the provision of services and resources or transfer material risk or data to companies located in other countries, which could impact the Barclays Bank Group's ability to implement globally consistent and efficient operating models;
- financial crime, fraud and market abuse standards and increasing expectations for related control frameworks, to ensure firms are adapting to new threats and are protecting customers from cyber-enabled crime;
- the application and enforcement of economic sanctions including those with extra-territorial effect and those arising from geopolitical tensions;
- requirements flowing from arrangements for the resolution strategy of the Barclays Group and its individual operating entities (including the Barclays Bank Group) that may have different effects in different countries;
- the increasing regulatory expectations and requirements relating to various aspects of operational resilience, including an increasing focus on the response of institutions to operational disruptions and reviews of the role of critical third party providers;
- continuing regulatory focus on data privacy, including the collection and use of personal data, and protection against loss and unauthorised or improper access;
- the regulatory focus on policies and procedures for identifying and managing cybersecurity risks, cybersecurity governance and the corresponding disclosure and reporting obligations;
- continuing regulatory focus on the effectiveness of internal controls and risk management frameworks, as evidenced in regulatory fines and other measures imposed on the Barclays Bank Group and other financial institutions; and

- recent proposals in US Card market impacting consumer late fee assessment.

For further details on the regulatory supervision of, and regulations applicable to, the Barclays Bank Group, refer to the Supervision and regulation section.

v) Impact of benchmark interest rate reforms on the Barclays Bank Group

Global regulators have been driving international efforts to reform benchmarks and indices, which are used to determine the amounts payable under a wide range of transactions to increase reliability and robustness. These reforms have resulted in significant changes to the methodology and operation of certain benchmarks and indices, the adoption of alternative risk-free reference rates (RFRs), the discontinuation of certain benchmarks and the introduction of implementing legislation and regulations.

Specifically, certain London Interbank Offered Rate (LIBOR) tenors have either ceased or became permanently unrepresentative, with synthetic 3-month GBP LIBOR ceasing to be published at the end March 2024 and synthetic 1-, 3- and 6-month USD LIBOR settings, intended to cease being published at the end September 2024. Notwithstanding these developments, given the unpredictable consequences of benchmark reform, any of these developments could have an adverse impact on market participants, including the Barclays Bank Group, in respect of any financial instruments linked to, or referencing, any of these benchmarks.

Uncertainty associated with such potential changes, including the availability and/or suitability of alternative RFRs, the participation of customers and third party market participants in the transition process, challenges with respect to required documentation changes, and impact of legislation to deal with certain legacy contracts that cannot convert into or add fall-back RFRs before cessation of the benchmark they reference, may adversely affect a broad range of transactions (including any securities, loans and derivatives which use an affected benchmark to determine an amount payable which are included in the Barclays Bank Group's financial assets and liabilities) that use these benchmarks and indices, and present several risks for the Barclays Bank Group, including but not limited to:

- Compliance risk: in undertaking actions to transition away from using certain benchmarks (such as LIBOR) to new alternative RFRs, the Barclays Bank Group faces conduct risks. These may lead to customer complaints, regulatory sanctions or reputational impact if the Barclays Bank Group is considered to be (among other things): (i) undertaking market activities that are manipulative or create a false or misleading impression; (ii) misusing sensitive information or not identifying or appropriately managing and mitigating conflicts of interest; (iii) providing customers with inadequate advice, misleading information, unsuitable products or unacceptable service; (iv) not taking a consistent approach to remediation for customers in similar circumstances; (v) unduly delaying the communication and migration activities in relation to client exposures, leaving them insufficient time to prepare; or (vi) colluding or inappropriately sharing information with competitors.

- Litigation risk: members of the Barclays Bank Group may face legal proceedings, regulatory investigations and/or other actions or proceedings regarding (among other things): (i) the conduct risks identified above, (ii) the interpretation and enforceability of provisions in contracts and securities linked to a relevant benchmark, and (iii) the Barclays Bank Group's preparation and readiness for the replacement of benchmarks which have ceased or will shortly cease to be published with alternative RFRs.

- Financial risk: the valuation of certain of the Barclays Bank Group's financial assets and liabilities may change. Moreover, transitioning to alternative RFRs may impact the ability of members of the Barclays Bank Group to calculate and model amounts receivable by them on certain financial assets and determine the amounts payable on certain financial liabilities (such as debt securities issued by them) because certain alternative RFRs (such as the Sterling Overnight Index Average (SONIA) and the Secured Overnight Financing Rate (SOFR)) are look-back rates, which means that the amount of interest payable is only known after the period has finished because it is calculated by reference to observed historical rates. In contrast, forward-looking term rates (such as LIBOR) allow borrowers to calculate at the start of any interest period exactly how much is payable at the end of such interest period. This may have a material adverse effect on the Barclays Bank Group's cash flows.

- Pricing risk: changes to existing benchmarks and indices, discontinuation of any benchmark or index and transition to alternative RFRs may impact the pricing mechanisms used by the Barclays Bank Group on certain transactions.

- Operational risk: changes to existing benchmarks and indices, the discontinuation of any benchmark or index and transition to alternative RFRs may require changes to the Barclays Bank Group's IT systems, trade reporting infrastructure, operational processes, and controls. In addition, if any benchmark or index is no longer available to calculate amounts payable, the Barclays Bank Group may incur expenses in amending documentation for new and existing transactions and/or effecting the transition from the original benchmark or index to a new one.

- Accounting risk: an inability to apply hedge accounting in accordance with IAS 39 could lead to increased volatility in the Barclays Bank Group's financial results and performance.

Any of these factors may have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition, prospects and reputation.

vi) Change delivery and execution risks

The Barclays Bank Group constantly adapts and transforms the way it conducts business in response to changing customer behaviour and needs, technological developments, regulatory expectations, increased competition and cost management initiatives. Accordingly, effective management of transformation projects is required to successfully deliver the Barclays Bank Group's strategic priorities, involving delivering both on externally driven programmes, as well as key business initiatives to deliver revenue growth, product enhancement and operational efficiency outcomes. The magnitude, complexity and, at times, concurrent demands of the projects required to meet these priorities can result in heightened execution risk.

The ability to execute the Barclays Bank Group's strategy may be limited by operational capacity and the increasing complexity of the regulatory environment in which the Barclays Bank Group operates. In addition, whilst the Barclays Bank Group continues to pursue cost management initiatives, they may not be as effective as expected and cost saving targets may not be met.

The failure to successfully deliver or achieve any of the expected benefits of these strategic initiatives and/or the failure to meet customer and stakeholder expectations could have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition, customer outcomes, prospects and reputation.

Material existing and emerging risks impacting individual principal risks

i) Climate risk

Climate risk is the impact on Financial (Credit, Market, Treasury & Capital) and Operational Risks arising from climate change through physical risks and risks associated with transitioning to a lower carbon economy.

The effects of climate change may be highly significant in their breadth and magnitude and could affect a large number of firms operating in different sectors and geographies, leading to potential downstream effects to the financial system. There is potential direct impact on banks and other financial institutions through their operations, as well as indirectly through customers and clients. Given this context and to support the Group's ambition to be a net zero bank by 2050, Climate Risk is a Principal Risk under Barclays' ERMF.

Scientific research suggests that physical risks arising due to climate change such as acute events (e.g. cyclone, hurricanes and floods) and chronic events (longer term shifts in climate patterns) may occur in increasing frequency and severity, Potential tipping points can cause unprecedented damage to particular geographies. Some regions are expected to be more severely affected than others if they are more exposed and/or more vulnerable to certain events.

The potential impact of physical risk events on the economy may include lower GDP growth, higher unemployment, shortage of raw materials and products due to supply chain disruptions and significant changes in asset prices. These factors could subsequently impact business model and profitability of Barclays Bank Group and its clients. Damage to the properties and operations of the Group's clients could decrease their production capacity, increase operating costs, affect insurability and decrease value of those properties. This in turn would lead to a decline in the creditworthiness of clients, which may result in higher defaults, delinquencies, write-offs and impairment charges in the Group's portfolios. Physical hazards may also impact the creditworthiness of the sovereigns of countries in which they occur. The deterioration in the credit ratings of sovereign bonds could affect their access to capital and their eligibility for inclusion in banks' liquidity buffers. These hazards may also impact the value of investments which the Barclays Bank Group holds.

A transition to a low-carbon economy requires policy and regulatory changes, new national or regional commitments, new technological innovations and changes to supply and demand systems within industries. The transition to a low-carbon economy may also trigger changes in consumer behaviour and market sentiment. These changes may result in increased costs and reduced demand for the products and services of a company including early retirement and impairment of assets, or decreased revenue and profitability. The Barclays Bank Group's clients that are more susceptible and exposed to these changes may face financial difficulties which in turn may impact their creditworthiness. In addition, impacts to the creditworthiness of the Barclays Bank Group's clients, customers and counterparties (particularly in high carbon sectors), can also arise a result of climate-related legal actions or investigations, where outcomes of such actions have material financial impacts. This in turn can increase credit risk within Barclays Bank Group portfolios (for further details on credit risk, refer to ii) Credit Risk on page 40). Both transition and physical risk drivers may lead to increased price volatility and repricing of market instruments, which in turn may impact the value of market instruments held by Barclays Bank Group.

Barclays Bank Group's own premises may also suffer physical damage due to weather events leading to increased costs for Barclays Bank Group. As the economy transitions to a lower carbon economy, financial institutions also face significant and rapid developments in stakeholder expectations, policy, law and regulation, which could impact lending activities and the risks associated with lending portfolios as well as asset values. Failure to adequately embed climate risk management into the risk framework may have a material and adverse impact on the Barclays Bank Group's brand, competitiveness, profitability, capital requirements, cost of funding, financial condition and ability to expand its business.

In March 2020, the Group announced its ambition to become a net zero bank by 2050 and its commitment to align all of its financing activities with the goals and timelines of the Paris Agreement. In order to reach these ambitions and targets, and any other climate-related ambitions or targets the Group may commit to in future, the Group will continue to incorporate climate considerations into its strategy, business model, the products and services it provides to customers and its financial and non-financial risk management processes. These include processes to measure and manage the various financial and non-financial risks the Group faces as a result of climate change.

Barclays Bank Group also needs to ensure that its strategy and business model adapt to changing national and international standards, industry and scientific practices, regulatory requirements and market expectations regarding climate change, which remain under continuous development. There remains a possibility that these standards, practices, requirements and expectations could change in a manner that substantially increases the cost or effort for Barclays Bank Group to achieve such ambitions and targets. In addition, the Group's ambitions and targets may prove more challenging to achieve due to changing circumstances and external factors which are beyond Barclays Bank Group's control, including geopolitical issues, energy security, energy poverty and other considerations such as a just transition to a low-carbon economy. This may be exacerbated if Barclays Bank Group chooses or is required to accelerate its climate-related ambitions or targets as a result of (among other things) international regulatory developments or stakeholder expectations in the UK, the US, the EU or other markets.

Achieving Barclays' climate-related ambitions and targets will also depend on a number of factors outside Barclays Bank Group's control, including reliable forecasts of hazards from the physical climate models and availability of data/models to measure/assess climate impact on clients. The pathway to net zero is uncertain, complex and dependent on progress in various areas such as advances in low-carbon technologies, collective action by clients to meet their own net zero goals, and supportive public policies in markets where Barclays Bank Group operates. If there is a lack of progress in the aforementioned areas, Barclays may fail to achieve its climate-related ambitions and targets, and this could have a material adverse effect on Barclays Bank Group's business, operations, financial condition, prospects and reputation.

For further details on the Barclays Bank Group's approach to climate change, refer to the climate risk management section.

ii) Credit risk

Credit risk is the risk of loss to the Barclays Bank Group from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to members of the Group, including the whole and timely payment of principal, interest, collateral, and other receivables. Credit risk is impacted by a number of factors outside the Group's control, including wider economic conditions.

a) Impairment

Impairment is calculated in line with the requirements of IFRS9. Loss allowances, based on ECLs, are measured on a forward-looking basis using a broad range of financial metrics and application of complex judgements. Accordingly, impairment charges are potentially volatile and may not successfully predict actual credit losses, particularly under stressed conditions. Failure by the Barclays Bank Group to accurately estimate credit losses through ECLs could have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition, and prospects.

For further details, refer to Note 8.

b) Specific portfolios, sectors and concentrations
The Barclays Bank Group is subject to risks arising from changes in credit quality and recovery rates for loans and advances due from borrowers and counterparties. Additionally, the Barclays Bank Group is subject to a concentration of those risks where it has significant exposures to borrowers and counterparties in specific sectors, or to particular types of borrowers and counterparties. Any deterioration in the credit quality of such borrowers and counterparties could lead to lower recoverability from loans and advances, and higher impairment charges. Accordingly, any of the following areas of uncertainty could have a material adverse impact on the Barclays Bank Group's business, results of operations, financial condition, and prospects:

- **Consumer affordability:** this remains a key area of focus, particularly in unsecured lending, as cost of living pressures persist. Macroeconomic factors, such as unemployment, high interest rates or broader inflationary pressures, which impact a customer's ability to service debt payments, could lead to increased arrears in unsecured products.

- **UK Retail, Hospitality and Leisure:** prolonged cost of living pressures, falling consumer confidence, or other macroeconomic factors adversely affecting consumers could trigger a contraction in demand which, together with rising business costs and, for UK retail, a structural shift to online shopping, would add pressure to sectors heavily reliant on consumer discretionary spending during 2024. This represents a potential risk in the Barclays Bank Group's UK corporate portfolio as a higher probability of default exists for retailers, hospitality providers and their landlords while these pressures remain.

- **Real Estate market:** the Barclays Bank Group remains at risk of increased impairment from a material fall in property prices. The Barclays Bank Group's corporate exposure is conservatively positioned but remains vulnerable to a deteriorating economic environment, and moderate stress has been experienced in the Barclays Bank Group's (predominantly) US office commercial real estate exposure during 2023. As structural shifts in working patterns, such as the normalisation of 'hybrid' working, mature, the Barclays Bank Group remains exposed to further stress. Landlords serving business tenants whose income is based on discretionary consumer spending are also at risk from reduced rent collection.

- **Leveraged Finance Underwriting:** the Barclays Bank Group takes on non-investment grade underwriting exposure, including single name risk, particularly in the US and the UK. The subdued investor appetite in the underwriting market during 2023 exposed the Barclays Bank Group to extended underwriting periods and negative movements in marks, which could deteriorate further and result in losses for the Barclays Bank Group (and higher capital charges) if market conditions remain challenging during 2024 and exposures remain on book for further extended periods.

- **Italian Mortgage and Wholesale exposure:** the Barclays Bank Group is exposed to a decline in the Italian economic environment through a mortgage portfolio in run-off and positions to wholesale customers. Italian economic growth in 2024 is forecast to be below 1%, insufficient to counteract the 5% yield payable on Italian sovereign bonds. With net public debt around 144% of GDP and an estimated budget deficit of over 5%, (on top of nearly €70bn received from the EU's post-pandemic recovery fund), failure to reduce public spending could cause debt levels to become unmanageable. This risks placing the Italian government in conflict with the European Commission and ECB and damaging investor confidence, potentially delaying economic recovery which, in turn, could materially adversely affect the Barclays Bank Group's results of operations including, but not limited to, increased credit losses and higher impairment charges.

- **Oil & Gas sector**: high market energy prices during 2023 have helped restore balance sheet strength to companies operating in this sector. However, in the longer term, costs associated with the transition towards renewable sources of energy may place greater financial demands on oil and gas companies.

- **Air Travel**: the sector returned to profit in 2023 as lower margin (tourist) demand for air travel recovered to pre-pandemic levels. That said, there remains a heightened risk to the revenue streams of the Barclays Bank Group's clients and, consequentially, their ability to service debt obligation. These risks stem from the structural decline in higher margin business travel, consolidation within the European airline market, reputational damage and/or costs associated with the emerging 'fake parts' scandal, volatile oil prices, increasingly extreme weather patterns and concerns about the impact of air travel on climate change.

- **Information Technology sector**: while dominated by well-known US firms, many companies struggle to monetise their product offerings and face increasing reputational risk particularly as regulatory scrutiny increases. Given the nature of their activities, the Barclays Bank Group's clients in this sector face heightened risk from data security breaches and ransomware and/or cyber attacks as well as from the malicious use of Artificial Intelligence, all of which could negatively impact their ability to service debt obligations.

- **Resilient US economy with tight labour market:** Fed consensus forecast indicates unemployment to peak in 2024. We continue to monitor closely consumer trends as it relates to personal saving rate, category spend - discretionary versus essential, high consumer debt levels, and the overall household net worth.

The Barclays Bank Group also has large individual exposures to single name counterparties (such as brokers, central clearing houses, dealers, banks, mutual and hedge funds, and other institutional clients) in both its lending and trading activities, including derivative trades. The default of one such counterparty could cause contagion across clients involved in similar activities and/or adversely impact asset values should margin calls necessitate rapid asset disposals by that counterparty to raise liquidity. In addition, where such counterparty risk has been mitigated by taking collateral, credit risk may remain high if the collateral held cannot be monetised or has to be liquidated at prices which are insufficient to recover the full amount of the loan or derivative exposure. Any such defaults could have a material adverse effect on the Barclays Bank Group's results due to, for example, increased credit losses and higher impairment charges.

For further details on the Barclays Bank Group's approach to credit risk, refer to the credit risk management and credit risk performance sections. Impacts to the creditworthiness of the Barclays Bank Group's clients customers and counterparties (particularly in high carbon sectors), can also arise out of climate-related legal actions or investigations commenced against the Barclays Bank Group's clients customers and counterparties (particularly in high carbon sectors), where outcomes of such actions have material financial impacts, which can in turn increase credit risk within Barclays Bank Group portfolios.

iii) Market risk

Market risk is the risk of loss arising from potential adverse changes in the value of the Barclays Bank Group's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange rates, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.

Economic and financial market uncertainties remain elevated, driven by elevated inflation and tightening monetary policy, both of which are exacerbated by the geopolitical conflicts and idiosyncratic market events. A disruptive adjustment to higher or lower interest rate levels and deteriorating trade and geopolitical tensions could heighten market risks for the Barclays Bank Group's portfolios.

In addition, the Barclays Bank Group's trading business could be vulnerable were there to be prolonged period of elevated asset price volatility, particularly if it adversely affects market liquidity. Such a scenario could impact the Barclays Bank Group's ability to execute client trades and may also result in lower client flow-driven income and/or market-based losses on its existing portfolio of assets. These can include higher hedging costs from rebalancing risks that need to be managed dynamically as market levels and their associated volatilities change.

Changes in market conditions could have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition and prospects.

For further details on the Barclays Bank Group's approach to market risk, refer to the market risk management and market risk performance sections.

iv) Treasury and capital risk

There are three primary types of treasury and capital risk faced by the Barclays Bank Group:

a) Capital risk

Capital risk is the risk that the Barclays Bank Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments and stressed conditions (both actual and as defined for internal planning or regulatory stress testing purposes). This also includes the risk from the Barclays Bank Group's pension plans. Key capital risks that the Barclays Bank Group faces include:

- **Failure to meet prudential capital requirements:** this could lead to the Barclays Bank Group being unable to support some or all of its business activities, a failure to pass regulatory stress tests, increased cost of funding due to deterioration in investor appetite or credit ratings, restrictions on distributions and/or the need to take additional measures to strengthen the Barclays Bank Group's capital or leverage position.

- **Adverse changes in FX rates impacting capital ratios:** the Barclays Bank Group has capital resources, risk weighted assets and leverage exposures denominated in foreign currencies. Changes in foreign currency exchange rates may adversely impact the sterling equivalent value of these items. As a result, the Barclays Bank Group's regulatory capital ratios are sensitive to foreign currency movements. Failure to appropriately manage the Barclays Bank Group's balance sheet to take account of foreign currency movements could result in an adverse impact on the Barclays Bank Group's regulatory capital and leverage ratios.

- **Adverse movements in the pension fund:** adverse movements in pension assets and liabilities for defined benefit pension schemes could result in deficits on a technical provision and/or IAS 19 accounting basis. This could lead to the Barclays Bank Group making substantial additional contributions to its pension plans and/or a deterioration in its capital position. The market value of pension fund assets might decline; or investment returns might reduce. Under IAS 19, the liabilities discount rate is derived from the yields of high quality corporate bonds. Therefore, the valuation of the Barclays Bank Group's defined benefits schemes would be adversely affected by a prolonged fall in the discount rate due to a persistent low interest rate and/or credit spread environment. Inflation is another significant risk driver to the pension fund as the liabilities are adversely impacted by an increase in long-term inflation expectations.

b) Liquidity risk

Liquidity risk is the risk that the Barclays Bank Group is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets. This could cause the Barclays Bank Group to fail to meet regulatory and/or internal liquidity requirements, make repayments of principal or interest as they fall due or support day-to-day business activities. Key liquidity risks that the Barclays Bank Group faces include:

- **Stability of the Barclays Bank Group's deposit funding profile:** deposits which are payable on demand or at short notice could be adversely affected by the Barclays Bank Group failing to preserve the current level of customer and investor confidence or as a result of competition in the banking industry.

- **Ongoing access to wholesale funding**: the Barclays Bank Group regularly accesses the money and capital markets to provide short-term and long-term unsecured and secured funding to support its operations. A loss of counterparty confidence, or adverse market conditions (such as the recent rises in interest rates) could lead to a reduction in the tenor, or an increase in the costs, of the Barclays Bank Group's unsecured and secured wholesale funding or affect the Barclays Bank Group's access to such funding.

- **Impacts of market volatility**: adverse market conditions, with increased volatility in asset prices could: (i) negatively impact the Barclays Bank Group's liquidity position through increased derivative margin requirements and/or wider haircuts when monetising liquidity pool securities; and (ii) make it more difficult for the Barclays Bank Group to execute secured financing transactions.

- **Intraday liquidity usage:** increased collateral requirements for payments and securities settlement systems could negatively impact the Barclays Bank Group's liquidity position, as cash and liquid assets required for intraday purposes are unavailable to meet other outflows.

- **Off-balance sheet commitments:** deterioration in economic and market conditions could cause customers to draw on off-balance sheet commitments provided to them, for example, revolving credit facilities, negatively affecting the Barclays Bank Group's liquidity position.

- **Credit rating changes and impact on funding costs:** any reductions in a credit rating (in particular, any downgrade below investment grade) may affect the Barclays Bank Group's access to money or capital markets and/or the terms on which the Barclays Bank Group is able to obtain market funding (for example, this could lead to increased costs of funding and wider credit spreads, the triggering of additional collateral or other requirements in derivative contracts and other secured funding arrangements, or limits on the range of counterparties who are willing to enter into transactions with the Barclays Bank Group).

c) Interest rate risk in the banking book

Interest rate risk in the banking book is the risk that the Barclays Bank Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities. The Barclays Bank Group's hedging programmes for interest rate risk in the banking book rely on behavioural assumptions and, as a result, the effectiveness of the hedging strategy cannot be guaranteed. A potential mismatch in the balance or duration of the hedging assumptions could lead to earnings deterioration if there are interest rate movements which are not adequately hedged. A decline in interest rates may also compress net interest margin on retail and corporate portfolios. In addition, the Barclays Bank Group's liquid asset portfolio is exposed to potential capital and/or income volatility due to movements in market rates and prices which may have a material adverse effect on the capital position of the Barclays Bank Group.

For further details on the Barclays Bank Group's approach to treasury and capital risk, refer to the treasury and capital risk management and treasury and capital risk performance sections.

v) Operational risk

Operational risk is the risk of loss to the Group from inadequate or failed processes or systems, human factors or due to external events where the root cause is not due to credit or market risks. Examples include:

a) Operational resilience

The Group functions in a highly competitive market, with customers and clients that expect consistent and smooth business processes. The loss of or disruption to business processing is a material inherent risk within the Group and across the financial services industry, whether arising through failures in the Group's technology systems, cyber and/or data integrity disruptions, unavailability of a Group site, closure of real estate services provided through its retail branch network, or unavailability of personnel or services supplied by third parties, and there are particular challenges with recovering from a major cyberattack. Failure to build resilience and recovery capabilities into business processes, or into the services on which the Group's business processes depend, may result in significant customer detriment, costs to reimburse losses incurred by the Group's customers and clients, and reputational damage.

b) Cyberattacks

Cyberattacks continue to be a global threat inherent across all industries, with the number and severity of attacks continuing to rise. The financial sector remains a primary target for cybercriminals, hostile nation states, opportunists and hacktivists. The Group, like other financial institutions, experiences numerous attempts to compromise its cybersecurity protections. In 2023, cybersecurity incidents experienced by Barclays included distributed denial of service (DDoS), phishing, credential stuffing, and exploitation of software vulnerabilities.

The Group cannot provide absolute security against cyberattacks. Malicious actors, who are increasingly sophisticated in their methods, tactics, techniques and procedures, seek to steal money, gain unauthorised access to, destroy or manipulate data, and disrupt operations. Further, some of their attacks may not be recognised or discovered until launched or after initial entry into the environment, such as novel or zero-day attacks that are launched before patches are available and defences can be readied. Other attacks may take advantage of the window during which patching or the deployment of other defences is underway, but not yet complete. Malicious actors are also increasingly developing methods to avoid prevention, detection and alerting capabilities, including employing counter-forensic tactics making response activities more difficult. Cyberattacks can originate from a wide variety of sources and target the Group in numerous ways, including attacks on networks, systems, applications or devices used by the Group or parties such as service providers and other suppliers, counterparties, employees, contractors, customers or clients, presenting the Group with a vast and complex defence perimeter. Moreover, the Group does not have direct control over the cybersecurity of the systems of its clients, customers, counterparties and third party service providers and suppliers, limiting the Group's ability to effectively protect and defend against certain threats. Some of the Group's third party service providers and suppliers have experienced successful attempts to compromise their cybersecurity. These have included ransomware attacks that have disrupted the service providers' or suppliers' operations and, in some cases, have had impacts on the Group's operations. Such cyberattacks are likely to continue.

A failure in the Group's adherence to its cybersecurity policies, procedures or controls, employee malfeasance, and human, governance or technological error could also compromise the Group's ability to successfully prevent and defend against cyberattacks. Furthermore, certain legacy technologies that are at or approaching end-of-life may not be able to maintain acceptable levels of security. The Group has experienced cybersecurity incidents and near-misses in the past, and it is inevitable that additional incidents will occur in the future. Cybersecurity risks are expected to increase, due to factors such as the increasing demand across the industry and customer expectations for continued expansion of services delivered over the Internet; increasing reliance on Internet-based products, applications and data storage; the onset of AI, which may be used to facilitate increasingly sophisticated attacks; and changes in ways of working by the Group's employees, contractors, and third party service providers and suppliers and their subcontractors as a long-term consequence of the COVID-19 pandemic. Bad actors have taken advantage of remote working practices and modified customer behaviours, exploiting the situation in novel ways that may elude defences. Additionally, geopolitical turmoil may serve to increase the risk of a cyberattack that could impact Barclays directly, or indirectly through its critical suppliers or national infrastructure. In recent years, the Group has faced a heightened risk of cyberattack as a result of the conflicts in Eastern Europe and the Middle East.

Common types of cyberattacks include deployment of malware to obtain covert access to systems and data; ransomware attacks that render systems and data unavailable through encryption and attempts to leverage business interruption or stolen data for extortion; novel or zero-day exploits; denial of service and distributed denial of service attacks; infiltration via business email compromise; social engineering, including phishing, vishing and smishing; automated attacks using botnets; third party customer, vendor, service provider and supplier account takeover; malicious activity facilitated by an insider; and credential validation or stuffing attacks using login and password pairs from unrelated breaches. A successful cyberattack of any type has the potential to cause serious harm to the Group or its clients and customers, including exposure to potential contractual liability, claims, litigation, regulatory or other government action, loss of existing or potential customers, damage to the Group's brand and reputation, and other financial loss. The impact of a successful cyberattack is also likely to include operational consequences (such as unavailability of services, networks, systems, devices or data), remediation of which could come at significant cost.

Regulators worldwide continue to recognise cybersecurity as a systemic risk to the financial sector and have highlighted the need for financial institutions to improve their monitoring and control of, and resilience to, cyberattacks. A successful cyberattack may, therefore, result in significant regulatory fines on the Group. In addition, any new regulatory measures introduced to mitigate these risks are likely to result in increased technology and compliance costs for the Group.

c) New and emergent technology

Technology is fundamental to the Group's business and the financial services industry. Technological advancements present opportunities to develop new and innovative ways of doing business across the Group, with new solutions being developed both in-house and in association with third party companies. For example, payment services and securities, futures and options trading are increasingly occurring electronically, both on the Group's own systems and through other alternative systems, and becoming automated. Whilst increased use of electronic payment and trading systems and direct electronic access to trading markets could significantly reduce the Group's cost base, it may, conversely, reduce the commissions, fees and margins made by the Group on these transactions which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. The rapid development in AI is another area the Group is monitoring closely. This includes the identification of potential use cases for responsible adoption of AI in the Group's own operations as well as managing the threats third party usage of AI may pose, including with respect to cybersecurity and fraud.

Introducing new forms of technology, however, has the potential to increase inherent risk. Failure to evaluate, actively manage and closely monitor risk during all phases of business development and implementation could introduce new vulnerabilities and security flaws and have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

d) External fraud

The nature of fraud is wide-ranging and continues to evolve, as criminals seek opportunities to target the Barclays Bank Group's business activities and exploit changes in customer behaviour and product and channel use (such as the increased use of digital products and enhanced online services) or exploit new products. Fraud attacks can be very sophisticated and are often orchestrated by organised crime groups who use various techniques to target customers and clients directly to obtain confidential or personal information that can be used to commit fraud. The impact from fraud can lead to customer detriment, financial losses (including the reimbursement of losses incurred by customers), loss of business, missed business opportunities and reputational damage, all of which could have a material adverse impact on the Barclays Bank Group's business, results of operations, financial condition and prospects.

e) Data management and information protection

The Barclays Bank Group holds and processes large volumes of data, including personal information, financial data and other confidential information, and the Barclays Bank Group's businesses are subject to complex and evolving laws and regulations governing the privacy and protection of data, including Regulation (EU) 2016/679 (the General Data Protection Regulation as it applies in the EU and the UK). This data could relate to: (i) the Barclays Bank Group's clients, customers, prospective clients and customers, and their employees; (ii) clients and customers of the Barclays Bank Group's clients and customers, and their employees; (iii) the Barclays Bank Group's suppliers, counterparties and other external parties, and their employees; and (iv) the Barclays Bank Group's employees and prospective employees.

The international nature of both the Barclays Bank Group's business and its IT infrastructure also means that data and personal information may be available in countries other than those from where the information originated. Accordingly, the Barclays Bank Group must ensure that its collection, use, transfer and storage of data, including personal information complies with all applicable laws and regulations in all relevant jurisdictions, which could: (i) increase the Barclays Bank Group's compliance and operating costs; (ii) impact the development of new products or services, or the offering of existing products or services; (iii) affect how products and services are offered to clients and customers; (iv) demand significant oversight by the Barclays Bank Group's management; and (v) require the Barclays Bank Group to review some elements of the structure of its businesses, operations and systems in less efficient ways.

Concerns regarding the effectiveness of the Barclays Bank Group's measures to safeguard data, including personal information, or even the perception that those measures are inadequate, could expose the Barclays Bank Group to the risk of loss or unavailability of data or data integrity issues and/or cause the Barclays Bank Group to lose existing or potential clients and customers, and thereby reduce the Barclays Bank Group's revenues. Furthermore, any failure or perceived failure by the Barclays Bank Group to comply with applicable privacy or data protection laws and regulations may subject it to potential contractual liability, claims, litigation, regulatory or other government action (including significant regulatory fines) and require changes to certain operations or practices which could also inhibit the Barclays Bank Group's development or marketing of certain products or services, or increase the costs of offering them to customers. Any of these events could damage the Barclays Bank Group's reputation, subject the Barclays Bank Group to material fines or other monetary penalties, make the Barclays Bank Group liable for the payment of compensatory damages, divert management's time and attention, lead to enhanced regulatory oversight and otherwise materially adversely affect its business, results of operations, financial condition and prospects.

For further details on data protection regulation applicable to the Barclays Bank Group, refer to the supervision and regulation section.

f) Algorithmic trading

In some areas of the investment banking business, trading algorithms are used to price and risk manage client and principal transactions. An algorithmic error could result in erroneous or duplicated transactions, a system outage, or impact the Barclays Bank Group's pricing abilities, which could have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition, prospects and reputation.

g) Processing errors

The Barclays Bank Group's businesses are highly dependent on its ability to process and monitor, on a daily basis, a very large number of transactions, many of which are highly complex and occur at high volumes and frequencies, across numerous and diverse markets in many currencies. As the Barclays Bank Group's customer base and geographical reach expand and the volume, speed, frequency and complexity of transactions, especially electronic transactions (as well as the requirements to report such transactions on a real-time basis to clients, regulators and exchanges) increase, developing, maintaining and upgrading operational systems and infrastructure becomes more challenging. The risk of systems or human error in connection with such transactions increases with these developments, as well as the potential consequences of such errors due to the speed and volume of transactions involved and the potential difficulty associated with discovering errors quickly enough to limit the resulting consequences. Furthermore, events that are wholly or partially beyond the Barclays Bank Group's control, such as a spike in transaction volume, could adversely affect the Barclays Bank Group's ability to process transactions or provide banking and payment services.

Processing errors could result in the Barclays Bank Group, among other things: (i) failing to provide information, services and liquidity to clients and counterparties in a timely manner; (ii) failing to settle and/or confirm transactions; (iii) causing funds transfers, capital markets trades and/or other transactions to be executed erroneously, illegally or with unintended consequences; and (iv) adversely affecting financial, trading or currency markets. Any of these events could materially disadvantage the Barclays Bank Group's customers, clients and counterparties (including them suffering financial loss) and/or result in a loss of confidence in the Barclays Bank Group which, in turn, could have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition and prospects. Any of these events could also lead to breaches of laws, rules or regulations and, hence, regulatory enforcement actions, which could result in significant financial loss, imposition of additional capital requirements, enhanced regulatory supervision and reputational damage.

h) Supplier exposure

The Barclays Bank Group depends on suppliers for the provision of many of its services and the development of technology. Whilst the Barclays Bank Group depends on suppliers, it remains fully accountable to its customers and clients for risks arising from the actions of suppliers and may not be able to recover from its suppliers any amounts paid to customers and clients for losses suffered by them. The dependency on suppliers and sub-contracting of outsourced services introduces concentration risk where the failure of specific suppliers could have an impact on the Barclays Bank Group's ability to continue to provide material services to its customers. Failure to adequately manage supplier risk could have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition and prospects.

i) Estimates and judgements relating to critical accounting policies and regulatory disclosures

The preparation of financial statements requires the application of accounting policies and judgements to be made in accordance with IFRS. Regulatory returns and capital disclosures are prepared in accordance with the relevant capital reporting requirements and also require assumptions and estimates to be made. The key areas involving a higher degree of judgement or complexity, or areas where assumptions are significant to the consolidated and individual financial statements and regulatory returns and disclosures, include credit impairment provisions, taxes, fair value of financial instruments, pensions and post-retirement benefits, the calculation of RWAs and capital, and provisions including conduct and legal, competition and regulatory matters (please refer to the notes to the audited financial statements for further details). There is a risk that if the judgement exercised, or the estimates or assumptions used, subsequently turn out to be incorrect or are altered as a result of subsequent feedback from the Barclays Bank Group's regulators, this could result in material losses to the Barclays Bank Group, beyond what was anticipated or provided for, including as a result of changes to treatments in regulatory returns and capital disclosures. If capital requirements are not met as the result of changes in interpretation, compliance with the Barclays Bank Group's distribution policy could be impacted and/or additional measures may be required to strengthen the Barclays Bank Group's capital or leverage position, which may also lead to the Barclays Bank Group's inability to achieve stated targets. Further development of accounting standards and regulatory interpretations could also materially impact the Barclays Bank Group's results of operations, financial condition and prospects.

j) Tax risk

The Barclays Bank Group is required to comply with the domestic and international tax laws and practice of all countries in which it has business operations. There is a risk that the Barclays Bank Group could suffer losses due to additional tax charges, other financial costs or reputational damage as a result of failing to comply with such laws and practice (including where the Barclays Bank Group's interpretation of such laws differs from the interpretation of tax authorities), or by failing to manage its tax affairs in an appropriate manner, with much of this risk attributable to the international structure of the Barclays Bank Group. In addition, the introduction of new international tax regimes, increasing tax authority focus on reporting and disclosure requirements around the world as well as the digitisation of the administration of tax have the potential to increase the Barclays Bank Group's tax compliance obligations further. In 2023, the UK Government enacted legislation on the OECD Inclusive Framework on Base Erosion and Profit Shifting Pillar Two Framework introducing a global minimum tax rate of 15%. The UK's Pillar Two rules apply for accounting periods beginning on or after 31 December 2023 which will increase the Barclays Bank Group's tax compliance obligations. In the USA, the corporate alternative minimum tax on adjusted financial statements income introduced by the Inflation Reduction Act became effective on 1 January 2023. These new tax regimes require systems and process changes that introduce potential additional operational risks.

k) Ability to hire and retain appropriately qualified employees

As a regulated financial institution, the Barclays Bank Group requires diversified and specialist skilled colleagues. The Barclays Bank Group's ability to attract, develop and retain a diverse mix of talent is key to the delivery of its core business activity and strategy. This is impacted by a range of external and internal factors, such as macroeconomic factors, labour and immigration policy in the jurisdictions in which the Barclays Bank Group operates, industry-wide headcount reductions in particular sectors, regulatory limits on compensation for senior executives and the potential effects on employee engagement and wellbeing from long-term periods of working remotely. Failure to attract or prevent the departure of appropriately qualified and skilled employees could have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition and prospects. Additionally, this may result in disruption to service which could in turn lead to customer detriment and reputational damage.

For further details on the Barclays Bank Group's approach to operational risk, refer to the operational risk management and operational risk performance sections.

vi) Model risk

Model risk is the potential for adverse consequences from decisions based on incorrect or misused model outputs and reports. The Barclays Bank Group relies on models to support a broad range of business and risk management activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures (including the calculation of impairment), conducting stress testing, calculating RWAs and assessing capital adequacy, supporting new business acceptance, risk and reward evaluation, managing client assets, and meeting reporting requirements.

Models are, by their nature, imperfect representations of reality and have some degree of uncertainty because they rely on assumptions and inputs, and so are subject to intrinsic uncertainty, errors and inappropriate use affecting the accuracy of their outputs. This may be exacerbated when dealing with unprecedented scenarios, as was the case during the COVID-19 pandemic, due to the lack of reliable historical reference points and data. For instance, the quality of the data used in models across the Barclays Bank Group has a material impact on the accuracy and completeness of its risk and financial metrics. Model uncertainty, errors and inappropriate use may result in (among other things) the Barclays Bank Group making inappropriate business decisions and/or inaccuracies or errors in the Barclays Bank Group's risk management and regulatory reporting processes. This could result in significant financial loss, imposition of additional capital requirements, enhanced regulatory supervision and reputational damage, all of which could have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition and prospects.

For further details on the Barclays Bank Group's approach to model risk, refer to the model risk management and model risk performance sections.

vii) Compliance risk

Compliance risk is the risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Barclays Bank Group's products and services (conduct risk) and the risk to Barclays, its clients, customers or markets from a failure to comply with the Laws, Rules and Regulations (LRR) applicable to the firm. This risk could manifest itself in a variety of ways, including:

a) Market conduct

The Barclays Bank Group's businesses are exposed to risk from potential non-compliance with its policies and standards (which incorporates regulatory requirements set by law and our regulators) and instances of wilful and negligent misconduct by employees, all of which could result in potential customer and client detriment, enforcement action (including regulatory fines and/or sanctions), increased operation and compliance costs, redress or remediation or reputational damage which in turn could have a material adverse effect on the Barclays Bank Group's business, financial condition and prospects. Examples of employee misconduct which could have a material adverse effect on the Barclays Bank Group's business include: (i) improperly selling or marketing the Barclays Bank Group's products and services; (ii) engaging in insider trading, market manipulation or unauthorised trading; or (iii) misappropriating confidential or proprietary information belonging to the Barclays Bank Group, its customers or third parties. These risks may be exacerbated in circumstances where the Barclays Bank Group is unable to rely on physical oversight and supervision of employees, noting the move to a hybrid working model for many colleagues.

b) Customer protection

The Barclays Bank Group must ensure that its customers, particularly those that are vulnerable, are able to make well-informed decisions on how best to use the Barclays Bank Group's financial services and understand the protection available to them if something goes wrong. Poor customer outcomes can result from the failure to: (i) communicate fairly and clearly with customers; (ii) provide services in a timely and fair manner; (iii) handle and protect customer data appropriately; and (iv) undertake appropriate activity to address customer detriment, including the adherence to regulatory and legal requirements on complaint handling. The Barclays Bank Group is at risk of financial loss and reputational damage as a result, also a risk of regulatory censure or enforcement action.

In July 2023, the FCA's new Consumer Duty came into force for new and existing products or services that are open to sale or renewal to retail customers. It will apply to closed products and services from 31 July 2024. The duty sets higher expectations for the standard of care that firms provide to retail customers and impacts many aspects of the Barclays Bank Group's businesses.

c) Product design and review risk

Products and services must meet the needs of clients, customers, markets and the Barclays Bank Group throughout their life cycle. However, there is a risk that the design and review of the Barclays Bank Group products and services fail to reasonably consider and address potential or actual negative outcomes for customers, which may result in customer detriment, enforcement action (including regulatory fines and/or sanctions), redress and remediation and reputational damage. Both the design and review of products and services are a key area of focus for regulators and the Barclays Bank Group.

d) Financial crime

The Barclays Bank Group may be adversely affected if it fails to effectively mitigate the risk that third parties or its employees facilitate, or that its products and services are used to facilitate, financial crime (money laundering, terrorist financing, breaches of economic and financial sanctions, bribery and corruption, and the facilitation of tax evasion). UK and US government agencies and regulators continue to focus on combating financial crime. Failure to comply may lead to enforcement or other action by the Barclays Bank Group's regulators, including severe penalties, which may have a material adverse effect on the Barclays Bank Group's business, financial condition, prospects and reputation.

e) Conflicts of interest

Identifying and managing conflicts of interest is fundamental to the conduct of the Barclays Bank Group's business, relationships with customers, and the markets in which the Barclays Bank Group operates. Understanding the conflicts of Interest that impact or potentially impact the Barclays Bank Group enables them to be handled appropriately. Even if there is no evidence of improper actions, a conflict of interest can create an appearance of impropriety that undermines confidence in the Barclays Bank Group and its Employees. If the Barclays Bank Group does not identify and manage conflicts of Interest (business or personal) appropriately, it could have an adverse effect on the Barclays Bank Group's business, customers and the markets within which it operates.

f) Regulatory focus on culture and accountability

Regulators around the world continue to emphasise the importance of culture and personal accountability and enforce the adoption of adequate internal reporting and whistleblowing procedures to help to promote appropriate conduct and drive positive outcomes for customers, colleagues, clients and markets. The requirements and expectations of the UK Senior Managers Regime, Certification Regime and Conduct Rules reinforce additional accountabilities for individuals across the Barclays Bank Group with an increased focus on governance and rigour, with similar requirements also introduced in other jurisdictions globally. Failure to meet these requirements and expectations may lead to regulatory sanctions, both for the individuals and the Barclays Bank Group.

g) Laws, Rules and Regulations

Barclays is subject to range of laws, rules and regulations across the world. A failure to comply with these may have an adverse effect on the Barclays Bank Group's business, customers and the markets within which it operates and could result in reputational damage, penalties, damages or fines.

For further details on the Barclays Bank Group's approach to Compliance risk, refer to the Compliance risk management and Compliance risk performance sections.

viii) Reputation risk

Reputation risk is the risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the Barclays Bank Group's integrity and/or competence.

Any material lapse in standards of integrity, compliance, customer service or operating efficiency may represent a potential reputation risk. Stakeholder expectations constantly evolve, and so reputation risk is dynamic and varies between geographical regions, groups and individuals. A risk arising in one business area can have an adverse effect upon the Barclays Bank Group's overall reputation and any one transaction, investment or event (in the perception of key stakeholders) can reduce trust in the Barclays Bank Group's integrity and competence. The Barclays Bank Group's association with sensitive topics and sectors has been, and in some instances continues to be, an area of concern for stakeholders, including: (i) the financing of, and investments in, businesses which operate in sectors that are sensitive because of their relative carbon intensity or local environmental impact; (ii) potential association with human rights violations (including combating modern slavery) in the Barclays Bank Group's operations or supply chain and by clients and customers; and (iii) the financing of businesses which manufacture and export military and riot control goods and services.

Reputation risk could also arise from negative public opinion about the actual, or perceived, manner in which the Barclays Bank Group (including its employees, clients and other associations) conducts its business activities, or the Barclays Bank Group's financial performance, as well as actual or perceived practices in banking and the financial services industry generally. Modern technologies, in particular online social media channels and other broadcast tools that facilitate communication with large audiences in short time frames and with minimal costs, may significantly enhance and accelerate the distribution and effect of damaging information and allegations. Negative public opinion may adversely affect the Barclays Bank Group's ability to retain and attract customers, in particular, corporate and retail depositors, and to retain and motivate staff, and could have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition and prospects.

In addition to the above, reputation risk has the potential to arise from operational issues or conduct matters which cause detriment to customers, clients, market integrity, effective competition or the Barclays Bank Group (refer to v) Operational risk above).

For further details on the Barclays Bank Group's approach to reputation risk, refer to the reputation risk management and reputation risk performance sections.

ix) Legal risk and legal, competition and regulatory matters

The Barclays Bank Group conducts activities in a highly regulated global market which exposes it and its employees to legal risk arising from: (i) the multitude of laws, rules and regulations that apply to the businesses it operates, which are highly dynamic, may vary between jurisdictions and/or conflict, and may be unclear in their application to particular circumstances especially in new and emerging areas; and (ii) the diversified and evolving nature of the Barclays Bank Group's businesses and business practices. In each case, this exposes the Barclays Bank Group and its employees to the risk of loss or the imposition of penalties, damages or fines from the failure of members of the Barclays Bank Group to meet applicable laws, rules, regulations or contractual requirements or to assert or defend their intellectual property rights. Legal risk may arise in relation to any number of the material existing and emerging risks identified above.

A breach of applicable laws, rules and/or regulations by the Barclays Bank Group or its employees could result in criminal prosecution, regulatory censure, potentially significant fines and other sanctions in the jurisdictions in which the Barclays Bank Group operates. Where clients, customers or other third parties are harmed by the Barclays Bank Group's conduct, this may also give rise to civil legal proceedings, including class actions. Other legal disputes may also arise between the Barclays Bank Group and third parties relating to matters such as breaches or enforcement of legal rights or obligations arising under contracts, statutes or common law. Adverse findings in any such matters may result in the Barclays Bank Group being liable to third parties or may result in the Barclays Bank Group's rights not being enforced or not being enforced in the manner intended or desired by the Barclays Bank Group.

Details of legal, competition and regulatory matters to which the Barclays Bank Group is currently exposed are set out in Note 24. In addition to matters specifically described in Note 24, the Barclays Bank Group is engaged in various other legal proceedings which arise in the ordinary course of business. The Barclays Bank Group is also subject to requests for information, investigations and other reviews (including skilled person reviews) by regulators, governmental and other public bodies. These may be in connection with business activities in which the Barclays Bank Group is, or has been, engaged, or areas of particular regulatory focus, such as financial crime, money laundering or terrorist financing. The Barclays Bank Group may also (from time to time) be subject to claims and/or legal proceedings and other investigations relating to financial and non-financial disclosures made by members of the Barclays Bank Group (including, but not limited to, regulatory capital and liquidity reporting and ESG disclosures). Additionally, due to the increasing number of new climate and sustainability-related laws and regulations, growing demand from investors and customers for sustainable products and services, and regulatory and NGO scrutiny, financial institutions, including the Barclays Bank Group, may through their business activities face increasing litigation, conduct, enforcement and contract liability risks related to climate change, environmental degradation and other social, governance and sustainability-related issues including greenwashing risk. This may include laws and regulatory processes and policies seeking to restrict or prohibit doing certain business with entities identified as "boycotting" or "discriminating" against particular industries or considering ESG factors in their investment processes, including to protect the energy and other high carbon sectors from any risks of divestment or challenges in accessing finance. Furthermore, there is a risk that shareholders, campaign groups, customers and other interest groups could seek to take legal action (including under "soft law" mechanisms) against the Barclays Bank Group for financing or contributing to climate change and environmental degradation or because the Barclays Bank Group's response to climate change or other ESG factors is perceived to be ineffective, insufficient or inappropriate.

The outcome of legal, competition and regulatory matters, both those to which the Barclays Bank Group is currently exposed and any others which may arise in the future, is difficult to predict (and any provision made in the Group's financial statements relating to those matters may not be sufficient to cover actual losses). In connection with such matters, the Barclays Bank Group may incur significant expense, regardless of the ultimate outcome, and any such matters could expose the Barclays Bank Group to any of the following outcomes: substantial monetary damages, settlements and/or fines; remediation of affected customers and clients; other penalties and injunctive relief; additional litigation; criminal prosecution; the loss of any existing agreed protection from prosecution; regulatory restrictions on the Barclays Bank Group's business operations including the withdrawal of authorisations; increased regulatory compliance requirements or changes to laws or regulations; suspension of operations; public reprimands or censure; loss of significant assets or business; a negative effect on the Barclays Bank Group's reputation; loss of confidence by investors, counterparties, clients and/or customers; risk of credit rating agency downgrades; potential negative impact on the availability and/or cost of funding and liquidity; and/or dismissal or resignation of key individuals. In light of the uncertainties involved in legal, competition and regulatory matters, there can be no assurance that the outcome of a particular matter or matters (including formerly active matters or those arising after the date of this Annual Report) will not have a material adverse effect on the Barclays Bank Group's business, results of operations, financial condition and prospects.

Climate risk management

Climate risk is defined as the impact on Financial (Credit, Market, Treasury & Capital Risks) and Operational Risks arising from climate change through physical risks and risks associated with transitioning to a lower carbon economy.

- Physical risks: Result from a changing climate and can be event-driven (acute risks), including increased frequency and/or severity of extreme weather events such as cyclones, hurricanes and flooding. Physical risks can also be driven by longer term shifts in climate patterns (chronic risks) arising from sustained higher temperatures that may cause rises in sea levels, rising mean temperatures and more frequent/severe weather events
- Transition risks: The transition to a lower carbon economy is likely to involve significant and rapid policy, regulatory and legal changes, as evolving technology and markets adapt to a changing climate and associated impacts

Overview

The Group has developed a Climate Risk Framework (CRF) for financial and operational risks stemming from climate change. This enables Barclays to foster a systematic and consistent approach for managing climate risk across the firm. The key principle underpinning this framework is that climate risk is recognised as a driver of other existing financial (Credit, Market, Treasury and Capital) and non-financial (Operational and Reputational) risks, and not treated as a standalone risk type. The CRF is supported by policies, standards and other relevant documents which contain control objectives that must be met.

The CRF:

- Defines climate risk
- Establishes principles for the identification, measurement, monitoring and reporting of climate risk
- Outlines the process for establishing climate risk appetite
- Summarises the impact of climate risk on other principal financial and operational risk types
- Outlines roles and responsibilities applicable to the Climate Risk Framework.

The Climate Risk Policy sets objectives for the management of climate risks and establishes key principles for quantifying and reporting, including escalations required to senior stakeholders up to and including the Board Risk Committee (BRC). The Framework and Policy are applicable for Barclays' business activities, with a focus on lending, advisory, sales and trading, capital markets and investments. Climate risk may also drive non-financial risks such as reputational risk, which continue to be managed under the respective risk frameworks.

To support the embedment of the Principal Risk, in 2023 the Group delivered the following with three overarching objectives:

1. Enhance and improve risk appetite and associated controls for climate risk

2. Develop a plan for refining modelling and scenario analysis capabilities

3. Expand BlueTrack™, which now covers nine segments comprising of Energy, Power, Cement, Steel, Automotive Manufacturing, UK Housing, Commercial Real Estate, Agriculture and Aviation

Organisation, roles and responsibilities

The Group Head of Climate Risk is the Principal Risk owner accountable for the management and oversight of the climate risk profile. The Group Head of Climate Risk reports directly to Group CRO.

On behalf of the Board, the BRC reviews and approves the Group's approach to managing climate risk. The Group Risk Committee (GRC) is the most senior executive body responsible for reviewing and challenging risk practices for climate.

To support the oversight of Barclays' climate risk profile, a Climate Risk Committee (CRC) has been established as a sub-committee of the GRC. The Group Head of Climate risk is the Chair of the CRC. Any material issues are escalated by the CRC to the GRC, and the GRC subsequently escalates to the BRC as appropriate.

A Climate Risk control environment has been established in alignment with the Barclays' Control Framework. A Climate Risk Control Forum (CRCF) was established in 2022 to oversee implementation and operation of the Barclays Control Framework, including reviewing risk events, policy and issues management. Climate risk assurance groups were also established and are responsible for performing climate risk specific reviews to support the embedding of the Climate Risk Framework and Policy.

Entity Heads of Climate Risk have been appointed across key Barclays legal entities, namely Barclays Bank UK (BBUK) PLC, Barclays Bank (BB) PLC, Barclays Bank Ireland (BBI) PLC, and the US Intermediate Holding Company (US IHC).

Broader sustainability matters and reputation risk associated with climate change are coordinated by the Group Sustainability and ESG Team, led by the Group Head of Sustainability.

Governance	Enterprise Risk Framework (ERMF)	
	Climate Risk Framework (CRF)	Reputation Risk Management Framework (RRMF)
	Board Risk Committee (BRC)	Board Sustainability Committee (BSC)
Risk	Credit, market, treasury & capital and operational risks	Sustainability matters and reputation risk associated with climate change
Ownership	Group Risk Committee (GRC)	Group Sustainability Committee (GSC)
	Group Chief Risk Officer	Group Head of Public Policy and Corporate Responsibllity
	Group Head of Climate Risk	Group Head of Sustainability

Risk appetite

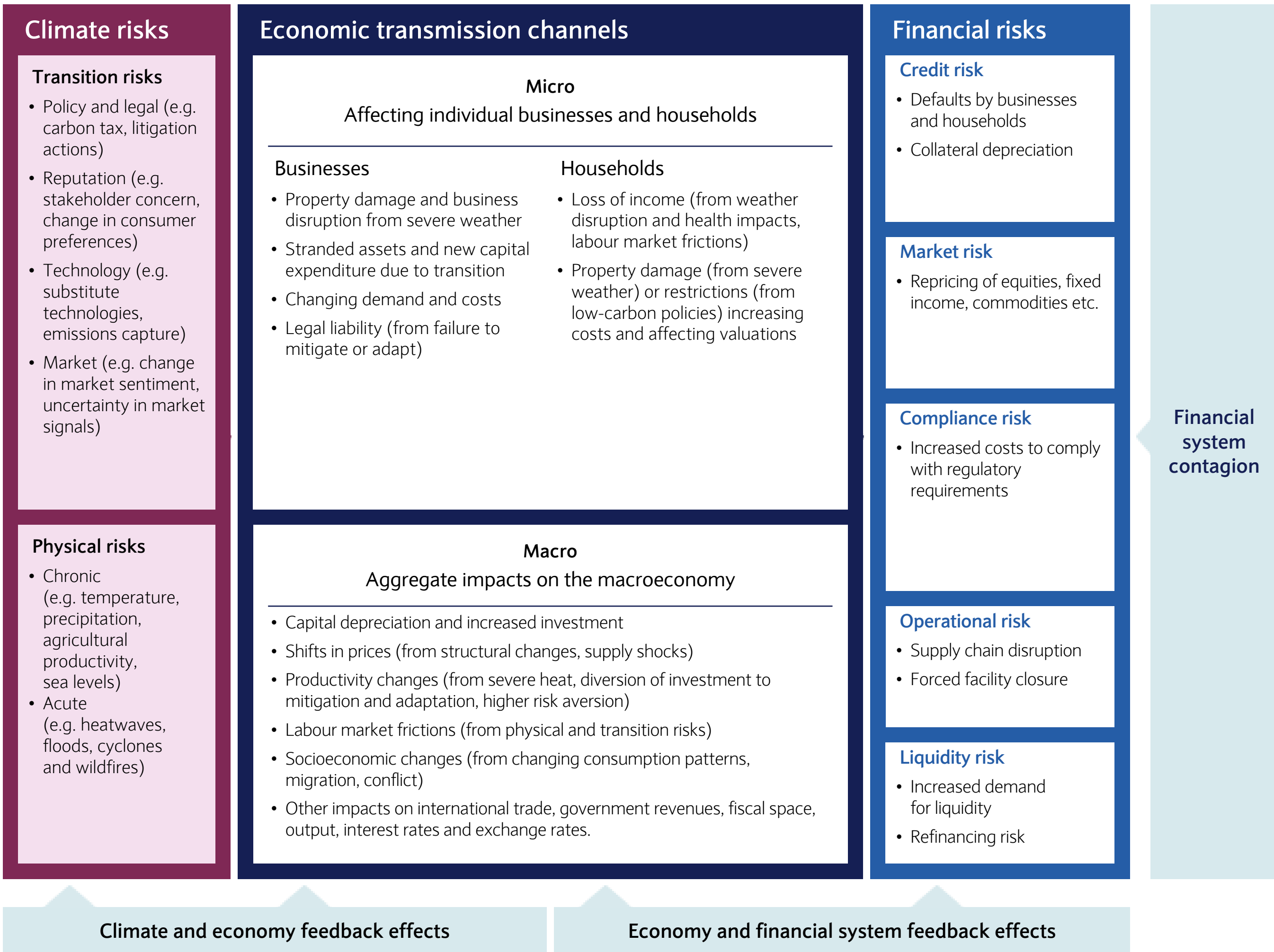
Barclays' approach to setting climate risk appetite is aligned with its ambition to be a net zero bank by 2050 and reducing financed emissions in line with its disclosed sector targets. In accordance with the risk appetite policy and tolerance standards, Barclays has established a climate risk appetite at the Group level, comprising of qualitative risk appetite statements and quantitative constraints. This is reviewed and revised (where applicable) annually and formally approved by the Board.

In 2023, Barclays has enhanced its approach for the quantification of climate risk appetite by implementing additional limits and controls, including around the expected financed emissions target (BlueTrack) pathways. The progress against these targets is monitored on a regular basis whilst acknowledging the challenges and external dependencies to reduce financed emissions. The Group continues to regularly review its risk appetite and enhance risk metrics including expansion of risk limits for priority sectors.

Risk identification

Physical and transition risk drivers can lead to adverse financial impacts through various transmission channels. Transmission channels are causal chains that explain how climate risk drivers impact firms such as Barclays either directly through their own operations and infrastructure or indirectly through their financing and investment activities. The diagram below illustrates this dynamics.

For example, the potential impact of physical risk events at the macro level may include lower GDP growth, higher unemployment and significant changes in the availability and prices of products or commodities. At the micro level, damage to properties and operations of Barclays's clients could lead to increasing costs and possible decline in revenues, which in turn might impact their ability to repay the loans. Thus through these transmission channels, risks for Barclays may materialise in its traditional risk categories such as credit risk, market risk, treasury and capital risk, operational risk and reputational risk. The impact of climate risk drivers may be significant and widespread, affecting companies, households and the general economy leading to potential financial system contagion.



Adapted from Network for Greening the Financial System (NGFS), September 2022 and in consideration of transmission channels relevant to Barclays.

Barclays' work on assessing climate-related risks has been focused on the short (0-1 year) and medium term (1-5 years) horizons, in line with our financial planning cycle. The feedback effects of climate risk drivers through macro and micro transmissions channels are observed in Barclays' portfolio through traditional risk categories such as credit risk, market risk, treasury and capital risk, operational risk (including legal risk) and reputational risk. Examples of these feedback effects are set out in the table below.

Principal Risk	Example effects of climate risk drivers
Credit risk	Increase in credit risk due to reduction in borrowers' ability to repay and service debt if the borrower is affected by physical risk events that severely damages its infrastructure and operations. Borrowers that are subjected to higher carbon taxes, penalties or fines for not adequately addressing their impact on climate (i.e. exposed to higher litigation and reputational damages) or do not successfully transition to a lower carbon economy might see deterioration in their credit ratings. In some instances, this could lead to borrowers going into default and impact banks' ability to recover loan value.
Market risk	Uncertainty about timing, severity and frequency of extreme physical climate events may lead to higher volatility in financial markets. Equity prices of corporates operating in carbon intensive sectors may decrease due to reduced demand for products or services. Reduction in financial asset values can potentially lead to abrupt price adjustments, resulting in market risk losses where climate risk is not priced into the asset value.
Treasury & capital risk	Severe physical events could trigger a sharp increase in demand for liquidity for financial firms, corporates and households. Reduction in banks' access to stable sources of funding or withdrawal of deposits due to climate risk drivers may negatively impact banks' liquidity positions. Deterioration of clients' risk profile due to climate risk drivers may also lead to higher capital requirements.
Operational risk	Acute physical risk events may cause damage to banks' essential infrastructure and disrupt operations leading to higher operational risks. Banks rely on a complex network of supplier and service providers. Climate change can disrupt supply chains by affecting the availability of goods and services leading to delays or interruptions in critical operations. Increasingly stringent climate and sustainability-related laws and regulations and the pace at which the regulations are implemented means that banks, through their business activities, may face increasing litigation and other claims if they are perceived to have contributed to or failed to prevent climate change or environmental damage, including by financing client activities.
Reputation risk	Banks may face reputational risks related to climate change in various ways, as the public and stakeholders increasingly expect banks to demonstrate their commitment to environmental sustainability. Banks that are perceived as not adequately addressing climate risks may face reputational damage. Additionally, banks can be accused of greenwashing if the information disclosed is misleading or if they are not able to meet their climate goals.

Barclays has developed an internal climate risk identification process to identify and assess the potential impact of climate risk as a driver of other principal risks. Drivers of climate risk are identified and collated through quarterly horizon scanning exercises, following which information is disseminated to relevant principal risk teams. Following review by principal risk teams, the relevant information feeds into the Climate Risk Register. The Climate Risk Register is maintained as per the ERMF and is integrated into the Group Risk Register.

The Group Risk Register contains all material risks that may impact forward-looking business plans across key legal entities (Barclays PLC, Barclays Bank UK PLC, Barclays Bank PLC and Barclays Bank Ireland PLC) and business units (Barclays Bank UK and Barclays International). Quantitative (typically based on stress testing) or qualitative assessments are performed to quantify the impact of material risks on capital or liquidity positions of legal entities/business units. Following this assessment, each material risk is mapped to key drivers along with the risk ratings (which are derived based on magnitude of impact and materiality thresholds). The Group Risk Register is refreshed on at least an annual basis and is subsequently used to support strategic planning, scenario design, sensitivity analysis and capital adequacy assessments.

Barclays has also developed processes to identify sectors, sovereigns and US States which other Principal Risks must prioritise for assessment of climate risks. Within these processes, the Group analyses and assesses the sensitivity and vulnerability of different industry sectors and geographies (including sovereigns and U.S states) to various physical and transition risk drivers and categorise them into different risk buckets. Following this assessment, the industry sectors and geographies that are highly exposed to climate risks are deemed to be of elevated risk. These assessments are regularly reviewed and benchmarked against external studies and research and incorporate inputs from the subject matter experts.

The outcomes of the above mentioned processes namely the Climate Risk Register, elevated sector and geography (including sovereigns and U.S states) assessments and underlying exposures, form the basis of Barclays' approach and priorities for further granular assessment. Details on exposures to elevated sectors are on page 60.

Additionally, through individual client assessments and scenario analysis exercises, Barclays identifies portfolios that are more vulnerable to climate-related risks.

Risk assessment

The emissions resulting from the activities of customers and clients to whom financing is provided is measured using Barclays' bespoke tool BlueTrack™. Currently, BlueTrack™ covers nine segments comprising of Energy, Power, Cement, Steel, Automotive Manufacturing, UK Housing, Commercial Real Estate, Agriculture and Aviation.

Furthermore, Barclays has developed the Client Transition Framework (CTF) to evaluate clients' progress as they transition to a low-carbon business model. Using BlueTrack™ data and public disclosures, the framework evaluates both qualitative and quantitative components to assess transition trajectories against Barclays’ targets and benchmarks. This allows the Group to prioritise engagement with clients based on their CTF scores.

During 2023, Barclays conducted industry-specific deep dives to identify risk factors and characteristics for those sectors. For example, the power sector review incorporated analysis of carbon intensity, transition plans and the results of a bespoke power utilities scenario analysis (such as the effect of carbon pricing on client financial performance).

Furthermore, Barclays has industry-specific risk management processes where appropriate. Granular asset-level assessment is performed in the oil and gas portfolio, prioritising the assessment of clients that are non-investment grade and operating in the upstream and midstream sub-sectors. Taking into account factors such as breakeven costs, geological concerns, infrastructure constraints and regulatory/geopolitical uncertainty, Barclays has subsequently classified clients and their assets into tiers from 1 to 3, with tier 3 considered the riskiest. Asset tiering and assessment for these clients are reviewed at least annually.

For Credit Risk, Barclays continues to embed climate risk assessment into credit assessment, annual review and transaction approval processes to ensure that climate-related risks are considered for Wholesale Credit and Retail customers in elevated risk sectors.

At a client level, the Climate Lens questionnaire is used to evaluate physical, transition and environmental risks associated with firms operating in elevated risk sectors. Each question is rated as Low, Moderate or High based on the client's exposure and vulnerability to various climate and environmental risk factors. Climate Lens is currently being re-developed with the aim of making it more quantitative and improving its integration within the credit processes.

For Market Risk, the impact of climate change is measured by applying stress scenarios that stress the core risks susceptible to climate change over long and short-term horizons to individual risk factors. This process is conducted every quarter. The pattern of stress losses arising from the stress scenario is used to estimate and set ongoing limits, consistent with the Board-approved maximum stress loss capacity for Market risk, under which Barclays monitors and controls Market risk arising from climate change.

For Treasury and Capital Risk, Barclays' conducts Group-wide climate stress tests to understand and assess the potential impact on Barclays' capital position. Climate risk considerations have also been incorporated into the Internal Capital Adequacy Assessment Process (ICAAP). For Liquidity Risk, Barclays identifies and assesses potential vulnerabilities of certain industries and asset classes that may deteriorate under a climate stress scenario, and subsequently impact funding and liquidity ratios. Climate risk considerations have also been incorporated into the Internal Liquidity Adequacy Assessment Process (ILAAP). For Pension Risk, key risk indicators based on the impact of physical and transition risk drivers on the pension fund have been defined. These are reviewed and monitored on a quarterly basis.

For operational risk, climate-related risks continue to be assessed as part of existing business-as-usual operational risk processes. This includes working with Premises and Operational Recovery Planning teams to evaluate and respond to climate-related impacts and regulatory requirements Climate factors have been integrated into Structured Scenario Assessments, which capture extreme but plausible operational tail risks. As part of the assessment in 2023, climate risk has been included in the building destruction scenario (physical risks) and greenwashing-related scenarios (transition risks).

For reputational risk, the primary responsibility for identifying and managing reputation risk and adherence sits with the front line business and support functions where the risk arises. The Enhanced Due Diligence process and other relevant processes in these business units facilitate the assessment of climate-related reputational risk.

Across Barclays' portfolios, scenario analysis continues to form a key part of the Group's approach to assessing and quantifying the impact of climate change.

Risk monitoring and reporting

In addition to the climate risk appetite, Barclays has integrated climate risk considerations into policies, standards and lending guidelines. Consistent with our net zero ambition and taking into account considerations of all relevant business factors, tighter lending criteria and restrictive policies have been implemented to progressively curtail or prohibit financing of certain activities in sensitive sectors, including thermal coal mining and coal-fired power generation, arctic exploration and production, oil sands and hydraulic fracturing (fracking). These policies are reviewed regularly and updated with respect to external developments.

Mandate and scale (M&S) exposure controls translate risk appetite into a detailed series of limits to control day-to-day risk taking. Barclays has implemented climate-aware limits and controls for priority sectors, including based on, BlueTrack™ measures of emissions intensity and the Client Transition Framework.

Quantitative and qualitative information are presented and reviewed at the CRC. A Group-level climate risk dashboard is presented to BRC on a quarterly basis, which is used to inform progress against sector targets, current exposure to portfolios with high physical and transition risks, concentrations and climate risk trends. The climate dashboard periodically includes outputs and learnings from internal stress test and regulatory exercises and external developments based on horizon scanning.

Legal entity specific climate risk dashboards for monitoring and reviewing climate-sensitive exposures have been developed and presented to appropriate committees. Where Climate Risk limits are subject to ongoing monitoring, they will be reported at the appropriate Principal Risk Committees and CRC.

Barclays continues to enhance and sophisticate our risk management capabilities with our increased knowledge and ability to quantify and manage climate-related risks.

Credit risk management (audited)

The risk of loss to the Barclays Bank Group from the failure of clients, customers or counterparties, including sovereigns, to fully honour their obligations to the Barclays Bank Group, including the whole and timely payment of principal, interest, collateral and other receivables.

Overview

The credit risk that the Barclays Bank Group faces arises from wholesale and retail loans and advances together with the counterparty credit risk arising from derivative contracts with clients; trading activities, including: debt securities, settlement balances with market counterparties, FVOCI (fair value through other comprehensive income) assets and reverse repurchase loans.

Credit risk management objectives are to:
- maintain a framework of controls to oversee credit risk
- identify, assess and measure credit risk clearly and accurately across the Barclays Bank Group and within each separate business, from the level of individual facilities up to the total portfolio
- control and plan credit risk taking in line with external stakeholder expectations, including risk return objectives, and avoiding undesirable concentrations
- monitor credit risk and adherence to agreed controls.

Organisation, roles and responsibilities

The first line of defence has primary responsibility for managing credit risk within the risk appetite and limits set by the Risk function, supported by a defined set of policies, standards and controls. In the Barclays Bank Group, business risk committees (attended by the first line) monitor and review the credit risk profile of each business unit where the most material issues are escalated to the Retail Credit Risk Management Committee, Wholesale Credit Risk Management Committee and the Barclays Group Risk Committee.

Wholesale and retail portfolios are managed separately to reflect the differing nature of the assets; wholesale balances tend to be larger and are managed on an individual basis, while retail balances are greater in number but lesser in value and are, therefore, managed in aggregated segments.

The responsibilities of the credit risk management teams in the businesses, the sanctioning team and other shared services include: sanctioning new credit agreements (principally wholesale); setting strategies for approval of transactions (principally retail); setting risk appetite; monitoring risk against limits and other parameters; setting recession readiness frameworks to protect portfolios in the event of economic stress, maintaining robust processes, data gathering, quality, storage and reporting methods for effective credit risk management; performing effective turnaround and workout scenarios for wholesale portfolios via dedicated restructuring and recoveries teams; maintaining robust collections and recovery processes/units for retail portfolios. The credit risk management teams in the Barclays Bank Group are accountable to the Barclays Bank PLC CRO, who reports to the Barclays Group CRO.

For wholesale portfolios, credit risk managers are organised in sanctioning teams by geography, industry and/or product. In wholesale portfolios, credit risk approval is undertaken by experienced credit risk professionals operating within a clearly defined delegated authority framework, with only the most senior credit officers assigned the higher levels of delegated authority. The largest credit exposures, which are outside the Risk Sanctioning Unit or Risk Distribution Committee authority, require the support of the Barclays Bank PLC Senior Credit Officers. For exposures in excess of the Barclays Bank PLC Senior Credit Officers' authority, approval by the Barclays Group Senior Credit Officer/Barclays PLC Board Risk Committee is also required. The Barclays Group Credit Risk Committee, attended by the Barclays Bank PLC Senior Credit Officers, provides a formal mechanism for the Barclays Group Senior Credit Officer to exercise the highest level of credit authority over the most material Barclays Group single name exposures.

Credit risk mitigation

The Barclays Bank Group employs a range of techniques and strategies to actively mitigate credit risks. These can broadly be divided into three types:
- netting and set-off
- collateral
- risk transfer.

Netting and set-off

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

Collateral

The Barclays Bank Group has the ability to call on collateral in the event of default of the counterparty, comprising:

- **home loans:** a fixed charge over residential property in the form of houses, flats and other dwellings.
- **wholesale lending:** a fixed charge over commercial property and other physical assets, in various forms.
- **other retail lending:** includes charges over other physical assets; second lien charges over residential property and finance lease receivables.
- **derivatives:** the Barclays Bank Group also often seeks to enter into a margin agreement (e.g. Credit Support Annex) with counterparties with which the Barclays Bank Group has master netting agreements in place. These annexes to master agreements provide a mechanism for further reducing credit risk, whereby collateral (margin) is posted on a regular basis (typically daily) to collateralise the mark to market exposure of a derivative portfolio measured on a net basis.
- **reverse repurchase agreements:** collateral typically comprises highly liquid securities which have been legally transferred to the Barclays Bank Group subject to an agreement to return them for a fixed price.
- **financial guarantees and similar off-balance sheet commitments:** cash collateral may be held against these arrangements.

Risk transfer

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

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

Market risk management (audited)

The risk of loss arising from potential adverse changes in the value of the Barclays Bank Group's assets and liabilities from fluctuation in market variables including, but not limited to, interest rates, foreign exchange, equity prices, commodity prices, credit spreads, implied volatilities and asset correlations.

Overview

Market risk arises primarily as a result of client facilitation in wholesale markets, involving market making activities, risk management solutions and execution of syndications. Upon execution of a trade with a client, the Barclays Bank Group will look to hedge against the risk of the trade moving in an adverse direction. Mismatches between client transactions and hedges result in market risk due to changes in asset prices, volatility or correlations.

Organisation, roles and responsibilities

Market risk in the businesses resides primarily in CIB and Treasury. These businesses have the mandate to assume market risk. The front office and Treasury trading desks are responsible for managing market risk on a day-to-day basis, where they are required to understand and adhere to all limits applicable to their businesses. The Market Risk team supports the trading desks with the day-to-day limit management of market risk exposures through governance processes which are outlined in supporting market risk policies and standards.

Market risk oversight and challenge is provided by business committees and Barclays Group committees, including the Market Risk Committee (MRC).

The objectives of market risk management are to:
- identify, understand and control market risk by robust measurement, limit setting, reporting and oversight
- facilitate business growth within a controlled and transparent risk management framework
- control market risk in the businesses according to the allocated appetite.

To meet the above objectives, a governance structure is in place to manage these risks consistent with the ERMF.

The Barclays Bank PLC Board Risk Committee recommends market risk appetite to the Barclays Bank PLC Board for their approval, within the parameters set by the Barclays PLC Board.

The Market Risk Committee (MRC) reviews and makes recommendations concerning the Barclays Group-wide market risk profile. This includes overseeing the operation of the Market Risk Framework and associated policies and standards, monitoring market and regulatory changes, and reviewing limit utilisation levels. The committee is chaired by the Market Risk Principal Risk Lead and attendees include the business heads of market risk and business aligned market risk managers.

In addition to MRC, the Corporate and Investment Bank Risk Committee (CIBRC) is the main forum in which market risk exposures are discussed and reviewed with senior business heads. The Committee is chaired by the CRO of Barclays International and meets weekly, covering current market events, notable market risk exposures, and key risk topics. New business initiatives are generally socialised at CIBRC before any changes to risk appetite or associated limits are considered in other governance committees.

Management value at risk (VaR)

VaR is an estimate of the potential loss arising from unfavourable market movements if the current positions were to be held unchanged for one business day. For internal market risk management purposes, a historical simulation methodology with a one-year equally weighted historical period, at the 95% confidence level is used for all trading books and some banking books.

Limits are applied at the total level as well as by risk factor type, which are then cascaded down to particular trading desks and businesses by the market risk management function.

See pages 112 to 113 for a review of management VaR.

Treasury and capital risk management

This comprises:

Liquidity risk: The risk that the Barclays Bank Group is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.

Capital risk: The risk that the Barclays Bank Group has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments and stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This also includes the risk from the Barclays Bank Group's pension plans.

Interest rate risk in the banking book: The risk that the Barclays Bank Group is exposed to capital or income volatility because of a mismatch between the interest rate exposures of its (non-traded) assets and liabilities.

The Barclays Bank PLC Treasury function manages treasury and capital risk exposure on a day-to-day basis, with the Barclays Bank PLC Treasury Committee together with the Barclays Group Treasury Committee acting as the principal management bodies for the Barclays Bank Group. The Treasury and Capital Risk function is responsible for oversight and provides insight into key capital, liquidity, interest rate risk in the banking book (IRRBB) and pension risk management activities.

Liquidity risk management (audited)

Overview

The efficient management of liquidity is essential to Barclays Bank PLC in order to retain the confidence of the financial markets and maintain the sustainability of the business. Treasury and Capital Risk have created a framework that is used to manage all liquidity risk exposures under both normal and stressed conditions. The framework is designed to maintain liquidity resources that are sufficient in amount, tenor, quality and composition to remain within the liquidity risk appetite as expressed by the Barclays Bank PLC Board. The liquidity risk appetite is monitored against both internal and regulatory liquidity metrics.

Organisation, roles and responsibilities

Treasury has the primary responsibility for managing liquidity risk within the set risk appetite. Both Risk and Treasury contribute to the production of the Internal Liquidity Adequacy Assessment Process (ILAAP). The Treasury and Capital Risk function is responsible for the management and governance of the liquidity risk mandate, as defined by the Barclays Bank PLC Board.

The framework established by Treasury and Capital Risk is designed to deliver the appropriate term and structure of funding, consistent with the liquidity risk appetite set by the Barclays Bank PLC Board. The framework incorporates a range of ongoing business management tools to monitor, limit and stress test the Barclays Bank PLC balance sheet, contingent liabilities and recovery plan. Limit setting and transfer pricing are tools that are designed to control the level of liquidity risk taken and drive the appropriate mix of funds. Adherence to limits reduces the likelihood that a liquidity stress event could lead to an inability to meet the Barclays Bank Group's obligations as they fall due.

The Barclays Bank PLC Board approves the Barclays Bank PLC funding plan, internal stress tests, regulatory stress tests, recovery plan and liquidity risk appetite. Barclays Bank PLC's Treasury Committee is responsible for monitoring and managing liquidity risk in line with Barclays Bank PLC's funding management objectives, funding plan and risk appetite. The Barclays Group Treasury and Capital Risk Committee monitors and reviews the liquidity risk profile and control environment, providing second line oversight of the management of liquidity risk. The Barclays Bank PLC Board Risk Committee reviews the risk profile, and reviews liquidity risk appetite at least annually and the impact of stress scenarios on Barclays Bank PLC's funding plan/ forecast in order to agree risk appetite in line with Barclays Bank PLC's projected funding abilities.

Capital risk management (audited)

Overview

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

Organisation, roles and responsibilities

Treasury has the primary responsibility for managing and monitoring capital adequacy. The Barclays Bank Group Treasury and Capital Risk function provides oversight of capital risk. Production of the Barclays Bank PLC Internal Capital Adequacy Assessment Process (ICAAP) is the responsibility of Treasury.

Capital risk management is underpinned by a control framework and policy. The capital management strategy, outlined in the relevant legal entity capital plans, is developed in alignment with the control framework and policy for capital risk, and is implemented consistently in order to deliver on the Barclays Bank Group's objectives, which are aligned to those of the Barclays Group.

The Barclays Bank PLC Board approves the Barclays Bank PLC capital plan, internal stress tests and results of regulatory stress tests and those of the relevant Barclays Bank Group entities. The Barclays PLC Board also approves the Barclays Group recovery plan which takes into account management actions identified at the Barclays Bank Group level. The Barclays Bank PLC Treasury Committee and the Barclays Group Treasury Committee are responsible for monitoring and managing capital risk in line with Barclays Bank Group's capital management objectives, capital plan and risk frameworks. The Treasury and Capital Risk Committee (TCRC) monitors and reviews the capital risk profile and control environment, providing second line oversight of the management of capital risk.

For the relevant Barclays Bank Group subsidiaries, local management assures compliance with an entity's minimum regulatory capital requirements by reporting to local Asset and Liability Committees (or equivalents) with oversight by the Barclays Bank PLC Treasury Committee and the Barclays Group Treasury Committee, as required. In 2023, Barclays complied with all regulatory minimum capital requirements. Contingent leverage risk is managed by; i) setting comprehensive leverage (and RWA) targets for each business as part of the Treasury capital management process, taking into account adherence to early warning indicators and maintain a healthy leverage ratio, and; ii) Monitoring execution of actions taken to course-correct as necessary.

The Barclays Bank Group maintains a number of defined benefit pension schemes for past and current employees. The ability of schemes to meet pension payments is achieved with investments and contributions.

Pension risk arises because the market value of pension fund assets might decline; investment returns might reduce; or the estimated value of pension liabilities might increase. The Barclays Bank Group monitors the pension risks arising from its defined benefit pension schemes and works with the relevant pension fund's trustees to address shortfalls. In these circumstances the Barclays Bank Group could be required or might choose to make extra contributions to the pension fund. The Barclays Bank Group's main defined benefit scheme was closed to new entrants in 2012.

Interest rate risk in the banking book management (IRRBB)

Overview

Interest rate risk in the banking book is driven by customer deposit taking and lending activities, investments in the liquid asset portfolio and funding activities. As per the Barclays Bank Group's policy to remain within the defined risk appetite, hedging strategies are executed to mitigate the various

IRRBB risks that result from these activities. However, the Barclays Bank Group remains susceptible to interest rate risk and other non-traded market risks from the following key sources:

- **Interest rate and repricing risk:** the risk that net interest income could be adversely impacted by a change in interest rates, differences in the timing of interest rate changes between assets and liabilities, and other constraints on interest rate changes as per product terms and conditions.
- **Customer behavioural risk:** the risk that net interest income could be adversely impacted by the discretion that customers and counterparties may have in respect of being able to vary from their contractual obligations with the Barclays Bank Group. This risk is often referred to by industry regulators as 'embedded option risk'.
- **Investment risks in the liquid asset portfolio:** the risk that the fair value of assets held in the liquid asset portfolio and associated risk management portfolios could be adversely impacted by market volatility, creating volatility in capital directly.

Organisation, roles and responsibilities

The Barclays Bank PLC Treasury Committee and the Barclays Group Treasury Committee are responsible for monitoring and managing IRRBB risk in line with the Barclays Bank Group's management objectives and risk frameworks. The BRC and Treasury and Capital Risk Committee monitors and reviews the IRRBB risk profile and control environment, providing second line oversight of the management of IRRBB. The BRC reviews the interest rate risk profile, including review of the risk appetite at least annually and the impact of stress scenarios on the interest rate risk of the Barclays Bank PLC's banking books.

In addition, the Barclays Bank Group's IRRBB policy sets out the processes and key controls required to identify all IRRBB risks arising from banking book operations, to monitor the risk exposures via a set of metrics with a frequency in line with the risk management horizon, and to manage these risks within agreed risk appetite and limits.

Operational risk management

The risk of loss to the Barclays Bank Group from inadequate or failed processes or systems, human factors or due to external events (for example fraud) where the root cause is not due to credit or market risks.

Overview

The management of operational risk has three key objectives:

- deliver and oversee an operational risk capability owned and used by business leaders to enable sound risk decisions over the long term.
- provide the frameworks, policies and standards to enable management to meet their risk management responsibilities while the second line of defence provides robust, independent, and effective oversight and challenge.
- deliver a consistent and aggregated measurement of operational risk that will provide clear and relevant insights, so that the right management actions can be taken to keep the operational risk profile consistent with the Barclays Bank Group's strategy, the stated risk appetite and stakeholder needs.

The Barclays Bank Group operates within a system of internal controls that enables business to be transacted and risk taken without exposing it to unacceptable potential losses or reputational damages.

Organisation, roles and responsibilities

The prime responsibility for the management of operational risk and the compliance with control requirements rests within the business and functional units where the risk arises. The operational risk profile and control environment is reviewed by management through business risk committees and control committees. Operational risk issues escalated from these meetings are considered through the second line of defence review meetings. Depending on their nature, the outputs of these meetings are presented to the Operational Risk Profile Forum, the Operational Risk Committee, the Barclays Bank Risk Forum, the Barclays Bank PLC Board Risk Committee or the Barclays Bank PLC Board Audit Committee. In addition, specific reports are prepared by Operational Risk on a regular basis for the Barclays Bank Risk Forum, GRC and the BRC.

Businesses and functions are required to report their operational risks on both a regular and an event-driven basis. The reports include a profile of the material risks that may threaten the achievement of their objectives and the effectiveness of key controls, operational risk events and a review of scenarios.

The Barclays Group Head of Operational Risk is responsible for establishing, owning and maintaining an appropriate Barclays Group-wide Operational Risk Management Framework, meanwhile the Barclays Bank PLC Head of Operational Risk is responsible for overseeing the portfolio of operational risk across all Barclays Bank Group businesses.

The Operational Risk function acts in a second line of defence capacity, and is responsible for defining and overseeing the implementation of the framework and monitoring Barclays Bank Group's operational risk profile, including risk-based review and challenge. The Operational Risk function alerts management when risk levels exceed acceptable tolerance in order to drive timely decision-making and actions by the first line of defence.

Operational risk categories

Operational risks are grouped into risk categories to support effective risk management, measurement and reporting. These comprise: Data Management Risk; Financial Reporting Risk; Fraud Risk; Information Security Risk; Operational Recovery Planning Risk; Payments Process Risk; People Risk; Premises Risk; Physical Security Risk; Change Delivery Management Risk; Supplier Risk; Tax Risk; Technology Risk; and Transaction Operations Risk.

In addition to the above, operational risk encompasses the risk associated with compliance with Group Resolution Planning Prudential regulatory requirements.

For definitions of the Barclays Bank Group's Operational Risk Categories and Connected Risks, refer to pages 181 to 182 of the Barclays PLC Pillar 3 Report 2023.

Model risk management

The potential for adverse consequences from decisions based on incorrect or misused model outputs and reports.

Overview

The Barclays Bank Group uses models to support a broad range of activities, including informing business decisions and strategies, measuring and limiting risk, valuing exposures, conducting stress testing, assessing capital adequacy, managing client assets, and meeting reporting requirements.

Organisation, roles and responsibilities

The Barclays Group has a dedicated Model Risk Management ('MRM') function that consists of six teams:

(i) Independent Validation Unit ('IVU'), responsible for model validation and approval;

(ii) Group Model Risk Governance, responsible for model risk governance, controls and reporting, as well as providing oversight for compliance of the Model Owner community with the Model Risk Framework;

(iii) Framework team, responsible for the Model Risk Policy and associated standards;

(iv) Infrastructure Delivery and Oversight, responsible for the delivery of model inventory including associated data quality & reporting and oversight of Quantitative Processes;

(v) COO, responsible for strategy, communications and business management; and

(vi) Model Risk Measurement and Quantification ('MRMQ'), responsible for the design of the framework and methodology to measure and, where possible, quantify model risk. It is also responsible for the strategic Validation Centre of Excellence ('VCoE'), which is an independent quality assurance function within MRM with the mandate to review and challenge validation outcomes. VCoE is aligned to the Group Model Risk Governance team.

The Group Model Risk Committee is MRM's primary risk committee and a subcommittee of the Group Risk Committee. It is convened with senior executives in the first and second line of defence to oversee the model risk profile and risk appetite.

The Model Risk Framework is defined and implemented through Model Risk Policy and Standards that prescribe the Barclays Group-wide, end-to-end requirements for the identification, measurement and management of model risk, covering model documentation, development, monitoring, annual review, independent validation and approval, change and reporting processes. The policy is supported by global standards covering model inventory, documentation, validation, testing and monitoring, overlays, risk appetite, and stress testing challenger models.

The function reports to the Barclays Group CRO and operates a global framework. Implementation of best practice standards is a central objective of the Barclays Group.

The key model risk management activities include:

- Correctly identifying models across all relevant areas of the Barclays Bank Group, and recording models in the Barclays Group Models Database (GMD), the Barclays Group-wide model inventory.
- Enforcing that every model has a model owner who is accountable for the model. The model owner must sign off models prior to submission to IVU for validation and maintain that the model presented to IVU is and remains fit for purpose.
- Overseeing that every model is subject to validation and approval by IVU, prior to being used and on a continual basis.
- Defining model risk appetite in terms of risk tolerance, and qualitative metrics which are used to track and report model risk.

Compliance risk management

The risk of poor outcomes for, or harm to, customers, clients and markets, arising from the delivery of the Barclays Bank Group's products and services, (conduct risk), and the risk to Barclays, its clients, customers or markets from a failure to comply with the Laws, Rules and Regulations (LRR) applicable to the firm.

Overview

Compliance risk incorporates market integrity, customer protection, financial crime, product design and review and the newly created Laws, Rules and Regulations risks. Barclays acts at all times to operate its business in full accordance with all applicable laws, rules and regulations, and to deliver good outcomes for/avoid harm to customers, clients and markets. Barclays will act in good faith; avoid causing foreseeable harm and enable and support customers to pursue their financial objectives.

Organisation, roles and responsibilities

The Compliance Risk Management Framework (CRMF) outlines how the Barclays Bank Group manages and measures its compliance risk profile. The Barclays Group Chief Compliance Officer is accountable for developing, maintaining and overseeing the CRMF. The Barclays Bank Group Chief Compliance Officer is responsible for providing effective oversight, management and escalation of Compliance risk in line with the CRMF. This includes overseeing the development and maintenance of the relevant Compliance risk policies and standards and monitoring and reporting on the consistent application and effectiveness of the implementation of controls to manage Compliance risk. It is the responsibility of the first line of defence to establish conduct controls to manage its performance and assess conformance to these policies and controls. The responsibility for LRR Risk Management sits across various functions and business units, including Legal, Chief Controls Office, Risk and Compliance.

Senior managers are accountable within their areas of responsibility for owning and managing Compliance risk in accordance with the CRMF, as defined within their regulatory Statement of Responsibilities, and a dedicated team has been established in Compliance to oversee LRR Risk Management.

Compliance as an independent second line function oversees that Compliance risks are effectively identified, managed, monitored and escalated, and has a key role in helping Barclays Bank Group achieve the right conduct outcomes and evolve a compliance-focused culture.
The governance of Compliance risk within the Barclays Bank Group is fulfilled through management committees and forums operated by the first and second lines of defence with clear escalation and reporting lines to the Board. The Barclays Group and Barclays Bank Group Risk Committees are the primary second line governance committees for the oversight of the Compliance Risk Profile. The risk committees' responsibilities include the identification and discussion of any emerging Compliance risks exposures in the Barclays Group and Barclays Bank Group. A new sub-committee of the BPLC Group Risk Committee was established in August 2023 to provide oversight on LRR Risk. This committee is chaired by the BPLC Group Chief Compliance Officer.

Reputation risk management

The risk that an action, transaction, investment, event, decision, or business relationship will reduce trust in the Barclays Bank Group's integrity and/or competence.

Overview

A reduction of trust in the Barclays Bank Group's integrity and competence may reduce the attractiveness of Barclays Bank Group to stakeholders and could lead to negative publicity, loss of revenue, regulatory or legislative action, loss of existing and potential client business, reduced workforce morale and difficulties in recruiting talent. Ultimately it may destroy shareholder value.

Organisation, roles and responsibilities

The governance of reputation risk within the Barclays Bank Group is fulfilled through management committees and forums operated by the First and Second Lines of Defence, with clear escalation and reporting lines to the relevant Barclays Bank Group Board committees.

The Barclays PLC Board is responsible for reviewing and monitoring the effectiveness of the Barclays Bank Group's management of reputation risk.

The Reputation Risk Management Framework (RRMF) comprises a number of elements that allow the Barclays Bank Group to manage and measure its reputation risk profile. The RRMF sets out what is required to manage reputation risk across the Barclays Bank Group.

The Barclays Bank PLC Chief Compliance Officer is responsible for providing independent second line oversight of Businesses' adherence to the RRMF.

Legal risk management

The risk of loss or imposition of penalties, damages or fines from the failure of the Barclays Bank Group to meet applicable laws, rules, regulations or contractual requirements or to assert or defend its intellectual property rights.

Overview

The multitude of laws and regulations across the globe are highly dynamic and their application to particular circumstances is often unclear. This results in a high level of inherent legal risk which Barclays Bank Group seeks to mitigate through the operation of a Barclays Group-wide legal risk management framework. This seeks to mitigate legal risk, including through the implementation of Group-wide legal risk policies requiring engagement of legal professionals in situations that have the potential for legal risk, identification and management of legal risks by those legal professionals, and escalation of legal risk as necessary. Legal risk is also mitigated by the complementary requirements of the compliance risk management framework, including the responsibility of legal professionals to proactively identify, communicate and provide legal advice on applicable laws, rules and regulations. Notwithstanding these mitigating actions, Barclays Bank Group operates with a level of residual legal risk, for which the Barclays Bank Group has limited tolerance.

Organisation, roles and responsibilities

The Barclays Bank Group's businesses and functions have responsibility for identifying and escalating to the Legal Function legal risk in their areas as well as responsibility for adherence to control requirements.

The Legal function organisation and coverage model aligns legal expertise to businesses, functions, products, activities and geographic locations so that the Barclays Bank Group receives legal advice and support from appropriate legal professionals, working in partnership proactively to identify, manage and escalate legal risks as necessary.

The senior management of the Legal function oversees, challenges and monitors the legal risk profile and effectiveness of the legal risk control environment across the Barclays Group. The Legal function provides support to all areas of the bank and is not formally part of any of the three lines of defence. Except in relation to the legal advice it provides or procures, the Legal Function is subject to oversight from the second line of defence with respect to its own operational and compliance risks, as well as with respect to the legal risk to which the bank is exposed.

The Barclays Group General Counsel is responsible for developing and maintaining a Barclays Group-wide legal risk management framework. This includes defining the relevant legal risk policies, producing the Barclays Group-wide risk appetite statement for legal risk, and oversight of the implementation of controls to manage and escalate legal risk.

The legal risk profile and control environment is reviewed by management through business risk committees and control committees. The Barclays Bank Group Risk Committee is incorporated in the Barclays Group Risk Committee and is the most senior executive body responsible for reviewing and monitoring the effectiveness of risk management across the Barclays Bank Group. Escalation paths from this committee exist to the Barclays Bank PLC Board Risk Committee.

Risk performance

Climate risk performance

Carbon-related assets

According to Task Force on Climate Related Financial Disclosures (TCFD), certain industry segments are more likely to be financially impacted than others due to their exposure to certain transition and physical risks around greenhouse gas (GHG) emissions, energy, or water dependencies associated with their operations and products. These non-financial industries are grouped into four key areas: Energy; Transportation; Materials and Buildings; and Agriculture, Food, and Forest Products. Barclays Bank Group's exposures to the industries within these groups are reported as carbon-related assets and can be found in the table on the following page 60.

Elevated risk sectors

Based on portfolio level assessments (including for industry sectors) on climate risk, Barclays identifies and categorises sectors with heightened risk to climate change as elevated sectors. However, in each sector there will exist a range of vulnerabilities and not all our clients in these sectors have high emissions and should not be interpreted as an indicator of relative carbon intensity. Residential Real Estate exposures are also included in this table. Barclays recognises Residential Real Estate portfolio as elevated risk, therefore on that basis they have been included in the table. The sectors highlighted blue in the table represent the sectors considered as elevated at the Barclays Bank Group level.

Elevated risk sector	Example drivers of risk
Aviation	More stringent air emission and carbon regulations, requiring high levels of capital investment and Research & Development (R&D) expenditure. Vulnerable to shift in consumer preferences.
Automotive	Policy pressure to cut emissions to meet emission requirements, requiring high levels of capital investment and R&D expenditure. Phase out of fossil fuel vehicles and introduction of low emission zones in city centres.
Cement	Being one of the hard to abate sectors, policy pressure to cut emissions requires high levels of capital investment and R&D expenditure.
Coal Mining and Coal Terminals	Reduction in demand of thermal coal, as utilities transition away from fossil fuel. More stringent air emissions regulation, resulting in higher levels of capital investment.
Chemicals	Technological advances in low-carbon and sustainable alternatives along with new and more stringent environmental regulations, including carbon tax. The increasing efforts to eliminate single-use plastics and improve recycling to prevent marine pollution could also impact demand for products used in plastic manufacture.
Mining (including diversified miners)	Rising costs as a result of tighter environmental regulations and increasing water stress, vulnerable to litigation cases and reputational damage.
Oil and Gas	Policy pressure to cut emissions, exposure to carbon taxes and overall increasing environmental regulation of operations and restrictions on access to new resources. Over time, falling demand for fossil fuels.
Power Utilities	Policy pressure to cut emissions and move to renewable sources of energy, leading to increased capital expenditure costs, plus potential exposure to carbon taxes.
Agriculture	Evolving taxation on emissions may impact production methods, supply chain and farm viability. Reduced demand for meat and dairy as a consequence of shifts in consumer behaviour. Volatile weather conditions and extreme weather events may impact farm credit quality.
Residential Real Estate	Evolving minimum energy efficiency requirements and increasing physical risks from flood, subsidence and coastal erosion have the potential to impact house prices and homeowner affordability.
Shipping	More stringent carbon tax regulations and policy pressure to cut emissions and adopt low-emission fuels, requiring higher levels of R&D expenditure and capital investment.
Steel	Being an energy-intensive sector, the sector is exposed to the policy pressure to cut emissions and evolving air pollution regulation.
Road Haulage	Policy pressure to cut emissions, requiring high levels of capital investment.

Carbon-related assets (Incl. sub-sector breakdown)[a,b]

	2023 £m			2022 £m			
	Loans & advances[c]	Loan commitments[d]	Total	Loans & advances[c]	Loan commitments[d]	Total	% Change
Agriculture, Food and Forest Products (logging)	79	114	193	89	78	167	16
Agriculture	79	114	193	89	78	167	
Energy & Waters	1,008	13,138	14,146	2,523	13,460	15,983	(11)
Power Utilities	943	13,049	13,992	2,476	13,318	15,794	
Metals (waste & recycling)	65	89	154	47	142	189	
Manufacturing	5,575	31,329	36,904	6,171	32,032	38,203	(3)
Automotive	848	5,688	6,536	952	5,489	6,441	
Cements	154	380	534	214	159	373	
Chemicals	352	3,941	4,293	446	4,216	4,662	
Food, Bev and Tobacco	906	5,694	6,600	830	6,101	6,931	
Manufacturing - Others	2,792	12,624	15,416	3,112	13,087	16,199	
Metals	142	403	545	241	473	714	
Oil and Gas (refining)	59	1,411	1,470	100	1,375	1,475	
Packaging Manufacturers: Metal, Glass and Plastics	110	302	412	90	313	403	
Paper and Forest Products (excluding logging)	171	742	913	148	636	784	
Steel	41	144	185	38	183	221	
Materials and Building	15,367	10,345	25,712	15,794	10,305	26,099	(1)
Construction and Materials	233	598	831	480	705	1,185	
Homebuilding and Property Development	2,463	2,085	4,548	2,353	1,938	4,291	
Real Estate Management and Development	12,671	7,662	20,333	12,961	7,662	20,623	
Mining and Quarrying	1,708	8,369	10,077	1,520	8,758	10,278	(2)
Mining (incl diversified miners)[e]	217	1,704	1,921	196	2,261	2,457	
Oil and Gas (extraction)	1,491	6,665	8,156	1,324	6,497	7,821	
Transport & storage	1,524	7,080	8,604	1,814	6,952	8,766	(2)
Aviation	259	2,348	2,607	460	2,221	2,681	
Oil and Gas (midstream)	328	2,187	2,515	328	2,425	2,753	
Other Transport Services	533	1,246	1,779	432	1,148	1,580	
Ports	75	123	198	95	87	182	
Road Haulage	228	382	610	213	392	605	
Shipping	101	794	895	286	679	965	
Wholesale and retail distribution and leisure	1,293	5,355	6,648	2,120	4,259	6,379	4
Oil and Gas (wholesale)	365	2,137	2,502	978	1,612	2,590	
Others	928	3,218	4,146	1,142	2,647	3,789	
Other Financial Institutions	515	1,726	2,241	941	2,946	3,887	(42)
Real Estate Management and Development (REITs)	515	1,726	2,241	941	2,946	3,887	
Home Loans	8,002	42	8,044	11,405	67	11,472	(30)
Residential Real Estate	8,002	42	8,044	11,405	67	11,472	
Subtotal (Elevated risk sectors)	13,467	40,986	54,453	19,505	40,972	60,477	(10)
Carbon-related assets Grand total	35,071	77,498	112,569	42,377	78,857	121,234	(7)
Total Loans & advances and Loan commitments	185,247	322,732	507,979	182,507	321,506	504,013	1
Carbon-related assets / Total Loans & advances and Loan commitments (%)	19	24	22	23	25	24	
Sub-total of sectors spanning in multiple industries							
Oil & Gas	2,243	12,400	14,643	2,730	11,909	14,639	—

Notes
a The sectors have been represented based on the standard nomenclature of economic activities (NACE codes) this year. These sector headings are consistent across our disclosures on credit risk concentration by industry and geography (page 96). The prior year comparatives have been re-presented in line with the updated sector headings.
b As industries decarbonise, sectors will increasingly include both carbon and non-carbon related activities e.g. Power Utilities will also include, in part, their generation capacity from renewable energy sources.
c Loans and advances includes debt securities at amortised cost amounting to £39,046m (2022: £27,303m) of which carbon related assets are £2,906m (2022: £3,419m). The carbon related assets comprise £2,643m (2022: £3,343m) in Material and Buildings, £238m (2022: £74m) in Transport and Storage and £25m (2022: £2m) in Energy and Water.
d Loan commitments excludes the fair value exposures of £15,203m in 2023 and £13,471m in 2022.
e Diversified miners with minority interests in thermal coal mining are included in this category.

Financing

To facilitate greater understanding and transparency of our capital markets financing, we disclose the total capital raised for clients across all sectors using data sourced from Dealogic. We have provided the breakdown of our 2023 and 2022 financing below. We have constructed this table based on the mapping of issuers' industry assignment in Dealogic data and Barclays' internal industry taxonomy called Barclays Industry Classification (BIC). Financing volumes are reported on a manager-proceeds basis including bonds, equities, loans and securitised bonds and no modifications have been made by Barclays. This data represents a third party view of our financing and is subject to Dealogic's league table methodology, which pro-rates volume across lead-managers. We are presenting the data in this format to support transparency and comparability but it should be noted that this data is subject to further analysis and methodological enhancements, before it is included in BlueTrack™.

Carbon-related sectors in wholesale credit (Dealogic Industry Classification) [a,b,c]

	2023	2022	
	£m	£m	% Change
Energy & Waters	**20,329**	27,021	(25)
Power Utilities	**20,329**	27,021	
Manufacturing	**31,336**	24,782	26
Automotive	**7,333**	3,136	
Cements	**279**	162	
Chemicals	**2,523**	2,241	
Food, Bev and Tobacco	**6,991**	4,310	
Manufacturing - Others	**11,743**	11,443	
Metals	**145**	604	
Oil and Gas (refining)	**1,381**	1,793	
Packaging Manufacturers: Metal, Glass and Plastics	**217**	27	
Paper and Forest Products (excluding logging)	**102**	711	
Steel	**622**	355	
Materials and Building	**3,143**	6,668	(53)
Construction and Materials	**446**	82	
Homebuilding and Property Development	**457**	617	
Real Estate Management and Development	**2,240**	5,969	
Mining and Quarrying	**2,992**	2,527	18
Mining (Incl. diversified miners)[d]	**877**	354	
Oil and Gas (extraction)	**2,115**	2,173	
Transport & storage	**7,858**	7,654	3
Aviation	**1,797**	1,731	
Oil and Gas (midstream)	**3,887**	2,752	
Other Transport Services	**997**	2,149	
Road Haulage	**202**	—	
Shipping	**975**	1,022	
Wholesale and retail distribution and leisure	**3,005**	6,227	(52)
Oil and Gas (wholesale)	**720**	1,193	
Others	**2,285**	5,034	
Other Financial Institutions	**1,163**	3,178	(63)
Real Estate Management and Development (REITs)	**1,163**	3,178	
Carbon-related Assets Grand Total	**69,826**	78,057	(11)
Capital Market Financing Total	**311,054**	304,249	2
Financing to Carbon-related Sector over Total Capital Market Financing	**22**	26	
Sub-total of sectors spanning in multiple industries			
Oil and Gas	**8,103**	7,911	2

Note
a The sectors have been represented based on the standard nomenclature of economic activities (NACE codes). These sector headings are consistent across our disclosures on credit risk concentration by industry and geography (page 96). The prior year comparatives have been re-presented, in line with the updated sector headings.
b As industries decarbonise, sectors will increasingly include both carbon and non-carbon related activities e.g. the clients present within the sector exposure reported under Power Utilities will also have part of their generation capacity from renewable energy sources, which represents a non-carbon related activity.
c In 2022, this table was presented in USD. As it is now presented in GBP, the comparative figures have been re-presented.
d Diversified miners with minority interests in thermal coal mining are included in this category.

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Risk performance

Credit risk performance

All disclosures in this section pages 63 to110, are unaudited unless otherwise stated.

Overview

Credit risk represents a significant risk to the Barclays Bank Group and mainly arises from exposure to loans and advances together with the counterparty credit risk arising from derivative contracts entered with clients.

Credit risk disclosures exclude other financial assets not subject to credit risk, mainly equity securities. For off-balance sheet exposures certain contingent liabilities not subject to credit risk such as performance guarantees are excluded.

Task force on Disclosures about Expected Credit Losses (DECL)

Credit risk disclosures have been enhanced to include DECL III recommendations for minimum product groupings for this period and prior year comparatives have been aligned.

Summary of performance in the period

Gross exposure: Gross loans and advances at amortised cost to customers and banks have increased to £189bn in 2023 (2022: £186bn). This includes an increase in Treasury investments partially offset by a reduction due to the German Consumer Finance business being classified as assets held for sale and foreign exchange movements in the Corporate & Investment Bank (CIB) and US Cards portfolios.

Maximum exposure: The Barclays Bank Group's net exposure to credit risk has increased to £894bn (2022: £871bn) driven by an increase in debt securities issued by governments (£37bn) partially offset by decreases in cash held at central banks (£12bn) and cash collateral and settlement balances (£4bn); all of which are considered to be low risk. Overall, the extent to which the mitigation is held against total exposure has decreased to 38% (2022: 41%).

Credit quality: Delinquencies have remained broadly stable with an increase observed in US cards, which was anticipated. A range of activities are in place to protect our existing defensive positioning against current macroeconomic headwinds. The Corporate loans portfolio benefited from high-quality exposure and credit protection. Further analysis on the credit quality of assets is presented in the approach to management and representation of credit quality section.

Stage decomposition: A net decrease of £2bn is observed in Stage 2 gross exposure driven by repayments in Corporate loans. Stage 3 balances increased to £3.8bn (2022: £3.6bn) driven by higher delinquencies in US cards. Refer pages 82 to 83 for further details.

Scenario: Economic uncertainty continues, linked to higher interest rates and ongoing inflation in major economies. For Q423, scenarios have been refreshed and are designed around a broad range of economic outcomes. The Downside 2 (DS2) scenario has been aligned to Barclays' 2023 Internal Stress Test (IST23) which is less severe in terms of GDP deterioration, resulting in increased DS2 weights.

ECL: Impairment allowances on loans and advances at amortised cost including off-balance sheet have increased to £4,514m (2022: £4,352m) primarily driven by an increase in US Cards partially offset by a reduction due to the German Consumer Finance business being classified as assets held for sale. On balance sheet coverage has remained strong and broadly stable at 2.1% (2022: 2.1%).

Charge: Credit impairment charges were £1,578m (2022: £933m), reflecting an increase in delinquencies in US cards, which was anticipated, and led to higher coverage in CC&P.

Management adjustments: Economic uncertainty adjustments have decreased to £16m (2022: £97m). The reduction is informed by the rebuild of certain CIB impairment models which better capture the macroeconomic outlook. Refer to the Management adjustment to models for impairment section on pages 83 to 84 for further details.

Climate: Barclays has performed a credit risk assessment of physical and transition risk due to climate change. This was delivered through a combination of a scenario approach and targeted reviews on specific portfolios identified as more susceptible to climate risk. The analysis did not result in a separately identifiable impairment charge for year end 2023 reporting.

Further detail can be found in the Financial statements section in Note 8 Credit impairment charges/(releases). Description of terminology can be found in the glossary, available at home.barclays/annualreport. Refer to the credit risk management section for details of governance, policies and procedures.

Maximum exposure and effects of netting, collateral and risk transfer

The following tables present a reconciliation between the Barclays Bank Group's maximum exposure and its net exposure to credit risk, reflecting the financial effects of risk mitigation reducing the Barclays Bank Group's exposure.

The Barclays Bank Group mitigates the credit risk to which it is exposed through netting and set-off, collateral and risk transfer. Further detail on the Barclays Bank Group's policies to each of these forms of credit enhancement is presented on page 53 of the credit risk management section.

Collateral obtained

Where collateral has been obtained in the event of default, the Barclays Bank Group does not, ordinarily, use such assets for its own operations and they are usually sold on a timely basis. The carrying value of assets held by the Barclays Bank Group as at 31 December 2023, as a result of the enforcement of collateral, was £6m (2022: £31m).

Maximum exposure and effect of netting, collateral and risk transfer (audited)

Barclays Bank Group As at 31 December 2023	Maximum exposure £m	Netting and set-off £m	Cash collateral £m	Non-cash collateral £m	Risk transfer £m	Exposure net of risk mitigation £m
On-balance sheet:						
Cash and balances at central banks	189,686	—	—	—	—	189,686
Cash collateral and settlement balances	103,708	—	—	—	—	103,708
Loans and advances at amortised cost:						
Retail mortgages	8,002	—	(13)	(7,976)	—	13
Retail credit cards	24,511	—	—	—	—	24,511
Retail other	3,366	—	(1,007)	(2,024)	(39)	296
Corporate loans	110,322	(3,876)	(1,111)	(51,105)	(5,222)	49,008
Total loans and advances at amortised cost	146,201	(3,876)	(2,131)	(61,105)	(5,261)	73,828
Of which credit-impaired (Stage 3):						
Retail mortgages	395	—	—	(393)	—	2
Retail credit cards	296	—	—	—	—	296
Retail other	273	—	(23)	(245)	—	5
Corporate loans	887	—	(4)	(601)	(128)	154
Total credit-impaired loans and advances at amortised cost	1,851	—	(27)	(1,239)	(128)	457
Debt securities at amortised cost	39,046	—	—	(956)	(79)	38,011
Reverse repurchase agreements and other similar secured lending	1,103	—	—	(1,103)	—	—
Trading portfolio assets:						
Debt securities	75,459	—	—	(521)	—	74,938
Traded loans	12,653	—	—	(189)	—	12,464
Total trading portfolio assets	88,112	—	—	(710)	—	87,402
Financial assets at fair value through the income statement:						
Loans and advances	46,541	—	(47)	(39,998)	(4)	6,492
Debt securities	2,545	—	—	(221)	—	2,324
Reverse repurchase agreements	149,131	—	(3,416)	(145,292)	—	423
Other financial assets	81	—	—	—	—	81
Total financial assets at fair value through the income statement	198,298	—	(3,463)	(185,511)	(4)	9,320
Derivative financial instruments	256,111	(198,633)	(29,944)	(9,983)	(3,791)	13,760
Financial assets at fair value through other comprehensive income	51,421	—	—	(362)	(134)	50,925
Other assets	2,068	—	(1)	—	—	2,067
Assets held for sale	3,855	—	—	—	—	3,855
Total on-balance sheet	1,079,609	(202,509)	(35,539)	(259,730)	(9,269)	572,562
Off-balance sheet:						
Contingent liabilities	26,829	—	(2,225)	(358)	(283)	23,963
Loan commitments	337,935	—	(1,486)	(37,596)	(1,709)	297,144
Total off-balance sheet	364,764	—	(3,711)	(37,954)	(1,992)	321,107
Total	1,444,373	(202,509)	(39,250)	(297,684)	(11,261)	893,669

Off-balance sheet exposures are shown gross of provisions of £473m (2022: £532m). See Note 23 for further details. In addition to the above, Barclays Bank Group holds forward starting reverse repos amounting to £54.3bn (2022: £48.4bn). The balances are fully collateralised. Corporate loans at amortised cost include £0.3bn (2022: £0.6bn) of CBILs and CLBILs supported by UK government guarantees of £0.2bn (2022: £0.5bn). For further information on credit risk mitigation techniques, refer to the Credit risk management section. Loan commitments reported also include exposures relating to financial assets classified as assets held for sale.

Maximum exposure and effects of netting, collateral and risk transfer (audited)

Barclays Bank Group As at 31 December 2022	Maximum exposure £m	Netting and set-off £m	Cash collateral £m	Non-cash collateral £m	Risk transfer £m	Exposure net of risk mitigation £m
On-balance sheet:						
Cash and balances at central banks	202,142	—	—	—	—	202,142
Cash collateral and settlement balances	107,862	—	—	—	—	107,862
Loans and advances at amortised cost:						
Retail mortgages	11,405	—	(328)	(10,948)	(98)	31
Retail credit cards	25,402	—	—	—	—	25,402
Retail other	7,724	—	(1,152)	(3,748)	(224)	2,600
Corporate loans	110,673	(4,442)	(665)	(48,986)	(5,452)	51,128
Total loans and advances at amortised cost	155,204	(4,442)	(2,145)	(63,682)	(5,774)	79,161
Of which credit-impaired (Stage 3):						
Retail mortgages	622	—	(1)	(621)	—	—
Retail credit cards	311	—	—	—	—	311
Retail other	352	—	(29)	(291)	(3)	29
Corporate loans	647	—	(6)	(188)	(60)	393
Total credit-impaired loans and advances at amortised cost	1,932	—	(36)	(1,100)	(63)	733
Debt securities at amortised cost	27,303	—	—	(695)	(94)	26,514
Reverse repurchase agreements and other similar secured lending	725	—	—	(725)	—	—
Trading portfolio assets:						
Debt securities	55,430	—	—	(530)	—	54,900
Traded loans	13,198	—	—	(250)	(48)	12,900
Total trading portfolio assets	68,628	—	—	(780)	(48)	67,800
Financial assets at fair value through the income statement:						
Loans and advances	38,190	—	(17)	(30,061)	(9)	8,103
Debt securities	3,217	—	—	(321)	—	2,896
Reverse repurchase agreements	164,698	—	(3,672)	(160,365)	—	661
Other financial assets	89	—	—	—	—	89
Total financial assets at fair value through the income statement	206,194	—	(3,689)	(190,747)	(9)	11,749
Derivative financial instruments	302,976	(238,062)	(34,496)	(11,424)	(7,275)	11,719
Financial assets at fair value through other comprehensive income	45,083	—	—	(222)	(514)	44,347
Other assets	1,503	—	—	—	—	1,503
Assets held for sale	—	—	—	—	—	—
Total on-balance sheet	1,117,620	(242,504)	(40,330)	(268,275)	(13,714)	552,797
Off-balance sheet:						
Contingent liabilities	25,800	—	(1,295)	(1,596)	(280)	22,629
Loan commitments	334,977	—	(93)	(37,371)	(1,624)	295,889
Total off-balance sheet	360,777	—	(1,388)	(38,967)	(1,904)	318,518
Total	1,478,397	(242,504)	(41,718)	(307,242)	(15,618)	871,315

Maximum exposure and effects of netting, collateral and risk transfer (audited)

Barclays Bank PLC As at 31 December 2023	Maximum exposure £m	Netting and set-off £m	Cash collateral £m	Non-cash collateral £m	Risk transfer £m	Exposure net of risk mitigation £m
On-balance sheet:						
Cash and balances at central banks	153,701	—	—	—	—	153,701
Cash collateral and settlement balances	75,271	—	—	—	—	75,271
Loans and advances at amortised cost:	—	—	—	—	—	—
Retail mortgages	4,475	—	(12)	(4,454)	—	9
Retail credit cards	—	—	—	—	—	—
Retail other	2,420	—	(825)	(1,365)	—	230
Corporate loans	235,544	(3,876)	(1,215)	(47,899)	(8,678)	173,876
Total loans and advances at amortised cost	242,439	(3,876)	(2,052)	(53,718)	(8,678)	174,115
Of which credit-impaired (Stage 3):	—	—	—	—	—	—
Retail mortgages	278	—	—	(277)	—	1
Retail credit cards	—	—	—	—	—	—
Retail other	231	—	(20)	(207)	—	4
Corporate loans	703	—	(4)	(519)	(62)	118
Total credit-impaired loans and advances at amortised cost	1,212	—	(24)	(1,003)	(62)	123
Debt securities at amortised cost	33,576	—	—	(829)	(79)	32,668
Reverse repurchase agreements and other similar secured lending	6,876	—	—	(6,876)	—	—
Trading portfolio assets:	—	—	—	—	—	—
Debt securities	37,492	—	—	(521)	—	36,971
Traded loans	12,599	—	—	(189)	—	12,410
Total trading portfolio assets	50,091	—	—	(710)	—	49,381
Financial assets at fair value through the income statement:	—	—	—	—	—	—
Loans and advances	51,936	—	(47)	(22,208)	(4)	29,677
Debt securities	3,604	—	—	(91)	—	3,513
Reverse repurchase agreements	208,284	—	(2,672)	(205,612)	—	—
Other financial assets	17	—	—	—	—	17
Total financial assets at fair value through the income statement	263,841	—	(2,719)	(227,911)	(4)	33,207
Derivative financial instruments	225,301	(179,930)	(20,465)	(8,389)	(3,714)	12,803
Financial assets at fair value through other comprehensive income	50,381	—	—	(362)	(134)	49,885
Other assets	2,202	—	—	—	—	2,202
Total on-balance sheet	1,103,679	(183,806)	(25,236)	(298,795)	(12,609)	583,233
Off-balance sheet:						
Contingent liabilities	68,953	—	(1,890)	(353)	(283)	66,427
Loan commitments	206,727	—	(1,250)	(44,319)	(1,684)	159,474
Total off-balance sheet	275,680	—	(3,140)	(44,672)	(1,967)	225,901
Total	1,379,359	(183,806)	(28,376)	(343,467)	(14,576)	809,134

Off-balance sheet exposures are shown gross of provisions of £352m (2022: £403m). See Note 23 for further details. In addition to the above, Barclays Bank PLC holds forward starting reverse repos amounting to £43.3bn (2022: £39.4bn). The balances are fully collateralised. Corporate loans at amortised cost include £0.3bn (2022: £0.6bn) of CBILs and CLBILs supported by UK government guarantees of £0.2bn (2022: £0.5bn).

Maximum exposure and effects of netting, collateral and risk transfer (audited)

Barclays Bank PLC As at 31 December 2022	Maximum exposure £m	Netting and set-off £m	Cash collateral £m	Non-cash collateral £m	Risk transfer £m	Exposure net of risk mitigation £m
On-balance sheet:						
Cash and balances at central banks	170,307	—	—	—	—	170,307
Cash collateral and settlement balances	82,371	—	—	—	—	82,371
Loans and advances at amortised cost:						
Retail mortgages	6,542	—	(299)	(6,181)	(37)	25
Retail credit cards	—	—	—	—	—	—
Retail other	3,679	—	(1,018)	(2,361)	(13)	287
Corporate loans	191,685	(4,442)	(1,273)	(41,454)	(8,519)	135,997
Total loans and advances at amortised cost	201,906	(4,442)	(2,590)	(49,996)	(8,569)	136,309
Of which credit-impaired (Stage 3):						
Retail mortgages	445	—	(1)	(443)	—	1
Retail credit cards	—	—	—	—	—	—
Retail others	201	—	(25)	(162)	(2)	12
Corporate loans	539	—	(6)	(187)	(60)	286
Total credit-impaired loans and advances at amortised cost	1,185	—	(32)	(792)	(62)	299
Debt securities at amortised cost	23,877	—	—	(545)	(94)	23,238
Reverse repurchase agreements and other similar secured lending	5,908	—	—	(5,908)	—	—
Trading portfolio assets:	—	—	—	—	—	—
Debt securities	31,410	—	—	(530)	—	30,880
Traded loans	12,971	—	—	(250)	—	12,721
Total trading portfolio assets	44,381	—	—	(780)	—	43,601
Financial assets at fair value through the income statement:	—	—	—	—	—	—
Loans and advances	45,830	—	(17)	(14,741)	(9)	31,063
Debt securities	3,869	—	—	(116)	—	3,753
Reverse repurchase agreements	197,440	—	(2,943)	(194,497)	—	—
Other financial assets	27	—	—	—	—	27
Total financial assets at fair value through the income statement	247,166	—	(2,960)	(209,354)	(9)	34,843
Derivative financial instruments	258,708	(209,530)	(23,212)	(9,308)	(6,484)	10,174
Financial assets at fair value through other comprehensive income	43,086	—	—	(222)	(514)	42,350
Other assets	1,725	—	—	—	—	1,725
Total on-balance sheet	1,079,435	(213,972)	(28,762)	(276,113)	(15,670)	544,918
Off-balance sheet:						
Contingent liabilities	62,203	—	(1,188)	(1,580)	(277)	59,158
Loan commitments	207,336	—	(70)	(45,193)	(1,614)	160,459
Total off-balance sheet	269,539	—	(1,258)	(46,773)	(1,891)	219,617
Total	1,348,974	(213,972)	(30,020)	(322,886)	(17,561)	764,535

Expected credit losses

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 and loans and advances at amortised cost to customers.

The table below presents a breakdown of loans and advances at amortised cost and the impairment allowance with stage allocation by asset classification. Also included are stage allocation of debt securities by gross exposure, impairment allowance and coverage ratio.

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

Barclays Bank Group (audited)		Stage 2					
As at 31 December 2023	Stage 1	Not past due	<=30 days past due	>30 days past due	Total	Stage 3	Total[a]
Gross exposure	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	7,257	342	14	33	389	716	8,362
Retail credit cards	22,315	2,818	339	293	3,450	1,522	27,287
Retail other	2,734	210	71	88	369	308	3,411
Corporate loans	100,956	8,642	166	159	8,967	1,235	111,158
Total loans and advances at amortised cost	133,262	12,012	590	573	13,175	3,781	150,218
Debt securities at amortised cost	35,321	3,749	—	—	3,749	—	39,070
Total loans and advances at amortised cost including debt securities	168,583	15,761	590	573	16,924	3,781	189,288
Impairment allowance							
Retail mortgages	11	23	3	2	28	321	360
Retail credit cards	412	805	145	188	1,138	1,226	2,776
Retail other	8	2	—	—	2	35	45
Corporate loans	179	295	7	7	309	348	836
Total loans and advances at amortised cost	610	1,125	155	197	1,477	1,930	4,017
Debt securities at amortised cost	7	17	—	—	17	—	24
Total loans and advances at amortised cost including debt securities	617	1,142	155	197	1,494	1,930	4,041
Net exposure							
Retail mortgages	7,246	319	11	31	361	395	8,002
Retail credit cards	21,903	2,013	194	105	2,312	296	24,511
Retail other	2,726	208	71	88	367	273	3,366
Corporate loans	100,777	8,347	159	152	8,658	887	110,322
Total loans and advances at amortised cost	132,652	10,887	435	376	11,698	1,851	146,201
Debt securities at amortised cost	35,314	3,732	—	—	3,732	—	39,046
Total loans and advances at amortised cost including debt securities	167,966	14,619	435	376	15,430	1,851	185,247
Coverage ratio	%	%	%	%	%	%	%
Retail mortgages	0.2	6.7	21.4	6.1	7.2	44.8	4.3
Retail credit cards	1.8	28.6	42.8	64.2	33.0	80.6	10.2
Retail other	0.3	1.0	—	—	0.5	11.4	1.3
Corporate loans	0.2	3.4	4.2	4.4	3.4	28.2	0.8
Total loans and advances at amortised cost	0.5	9.4	26.3	34.4	11.2	51.0	2.7
Debt securities at amortised cost	—	0.5	—	—	0.5	—	0.1
Total loans and advances at amortised cost including debt securities	0.4	7.2	26.3	34.4	8.8	51.0	2.1

Note

a 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 £157.7bn and an impairment allowance of £145m. This comprises £14m impairment allowance on £157.3bn Stage 1 exposure, £1m on £243m Stage 2 exposure and £130m on £136m Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £473m.

Assets held for sale

During 2023, gross loans and advances and related impairment allowances for the German Consumer Finance business were reclassified from 'loans and advances to customers' to assets held for sale in the balance sheet. Disclosures relating to assets held for sale are provided in the credit risk tables, primarily where the disclosure is relevant to the measurement of these financial assets.

For further details on assets held for sale, see Note 39 to the financial statements.

Loans and advances to customers classified as assets held for sale

	Stage 1			Stage 2			Stage 3			Total		
	Gross	ECL	Coverage	Gross	ECL	Coverage	Gross	ECL	Coverage	Gross	ECL	Coverage
As at 31 December 2023[a]	£m	£m	%	£m	£m	%	£m	£m	%	£m	£m	%
Retail credit cards	1,621	15	0.9	445	41	9.2	92	68	73.9	2,158	124	5.7
Retail other	1,561	20	1.3	288	32	11.1	84	60	71.4	1,933	112	5.8
Total	**3,182**	**35**	**1.1**	**733**	**73**	**10.0**	**176**	**128**	**72.7**	**4,091**	**236**	**5.8**

Note
a In 2022, total gross exposure of £4.3bn and impairment allowance of £296m was included in loans and advances at amortised cost which has now been classified as assets held for sale. This comprises £37m ECL on £3.1bn Stage 1 exposure, £141m on £1.0bn Stage 2 exposure and £118m on £153m Stage 3 exposure.

Barclays Bank Group (audited)

		Stage 2					
As at 31 December 2022	Stage 1	Not past due	<=30 days past due	>30 days past due	Total	Stage 3	Total[a]
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	100,121	10,227	154	103	10,484	940	111,545
Total loans and advances at amortised cost	140,163	14,173	447	630	15,250	3,570	158,983
Debt securities at amortised cost	23,645	3,699	—	—	3,699	—	27,344
Total loans and advances at amortised cost including debt securities	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
Total loans and advances at amortised cost	685	1,184	99	173	1,456	1,638	3,779
Debt securities at amortised cost	8	33	—	—	33	—	41
Total loans and advances at amortised cost including debt securities	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	99,817	9,973	142	94	10,209	647	110,673
Total loans and advances at amortised cost	139,478	12,989	348	457	13,794	1,932	155,204
Debt securities at amortised cost	23,637	3,666	—	—	3,666	—	27,303
Total loans and advances at amortised cost including debt securities	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	31.2	0.8
Total loans and advances at amortised cost	0.5	8.4	22.1	27.5	9.5	45.9	2.4
Debt securities at amortised cost	—	0.9	—	—	0.9	—	0.1
Total loans and advances at amortised cost including debt securities	0.4	6.8	22.1	27.5	7.9	45.9	2.1

Note
a 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 an impairment allowance of £152m. This comprises £7m impairment allowance on £153.8bn Stage 1 exposure, £8m on £1,142m Stage 2 exposure and £137m on £141m Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £532m.

Barclays Bank PLC		Stage 2					
As at 31 December 2023	Stage 1	Not past due	<=30 days past due	>30 days past due	Total	Stage 3	Total[a]
Gross exposure	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	4,150	32	—	20	52	572	4,774
Retail credit cards	—	—	—	—	—	—	—
Retail other	1,913	198	70	15	283	249	2,445
Corporate loans	227,177	7,823	164	108	8,095	1,001	236,273
Total loans and advances at amortised cost	233,240	8,053	234	143	8,430	1,822	243,492
Debt securities at amortised cost	31,004	2,587	—	—	2,587	—	33,591
Total loans and advances at amortised cost including debt securities	264,244	10,640	234	143	11,017	1,822	277,083
Impairment allowance							
Retail mortgages	5	—	—	—	—	294	299
Retail credit cards	—	—	—	—	—	—	—
Retail other	6	1	—	—	1	18	25
Corporate loans	167	252	6	6	264	298	729
Total loans and advances at amortised cost	178	253	6	6	265	610	1,053
Debt securities at amortised cost	4	11	—	—	11	—	15
Total loans and advances at amortised cost including debt securities	182	264	6	6	276	610	1,068
Net exposure							
Retail mortgages	4,145	32	—	20	52	278	4,475
Retail credit cards	—	—	—	—	—	—	—
Retail other	1,907	197	70	15	282	231	2,420
Corporate loans	227,010	7,571	158	102	7,831	703	235,544
Total loans and advances at amortised cost	233,062	7,800	228	137	8,165	1,212	242,439
Debt securities at amortised cost	31,000	2,576	—	—	2,576	—	33,576
Total loans and advances at amortised cost including debt securities	264,062	10,376	228	137	10,741	1,212	276,015
Coverage ratio	%	%	%	%	%	%	%
Retail mortgages	0.1	—	—	—	—	51.4	6.3
Retail credit cards	—	—	—	—	—	—	—
Retail other	0.3	0.5	—	—	0.4	7.2	1.0
Corporate loans	0.1	3.2	3.7	5.6	3.3	29.8	0.3
Total loans and advances at amortised cost	0.1	3.1	2.6	4.2	3.1	33.5	0.4
Debt securities at amortised cost	—	0.4	—	—	0.4	—	—
Total loans and advances at amortised cost including debt securities	0.1	2.5	2.6	4.2	2.5	33.5	0.4

Note
a Other financial assets subject to impairment not included 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 £128.3bn and an impairment allowance of £140m. This comprises £14m impairment allowance on £127.9bn Stage 1 exposure, £0m on £239m Stage 2 exposure and £126m on £133m Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £352m.

Barclays Bank PLC		Stage 2					
As at 31 December 2022	Stage 1	Not past due	<=30 days past due	>30 days past due	Total	Stage 3	Total[a]
Gross exposure	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	6,014	64	1	28	93	757	6,864
Retail credit cards	—	—	—	—	—	—	—
Retail other	3,172	235	29	57	321	254	3,747
Corporate loans	181,440	10,022	130	103	10,255	791	192,486
Total loans and advances at amortised cost	190,626	10,321	160	188	10,669	1,802	203,097
Debt securities at amortised cost	20,375	3,525	—	—	3,525	—	23,900
Total loans and advances at amortised cost including debt securities	211,001	13,846	160	188	14,194	1,802	226,997
Impairment allowance							
Retail mortgages	8	2	—	—	2	312	322
Retail credit cards	—	—	—	—	—	—	—
Retail other	13	2	—	—	2	53	68
Corporate loans	297	231	12	9	252	252	801
Total loans and advances at amortised cost	318	235	12	9	256	617	1,191
Debt securities at amortised cost	3	20	—	—	20	—	23
Total loans and advances at amortised cost including debt securities	321	255	12	9	276	617	1,214
Net exposure							
Retail mortgages	6,006	62	1	28	91	445	6,542
Retail credit cards	—	—	—	—	—	—	—
Retail other	3,159	233	29	57	319	201	3,679
Corporate loans	181,143	9,791	118	94	10,003	539	191,685
Total loans and advances at amortised cost	190,308	10,086	148	179	10,413	1,185	201,906
Debt securities at amortised cost	20,372	3,505	—	—	3,505	—	23,877
Total loans and advances at amortised cost including debt securities	210,680	13,591	148	179	13,918	1,185	225,783
Coverage ratio	%	%	%	%	%	%	%
Retail mortgages	0.1	3.1	—	—	2.2	41.2	4.7
Retail credit cards	—	—	—	—	—	—	—
Retail other	0.4	0.9	—	—	0.6	20.9	1.8
Corporate loans	0.2	2.3	9.2	8.7	2.5	31.9	0.4
Total loans and advances at amortised cost	0.2	2.3	7.5	4.8	2.4	34.2	0.6
Debt securities at amortised cost	—	0.6	—	—	0.6	—	0.1
Total loans and advances at amortised cost including debt securities	0.2	1.8	7.5	4.8	1.9	34.2	0.5

Note
a Other financial assets subject to impairment not included 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 £127.7bn and an impairment allowance of £149m. This comprises £8m impairment allowance on £126.4bn Stage 1 exposure, £8m on £1,142m Stage 2 exposure and £133m on £137m Stage 3 exposure. Loan commitments and financial guarantee contracts have total impairment allowance of £403m.

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.

Transfers between stages in the tables have been reflected as if they had taken place at the beginning of the year. 'Net drawdowns, repayments, net-remeasurement 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 debt securities at amortised cost, cash collateral and settlement balances, financial assets at fair value through other comprehensive income and other assets.

The movements are measured over a 12-month period.

Loans and advances at amortised cost (audited)	Stage 1		Stage 2		Stage 3		Total	
Barclays Bank Group	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £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	(274)	—	274	—	—	—	—	—
Transfers from Stage 2 to Stage 1	93	6	(93)	(6)	—	—	—	—
Transfers to Stage 3	(84)	—	(57)	(5)	141	5	—	—
Transfers from Stage 3	9	—	28	1	(37)	(1)	—	—
Business activity in the year	339	1	—	—	—	—	339	1
Refinements to models used for calculation	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(2,518)	(8)	(101)	14	(262)	(21)	(2,881)	(15)
Final repayments	(766)	—	(24)	(1)	(88)	(2)	(878)	(3)
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(16)	(16)	(16)	(16)
As at 31 December 2023	7,257	11	389	28	716	321	8,362	360
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	(1,515)	(42)	1,515	42	—	—	—	—
Transfers from Stage 2 to Stage 1	1,556	374	(1,556)	(374)	—	—	—	—
Transfers to Stage 3	(557)	(23)	(630)	(292)	1,187	315	—	—
Transfers from Stage 3	9	5	6	4	(15)	(9)	—	—
Business activity in the year	1,928	45	231	80	24	20	2,183	145
Refinements to models used for calculation[a]	—	(27)	—	(15)	—	(26)	—	(68)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(38)	(228)	479	620	(24)	850	417	1,242
Final repayments	(116)	(8)	(30)	(13)	(2)	(1)	(148)	(22)
Transfers to assets held for sale[b]	(1,621)	(15)	(445)	(41)	(92)	(68)	(2,158)	(124)
Disposals[c]	—	—	—	—	(27)	(15)	(27)	(15)
Write-offs	—	—	—	—	(658)	(658)	(658)	(658)
As at 31 December 2023	22,315	412	3,450	1,138	1,522	1,226	27,287	2,776
Retail other								
As at 1 January 2023	6,915	38	524	29	523	171	7,962	238
Transfers from Stage 1 to Stage 2	(693)	(3)	693	3	—	—	—	—
Transfers from Stage 2 to Stage 1	165	5	(165)	(5)	—	—	—	—
Transfers to Stage 3	(467)	(1)	(53)	(8)	520	9	—	—
Transfers from Stage 3	22	1	4	—	(26)	(1)	—	—
Business activity in the year	4,914	7	24	3	6	4	4,944	14
Refinements to models used for calculation	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(2,046)	(11)	(70)	13	(136)	1	(2,252)	3
Final repayments	(4,515)	(8)	(300)	(1)	(372)	(11)	(5,187)	(20)
Transfers to assets held for sale[b]	(1,561)	(20)	(288)	(32)	(84)	(60)	(1,933)	(112)
Disposals[c]	—	—	—	—	(85)	(40)	(85)	(40)
Write-offs	—	—	—	—	(38)	(38)	(38)	(38)
As at 31 December 2023	2,734	8	369	2	308	35	3,411	45

Notes

a Refinements to models used for calculation reported within Retail credit cards include a £43m movement in US Cards and £(111)m movement in the German consumer finance business. These reflect model enhancements made during the year. Barclays Bank Group 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 ensures that the models used continue to reflect the risks inherent across the businesses.

b Transfers to assets held for sale reported within Retail credit cards and Retail other relate to the German Consumer Finance business.

c The £27m of disposals reported within Retail credit cards relate to debt sales undertaken during the year. The £85m of disposals reported within Retail other include £64m part sale of Wealth portfolio in Italy and £21m relate to debt sales undertaken during the year.

Loans and advances at amortised cost (audited)	Stage 1		Stage 2		Stage 3		Total	
Barclays Bank Group	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Corporate loans								
As at 1 January 2023	100,121	304	10,484	275	940	293	111,545	872
Transfers from Stage 1 to Stage 2	(4,546)	(29)	4,546	29	—	—	—	—
Transfers from Stage 2 to Stage 1	3,488	53	(3,488)	(53)	—	—	—	—
Transfers to Stage 3	(329)	(7)	(374)	(16)	703	23	—	—
Transfers from Stage 3	69	1	196	3	(265)	(4)	—	—
Business activity in the year	23,136	36	846	27	39	14	24,021	77
Refinements to models used for calculation[a]	—	(61)	—	174	—	—	—	113
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	2,704	(79)	(753)	(65)	351	316	2,302	172
Final repayments	(23,301)	(36)	(2,376)	(39)	(282)	(52)	(25,959)	(127)
Disposals[b]	(386)	(3)	(114)	(26)	(108)	(99)	(608)	(128)
Write-offs	—	—	—	—	(143)	(143)	(143)	(143)
As at 31 December 2023	100,956	179	8,967	309	1,235	348	111,158	836

Reconciliation of ECL movement to credit impairment charge/(release) for the period	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Retail mortgages	(1)	3	(19)	(17)
Retail credit cards	96	52	1,149	1,297
Retail other	(10)	5	2	(3)
Corporate loans	(122)	60	297	235
ECL movement excluding assets held for sale, disposals and write-offs[c]	(37)	120	1,429	1,512
ECL movement on loan commitments and financial guarantees	(67)	(12)	20	(59)
ECL movement on other financial assets	7	(7)	(7)	(7)
ECL movement on debt securities at amortised cost	(1)	(16)	—	(17)
Recoveries and reimbursements[d]	6	(1)	(46)	(41)
Total exchange and other adjustments				190
Total credit impairment charge for the year				1,578

Notes

a Refinements to models used for calculation reported within Corporate loans include a £93m movement in Corporate and Investment Bank and £20m movement in Barclaycard Payments. 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.

b The £608m of disposals reported within Corporate loans relate to debt sales undertaken during the year.

c In 2023, gross write-offs amounted to £855m (2022: £977m) and post write-off recoveries amounted to £17m (2022: £33m). Net write-offs represent gross write-offs less post write-off recoveries and amounted to £838m (2022: £944m).

d Recoveries and reimbursements include £24m of reimbursements expected to be received under the arrangement where Barclays Bank Group has entered into financial guarantee contracts which provide credit protection over certain assets with third parties and cash recoveries of previously written off amounts of £17m.

Loan commitments and financial guarantees (audited)	Stage 1		Stage 2		Stage 3		Total	
Barclays Bank Group	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Retail mortgages								
As at 1 January 2023	61	—	1	—	5	—	67	—
Net transfers between stages	—	—	—	—	—	—	—	—
Business activity in the year	24	—	—	—	—	—	24	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	3	—	—	—	(4)	—	(1)	—
Limit management and final repayments	(47)	—	(1)	—	—	—	(48)	—
As at 31 December 2023	41	—	—	—	1	—	42	—
Retail credit cards[a]								
As at 1 January 2023	109,291	41	1,973	45	7	1	111,271	87
Net transfers between stages	(1,432)	31	1,423	(31)	9	—	—	—
Business activity in the year	17,403	12	183	10	1	—	17,587	22
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(4,260)	(29)	(1,365)	37	(7)	—	(5,632)	8
Limit management and final repayments	(11,368)	(7)	(447)	(25)	—	—	(11,815)	(32)
As at 31 December 2023	109,634	48	1,767	36	10	1	111,411	85
Retail other[a]								
As at 1 January 2023	4,497	—	79	—	64	—	4,640	—
Net transfers between stages	(125)	—	98	—	27	—	—	—
Business activity in the year	1,260	—	1	—	—	—	1,261	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(828)	5	(29)	2	(50)	—	(907)	7
Limit management and final repayments	(1,358)	—	(33)	—	(12)	—	(1,403)	—
As at 31 December 2023	3,446	5	116	2	29	—	3,591	7
Corporate loans								
As at 1 January 2023	205,220	193	23,873	230	812	22	229,905	445
Net transfers between stages	2,371	22	(2,366)	(22)	(5)	—	—	—
Business activity in the year	54,918	27	2,270	43	39	2	57,227	72
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	3,567	(102)	67	20	227	23	3,861	(59)
Limit management and final repayments	(53,662)	(26)	(3,809)	(46)	(271)	(5)	(57,742)	(77)
As at 31 December 2023	212,414	114	20,035	225	802	42	233,251	381

Note
a Loan commitments reported within Retail credit cards and Retail other also include financial assets classified as held for sale.

Loans and advances at amortised cost (audited)	Stage 1		Stage 2		Stage 3		Total	
Barclays Bank PLC[a]	Gross	ECL	Gross	ECL	Gross	ECL	Gross	ECL
	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages								
As at 1 January 2023	6,014	8	93	2	757	312	6,864	322
Transfers from Stage 1 to Stage 2	(40)	—	40	—	—	—	—	—
Transfers from Stage 2 to Stage 1	11	—	(11)	—	—	—	—	—
Transfers to Stage 3	(51)	—	(22)	—	73	—	—	—
Transfers from Stage 3	10	—	7	—	(17)	—	—	—
Business activity in the year	338	1	—	—	—	—	338	1
Refinements to models used for calculation	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(1,865)	(4)	(50)	(2)	(151)	(2)	(2,066)	(8)
Final repayments	(267)	—	(5)	—	(76)	(2)	(348)	(2)
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(14)	(14)	(14)	(14)
As at 31 December 2023	4,150	5	52	—	572	294	4,774	299
Retail other								
As at 1 January 2023	3,172	13	321	2	254	53	3,747	68
Transfers from Stage 1 to Stage 2	(274)	(1)	274	1	—	—	—	—
Transfers from Stage 2 to Stage 1	112	1	(112)	(1)	—	—	—	—
Transfers to Stage 3	(251)	—	(20)	—	271	—	—	—
Transfers from Stage 3	15	—	1	—	(16)	—	—	—
Business activity in the year	1,755	2	—	—	—	—	1,755	2
Refinements to models used for calculation	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(849)	(4)	(17)	(1)	(29)	(18)	(895)	(23)
Final repayments	(1,767)	(5)	(164)	—	(221)	(7)	(2,152)	(12)
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(10)	(10)	(10)	(10)
As at 31 December 2023	1,913	6	283	1	249	18	2,445	25
Corporate loans								
As at 1 January 2023	181,440	297	10,255	252	791	252	192,486	801
Transfers from Stage 1 to Stage 2	(3,601)	(22)	3,601	22	—	—	—	—
Transfers from Stage 2 to Stage 1	3,131	49	(3,131)	(49)	—	—	—	—
Transfers to Stage 3	(289)	(7)	(301)	(15)	590	22	—	—
Transfers from Stage 3	66	1	128	3	(194)	(4)	—	—
Business activity in the year	68,919	30	750	21	39	14	69,708	65
Refinements to models used for calculation[b]	—	(56)	—	169	—	—	—	113
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	34,023	(88)	(888)	(75)	211	294	33,346	131
Final repayments	(56,126)	(34)	(2,205)	(38)	(198)	(52)	(58,529)	(124)
Disposals[c]	(386)	(3)	(114)	(26)	(108)	(98)	(608)	(127)
Write-offs	—	—	—	—	(130)	(130)	(130)	(130)
As at 31 December 2023	227,177	167	8,095	264	1,001	298	236,273	729

Notes
a Barclays Bank PLC does not have retail credit card lending.
b Refinements to models used for calculation reported within Corporate loans include a £93m movement in Corporate and Investment Bank and £20m movement in Barclaycard Payments. These reflect model enhancements made during the year. 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 ensures that the models used continue to reflect the risks inherent across the businesses.
c The £608m of disposals reported within Corporate loans relate to debt sales undertaken during the year.

Reconciliation of ECL movement to credit impairment charge/(release) for the period	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Retail mortgages	(3)	(2)	(4)	(9)
Retail other	(7)	(1)	(25)	(33)
Corporate loans	(127)	38	274	185
ECL movement excluding disposals and write-offs[a]	(137)	35	245	143
ECL movement on loan commitments and financial guarantees	(66)	(5)	20	(51)
ECL movement on other financial assets	6	(8)	(7)	(9)
ECL movement on debt securities at amortised cost	1	(9)	—	(8)
Recoveries and reimbursements[b]	14	—	(34)	(20)
Total exchange and other adjustments				43
Total credit impairment charge for the year				98

Notes
a In 2023, gross write-offs amounted to £154m (2022: £316m) and post write-off recoveries amounted to £4m (2022: £1m). Net write-offs represent gross write-offs less post write-off recoveries and amounted to £150m (2022: £315m).
b Recoveries and reimbursements include £16m of reimbursements expected to be received under the arrangement where Barclays Bank PLC has entered into financial guarantee contracts which provide credit protection over certain assets with third parties and cash recoveries of previously written off amounts of £4m.

Loan commitments and financial guarantees (audited)	Stage 1		Stage 2		Stage 3		Total	
Barclays Bank PLC	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Retail mortgages								
As at 1 January 2023	27	—	1	—	4	—	32	—
Net transfers between stages	—	—	—	—	—	—	—	—
Business activity in the year	21	—	—	—	—	—	21	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(7)	—	—	—	(4)	—	(11)	—
Limit management and final repayments	(9)	—	(1)	—	—	—	(10)	—
As at 31 December 2023	32	—	—	—	—	—	32	—
Retail other								
As at 1 January 2023	1,780	—	33	2	34	—	1,847	2
Net transfers between stages	(70)	—	60	—	10	—	—	—
Business activity in the year	410	—	—	—	—	—	410	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	119	4	(4)	2	(28)	—	87	6
Limit management and final repayments	(519)	—	(23)	—	(5)	—	(547)	—
As at 31 December 2023	1,720	4	66	4	11	—	1,797	8
Corporate loans								
As at 1 January 2023	234,658	173	18,869	204	770	24	254,297	401
Net transfers between stages	490	23	(488)	(23)	(2)	—	—	—
Business activity in the year	67,319	23	2,125	38	39	2	69,483	63
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	790	(94)	721	19	199	23	1,710	(52)
Limit management and final repayments	(62,508)	(22)	(3,362)	(41)	(258)	(5)	(66,128)	(68)
As at 31 December 2023	240,749	103	17,865	197	748	44	259,362	344

Loans and advances at amortised cost (audited)	Stage 1		Stage 2		Stage 3		Total	
Barclays Bank Group	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Retail mortgages								
As at 1 January 2022	9,760	8	653	35	958	343	11,371	386
Transfers from Stage 1 to Stage 2	(179)	—	179	—	—	—	—	—
Transfers from Stage 2 to Stage 1	393	16	(393)	(16)	—	—	—	—
Transfers to Stage 3	(192)	—	(39)	(4)	231	4	—	—
Transfers from Stage 3	18	1	33	3	(51)	(4)	—	—
Business activity in the year	1,887	5	—	—	—	—	1,887	5
Refinements to models used for calculation	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(131)	(17)	(7)	8	8	39	(130)	30
Final repayments	(1,098)	(1)	(64)	(1)	(145)	(3)	(1,307)	(5)
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(23)	(23)	(23)	(23)
As at 31 December 2022	10,458	12	362	25	978	356	11,798	393
Retail credit cards								
As at 1 January 2022	16,353	551	2,174	753	1,033	745	19,560	2,049
Transfers from Stage 1 to Stage 2	(1,565)	(35)	1,565	35	—	—	—	—
Transfers from Stage 2 to Stage 1	896	207	(896)	(207)	—	—	—	—
Transfers to Stage 3	(286)	(13)	(327)	(157)	613	170	—	—
Transfers from Stage 3	13	8	7	4	(20)	(12)	—	—
Business activity in the year	4,626	112	260	102	117	94	5,003	308
Refinements to models used for calculation[a]	—	39	—	182	—	96	—	317
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	2,876	(520)	1,142	436	51	375	4,069	291
Final repayments	(85)	(14)	(16)	(10)	(4)	(3)	(105)	(27)
Disposals[b]	(159)	(4)	(29)	(11)	(29)	(15)	(217)	(30)
Write-offs	—	—	—	—	(632)	(632)	(632)	(632)
As at 31 December 2022	22,669	331	3,880	1,127	1,129	818	27,678	2,276
Retail other								
As at 1 January 2022	6,885	34	533	17	429	155	7,847	206
Transfers from Stage 1 to Stage 2	(365)	(2)	365	2	—	—	—	—
Transfers from Stage 2 to Stage 1	130	6	(130)	(6)	—	—	—	—
Transfers to Stage 3	(161)	(1)	(67)	(5)	228	6	—	—
Transfers from Stage 3	38	3	1	1	(39)	(4)	—	—
Business activity in the year	2,953	19	49	7	8	6	3,010	32
Refinements to models used for calculation	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	234	(16)	(9)	14	81	46	306	44
Final repayments	(2,799)	(5)	(218)	(1)	(146)	(8)	(3,163)	(14)
Disposals[b]	—	—	—	—	(19)	(11)	(19)	(11)
Write-offs	—	—	—	—	(19)	(19)	(19)	(19)
As at 31 December 2022	6,915	38	524	29	523	171	7,962	238

Notes

a Refinements to models used for calculation within Retail credit cards include a £317m movement in US Cards.These reflect model enhancements made during the year. 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 ensures that the models used continue to reflect the risks inherent across the businesses.

b The £217m of disposals reported within Retail credit cards and £19m of disposals reported within Retail other relate to debt sales undertaken during the year.

Loans and advances at amortised cost (audited)	Stage 1		Stage 2		Stage 3		Total	
Barclays Bank Group	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Corporate loans								
As at 1 January 2022	76,947	197	12,628	208	896	440	90,471	845
Transfers from Stage 1 to Stage 2	(1,964)	(8)	1,964	8	—	—	—	—
Transfers from Stage 2 to Stage 1	4,593	49	(4,593)	(49)	—	—	—	—
Transfers to Stage 3	(263)	(1)	(217)	(9)	480	10	—	—
Transfers from Stage 3	55	6	29	1	(84)	(7)	—	—
Business activity in the year	25,938	59	2,507	73	10	7	28,455	139
Refinements to models used for calculation[a]	—	6	—	(19)	—	—	—	(13)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	18,918	27	1,689	104	82	236	20,689	367
Final repayments	(24,103)	(31)	(3,492)	(42)	(92)	(43)	(27,687)	(116)
Disposals[b]	—	—	(31)	—	(49)	(47)	(80)	(47)
Write-offs	—	—	—	—	(303)	(303)	(303)	(303)
As at 31 December 2022	100,121	304	10,484	275	940	293	111,545	872

Reconciliation of ECL movement to credit impairment (release)/charge for the period	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Retail mortgages	4	(10)	36	30
Retail credit cards	(216)	385	720	889
Retail other	4	12	46	62
Corporate loans	107	67	203	377
ECL movement excluding disposals and write-offs[c]	*(101)*	*454*	*1,005*	*1,358*
ECL movement on loan commitments and financial guarantees	31	1	1	33
ECL movement on other financial assets	3	8	37	48
ECL movement on debt securities at amortised cost	2	27	(1)	28
Recoveries and reimbursements[d]	(121)	(61)	(46)	(228)
Total exchange and other adjustments				(306)
Total credit impairment charge for the year				933

Notes
a Refinements to models used for calculation reported within Corporate loans include a £13m movement in Corporate and Investment Bank. These reflect model enhancements made during the year. 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 ensures that the models used continue to reflect the risks inherent across the businesses.
b The £80m of disposals reported within Corporate loans relate to debt sales undertaken during the year.
c In 2022, gross write-offs amounted to £977m and post write-off recoveries amounted to £33m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £944m.
d Recoveries and reimbursements include £195m of reimbursements expected to be received under the arrangements where Barclays Bank Group has entered into financial guarantee contracts which provide credit protection over certain assets with third parties and cash recoveries of previously written off amounts of £33m.

Loan commitments and financial guarantees (audited)	Stage 1		Stage 2		Stage 3		Total	
Barclays Bank Group	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Retail mortgages								
As at 1 January 2022	53	—	—	—	1	—	54	—
Net transfers between stages	(5)	—	1	—	4	—	—	—
Business activity in the year	26	—	—	—	—	—	26	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	4	—	—	—	—	—	4	—
Limit management and final repayments	(17)	—	—	—	—	—	(17)	—
As at 31 December 2022	61	—	1	—	5	—	67	—
Retail credit cards								
As at 1 January 2022	71,074	29	2,683	28	10	1	73,767	58
Net transfers between stages	(1,169)	24	1,166	(24)	3	—	—	—
Business activity in the year	34,269	22	334	25	1	—	34,604	47
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	11,076	(28)	(1,866)	34	(6)	—	9,204	6
Limit management and final repayments	(5,959)	(6)	(344)	(18)	(1)	—	(6,304)	(24)
As at 31 December 2022	109,291	41	1,973	45	7	1	111,271	87
Retail other								
As at 1 January 2022	3,725	—	47	—	1	—	3,773	—
Net transfers between stages	(130)	—	67	—	63	—	—	—
Business activity in the year	1,742	—	1	—	—	—	1,743	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(44)	—	(27)	—	4	—	(67)	—
Limit management and final repayments	(796)	—	(9)	—	(4)	—	(809)	—
As at 31 December 2022	4,497	—	79	—	64	—	4,640	—
Corporate loans								
As at 1 January 2022	181,862	174	28,901	246	1,038	21	211,801	441
Net transfers between stages	5,981	66	(5,978)	(64)	(3)	(2)	—	—
Business activity in the year	44,053	30	4,273	54	26	2	48,352	86
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	27,630	(48)	6,233	60	73	5	33,936	17
Limit management and final repayments	(54,306)	(29)	(9,556)	(66)	(322)	(4)	(64,184)	(99)
As at 31 December 2022	205,220	193	23,873	230	812	22	229,905	445

Loans and advances at amortised cost (audited)	Stage 1		Stage 2		Stage 3		Total	
Barclays Bank PLC[a]	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Retail mortgages								
As at 1 January 2022	5,350	5	220	1	724	306	6,294	312
Transfers from Stage 1 to Stage 2	(42)	—	42	—	—	—	—	—
Transfers from Stage 2 to Stage 1	113	1	(113)	(1)	—	—	—	—
Transfers to Stage 3	(162)	—	(15)	—	177	—	—	—
Transfers from Stage 3	18	1	8	1	(26)	(2)	—	—
Business activity in the year	1,555	2	—	—	—	—	1,555	2
Refinements to models used for calculation	—	—	—	—	—	—	—	—
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	(139)	—	(11)	1	3	29	(147)	30
Final repayments	(679)	(1)	(38)	—	(102)	(2)	(819)	(3)
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(19)	(19)	(19)	(19)
As at 31 December 2022	6,014	8	93	2	757	312	6,864	322
Retail other								
As at 1 January 2022	3,594	16	384	1	194	55	4,172	72
Transfers from Stage 1 to Stage 2	(245)	(1)	245	1	—	—	—	—
Transfers from Stage 2 to Stage 1	89	3	(89)	(3)	—	—	—	—
Transfers to Stage 3	(107)	(1)	(39)	(1)	146	2	—	—
Transfers from Stage 3	36	1	1	1	(37)	(2)	—	—
Business activity in the year	819	10	—	—	—	1	819	11
Refinements to models used for calculation	—	1	—	—	—	—	—	1
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	185	(13)	—	4	72	(1)	257	(10)
Final repayments	(1,199)	(3)	(181)	(1)	(120)	(1)	(1,500)	(5)
Disposals	—	—	—	—	—	—	—	—
Write-offs	—	—	—	—	(1)	(1)	(1)	(1)
As at 31 December 2022	3,172	13	321	2	254	53	3,747	68
Corporate loans								
As at 1 January 2022	160,572	196	11,964	194	812	408	173,348	798
Transfers from Stage 1 to Stage 2	(1,518)	(8)	1,518	8	—	—	—	—
Transfers from Stage 2 to Stage 1	3,455	42	(3,455)	(42)	—	—	—	—
Transfers to Stage 3	(257)	(1)	(185)	(7)	442	8	—	—
Transfers from Stage 3	55	6	14	1	(69)	(7)	—	—
Business activity in the year	46,389	56	2,219	70	7	6	48,615	132
Refinements to models used for calculation[b]	—	6	—	(17)	—	—	—	(11)
Net drawdowns, repayments, net re-measurement and movements due to exposure and risk parameter changes	11,636	31	1,545	85	32	223	13,213	339
Final repayments	(38,892)	(31)	(3,365)	(40)	(88)	(43)	(42,345)	(114)
Disposals[c]	—	—	—	—	(49)	(47)	(49)	(47)
Write-offs	—	—	—	—	(296)	(296)	(296)	(296)
As at 31 December 2022	181,440	297	10,255	252	791	252	192,486	801

Notes
a Barclays Bank PLC does not have retail credit card lending.
b Refinements to models used for calculation reported within Corporate loans include a £(11)m movement in Corporate and Investment Bank. These reflect model changes made during the year. 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 ensures that the models used continue to reflect the risks inherent across the businesses.
c The £49m of disposals reported within Corporate loans relate to debt sales undertaken during the year.

Reconciliation of ECL movement to credit impairment (release)/charge for the period	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m
Retail mortgages	3	1	25	29
Retail credit cards	—	—	—	—
Retail other	(3)	1	(1)	(3)
Corporate loans	101	58	187	346
ECL movement excluding disposals and write-offs[a]	*101*	*60*	*211*	*372*
Credit impairment release on loan commitments and financial guarantees	10	(28)	1	(17)
Credit impairment release on other financial assets	3	8	37	48
ECL movement on debt securities at amortised cost	(1)	19	—	18
Recoveries and reimbursements[b]	(113)	(45)	(17)	(175)
Total exchange and other adjustments				(81)
Total credit impairment release for the year				165

Notes
a In 2022, gross write-offs amounted to £316m and post write-off recoveries amounted to £1m. Net write-offs represent gross write-offs less post write-off recoveries and amounted to £315m.
b Recoveries and reimbursements include £174m of reimbursements expected to be received under the arrangement where the Bank has entered into financial guarantee contracts which provide credit protection over certain assets with third parties and cash recoveries of previously written off amounts of £1m.

Loan commitments and financial guarantees (audited)	Stage 1		Stage 2		Stage 3		Total	
Barclays Bank PLC	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m	Gross £m	ECL £m
Retail mortgages								
As at 1 January 2022	34	—	—	—	—	—	34	—
Net transfers between stages	(5)	—	1	—	4	—	—	—
Business activity in the year	16	—	—	—	—	—	16	—
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(1)	—	—	—	—	—	(1)	—
Limit management and final repayments	(17)	—	—	—	—	—	(17)	—
As at 31 December 2022	27	—	1	—	4	—	32	—
Retail other								
As at 1 January 2022	1,563	—	39	2	—	1	1,602	3
Net transfers between stages	(58)	—	24	—	34	—	—	—
Business activity in the year	1,056	(1)	—	—	1	—	1,057	(1)
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	(415)	1	(23)	—	4	(1)	(434)	—
Limit management and final repayments	(366)	—	(7)	—	(5)	—	(378)	—
As at 31 December 2022	1,780	—	33	2	34	—	1,847	2
Corporate loans								
As at 1 January 2022	206,438	163	24,402	232	878	22	231,718	417
Net transfers between stages	5,480	64	(5,586)	(62)	106	(2)	—	—
Business activity in the year	41,896	27	3,455	51	25	2	45,376	80
Net drawdowns, repayments, net re-measurement and movement due to exposure and risk parameter changes	32,498	(52)	5,524	47	69	6	38,091	1
Limit management and final repayments	(51,654)	(29)	(8,926)	(64)	(308)	(4)	(60,888)	(97)
As at 31 December 2022	234,658	173	18,869	204	770	24	254,297	401

Stage 2 decomposition

Stage 2 exposures are predominantly identified using quantitative tests where the lifetime probability of default (PD) has deteriorated more than a pre-determined amount since origination during the year. This is augmented by inclusion of accounts meeting the designated high risk criteria (including watchlist) for the portfolio under the qualitative test.

A small number of other accounts (2% of impairment allowance and 2% of gross exposure) are included in Stage 2. These accounts are not otherwise identified by the quantitative or qualitative tests but are more than 30 days past due. The percentage triggered by these backstop criteria is a measure of the effectiveness of the Stage 2 criteria in identifying deterioration prior to delinquency. These balances include items in the Corporate and Investment Bank for reasons such as outstanding interest and fees rather than principal balances.

Loans and advances at amortised cost[a]								
	Gross Exposure				Impairment Allowance			
Barclays Bank Group	Quantitative test	Qualitative test	30 days past due backstop	Total Stage 2	Quantitative test	Qualitative test	30 days past due backstop	Total Stage 2
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	303	53	33	389	24	2	2	28
Retail credit cards[b]	2,399	1,020	31	3,450	750	367	21	1,138
Retail other[b]	8	308	53	369	1	1	—	2
Corporate loans	6,765	2,051	151	8,967	240	65	4	309
Total Stage 2	9,475	3,432	268	13,175	1,015	435	27	1,477

Loans and advances at amortised cost[a]								
	Gross Exposure				Impairment Allowance			
Barclays Bank Group	Quantitative test	Qualitative test	30 days past due backstop	Total Stage 2	Quantitative test	Qualitative test	30 days past due backstop	Total Stage 2
As at 31 December 2022	£m	£m	£m	£m	£m	£m	£m	£m
Retail mortgages	225	73	64	362	20	2	3	25
Retail credit cards	2,999	848	33	3,880	801	304	22	1,127
Retail other	233	227	64	524	26	2	1	29
Corporate loans	8,128	2,216	140	10,484	194	79	2	275
Total Stage 2	11,585	3,364	301	15,250	1,041	387	28	1,456

Notes
a Where balances satisfy more than one of the above three criteria for determining a significant increase in credit risk, the corresponding gross exposure and impairment allowance has been assigned in order of categories presented.
b Exposures reported within Retail credit cards and Retail other exclude the German Consumer Finance business which has now been classified as assets held for sale.

Stage 3 decomposition

Stage 3 is comprised of exposures that are considered to be credit impaired. An asset is considered credit impaired when one or more events occur that have a detrimental impact on the estimated future cash flows of the financial asset. This comprises assets defined as defaulted and other individually assessed exposures where imminent default or actual loss is identified.

Loans and advances at amortised cost						
	Gross Exposure			Impairment Allowance		
Barclays Bank Group	Exposures not charged-off	Exposures individually assessed or in recovery book	Total Stage 3	Exposures not charged-off	Exposures individually assessed or in recovery book	Total Stage 3
As at 31 December 2023	£m	£m	£m	£m	£m	£m
Retail mortgages	221	495	716	28	293	321
Retail credit cards[a]	617	905	1,522	413	813	1,226
Retail other[a]	125	183	308	2	33	35
Corporate loans	150	1,085	1,235	25	323	348
Total Stage 3	1,113	2,668	3,781	468	1,462	1,930

Loans and advances at amortised cost						
	Gross Exposure			Impairment Allowance		
Barclays Bank Group	Exposures not charged-off	Exposures individually assessed or in recovery book	Total Stage 3	Exposures not charged-off	Exposures individually assessed or in recovery book	Total Stage 3
As at 31 December 2022	£m	£m	£m	£m	£m	£m
Retail mortgages	280	698	978	24	332	356
Retail credit cards	551	578	1,129	359	459	818
Retail other	182	341	523	47	124	171
Corporate loans	122	818	940	16	277	293
Total Stage 3	1,135	2,435	3,570	446	1,192	1,638

Note
a Exposures reported within Retail credit cards and Retail other exclude the German Consumer Finance business which has now been classified as assets held for sale.

Management adjustments to models for impairment (audited)

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 (audited)[a]						
Barclays Bank Group	Impairment allowance pre management adjustments[b]	Economic uncertainty adjustments (a)	Other adjustments (b)	Management adjustments (a+b)	Total impairment allowance[c]	Proportion of Management adjustments to total impairment allowance
As at 31 December 2023	£m	£m	£m	£m	£m	%
Retail mortgages	363	—	(3)	(3)	360	(0.8)
Retail credit cards	2,852	—	9	9	2,861	0.3
Retail other	62	—	(10)	(10)	52	(19.2)
Corporate loans	1,231	16	(30)	(14)	1,217	(1.2)
Total	4,508	16	(34)	(18)	4,490	(0.4)
Debt securities at amortised cost	24	—	—	—	24	—
Total including debt securities at amortised cost	4,532	16	(34)	(18)	4,514	(0.4)

As at 31 December 2022	£m	£m	£m	£m	£m	%
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)
Total	4,333	97	(119)	(22)	4,311	(0.5)
Debt securities at amortised cost	41	—	—	—	41	—
Total including debt securities at amortised cost	4,374	97	(119)	(22)	4,352	(0.5)

Economic uncertainty adjustments presented by stage (audited)				
Barclays Bank Group	Stage 1	Stage 2	Stage 3	Total
As at 31 December 2023	£m	£m	£m	£m
Retail mortgages	—	—	—	—
Retail credit cards	—	—	—	—
Retail other	—	—	—	—
Corporate loans	4	12	—	16
Total	4	12	—	16
As at 31 December 2022	£m	£m	£m	£m
Retail mortgages	—	—	—	—
Retail credit cards	—	—	—	—
Retail other	—	2	—	2
Corporate loans	97	(2)	—	95
Total	97	—	—	97

Notes
a Positive values reflect an increase in impairment allowance and negative values reflect a reduction in the impairment allowance.
b Includes £4.0bn (2022: £3.6bn) of modelled ECL, £0.3bn (2022: £0.3bn) of individually assessed impairments and £0.2bn (2022: £0.4bn) ECL from non-modelled exposures and debt securities.
c Total impairment allowance consists of ECL stock on drawn and undrawn exposures.

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.

Customer and client uncertainty provisions include an adjustment of £16m in Corporate loans to provide for downside uncertainties on European Corporates reflecting recent changes in the macroeconomic outlook.

During the year, a re-build of certain CIB impairment models and a granular credit risk assessment have resulted in retirement of high-risk sectors and model sensitivity adjustments.

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 £(34)m (2022: £(119)m) includes:

- **Retail credit cards, £9m (2022: £54m):** The reduction is informed by retirement of an adjustment in US cards for high-risk account management (HRAM) accounts following model remediation during the year.
- **Retail other, £(10)m (2022: £19m):** The reduction is informed by the German Consumer Finance business classified as assets held for sale.
- **Corporate loans, £(30)m (2022: £(192)m):** The reduction reflects retirement of previously held adjustments linked to model monitoring and ECL sensitivity to the macroeconomic variable for Federal Tax Receipts following the re-build of certain CIB impairment models.

Climate Risk ECL assessment

Barclays performed a credit risk assessment of physical and transition risk due to climate change. This was delivered through a combination of a scenario approach and targeted reviews on specific portfolios identified as more susceptible to climate risk. The analysis did not result in a separately identifiable impairment charge for year end 2023 reporting.

Scenario Approach: The climate stress test macroeconomic scenario was used in lieu of the production Downside 2 scenario to determine impact on the weighted average ECL output. The output of this analysis was not significant to warrant an additional climate-related impairment charge.

Specific Approach: The approach reviewed portfolios previously identified from both internal and external stress tests as more susceptible to climate risks. In particular, within the Wholesale portfolio, certain elevated risk sectors (predominantly Oil & Gas, Automotive and Power sectors) were subject to a review that considered probability of default impact at a counterparty level determined by individual susceptibility to transition climate risks. The output of this review did not provide variances in ECL deemed sufficiently certain to warrant raising an additional climate-related charge in 2023.

Barclays acknowledges that impairment could increase over time as risks become more tangible and impact consumers and clients through physical risks or via impacts from the transition to a low carbon economy. Therefore, Barclays continues to review credit risk outputs to determine if any additional physical or transition climate risks are identified that are not sufficiently captured via model output.

Measurement uncertainty and sensitivity analysis

The measurement of modelled ECL involves complexity and judgement, including estimation of probabilities of default (PD), loss given default (LGD), a range of unbiased future economic scenarios, estimation of expected lives, estimation of exposures at default (EAD) and assessing significant increases in credit risk. The Barclays Bank Group uses a five-scenario model to calculate ECL. An external consensus forecast is assembled from key sources, including HM Treasury (short and medium term forecasts), and Bloomberg (based on median of economic forecasts) which forms the Baseline scenario. In addition, two adverse scenarios (Downside 1 and Downside 2) and two favourable scenarios (Upside 1 and Upside 2) are derived, with associated probability weightings. The adverse scenarios are calibrated to a broadly similar severity to the Barclays Bank Group's internal stress tests and stress scenarios provided by regulators whilst also considering IFRS 9 specific sensitivities and non-linearity. The favourable scenarios are designed to reflect plausible upside risks to the Baseline scenario which are broadly consistent with the economic narrative approved by the Senior Scenario Review Committee. All scenarios are regenerated at a minimum semi-annually. The scenarios include key economic variables (including GDP, unemployment, House Price Index (HPI) and base rates in both the UK and US markets), and expanded variables using statistical models based on historical correlations. The upside and downside shocks are designed to evolve over a five-year stress horizon, with all five scenarios converging to a steady state after approximately seven years.

Scenarios used to calculate the Barclays Bank Group's ECL charge were refreshed in Q423 with the Baseline scenario reflecting the latest consensus macroeconomic forecasts available at the time of the scenario refresh. In the Baseline scenario, whilst UK and US economies avoid a recession, GDP growth remains weak in the coming quarters and beyond as restrictive monetary policies, which impact economies with a lag, continue to restrain growth. Having peaked in 2022, consumer price inflation in key regions continues to ease over 2023 and 2024. The UK and US unemployment rates rise to 4.8% and 4.4% respectively over 2024 and then stabilise. With the significant decline in inflationary pressures, major central banks refrain from further interest rate increases. UK house prices continue to decline in 2024 before stabilising and resuming the upward trend from 2025. The housing market in the US remains more resilient, with house prices continuing to grow.

In the Downside 2 scenario, inflationary pressures are assumed to intensify again, mainly driven by strong wage growth. Central banks raise rates further, with the UK bank rate and the US federal fund rate each reaching 8.5% in Q324. High interest rates suddenly bring stress into the financial and non-financial system, causing joblessness to spike and triggering a housing markets crisis and central banks are forced cut interest rates aggressively. Falling demand reduces UK and US GDP and headline inflation drops to close to zero. In the Upside 2 scenario, tighter and more productive labour markets help to accelerate economic growth whilst keeping inflationary pressures under control. With inflation quickly returning to target, central banks lower interest rates, further stimulating aggregate demand and GDP growth.

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 same scenarios used in the estimation of expected credit losses are also used to inform the Barclays Bank Group's internal planning purposes. The impacts across the portfolios are different because of the sensitivities of each of the portfolios to specific macroeconomic variables, for example, mortgages are highly sensitive to house prices, credit cards and unsecured consumer loans are highly sensitive to unemployment. The increases in the Downside scenario weightings reflected a reduction in GDP stress severity in the Downside scenarios which brought the GDP of these scenarios closer to the Baseline. The increases in the Upside scenario weightings were driven by the improvement in actual GDP and the Baseline scenario, bringing the Baseline scenario closer to the Upside scenarios. For further details see page 89.

The economic uncertainty adjustments of £16m (2022: £97m) have been applied as overlays to the modelled ECL output. For further details see page 84.

The tables below show the key macroeconomic variables used in the five scenarios (five year annual paths), the probability weights applied to each scenario and the macroeconomic variables by scenario using 'specific bases' i.e. the most extreme position of each variable in the context of the scenario, for example, the highest unemployment for downside scenarios and the lowest unemployment for upside scenarios. Five year average tables and movement over time graphs provide additional transparency. Annual paths show quarterly averages for the year (unemployment and base rate) or change in the year (GDP and HPI).

Baseline As at 31 December 2023	2023 %	2024 %	2025 %	2026 %	2027 %
UK GDP[a]	0.5	0.3	1.2	1.6	1.6
UK unemployment[b]	4.2	4.7	4.7	4.8	5.0
UK HPI[c]	(3.3)	(5.1)	0.7	3.1	5.3
UK bank rate	4.7	4.9	4.1	3.8	3.5
US GDP[a]	2.4	1.3	1.7	1.9	1.9
US unemployment[d]	3.7	4.3	4.3	4.3	4.3
US HPI[e]	5.4	3.4	3.0	3.3	3.3
US federal funds rate	5.1	5.0	3.9	3.8	3.8

Downside 2					
UK GDP[a]	0.5	(1.5)	(2.6)	2.4	1.6
UK unemployment[b]	4.2	5.2	7.9	6.3	5.5
UK HPI[c]	(3.3)	(19.3)	(16.8)	14.5	12.4
UK bank rate	4.7	6.6	1.3	1.0	1.0
US GDP[a]	2.4	(0.6)	(2.0)	3.1	2.0
US unemployment[d]	3.7	5.2	7.2	5.9	5.2
US HPI[e]	5.4	(6.5)	(5.7)	7.2	6.4
US federal funds rate	5.1	6.3	1.8	1.5	1.5

Downside 1					
UK GDP[a]	0.5	(0.6)	(0.7)	2.0	1.6
UK unemployment[b]	4.2	4.9	6.3	5.6	5.2
UK HPI[c]	(3.3)	(12.4)	(8.3)	8.7	8.8
UK bank rate	4.7	5.8	2.7	2.5	2.3
US GDP[a]	2.4	0.3	(0.2)	2.5	1.9
US unemployment[d]	3.7	4.7	5.8	5.1	4.8
US HPI[e]	5.4	(1.7)	(1.4)	5.2	4.8
US federal funds rate	5.1	5.7	2.9	2.8	2.8

Upside 2					
UK GDP[a]	0.5	2.4	3.7	2.9	2.4
UK unemployment[b]	4.2	3.9	3.5	3.6	3.6
UK HPI[c]	(3.3)	7.8	7.6	4.5	5.6
UK bank rate	4.7	4.3	2.7	2.5	2.5
US GDP[a]	2.4	2.8	3.1	2.8	2.8
US unemployment[d]	3.7	3.5	3.6	3.6	3.6
US HPI[e]	5.4	6.1	4.3	4.5	4.6
US federal funds rate	5.1	4.3	2.9	2.8	2.8

Upside 1					
UK GDP[a]	0.5	1.4	2.5	2.3	2.0
UK unemployment[b]	4.2	4.3	4.1	4.2	4.3
UK HPI[c]	(3.3)	1.2	4.1	3.8	5.4
UK bank rate	4.7	4.6	3.4	3.3	3.0
US GDP[a]	2.4	2.0	2.4	2.4	2.4
US unemployment[d]	3.7	3.9	3.9	4.0	4.0
US HPI[e]	5.4	4.7	3.7	3.9	3.9
US federal funds rate	5.1	4.7	3.5	3.3	3.3

Baseline As at 31 December 2022	2022 %	2023 %	2024 %	2025 %	2026 %
UK GDP[a]	3.3	(0.8)	0.9	1.8	1.9
UK unemployment[b]	3.7	4.5	4.4	4.1	4.2
UK HPI[c]	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[a]	1.8	0.5	1.2	1.5	1.5
US unemployment[d]	3.7	4.3	4.7	4.7	4.7
US HPI[e]	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 As at 31 December 2022	2022 %	2023 %	2024 %	2025 %	2026 %
UK GDP[a]	3.3	(3.4)	(3.8)	2.0	2.3
UK unemployment[b]	3.7	6.0	8.4	8.0	7.4
UK HPI[c]	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[a]	1.8	(2.7)	(3.4)	2.0	2.6
US unemployment[d]	3.7	6.0	8.5	8.1	7.1
US HPI[e]	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 As at 31 December 2022	2022 %	2023 %	2024 %	2025 %	2026 %
UK GDP[a]	3.3	(2.1)	(1.5)	1.9	2.1
UK unemployment[b]	3.7	5.2	6.4	6.0	5.8
UK HPI[c]	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[a]	1.8	(1.1)	(1.1)	1.7	2.1
US unemployment[d]	3.7	5.1	6.6	6.4	5.9
US HPI[e]	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 As at 31 December 2022	2022 %	2023 %	2024 %	2025 %	2026 %
UK GDP[a]	3.3	2.8	3.7	2.9	2.4
UK unemployment[b]	3.7	3.5	3.4	3.4	3.4
UK HPI[c]	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[a]	1.8	3.3	3.5	2.8	2.8
US unemployment[d]	3.7	3.3	3.3	3.3	3.3
US HPI[e]	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 As at 31 December 2022	2022 %	2023 %	2024 %	2025 %	2026 %
UK GDP[a]	3.3	1.0	2.3	2.4	2.1
UK unemployment[b]	3.7	4.0	3.9	3.8	3.8
UK HPI[c]	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[a]	1.8	1.9	2.3	2.2	2.2
US unemployment[d]	3.7	3.8	4.0	4.0	4.0
US HPI[e]	11.2	3.8	3.3	3.4	3.4
US federal funds rate	2.1	3.9	3.4	3.0	3.0

Notes
a Average Real GDP seasonally adjusted change in year.
b Average UK unemployment rate 16-year+.
c Change in year end UK HPI = Halifax All Houses, All Buyers index, relative to prior year end.
d Average US civilian unemployment rate 16-year+.
e Change in year end US HPI = FHFA house price index, relative to prior year end.

Scenario probability weighting (audited)[a]

	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
	%	%	%	%	%
As at 31 December 2023					
Scenario probability weighting	**13.8**	**24.7**	**32.4**	**18.3**	**10.8**
As at 31 December 2022					
Scenario probability weighting	10.9	23.1	39.4	17.6	9.0

Note
a For further details on changes to scenario weights see page 86.

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 points relative to the start point in the 20 quarter period.

Macroeconomic variables used in the calculation of ECL (specific bases) (audited)[a]

	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
	%	%	%	%	%
As at 31 December 2023					
UK GDP[b]	**13.4**	**9.6**	**1.1**	**(1.3)**	**(4.1)**
UK unemployment[c]	**3.5**	**3.9**	**4.7**	**6.5**	**8.3**
UK HPI[d]	**23.8**	**11.5**	**0.1**	**(22.5)**	**(35.0)**
UK bank rate[c]	**2.5**	**3.0**	**4.2**	**6.8**	**8.5**
US GDP[b]	**15.1**	**12.3**	**1.8**	**0.6**	**(1.7)**
US unemployment[c]	**3.4**	**3.5**	**4.2**	**5.9**	**7.5**
US HPI[d]	**27.4**	**23.5**	**3.7**	**0.4**	**(7.6)**
US federal funds rate[c]	**2.8**	**3.3**	**4.3**	**6.8**	**8.5**
As at 31 December 2022					
UK GDP[b]	13.9	9.4	1.4	(3.2)	(6.8)
UK unemployment[c]	3.4	3.6	4.2	6.6	8.5
UK HPI[d]	37.8	21.0	1.2	(17.9)	(35.0)
UK bank rate[c]	0.5	0.5	3.5	6.3	8.0
US GDP[b]	14.1	9.6	1.3	(2.5)	(6.3)
US unemployment[c]	3.3	3.6	4.4	6.7	8.6
US HPI[d]	35.0	27.5	3.8	3.7	0.2
US federal funds rate[c]	0.1	0.1	3.3	6.0	7.0

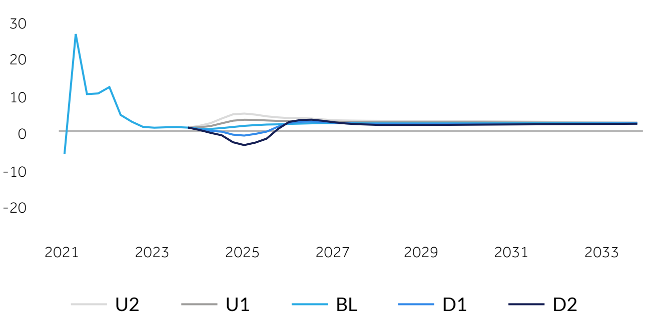
Average basis represents the average quarterly value of variables in the 20 quarter period with GDP and HPI based on yearly average and quarterly CAGRs respectively.

Macroeconomic variables used in the calculation of ECL (5 year averages) (audited)[a]	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
	%	%	%	%	%
As at 31 December 2023					
UK GDP[e]	**2.4**	**1.7**	**1.1**	**0.6**	**0.1**
UK unemployment[f]	**3.7**	**4.2**	**4.7**	**5.2**	**5.8**
UK HPI[g]	**4.4**	**2.2**	**0.1**	**(1.7)**	**(3.5)**
UK bank rate[f]	**3.3**	**3.8**	**4.2**	**3.6**	**2.9**
US GDP[e]	**2.8**	**2.3**	**1.8**	**1.4**	**0.9**
US unemployment[f]	**3.6**	**3.9**	**4.2**	**4.8**	**5.4**
US HPI[g]	**5.0**	**4.3**	**3.7**	**2.4**	**1.2**
US federal funds rate[f]	**3.6**	**4.0**	**4.3**	**3.9**	**3.2**
As at 31 December 2022					
UK GDP[e]	3.0	2.2	1.4	0.7	0.0
UK unemployment[f]	3.5	3.8	4.2	5.4	6.7
UK HPI[g]	6.6	3.9	1.2	(2.6)	(6.4)
UK bank rate[f]	2.5	2.9	3.5	4.7	5.8
US GDP[e]	2.9	2.1	1.3	0.7	0.0
US unemployment[f]	3.4	3.9	4.4	5.5	6.7
US HPI[g]	6.2	5.0	3.8	2.5	1.2
US federal funds rate[f]	2.8	3.1	3.3	4.3	5.2

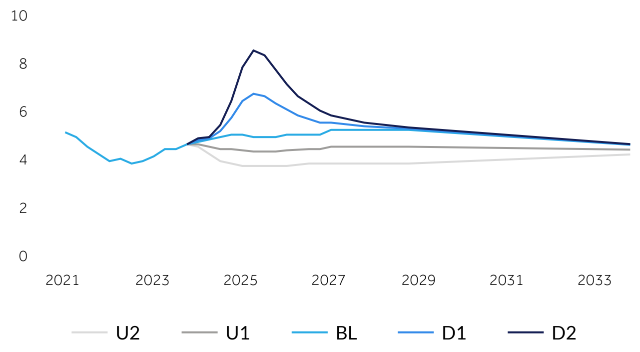
Notes
a UK GDP = Real GDP growth seasonally adjusted; UK unemployment = UK unemployment rate 16-year+; UK HPI = Halifax All Houses, All Buyers Index; US GDP = Real GDP growth seasonally adjusted; US unemployment = US civilian unemployment rate 16-year+; US HPI = FHFA house price index. 20 quarter period starts from Q123 (2022: Q122).
b Maximum growth relative to Q422 (2022: Q421), based on 20 quarter period in Upside scenarios; 5-year yearly average CAGR in Baseline; minimum growth relative to Q422 (2022: Q421), based on 20 quarter period in Downside scenarios.
c Lowest quarter in Upside scenarios; 5-year average in Baseline; highest quarter in Downside scenarios. Period based on 20 quarters from Q123 (2022: Q122).
d 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.
e 5-year yearly average CAGR, starting 2023 (2022: 2021).
f 5-year average. Period based on 20 quarters from Q123 (2022: Q122).
g 5-year quarter end CAGR, starting Q422 (2022: Q421).

The graphs below plot the historical data for GDP growth rate and unemployment rate in the UK and US as well as the forecasted data under each of the five scenarios.

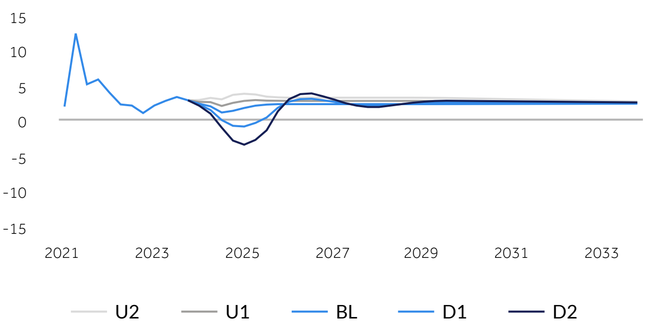
UK GDP
(%)



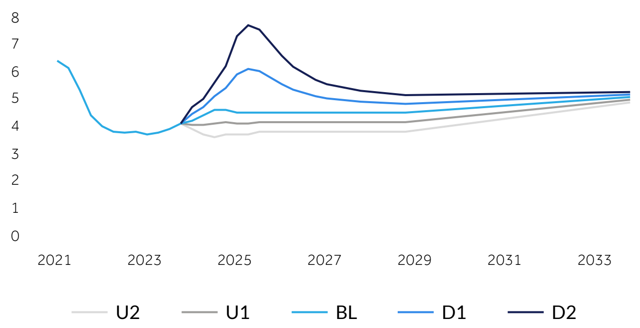
UK unemployment
(%)



US GDP
(%)



US unemployment
(%)



GDP growth based on year on year growth each quarter (Q/(Q-4))

ECL under 100% weighted scenarios for modelled portfolios (audited)

The table below shows the Expected Credit Loss (ECL) assuming scenarios have been 100% weighted with the dispersion of results around the Baseline, highlighting the impact on exposure and ECL across the scenarios.

Model exposure uses exposure at default (EAD) values and is not directly comparable to gross exposure used in prior disclosures.

Barclays Bank Group (audited)	Scenarios					
As at 31 December 2023	Weighted[a]	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
Stage 1 Model exposure (£m)						
Retail mortgages	2,858	2,891	2,877	2,856	2,828	2,785
Retail credit cards[b]	49,088	49,021	49,041	49,059	49,161	49,241
Retail other[b]	—	—	—	—	—	—
Corporate loans	157,168	159,242	158,560	157,681	155,431	152,198
Stage 1 Model ECL (£m)						
Retail mortgages	4	4	4	4	5	5
Retail credit cards[b]	446	423	435	447	460	474
Retail other[b]	—	—	—	—	—	—
Corporate loans	241	211	223	238	260	276
Stage 1 Coverage (%)						
Retail mortgages	0.1	0.1	0.1	0.1	0.2	0.2
Retail credit cards	0.9	0.9	0.9	0.9	0.9	1.0
Retail other	—	—	—	—	—	—
Corporate loans	0.2	0.1	0.1	0.2	0.2	0.2
Stage 2 Model exposure (£m)						
Retail mortgages	357	324	338	359	387	430
Retail credit cards[b]	4,624	4,535	4,577	4,621	4,679	4,758
Retail other[b]	—	—	—	—	—	—
Corporate loans	19,630	17,386	18,125	19,126	21,485	24,859
Stage 2 Model ECL (£m)						
Retail mortgages	30	22	25	29	36	42
Retail credit cards[b]	1,191	1,113	1,150	1,189	1,243	1,307
Retail other[b]	—	—	—	—	—	—
Corporate loans	516	390	435	488	617	833
Stage 2 Coverage (%)						
Retail mortgages	8.4	6.8	7.4	8.1	9.3	9.8
Retail credit cards	25.8	24.5	25.1	25.7	26.6	27.5
Retail other	—	—	—	—	—	—
Corporate loans	2.6	2.2	2.4	2.6	2.9	3.4
Stage 3 Model exposure (£m)[c]						
Retail mortgages	558	558	558	558	558	558
Retail credit cards[b]	1,596	1,596	1,596	1,596	1,596	1,596
Retail other[b]	—	—	—	—	—	—
Corporate loans	45	45	45	45	45	45
Stage 3 Model ECL (£m)						
Retail mortgages	312	302	306	311	319	327
Retail credit cards[b]	1,229	1,194	1,211	1,227	1,254	1,276
Retail other[b]	—	—	—	—	—	—
Corporate loans[d]	29	29	29	29	29	29
Stage 3 Coverage (%)						
Retail mortgages	55.9	54.1	54.8	55.7	57.2	58.6
Retail credit cards	77.0	74.8	75.9	76.9	78.6	79.9
Retail other	—	—	—	—	—	—
Corporate loans[d]	64.4	64.4	64.4	64.4	64.4	64.4
Total Model ECL (£m)						
Retail mortgages	346	328	335	344	360	374
Retail credit cards[b]	2,866	2,730	2,796	2,863	2,957	3,057
Retail other[b]	—	—	—	—	—	—
Corporate loans[d]	786	630	687	755	906	1,138
Total Model ECL	**3,998**	**3,688**	**3,818**	**3,962**	**4,223**	**4,569**

Reconciliation to total ECL	£m
Total weighted model ECL	**3,998**
ECL from individually assessed exposures[d]	**289**
ECL from non-modelled exposures and others	**221**
ECL from debt securities at amortised cost	**24**
ECL from post model management adjustments[e]	**(18)**
Of which: ECL from economic uncertainty adjustments	***16***
Total ECL	**4,514**

Notes
a Model exposures are allocated to a stage based on an individual scenario rather than a probability-weighted approach, as required for Barclays reported impairment allowance. As a result, it is not possible to back solve the final reported weighted ECL from individual scenarios given balances may be assigned to a different stage dependent on the scenario.
b Model exposures and ECL reported within Retail credit cards and Retail other exclude the German Consumer Finance business which has now been classified as assets held for sale.
c Model exposures allocated to Stage 3 do not change in any of the scenarios as the transition criteria relies only on an observable evidence of default as at 31st December 2023 and not on macroeconomic scenario.
d Material corporate loan defaults are individually assessed across different recovery strategies. As a result, ECL of £289m is reported as an individually assessed impairment in the reconciliation table.
e Post Model Adjustments include negative adjustments reflecting operational post model adjustments.

The use of five scenarios with associated weightings results in a total weighted ECL uplift from the Baseline ECL of 0.9%.

Retail mortgages: Total weighted ECL of £346m represents a 0.6% increase over the Baseline ECL (£344m) reflecting stress on customer affordability.

Retail credit cards: Total weighted ECL of £2,866m is aligned to the Baseline ECL (£2,863m). Total ECL increases to £3,057m under the Downside 2 scenario, driven by an increase in US unemployment rate.

Corporate loans: Total weighted ECL of £786m represents a 4.1% increase over the Baseline ECL (£755m) reflecting the range of economic scenarios used, with exposures in the Investment Bank being particularly sensitive to the Downside 2 scenario.

Barclays Bank Group (audited)	Scenarios					
As at 31 December 2022	Weighted[a]	Upside 2	Upside 1	Baseline	Downside 1	Downside 2
Stage 1 Model exposure (£m)						
Retail mortgages	3,622	3,652	3,642	3,627	3,593	3,557
Retail credit cards	50,916	50,855	50,814	50,798	50,935	51,021
Retail other	2,256	2,220	2,211	2,200	2,226	2,269
Corporate loans	136,432	140,372	139,516	138,288	133,076	122,794
Stage 1 Model ECL (£m)						
Retail mortgages	3	3	3	3	3	4
Retail credit cards	393	380	388	395	398	401
Retail other	13	10	12	13	15	17
Corporate loans	303	233	259	290	352	391
Stage 1 Coverage (%)						
Retail mortgages	0.1	0.1	0.1	0.1	0.1	0.1
Retail credit cards	0.8	0.7	0.8	0.8	0.8	0.8
Retail other	0.6	0.5	0.5	0.6	0.7	0.7
Corporate loans	0.2	0.2	0.2	0.2	0.3	0.3
Stage 2 Model exposure (£m)						
Retail mortgages	252	223	233	248	281	317
Retail credit cards	4,421	4,007	4,268	4,502	4,684	4,929
Retail other	201	210	230	252	242	214
Corporate loans	18,151	14,039	14,957	16,306	21,645	32,121
Stage 2 Model ECL (£m)						
Retail mortgages	24	14	18	22	34	45
Retail credit cards	1,103	984	1,044	1,103	1,181	1,279
Retail other	32	24	28	32	38	41
Corporate loans	527	367	418	489	689	1,107
Stage 2 Coverage (%)						
Retail mortgages	9.5	6.3	7.7	8.9	12.1	14.2
Retail credit cards	24.9	24.6	24.5	24.5	25.2	25.9
Retail other	15.9	11.4	12.2	12.7	15.7	19.2
Corporate loans	2.9	2.6	2.8	3.0	3.2	3.4
Stage 3 Model exposure (£m)[b]						
Retail mortgages	583	583	583	583	583	583
Retail credit cards	1,108	1,108	1,108	1,108	1,108	1,108
Retail other	49	49	49	49	49	49
Corporate loans	37	37	37	37	37	37
Stage 3 Model ECL (£m)						
Retail mortgages	319	308	313	317	328	337
Retail credit cards	839	821	830	839	851	861
Retail other	35	35	35	35	35	35
Corporate loans[c]	21	21	21	21	21	21
Stage 3 Coverage (%)						
Retail mortgages	54.7	52.8	53.7	54.4	56.3	57.8
Retail credit cards	75.7	74.1	74.9	75.7	76.8	77.7
Retail other	71.4	71.4	71.4	71.4	71.4	71.4
Corporate loans[c]	56.8	56.8	56.8	56.8	56.8	56.8
Total Model ECL (£m)						
Retail mortgages	346	325	334	342	365	386
Retail credit cards	2,335	2,185	2,262	2,337	2,430	2,541
Retail other	80	69	75	80	88	93
Corporate loans[c]	851	621	698	800	1,062	1,519
Total Model ECL	**3,612**	**3,200**	**3,369**	**3,559**	**3,945**	**4,539**

Reconciliation to total ECL	£m
Total weighted model ECL	3,612
ECL from individually assessed exposures[c]	316
ECL from non-modelled exposures and others	405
ECL from debt securities at amortised cost	41
ECL from post model management adjustments[d]	(22)
Of which: ECL from economic uncertainty adjustments	*97*
Total ECL	**4,352**

Notes
a Model exposures are allocated to a stage based on an individual scenario rather than a probability-weighted approach, as required for Barclays reported impairment allowances. As a result, it is not possible to back solve the final reported weighted ECL from individual scenarios given balances may be assigned to a different stage dependent on the scenario.
b Model exposures allocated to Stage 3 do not change in any of the scenarios as the transition criteria relies only on an observable evidence of default as at 31st December 2022 and not on macroeconomic scenario.
c Material corporate loan defaults are individually assessed across different recovery strategies. As a result, ECL of £316m is reported as an individually assessed impairment in the reconciliation table.
d Post Model Adjustments include negative adjustments reflecting operational post model adjustments.

Analysis of the concentration of credit risk

A concentration of credit risk exists when a number of counterparties are located in a common geographical region or are engaged in similar activities and have similar economic characteristics that would cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. The Barclays Bank Group implements limits on concentrations in order to mitigate the risk.

The table below presents an industry credit risk concentration analysis of loans and advances at amortised cost net of impairment allowance including breakdown by geographical location of the counterparty or customers. Further includes debt securities at amortised cost, off-balance sheet commitments and financial guarantees and contingent liabilities at amortised cost by geography.

Further detail on the Barclays Bank Group's policies with regard to managing concentration risk is presented in the Barclays Bank PLC Pillar 3 Report 2023 (unaudited).

Credit risk concentration by Industry and Geography (audited)

Loans and advances at amortised cost net of impairment allowance

Industry	Geography				
	United Kingdom	Americas	Europe	Others	Total
Barclays Bank Group					
As at 31 December 2023	£m	£m	£m	£m	£m
Agriculture, Food and Forest Products	**79**	**—**	**—**	**5**	**84**
Mining and Quarrying	**484**	**843**	**260**	**121**	**1,708**
Manufacturing	**3,693**	**1,279**	**826**	**416**	**6,214**
Government and central bank	**1,265**	**—**	**5**	**30**	**1,300**
Banks	**955**	**3,605**	**1,496**	**1,889**	**7,945**
Energy and water	**2,123**	**487**	**879**	**180**	**3,669**
Materials and Building	**10,111**	**2,620**	**446**	**113**	**13,290**
Wholesale and retail distribution and leisure	**5,097**	**1,061**	**481**	**452**	**7,091**
Transport and storage	**522**	**536**	**182**	**118**	**1,358**
Home Loans	**3,208**	**96**	**3,869**	**829**	**8,002**
Business and other services	**12,059**	**5,491**	**3,164**	**1,022**	**21,736**
Other Financial Institutions	**11,326**	**25,588**	**6,481**	**2,532**	**45,927**
Cards, unsecured loans and other personal lending	**911**	**24,855**	**1,382**	**729**	**27,877**
Total loans and advances at amortised cost	**51,833**	**66,461**	**19,471**	**8,436**	**146,201**
Debt securities at amortised cost	**17,599**	**9,910**	**9,980**	**1,557**	**39,046**
Total loans and advances at amortised cost including debt	**69,432**	**76,371**	**29,451**	**9,993**	**185,247**
Contingent liabilities	**7,156**	**10,263**	**5,919**	**2,225**	**25,563**
Loan commitments	**45,475**	**227,606**	**41,571**	**8,080**	**322,732**
Total off-balance sheet[a]	**52,631**	**237,869**	**47,490**	**10,305**	**348,295**
As at 31 December 2022					
Agriculture, Food and Forest Products	89	—	—	—	89
Mining and Quarrying	571	757	152	42	1,522
Manufacturing	4,250	1,683	803	610	7,346
Government and central bank	1,306	—	16	434	1,756
Banks	852	3,406	1,455	2,234	7,947
Energy and water	1,748	751	1,278	196	3,973
Materials and Building	10,201	2,258	436	170	13,065
Wholesale and retail distribution and leisure	5,742	1,176	678	568	8,164
Transport and storage	627	598	186	340	1,751
Home Loans	3,421	580	6,493	911	11,405
Business and other services	11,099	6,015	1,645	1,469	20,228
Other Financial Institutions	12,488	22,875	6,046	2,066	43,475
Cards, unsecured loans and other personal lending	3,048	24,853	5,745	837	34,483
Total loans and advances at amortised cost	55,442	64,952	24,933	9,877	155,204
Debt securities at amortised cost	11,829	7,681	6,599	1,194	27,303
Total loans and advances at amortised cost including debt	67,271	72,633	31,532	11,071	182,507
Contingent liabilities	7,530	9,987	4,699	2,161	24,377
Loan commitments	44,636	229,704	40,172	6,994	321,506
Total off-balance sheet[a]	52,166	239,691	44,871	9,155	345,883

Note
a The Off-balance sheet contingent liabilities and loan commitments excludes the fair value balance of £16,469m in 2023 (2022: £14,894m).

Loans and advances at amortised cost net of impairment allowance

Industry	Geography				
	United Kingdom	Americas	Europe	Others	Total
Barclays Bank PLC					
As at 31 December 2023	£m	£m	£m	£m	£m
Agriculture, Food and Forest Products	**79**	**—**	**—**	**5**	**84**
Mining and Quarrying	**481**	**838**	**1**	**121**	**1,441**
Manufacturing	**3,608**	**1,217**	**311**	**397**	**5,533**
Government and central bank	**1,264**	**—**	**—**	**30**	**1,294**
Banks	**631**	**3,145**	**7,306**	**3,148**	**14,230**
Energy and water	**2,113**	**451**	**722**	**180**	**3,466**
Materials and Building	**10,106**	**2,560**	**258**	**70**	**12,994**
Wholesale and retail distribution and leisure	**5,094**	**1,057**	**160**	**429**	**6,740**
Transport and storage	**522**	**434**	**66**	**111**	**1,133**
Home Loans	**3,089**	**88**	**572**	**726**	**4,475**
Business and other services	**11,519**	**4,255**	**2,150**	**968**	**18,892**
Other Financial Institutions	**136,123**	**26,040**	**4,376**	**3,198**	**169,737**
Cards, unsecured loans and other personal lending	**1,121**	**269**	**739**	**291**	**2,420**
Total loans and advances at amortised cost	**175,750**	**40,354**	**16,661**	**9,674**	**242,439**
Debt securities at amortised cost	**17,529**	**5,827**	**8,664**	**1,556**	**33,576**
Total loans and advances at amortised cost including debt securities	**193,279**	**46,181**	**25,325**	**11,230**	**276,015**
Contingent liabilities	**43,051**	**12,159**	**10,370**	**2,109**	**67,689**
Loan commitments	**43,227**	**127,210**	**15,773**	**7,292**	**193,502**
Total off-balance sheet[a]	**86,278**	**139,369**	**26,143**	**9,401**	**261,191**
As at 31 December 2022					
Agriculture, Food and Forest Products	89	—	—	—	89
Mining and Quarrying	569	745	26	42	1,382
Manufacturing	4,123	1,614	393	447	6,577
Government and central bank	1,306	—	—	434	1,740
Banks	681	3,463	7,370	2,849	14,363
Energy and water	1,745	751	1,127	196	3,819
Materials and Building	10,201	2,174	174	125	12,674
Wholesale and retail distribution and leisure	5,736	1,129	197	516	7,578
Transport and storage	597	568	71	332	1,568
Home Loans	3,154	404	2,190	764	6,512
Business and other services	11,071	5,607	1,007	1,069	18,754
Other Financial Institutions	93,271	20,747	4,291	3,493	121,802
Cards, unsecured loans and other personal lending	2,866	832	1,039	311	5,048
Total loans and advances at amortised cost	135,409	38,034	17,885	10,578	201,906
Debt securities at amortised cost	11,467	4,846	6,372	1,192	23,877
Total loans and advances at amortised cost including debt	146,876	42,880	24,257	11,770	225,783
Contingent liabilities	35,878	11,919	10,897	2,086	60,780
Loan commitments	42,401	130,692	15,984	6,320	195,397
Total off-balance sheet[a]	78,279	142,611	26,881	8,406	256,177

Note
a The off-balance sheet contingent liabilities and loan commitments excludes the fair value balance of £14,489m in 2023 (2022: £13,362m).

Approach to management and representation of credit quality

Asset credit quality

The credit quality distribution is based on the IFRS 9 12 month probability of default (PD) at the reporting date to ensure comparability with other ECL disclosures in Expected Credit Losses section on pages 68 to 95 The Barclays Bank Group uses the following internal measures to determine credit quality for loans:

PD Range %	Internal DG Band	Default Probability			Credit Quality description	Moody's	Standard and Poor's
		>Min	Mid	<=Max			
0.00 to < 0.15	1	0.00%	0.01%	0.02%	Strong	Aaa, Aa1, Aa2	AAA, AA+, AA
	2	0.02%	0.03%	0.03%		Aa3	AA-
	3	0.03%	0.04%	0.05%		A1, A2, A3	A+
	4	0.05%	0.08%	0.10%		A1, A2, A3	A, A-
	5	0.10%	0.13%	0.15%		Baa1	BBB+
0.15 to < 0.25	6	0.15%	0.18%	0.20%	Strong	Baa2	BBB
	7	0.20%	0.23%	0.25%		Baa2	BBB
0.25 to < 0.50	8	0.25%	0.28%	0.30%	Strong	Baa3	BBB-
	9	0.30%	0.35%	0.40%		Baa3	BBB-
	10	0.40%	0.45%	0.50%		Ba1	BB+
0.50 to < 0.75	11	0.50%	0.55%	0.60%	Strong	Ba1	BB+
	12	0.60%	0.68%	0.75%	Satisfactory	Ba1, Ba2	BB, BB-
0.75 to < 2.50	12	0.75%	0.98%	1.20%	Satisfactory	Ba1, Ba2, Ba3	BB, BB-
	13	1.20%	1.38%	1.55%		Ba3	BB-
	14	1.55%	1.85%	2.15%		Ba3	B+
	15	2.15%	2.33%	2.50%		B1	B+
2.50 to < 10.00	15	2.50%	2.78%	3.05%	Satisfactory	B1	B+
	16	3.05%	3.75%	4.45%		B2	B+
	17	4.45%	5.40%	6.35%		B3, Caa1	B
	18	6.35%	7.50%	8.65%		B3, Caa1	B-
	19	8.65%	9.32%	10.00%		B3, Caa1	B-
10.00 to < 100.00	19	10.00%	10.67%	11.35%	Satisfactory	B3, Caa1	B-
	20	11.35%	15.00%	18.65%	Higher Risk	Caa2	CCC+
	21	18.65%	30.00%	99.99%	Higher Risk	Caa3, Ca, C	CCC, CCC-, CC+ ,CC, C
100.00 (Default)	22	100%	100%	100%	Credit Impaired	D	D

For retail clients, a range of analytical tools are used to derive the probability of default of clients at inception and on an ongoing basis. These credit quality descriptions can be summarised as follows:

Strong: there is a very high likelihood of the asset being recovered in full.

Satisfactory: while there is a high likelihood that the asset will be recovered and therefore, of no cause for concern to the Barclays Bank Group, the asset may not be collateralised, or may relate to unsecured retail facilities. At the lower end of this grade there are customers that are being more carefully monitored, for example, corporate customers which are indicating some evidence of deterioration, mortgages with a high loan to value, and unsecured retail loans operating outside normal product guidelines.

Higher risk: there is concern over the obligor's ability to make payments when due. However, these have not yet converted to actual delinquency. There may also be doubts over the value of collateral or security provided. However, the borrower or counterparty is continuing to make payments when due and is expected to settle all outstanding amounts of principal and interest.

Debt securities

For assets held at fair value, the carrying value on the balance sheet will include, among other things, the credit risk of the issuer. Most listed and some unlisted securities are rated by external rating agencies. The Barclays Bank Group mainly uses external credit ratings provided by Standard & Poor's, Fitch or Moody's. Where such ratings are not available or are not current, the Barclays Bank Group will use its own internal ratings for the securities.

Balance sheet credit quality

The following tables present the credit quality of Barclays Bank Group assets exposed to credit risk.

Overview

As at 31 December 2023, the ratio of the Barclays Bank Group's on-balance sheet assets classified as strong (0.0 < 0.60%) at 87% (2022: 86%) of total assets exposed to credit risk.

Balance sheet credit quality (audited)

Barclays Bank Group	PD Range	0.0 to <0.60%	0.60 to <11.35%	11.35% to 100%	Total	0.0 to <0.60%	0.60 to <11.35%	11.35% to 100%	Total
As at 31 December 2023		£m	£m	£m	£m	%	%	%	%
Cash and balances at central banks		189,686	—	—	189,686	100	—	—	100
Cash collateral and settlement balances		93,911	9,789	8	103,708	91	9	—	100
Loans and advances at amortised cost									
Retail mortgages		5,444	2,115	443	8,002	68	26	6	100
Retail credit cards		7,077	16,355	1,079	24,511	29	67	4	100
Retail other		2,687	403	276	3,366	80	12	8	100
Corporate loans		86,530	21,338	2,454	110,322	79	19	2	100
Total loans and advances at amortised cost		101,738	40,211	4,252	146,201	69	28	3	100
Debt securities at amortised cost		38,892	153	1	39,046	100	—	—	100
Reverse repurchase agreements and other similar secured lending		933	170	—	1,103	85	15	—	100
Trading portfolio assets:									
Debt securities		65,430	9,642	387	75,459	86	13	1	100
Traded loans		4,006	5,893	2,754	12,653	32	46	22	100
Total trading portfolio assets		69,436	15,535	3,141	88,112	78	18	4	100
Financial assets at fair value through the income statement:									
Loans and advances		29,436	16,830	275	46,541	63	36	1	100
Debt securities		1,412	1,091	42	2,545	55	43	2	100
Reverse repurchase agreements		112,799	35,988	344	149,131	76	24	—	100
Other financial assets		59	22	—	81	73	27	—	100
Total financial assets at fair value through the income statement		143,706	53,931	661	198,298	73	27	—	100
Derivative financial instruments		244,361	11,616	134	256,111	95	5	—	100
Financial assets at fair value through other comprehensive income		50,966	455	—	51,421	99	1	—	100
Other assets		2,011	54	3	2,068	97	3	—	100
Assets held for sale		1,110	2,618	127	3,855	29	68	3	100
Total on-balance sheet		936,750	134,532	8,327	1,079,609	87	12	1	100
As at 31 December 2022									
Cash and balances at central banks		202,142	—	—	202,142	100	—	—	100
Cash collateral and settlement balances		96,688	10,886	288	107,862	90	10	—	100
Loans and advances at amortised cost									
Retail mortgages		10,096	636	673	11,405	88	6	6	100
Retail credit cards		9,290	14,903	1,209	25,402	36	59	5	100
Retail other		5,703	1,639	382	7,724	74	21	5	100
Corporate loans		81,535	26,809	2,329	110,673	74	24	2	100
Total loans and advances at amortised cost		106,624	43,987	4,593	155,204	69	28	3	100
Debt securities at amortised cost		27,115	186	2	27,303	99	1	—	100
Reverse repurchase agreements and other similar secured lending		725	—	—	725	100	—	—	100
Trading portfolio assets:									
Debt securities		50,208	4,891	331	55,430	90	9	1	100
Traded loans		3,214	8,273	1,711	13,198	24	63	13	100
Total trading portfolio assets		53,422	13,164	2,042	68,628	78	19	3	100
Financial assets at fair value through the income statement:									
Loans and advances		13,508	24,573	109	38,190	36	64	—	100
Debt securities		2,097	1,055	65	3,217	65	33	2	100
Reverse repurchase agreements		124,811	38,339	1,548	164,698	76	23	1	100
Other financial assets		68	21	—	89	76	24	—	100
Total financial assets at fair value through the income statement		140,484	63,988	1,722	206,194	68	31	1	100
Derivative financial instruments		285,087	17,606	283	302,976	94	6	—	100
Financial assets at fair value through other comprehensive income		45,081	3	—	45,084	100	—	—	100
Other assets		1,455	47	—	1,502	97	3	—	100
Assets held for sale		—	—	—	—	—	—	—	—
Total on-balance sheet		958,823	149,867	8,930	1,117,620	86	13	1	100

Balance sheet credit quality (audited)

Barclays Bank PLC	PD Range	0.0 to <0.60%	0.60 to <11.35%	11.35% to 100%	Total	0.0 to <0.60%	0.60 to <11.35%	11.35% to 100%	Total
As at 31 December 2023		£m	£m	£m	£m	%	%	%	%
Cash and balances at central banks		153,701	—	—	153,701	100	—	—	100
Cash collateral and settlement balances		70,188	5,079	4	75,271	93	7	—	100
Loans and advances at amortised cost									
Retail mortgages		4,145	52	278	4,475	93	1	6	100
Retail credit cards		—	—	—	—	—	—	—	—
Retail other		1,902	287	231	2,420	78	12	10	100
Corporate loans		213,839	19,520	2,185	235,544	91	8	1	100
Total loans and advances at amortised cost		219,886	19,859	2,694	242,439	91	8	1	100
Debt securities at amortised cost		33,424	151	1	33,576	100	—	—	100
Reverse repurchase agreements and other similar secured lending		6,706	170	—	6,876	98	2	—	100
Trading portfolio assets:									
Debt securities		30,021	7,108	363	37,492	80	19	1	100
Traded loans		4,006	5,839	2,754	12,599	32	46	22	100
Total trading portfolio assets		34,027	12,947	3,117	50,091	68	26	6	100
Financial assets at fair value through the income statement:									
Loans and advances		44,565	7,154	217	51,936	86	14	—	100
Debt securities		2,617	945	42	3,604	73	26	1	100
Reverse repurchase agreements		176,548	31,393	343	208,284	85	15	—	100
Other financial assets		17	—	—	17	100	—	—	100
Total financial assets at fair value through the income statement		223,747	39,492	602	263,841	85	15	—	100
Derivative financial instruments		215,659	9,539	103	225,301	96	4	—	100
Financial assets at fair value through other comprehensive income		49,926	455	—	50,381	99	1	—	100
Other assets		2,199	—	3	2,202	100	—	—	100
Total on-balance sheet		1,009,463	87,692	6,524	1,103,679	91	8	1	100
As at 31 December 2022									
Cash and balances at central banks		170,307	—	—	170,307	100	—	—	100
Cash collateral and settlement balances		76,648	5,582	141	82,371	93	7	—	100
Loans and advances at amortised cost									
Retail mortgages		6,004	92	446	6,542	92	1	7	100
Retail credit cards		—	—	—	—	—	—	—	—
Retail other		3,152	326	201	3,679	86	9	5	100
Corporate loans		164,900	24,648	2,137	191,685	86	13	1	100
Total loans and advances at amortised cost		174,056	25,066	2,784	201,906	87	12	1	100
Debt securities at amortised cost		23,706	169	2	23,877	99	1	—	100
Reverse repurchase agreements and other similar secured lending		5,908	—	—	5,908	100	—	—	100
Trading portfolio assets:									
Debt securities		26,440	4,639	331	31,410	84	15	1	100
Traded loans		3,050	8,265	1,656	12,971	24	63	13	100
Total trading portfolio assets		29,490	12,904	1,987	44,381	67	29	4	100
Financial assets at fair value through the income statement:									
Loans and advances		33,907	11,841	82	45,830	74	26	—	100
Debt securities		2,935	889	45	3,869	76	23	1	100
Reverse repurchase agreements		164,833	31,185	1,422	197,440	83	16	1	100
Other financial assets		27	—	—	27	100	—	—	100
Total financial assets at fair value through the income statement		201,702	43,915	1,549	247,166	81	18	1	100
Derivative financial instruments		242,838	15,613	257	258,708	94	6	—	100
Financial assets at fair value through other comprehensive income		43,083	3	—	43,086	100	—	—	100
Other assets		1,701	24	—	1,725	99	1	—	100
Total on-balance sheet		969,439	103,276	6,720	1,079,435	89	10	1	100

Credit exposures by internal PD grade

The below tables represent credit risk profiles by PD grade for loans and advances at amortised cost, contingent liabilities and loan commitments.

Stage 1 higher risk assets, presented gross of associated collateral held, are of weaker credit quality but have not significantly deteriorated since origination.

IFRS 9 Stage 1 and Stage 2 classification is not dependent solely on the absolute probability of default but on elements that determine a Significant Increase in Credit Risk, including relative movement in probability of default since initial recognition. There is therefore no direct relationship between credit quality and IFRS 9 stage classification.

Credit risk profile by internal PD grade for retail mortgages (audited)

As at 31 December 2023			Gross carrying amount				Allowance for ECL				Net exposure	Coverage ratio
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	£m	%
Barclays Bank Group												
1-3	0.0 to <0.05%	Strong	1	—	—	1	—	—	—	—	1	—
4-5	0.05 to <0.15%	Strong	3	—	—	3	—	—	—	—	3	—
6-8	0.15 to <0.30%	Strong	55	—	—	55	—	—	—	—	55	—
9-11	0.30 to <0.60%	Strong	5,392	—	—	5,392	7	—	—	7	5,385	0.1
12-14	0.60 to <2.15%	Satisfactory	1,803	78	—	1,881	4	—	—	4	1,877	0.2
15-19	2.15 to <11.35%	Satisfactory	3	252	—	255	—	17	—	17	238	6.7
20-21	11.35 to <100%	Higher Risk	—	59	—	59	—	11	—	11	48	18.6
22	100%	Credit Impaired	—	—	716	716	—	—	321	321	395	44.8
Total			7,257	389	716	8,362	11	28	321	360	8,002	4.3

Credit risk profile by internal PD grade for retail credit cards[d] (audited)

As at 31 December 2023			Gross carrying amount				Allowance for ECL				Net exposure	Coverage ratio
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	£m	%
Barclays Bank Group												
1-3	0.0 to <0.05%	Strong	10	—	—	10	—	—	—	—	10	—
4-5	0.05 to <0.15%	Strong	488	—	—	488	1	—	—	1	487	0.2
6-8	0.15 to <0.30%	Strong	2,394	2	—	2,396	7	—	—	7	2,389	0.3
9-11	0.30 to <0.60%	Strong	4,210	3	—	4,213	22	—	—	22	4,191	0.5
12-14	0.60 to <2.15%	Satisfactory	8,360	125	—	8,485	109	12	—	121	8,364	1.4
15-19	2.15 to <11.35%	Satisfactory	6,699	2,051	—	8,750	254	505	—	759	7,991	8.7
20-21	11.35 to <100%	Higher Risk	154	1,269	—	1,423	19	621	—	640	783	45.0
22	100%	Credit Impaired	—	—	1,522	1,522	—	—	1,226	1,226	296	80.6
Total			22,315	3,450	1,522	27,287	412	1,138	1,226	2,776	24,511	10.2

Credit risk profile by internal PD grade for retail other[d] (audited)

As at 31 December 2023			Gross carrying amount				Allowance for ECL				Net exposure	Coverage ratio
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	£m	%
Barclays Bank Group												
1-3	0.0 to <0.05%	Strong	—	—	—	—	—	—	—	—	—	—
4-5	0.05 to <0.15%	Strong	3	—	—	3	—	—	—	—	3	—
6-8	0.15 to <0.30%	Strong	8	—	—	8	—	—	—	—	8	—
9-11	0.30 to <0.60%	Strong	2,684	—	—	2,684	8	—	—	8	2,676	0.3
12-14	0.60 to <2.15%	Satisfactory	25	1	—	26	—	—	—	—	26	0.0
15-19	2.15 to <11.35%	Satisfactory	14	364	—	378	—	1	—	1	377	0.3
20-21	11.35 to <100%	Higher Risk	—	4	—	4	—	1	—	1	3	25.0
22	100%	Credit Impaired	—	—	308	308	—	—	35	35	273	11.4
Total			2,734	369	308	3,411	8	2	35	45	3,366	1.3

Credit risk profile by internal PD grade for corporate loans (audited)

As at 31 December 2023			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank Group												
1-3	0.0 to <0.05%	Strong	37,180	143	4	37,327	—	—	2	2	37,325	—
4-5	0.05 to <0.15%	Strong	21,498	92	—	21,590	12	—	—	12	21,578	0.1
6-8	0.15 to <0.30%	Strong	10,447	318	—	10,765	8	2	—	10	10,755	0.1
9-11	0.30 to <0.60%	Strong	16,579	327	—	16,906	31	3	—	34	16,872	0.2
12-14	0.60 to <2.15%	Satisfactory	12,129	3,412	—	15,541	55	28	—	83	15,458	0.5
15-19	2.15 to <11.35%	Satisfactory	3,029	3,034	—	6,063	64	119	—	183	5,880	3.0
20-21	11.35 to <100%	Higher Risk	94	1,641	—	1,735	9	157	—	166	1,569	9.6
22	100%	Credit Impaired	—	—	1,231	1,231	—	—	346	346	885	28.1
Total			100,956	8,967	1,235	111,158	179	309	348	836	110,322	0.8

Credit risk profile by internal PD grade for Loans and Advances at amortised cost[d] (audited)

As at 31 December 2023			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank Group												
1-3	0.0 to <0.05%	Strong	37,191	143	4	37,338	—	—	2	2	37,336	—
4-5	0.05 to <0.15%	Strong	21,992	92	—	22,084	13	—	—	13	22,071	0.1
6-8	0.15 to <0.30%	Strong	12,904	320	—	13,224	15	2	—	17	13,207	0.1
9-11	0.30 to <0.60%	Strong	28,865	330	—	29,195	68	3	—	71	29,124	0.2
12-14	0.60 to <2.15%	Satisfactory	22,317	3,616	—	25,933	168	40	—	208	25,725	0.8
15-19	2.15 to <11.35%	Satisfactory	9,745	5,701	—	15,446	318	642	—	960	14,486	6.2
20-21	11.35 to <100%	Higher Risk	248	2,973	—	3,221	28	790	—	818	2,403	25.4
22	100%	Credit Impaired	—	—	3,777	3,777	—	—	1,928	1,928	1,849	51.0
Total			133,262	13,175	3,781	150,218	610	1,477	1,930	4,017	146,201	2.7

Credit risk profile by internal PD grade for retail mortgages (audited)

As at 31 December 2022			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank Group												
1-3	0.0 to <0.05%	Strong	4	—	—	4	—	—	—	—	4	—
4-5	0.05 to <0.15%	Strong	5	—	—	5	—	—	—	—	5	—
6-8	0.15 to <0.30%	Strong	623	—	—	623	—	—	—	—	623	—
9-11	0.30 to <0.60%	Strong	9,474	2	—	9,476	12	—	—	12	9,464	0.1
12-14	0.60 to <2.15%	Satisfactory	350	53	—	403	—	2	—	2	401	0.5
15-19	2.15 to <11.35%	Satisfactory	2	247	—	249	—	14	—	14	235	5.6
20-21	11.35 to <100%	Higher Risk	—	60	—	60	—	9	—	9	51	15.0
22	100%	Credit Impaired	—	—	978	978	—	—	356	356	622	36.4
Total			10,458	362	978	11,798	12	25	356	393	11,405	3.3

Credit risk profile by internal PD grade for retail credit cards (audited)

As at 31 December 2022			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank Group												
1-3	0.0 to <0.05%	Strong	113	—	—	113	—	—	—	—	113	—
4-5	0.05 to <0.15%	Strong	1,877	—	—	1,877	3	—	—	3	1,874	0.2
6-8	0.15 to <0.30%	Strong	3,215	—	—	3,215	7	—	—	7	3,208	0.2
9-11	0.30 to <0.60%	Strong	4,099	15	—	4,114	17	2	—	19	4,095	0.5
12-14	0.60 to <2.15%	Satisfactory	1,669	861	—	2,530	12	93	—	105	2,425	4.2
15-19	2.15 to <11.35%	Satisfactory	11,356	1,856	—	13,212	245	489	—	734	12,478	5.6
20-21	11.35 to <100%	Higher Risk	340	1,148	—	1,488	47	543	—	590	898	39.7
22	100%	Credit Impaired	—	—	1,129	1,129	—	—	818	818	311	72.5
Total			22,669	3,880	1,129	27,678	331	1,127	818	2,276	25,402	8.2

Credit risk profile by internal PD grade for retail other (audited)

As at 31 December 2022			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank Group												
1-3	0.0 to <0.05%	Strong	—	—	—	—	—	—	—	—	—	—
4-5	0.05 to <0.15%	Strong	52	—	—	52	—	—	—	—	52	—
6-8	0.15 to <0.30%	Strong	214	—	—	214	—	—	—	—	214	—
9-11	0.30 to <0.60%	Strong	5,465	—	—	5,465	28	—	—	28	5,437	0.5
12-14	0.60 to <2.15%	Satisfactory	891	20	—	911	4	3	—	7	904	0.8
15-19	2.15 to <11.35%	Satisfactory	291	466	—	757	6	16	—	22	735	2.9
20-21	11.35 to <100%	Higher Risk	2	38	—	40	—	10	—	10	30	25.0
22	100%	Credit Impaired	—	—	523	523	—	—	171	171	352	32.7
Total			6,915	524	523	7,962	38	29	171	238	7,724	3.0

Credit risk profile by internal PD grade for corporate loans (audited)

As at 31 December 2022			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank Group												
1-3	0.0 to <0.05%	Strong	35,830	588	5	36,423	—	1	3	4	36,419	—
4-5	0.05 to <0.15%	Strong	20,474	235	—	20,709	6	1	—	7	20,702	—
6-8	0.15 to <0.30%	Strong	10,831	1,369	—	12,200	16	4	—	20	12,180	0.2
9-11	0.30 to <0.60%	Strong	11,538	731	—	12,269	30	5	—	35	12,234	0.3
12-14	0.60 to <2.15%	Satisfactory	14,467	2,107	—	16,574	152	25	—	177	16,397	1.1
15-19	2.15 to <11.35%	Satisfactory	6,701	3,914	—	10,615	93	110	—	203	10,412	1.9
20-21	11.35 to <100%	Higher Risk	280	1,540	—	1,820	7	129	—	136	1,684	7.5
22	100%	Credit Impaired	—	—	935	935	—	—	290	290	645	31.0
Total			100,121	10,484	940	111,545	304	275	293	872	110,673	0.8

Credit risk profile by internal PD grade for Loans and Advances at amortised cost (audited)

As at 31 December 2022

Grading	PD range %	Credit quality description	Gross carrying amount Stage 1 £m	Gross carrying amount Stage 2 £m	Gross carrying amount Stage 3 £m	Gross carrying amount Total £m	Allowance for ECL Stage 1 £m	Allowance for ECL Stage 2 £m	Allowance for ECL Stage 3 £m	Allowance for ECL Total £m	Net exposure £m	Coverage ratio %
Barclays Bank Group												
1-3	0.0 to <0.05%	Strong	35,947	588	5	36,540	—	1	3	4	36,536	—
4-5	0.05 to <0.15%	Strong	22,408	235	—	22,643	9	1	—	10	22,633	—
6-8	0.15 to <0.30%	Strong	14,883	1,369	—	16,252	23	4	—	27	16,225	0.2
9-11	0.30 to <0.60%	Strong	30,576	748	—	31,324	87	7	—	94	31,230	0.3
12-14	0.60 to <2.15%	Satisfactory	17,377	3,041	—	20,418	168	123	—	291	20,127	1.4
15-19	2.15 to <11.35%	Satisfactory	18,350	6,483	—	24,833	344	629	—	973	23,860	3.9
20-21	11.35 to <100%	Higher Risk	622	2,786	—	3,408	54	691	—	745	2,663	21.9
22	100%	Credit Impaired	—	—	3,565	3,565	—	—	1,635	1,635	1,930	45.9
Total			140,163	15,250	3,570	158,983	685	1,456	1,638	3,779	155,204	2.4

As at 31 December 2023

Credit risk profile by internal PD grade for contingent liabilities[a] (audited)

Barclays Bank Group Grading	PD range %	Credit quality description	Gross carrying amount Stage 1 £m	Gross carrying amount Stage 2 £m	Gross carrying amount Stage 3 £m	Gross carrying amount Total £m	Allowance for ECL Stage 1 £m	Allowance for ECL Stage 2 £m	Allowance for ECL Stage 3 £m	Allowance for ECL Total £m	Net exposure £m	Coverage ratio %
1-3	0.0 to < 0.05%	Strong	9,071	79	—	9,150	1	—	—	1	9,149	—
4-5	0.05 to < 0.15%	Strong	3,337	3	—	3,340	2	—	—	2	3,338	0.1
6-8	0.15 to < 0.30%	Strong	3,211	157	—	3,368	3	1	—	4	3,364	0.1
9-11	0.30 to < 0.60%	Strong	2,848	285	—	3,133	3	4	—	7	3,126	0.2
12-14	0.60 to < 2.15%	Satisfactory	2,388	701	—	3,089	8	6	—	14	3,075	0.5
15-19	2.15 to < 11.35%	Satisfactory	1,501	1,027	—	2,528	27	41	—	68	2,460	2.7
20-21	11.35 to < 100%	Higher Risk	17	355	—	372	1	61	—	62	310	16.7
22	100%	Credit Impaired	—	—	583	583	—	—	22	22	561	3.8
Total			22,373	2,607	583	25,563	45	113	22	180	25,383	0.7

As at 31 December 2022

Credit risk profile by internal PD grade for contingent liabilities[a] (audited)

Barclays Bank Group Grading	PD range %	Credit quality description	Gross carrying amount Stage 1 £m	Gross carrying amount Stage 2 £m	Gross carrying amount Stage 3 £m	Gross carrying amount Total £m	Allowance for ECL Stage 1 £m	Allowance for ECL Stage 2 £m	Allowance for ECL Stage 3 £m	Allowance for ECL Total £m	Net exposure £m	Coverage ratio %
1-3	0.0 to < 0.05%	Strong	7,290	149	—	7,439	2	1	—	3	7,436	—
4-5	0.05 to < 0.15%	Strong	4,210	348	—	4,558	2	1	—	3	4,555	0.1
6-8	0.15 to < 0.30%	Strong	2,733	180	—	2,913	3	3	—	6	2,907	0.2
9-11	0.30 to < 0.60%	Strong	3,161	214	—	3,375	8	1	—	9	3,366	0.3
12-14	0.60 to < 2.15%	Satisfactory	1,989	751	—	2,740	21	6	—	27	2,713	1.0
15-19	2.15 to < 11.35%	Satisfactory	1,626	686	—	2,312	49	35	—	84	2,228	3.6
20-21	11.35 to < 100%	Higher Risk	58	440	—	498	2	64	—	66	432	13.3
22	100%	Credit Impaired	—	—	542	542	—	—	3	3	539	0.6
Total			21,067	2,768	542	24,377	87	111	3	201	24,176	0.8

As at 31 December 2023

Credit risk profile by internal PD grade for loan commitments[a,c] (audited)

Barclays Bank Group			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
1-3	0.0 to < 0.05%	Strong	70,899	692	—	71,591	2	—	—	2	71,589	—
4-5	0.05 to < 0.15%	Strong	63,058	277	—	63,335	6	1	—	7	63,328	—
6-8	0.15 to < 0.30%	Strong	55,992	2,524	—	58,516	12	1	—	13	58,503	—
9-11	0.30 to < 0.60%	Strong	54,685	1,242	—	55,927	21	1	—	22	55,905	—
12-14	0.60 to < 2.15%	Satisfactory	45,196	3,647	—	48,843	36	14	—	50	48,793	0.1
15-19	2.15 to < 11.35%	Satisfactory	12,758	7,334	—	20,092	43	61	—	104	19,988	0.5
20-21	11.35 to < 100%	Higher Risk	574	3,595	—	4,169	2	72	—	74	4,095	1.8
22	100%	Credit Impaired	—	—	259	259	—	—	21	21	238	8.1
Total			303,162	19,311	259	322,732	122	150	21	293	322,439	0.1

As at 31 December 2022

Credit risk profile by internal PD grade for loan commitments[a,c] (audited)

Barclays Bank Group			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
1-3	0.0 to < 0.05%	Strong	69,737	725	—	70,462	6	—	—	6	70,456	—
4-5	0.05 to < 0.15%	Strong	72,221	3,649	—	75,870	5	1	—	6	75,864	—
6-8	0.15 to < 0.30%	Strong	59,350	2,258	—	61,608	12	2	—	14	61,594	—
9-11	0.30 to < 0.60%	Strong	40,750	1,878	—	42,628	13	4	—	17	42,611	—
12-14	0.60 to < 2.15%	Satisfactory	26,100	4,355	—	30,455	47	14	—	61	30,394	0.2
15-19	2.15 to < 11.35%	Satisfactory	29,166	6,407	—	35,573	61	65	—	126	35,447	0.4
20-21	11.35 to < 100%	Higher Risk	678	3,886	—	4,564	3	78	—	81	4,483	1.8
22	100%	Credit Impaired	—	—	346	346	—	—	20	20	326	5.8
Total			298,002	23,158	346	321,506	147	164	20	331	321,175	0.1

Notes
a Excludes loan commitments and financial guarantees carried at fair value of £16.5bn (2022: 14.9bn) for Barclays Bank Group.
b PD bandings 2.15% to <10% and 10% to <11.35% have been merged for an enhanced presentation. The prior period comparative has been aligned accordingly.
c Loan commitments reported also include exposures relating to financial assets classified as assets held for sale.
d Exposures reported within Retail credit cards and Retail other does not include the German Consumer Finance business classified as assets held for sale.

Credit risk profile by internal PD grade for retail mortgages (audited)

As at 31 December 2023			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank PLC												
1-3	0.0 to <0.05%	Strong	—	—	—	—	—	—	—	—	—	—
4-5	0.05 to <0.15%	Strong	—	—	—	—	—	—	—	—	—	—
6-8	0.15 to <0.30%	Strong	—	—	—	—	—	—	—	—	—	—
9-11	0.30 to <0.60%	Strong	4,150	—	—	4,150	5	—	—	5	4,145	0.1
12-14	0.60 to <2.15%	Satisfactory	—	—	—	—	—	—	—	—	—	0.0
15-19	2.15 to <11.35%	Satisfactory	—	52	—	52	—	—	—	—	52	0.0
20-21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	0.0
22	100%	Credit Impaired	—	—	572	572	—	—	294	294	278	51.4
Total			4,150	52	572	4,774	5	—	294	299	4,475	6.3

Credit risk profile by internal PD grade for retail other (audited)

As at 31 December 2023			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank PLC												
1-3	0.0 to <0.05%	Strong	—	—	—	—	—	—	—	—	—	—
4-5	0.05 to <0.15%	Strong	—	—	—	—	—	—	—	—	—	—
6-8	0.15 to <0.30%	Strong	—	—	—	—	—	—	—	—	—	—
9-11	0.30 to <0.60%	Strong	1,908	—	—	1,908	6	—	—	6	1,902	0.3
12-14	0.60 to <2.15%	Satisfactory	5	—	—	5	—	—	—	—	5	0.0
15-19	2.15 to <11.35%	Satisfactory	—	283	—	283	—	1	—	1	282	0.4
20-21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	0.0
22	100%	Credit Impaired	—	—	249	249	—	—	18	18	231	7.2
Total			1,913	283	249	2,445	6	1	18	25	2,420	1.0

Credit risk profile by internal PD grade for corporate loans (audited)

As at 31 December 2023			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank PLC												
1-3	0.0 to <0.05%	Strong	170,498	142	2	170,642	7	—	2	9	170,633	—
4-5	0.05 to <0.15%	Strong	19,035	26	—	19,061	12	—	—	12	19,049	0.1
6-8	0.15 to <0.30%	Strong	9,458	298	—	9,756	6	1	—	7	9,749	0.1
9-11	0.30 to <0.60%	Strong	14,127	313	—	14,440	29	3	—	32	14,408	0.2
12-14	0.60 to <2.15%	Satisfactory	11,248	3,072	—	14,320	46	23	—	69	14,251	0.5
15-19	2.15 to <11.35%	Satisfactory	2,725	2,698	—	5,423	58	96	—	154	5,269	2.8
20-21	11.35 to <100%	Higher Risk	86	1,546	—	1,632	9	141	—	150	1,482	9.2
22	100%	Credit Impaired	—	—	999	999	—	—	296	296	703	29.6
Total			227,177	8,095	1,001	236,273	167	264	298	729	235,544	0.3

Credit risk profile by internal PD grade for Loans and Advances at amortised cost[b] (audited)

As at 31 December 2023			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank PLC												
1-3	0.0 to <0.05%	Strong	170,498	142	2	170,642	7	—	2	9	170,633	—
4-5	0.05 to <0.15%	Strong	19,035	26	—	19,061	12	—	—	12	19,049	0.1
6-8	0.15 to <0.30%	Strong	9,458	298	—	9,756	6	1	—	7	9,749	0.1
9-11	0.30 to <0.60%	Strong	20,185	313	—	20,498	40	3	—	43	20,455	0.2
12-14	0.60 to <2.15%	Satisfactory	11,253	3,072	—	14,325	46	23	—	69	14,256	0.5
15-19	2.15 to <11.35%	Satisfactory	2,725	3,033	—	5,758	58	97	—	155	5,603	2.7
20-21	11.35 to <100%	Higher Risk	86	1,546	—	1,632	9	141	—	150	1,482	9.2
22	100%	Credit Impaired	—	—	1,820	1,820	—	—	608	608	1,212	33.4
Total			233,240	8,430	1,822	243,492	178	265	610	1,053	242,439	0.4

Credit risk profile by internal PD grade for retail mortgages (audited)

As at 31 December 2022			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank PLC												
1-3	0.0 to <0.05%	Strong	—	—	—	—	—	—	—	—	—	—
4-5	0.05 to <0.15%	Strong	—	—	—	—	—	—	—	—	—	—
6-8	0.15 to <0.30%	Strong	2	—	—	2	—	—	—	—	2	—
9-11	0.30 to <0.60%	Strong	6,010	—	—	6,010	8	—	—	8	6,002	0.1
12-14	0.60 to <2.15%	Satisfactory	2	3	—	5	—	—	—	—	5	—
15-19	2.15 to <11.35%	Satisfactory	—	89	—	89	—	2	—	2	87	2.2
20-21	11.35 to <100%	Higher Risk	—	1	—	1	—	—	—	—	1	—
22	100%	Credit Impaired	—	—	757	757	—	—	312	312	445	41.2
Total			6,014	93	757	6,864	8	2	312	322	6,542	4.7

Credit risk profile by internal PD grade for retail other (audited)

As at 31 December 2022			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank PLC												
1-3	0.0 to <0.05%	Strong	—	—	—	—	—	—	—	—	—	—
4-5	0.05 to <0.15%	Strong	—	—	—	—	—	—	—	—	—	—
6-8	0.15 to <0.30%	Strong	—	—	—	—	—	—	—	—	—	—
9-11	0.30 to <0.60%	Strong	3,165	—	—	3,165	13	—	—	13	3,152	0.4
12-14	0.60 to <2.15%	Satisfactory	6	—	—	6	—	—	—	—	6	—
15-19	2.15 to <11.35%	Satisfactory	1	321	—	322	—	2	—	2	320	0.6
20-21	11.35 to <100%	Higher Risk	—	—	—	—	—	—	—	—	—	—
22	100%	Credit Impaired	—	—	254	254	—	—	53	53	201	20.9
Total			3,172	321	254	3,747	13	2	53	68	3,679	1.8

Credit risk profile by internal PD grade for corporate loans (audited)

As at 31 December 2022			Gross carrying amount				Allowance for ECL					
Grading	PD range %	Credit quality description	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Stage 1 £m	Stage 2 £m	Stage 3 £m	Total £m	Net exposure £m	Coverage ratio %
Barclays Bank PLC												
1-3	0.0 to <0.05%	Strong	124,891	1,013	5	125,909	12	1	3	16	125,893	—
4-5	0.05 to <0.15%	Strong	16,715	234	—	16,949	8	1	—	9	16,940	0.1
6-8	0.15 to <0.30%	Strong	9,872	1,260	—	11,132	15	3	—	18	11,114	0.2
9-11	0.30 to <0.60%	Strong	10,379	608	—	10,987	30	4	—	34	10,953	0.3
12-14	0.60 to <2.15%	Satisfactory	13,232	1,920	—	15,152	138	22	—	160	14,992	1.1
15-19	2.15 to <11.35%	Satisfactory	6,083	3,755	—	9,838	86	96	—	182	9,656	1.8
20-21	11.35 to <100%	Higher Risk	268	1,465	—	1,733	8	125	—	133	1,600	7.7
22	100%	Credit Impaired	—	—	786	786	—	—	249	249	537	31.7
Total			181,440	10,255	791	192,486	297	252	252	801	191,685	0.4

Credit risk profile by internal PD grade for Loans and Advances at amortised cost[b] (audited)

As at 31 December 2022

Grading	PD range %	Credit quality description	Gross carrying amount Stage 1 £m	Gross carrying amount Stage 2 £m	Gross carrying amount Stage 3 £m	Gross carrying amount Total £m	Allowance for ECL Stage 1 £m	Allowance for ECL Stage 2 £m	Allowance for ECL Stage 3 £m	Allowance for ECL Total £m	Net exposure £m	Coverage ratio %
Barclays Bank PLC												
1-3	0.0 to <0.05%	Strong	124,891	1,013	5	125,909	12	1	3	16	125,893	—
4-5	0.05 to <0.15%	Strong	16,715	234	—	16,949	8	1	—	9	16,940	0.1
6-8	0.15 to <0.30%	Strong	9,874	1,260	—	11,134	15	3	—	18	11,116	0.2
9-11	0.30 to <0.60%	Strong	19,554	608	—	20,162	51	4	—	55	20,107	0.3
12-14	0.60 to <2.15%	Satisfactory	13,240	1,923	—	15,163	138	22	—	160	15,003	1.1
15-19	2.15 to <11.35%	Satisfactory	6,084	4,165	—	10,249	86	100	—	186	10,063	1.8
20-21	11.35 to <100%	Higher Risk	268	1,466	—	1,734	8	125	—	133	1,601	7.7
22	100%	Credit Impaired	—	—	1,797	1,797	—	—	614	614	1,183	34.2
Total			190,626	10,669	1,802	203,097	318	256	617	1,191	201,906	0.6

As at 31 December 2023

Credit risk profile by internal PD grade for contingent liabilities[a] (audited)

Grading	PD range %	Credit quality description	Gross carrying amount Stage 1 £m	Gross carrying amount Stage 2 £m	Gross carrying amount Stage 3 £m	Gross carrying amount Total £m	Allowance for ECL Stage 1 £m	Allowance for ECL Stage 2 £m	Allowance for ECL Stage 3 £m	Allowance for ECL Total £m	Net exposure £m	Coverage ratio %
Barclays Bank PLC												
1-3	0.0 to < 0.05%	Strong	55,024	79	—	55,103	3	—	—	3	55,100	—
4-5	0.05 to < 0.15%	Strong	2,419	1	—	2,420	1	—	—	1	2,419	—
6-8	0.15 to < 0.30%	Strong	2,271	139	—	2,410	2	1	—	3	2,407	0.1
9-11	0.30 to < 0.60%	Strong	2,549	164	—	2,713	3	4	—	7	2,706	0.3
12-14	0.60 to < 2.15%	Satisfactory	1,910	370	—	2,280	8	5	—	13	2,267	0.6
15-19	2.15 to < 11.35%	Satisfactory	1,213	676	—	1,889	26	33	—	59	1,830	3.1
20-21	11.35 to < 100%	Higher Risk	14	314	—	328	1	58	—	59	269	18.0
22	100%	Credit Impaired	—	—	546	546	—	—	22	22	524	4.0
Total			65,400	1,743	546	67,689	44	101	22	167	67,522	0.2

As at 31 December 2022

Credit risk profile by internal PD grade for contingent liabilities[a] (audited)

Grading	PD range %	Credit quality description	Gross carrying amount Stage 1 £m	Gross carrying amount Stage 2 £m	Gross carrying amount Stage 3 £m	Gross carrying amount Total £m	Allowance for ECL Stage 1 £m	Allowance for ECL Stage 2 £m	Allowance for ECL Stage 3 £m	Allowance for ECL Total £m	Net exposure £m	Coverage ratio %
Barclays Bank PLC												
1-3	0.0 to < 0.05%	Strong	47,460	147	—	47,607	7	1	—	8	47,599	—
4-5	0.05 to < 0.15%	Strong	3,198	344	—	3,542	2	1	—	3	3,539	0.1
6-8	0.15 to < 0.30%	Strong	2,026	134	—	2,160	2	3	—	5	2,155	0.2
9-11	0.30 to < 0.60%	Strong	2,615	50	—	2,665	5	—	—	5	2,660	0.2
12-14	0.60 to < 2.15%	Satisfactory	1,564	323	—	1,887	16	4	—	20	1,867	1.1
15-19	2.15 to < 11.35%	Satisfactory	1,452	482	—	1,934	47	26	—	73	1,861	3.8
20-21	11.35 to < 100%	Higher Risk	55	431	—	486	2	63	—	65	421	13.4
22	100%	Credit Impaired	—	—	499	499	—	—	3	3	496	0.6
Total			58,370	1,911	499	60,780	81	98	3	182	60,598	0.3

As at 31 December 2023

Credit risk profile by internal PD grade for loan commitments[a] (audited)

Barclays Bank PLC			Gross carrying amount				Allowance for ECL					
	PD range	Credit quality	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Net exposure	Coverage ratio
Grading	%	description	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
1-3	0.0 to < 0.05%	Strong	70,355	690	—	71,045	2	—	—	2	71,043	—
4-5	0.05 to < 0.15%	Strong	42,697	241	—	42,938	3	—	—	3	42,935	—
6-8	0.15 to < 0.30%	Strong	20,070	2,438	—	22,508	4	1	—	5	22,503	—
9-11	0.30 to < 0.60%	Strong	16,558	1,020	—	17,578	10	1	—	11	17,567	0.1
12-14	0.60 to < 2.15%	Satisfactory	19,334	2,965	—	22,299	18	7	—	25	22,274	0.1
15-19	2.15 to < 11.35%	Satisfactory	7,605	5,598	—	13,203	25	46	—	71	13,132	0.5
20-21	11.35 to < 100%	Higher Risk	482	3,236	—	3,718	1	45	—	46	3,672	1.2
22	100%	Credit Impaired	—	—	213	213	—	—	22	22	191	10.3
Total			177,101	16,188	213	193,502	63	100	22	185	193,317	0.1

As at 31 December 2022

Credit risk profile by internal PD grade for loan commitments[a] (audited)

Barclays Bank PLC			Gross carrying amount				Allowance for ECL					
	PD range	Credit quality	Stage 1	Stage 2	Stage 3	Total	Stage 1	Stage 2	Stage 3	Total	Net exposure	Coverage ratio
Grading	%	description	£m	£m	£m	£m	£m	£m	£m	£m	£m	%
1-3	0.0 to < 0.05%	Strong	69,839	473	—	70,312	2	—	—	2	70,310	—
4-5	0.05 to < 0.15%	Strong	41,526	2,405	—	43,931	3	1	—	4	43,927	—
6-8	0.15 to < 0.30%	Strong	21,669	1,699	—	23,368	4	2	—	6	23,362	—
9-11	0.30 to < 0.60%	Strong	14,176	1,328	—	15,504	5	2	—	7	15,497	—
12-14	0.60 to < 2.15%	Satisfactory	19,218	2,637	—	21,855	39	9	—	48	21,807	0.2
15-19	2.15 to < 11.35%	Satisfactory	11,150	4,956	—	16,106	39	49	—	88	16,018	0.5
20-21	11.35 to < 100%	Higher Risk	517	3,494	—	4,011	—	46	—	46	3,965	1.1
22	100%	Credit Impaired	—	—	309	309	—	—	20	20	289	6.5
Total			178,095	16,992	309	195,396	92	109	20	221	195,175	0.1

Notes
a Excludes loan commitments and financial guarantees carried at fair value of £14.5bn (2022: £13.4bn) for Barclays Bank PLC.
b Nil balance for Retail Credit cards at Barclays Bank PLC.
c PD bandings 2.15% to <10% and 10% to <11.35% have been merged for an enhanced presentation. The prior period comparative has been aligned accordingly.
d Loan commitments reported also include exposures relating to financial assets classified as assets held for sale.

Analysis of specific portfolios and asset types

Retail Credit Cards and Retail Other

The principal portfolios listed below accounted for 89% (2022: 84%) of Barclays Bank Group's total retail credit cards and retail other.

Principal portfolios

	Gross Exposure	30 Day Arrears, excluding recoveries book	90 Day Arrears, excluding recoveries book	Annualised Gross Write-off Rates	Annualised Net Write-off Rates
	£m	%	%	%	%
As at 31 December 2023					
US cards	**27,286**	**2.9**	**1.5**	**2.3**	**2.3**
As at 31 December 2022					
US cards	25,554	2.2	1.2	2.4	2.3
German consumer finance business	4,269	1.7	0.7	0.7	0.6

Portfolios - held for sale

	Gross Exposure	30 Day Arrears, excluding recoveries book	90 Day Arrears, excluding recoveries book	Annualised Gross Write-off Rates	Annualised Net Write-off Rates
	£m	%	%	%	%
As at 31 December 2023					
German consumer finance business	**4,094**	**1.7**	**0.8**	**1.0**	**1.0**

US cards: 30 and 90 day arrears rates increased to 2.9% (2022: 2.2%) and 1.5% (2022: 1.2%) respectively due to an anticipated higher flow into and through delinquency, as rates returned to pre-pandemic levels. Write off rates remained broadly stable at 2.3%.

German consumer finance business: Gross exposure decreased 4% following business reprioritisation and discontinuation of Open Market loans originations. 30 and 90 day arrears rates remained stable and write-off rates increased due to the impact of accepting higher loan amount applications during 2022, which has since been discontinued.

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■ Market risk overview	112	Outlines key measures used to summarise the market risk profile of the Barclays Bank Group such as VaR.
■ Measures of market risk in the Barclays Bank Group and accounting measures	112	
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■ Traded market risk review	112	The Barclays Bank Group discloses details on management measures of market risk. Total management VaR includes all trading positions and is presented on a diversified basis by risk factor.
■ **Review of management measures**	112	
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Risk performance

Market risk

All disclosures in this section, pages 112 to 113 are unaudited unless otherwise stated.

Overview

This section contains key statistics describing the market risk profile of the Barclays Bank Group:

- The market risk management section on page 54 provides a description of management VaR. Management measures are shown below.

Measures of market risk in the Barclays Bank Group and accounting measures

Traded market risk measures such as VaR and balance sheet exposure measures have fundamental differences:
- Balance sheet measures show accruals-based balances or marked to market values as at the reporting date
- VaR measures also take account of current marked to market values but, in addition, hedging effects between positions are considered
- Market risk measures are expressed in terms of changes in value or volatilities as opposed to static values.

For these reasons, it is not possible to present direct reconciliations of traded market risk and accounting measures.

Summary of performance in the period

Average management VaR increased 17% to £42m (2022: £36m) and the range narrowed. The increase was driven by the impact of funded, fair value leverage loan exposure in Investment Banking since Q4 2022, partially offset by lower market volatility and credit spread levels in 2023 as geopolitical tensions eased, relative to 2022, inflation declined and the pace of interest rate rises moderated. Management VaR declined in 2023 from a high of £72m in November 2022, driven by a reduction in the size of the funded, fair value leverage loan exposure in Investment Banking.

Traded market risk review

Review of management measures

The following disclosures provide details of management measures of market risk.

The table below shows the total management VaR on a diversified basis by risk factor. Total management VaR includes all trading positions in CIB and the supporting Barclays Bank Group Treasury desks, measured to a confidence level of 95%.

Limits are applied against each risk factor VaR as well as total management VaR, which are then cascaded further by risk managers to each business.

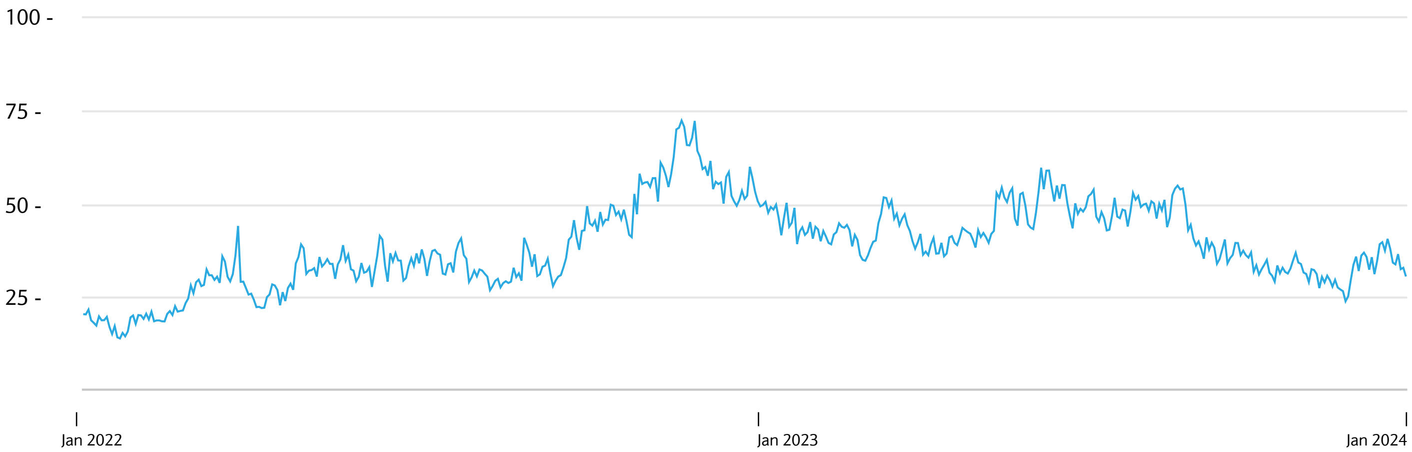
The daily average, high and low values of management VaR

Management VaR (95%, one day) (audited)

	2023			2022		
	Average	High	Low	Average	High	Low
For the year ended 31 December	£m	£m	£m	£m	£m	£m
Credit risk	40	57	22	25	71	8
Interest rate risk	15	25	9	13	23	4
Equity risk	6	10	3	10	29	4
Basis risk	13	24	8	12	24	4
Spread risk	9	14	6	7	11	3
Foreign exchange risk	4	9	1	7	25	2
Commodity risk	—	1	—	—	1	—
Inflation risk	7	11	2	7	17	3
Diversification effect[a]	(52)	n/a	n/a	(45)	n/a	n/a
Total management VaR	42	60	24	36	72	14

Note
a 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.

Barclays Bank Group Management VaR (£m)



Summary of Contents

Summary of Contents	Page	
Liquidity risk performance		
■ Liquidity risk overview	115	The risk that the firm is unable to meet its contractual or contingent obligations or that it does not have the appropriate amount, tenor and composition of funding and liquidity to support its assets.
■ Liquidity regulation	115	This section provides an overview of the Barclays Bank Group's liquidity risk.
■ Liquidity risk stress testing	115	
■ Net stable funding ratio (NSFR)	115	
■ Contractual maturity of financial assets and liabilities	117	Provides details on the contractual maturity of all financial instruments and other assets and liabilities.
Capital risk performance		
■ Capital risk overview	124	Capital risk is the risk that the firm has an insufficient level or composition of capital to support its normal business activities and to meet its regulatory capital requirements under normal operating environments or stressed conditions (both actual and as defined for internal planning or regulatory testing purposes). This also includes the risk from the firm's pension plans.
– Capital ratios	124	This section details Barclays Bank Group's capital and leverage position.
– Capital resources	124	
– Leverage ratio	124	
■ Foreign exchange risk	125	Barclays Bank Group discloses the two sources of foreign exchange risk that it is exposed to.
– Transactional foreign currency exposure	125	
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■ Pension risk review	126	A review focusing on the UK retirement fund, which represents the majority of Barclays Bank Group's total retirement benefit obligation.
– Assets	126	
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Interest rate risk in the banking book performance		
■ Interest rate risk in the banking book overview and summary of performance	128	A description of the non-traded market risk framework is provided.
■ Net interest income sensitivity	128	Barclays Bank Group discloses a sensitivity analysis on pre-tax net interest income for non-trading financial assets and liabilities. The analysis is carried out by currency.
■ Analysis of equity sensitivity	129	Barclays Bank Group discloses the overall impact of a parallel shift in interest rates on other comprehensive income and cash flow hedges.
■ Volatility of the FVOCI portfolio in the liquidity pool	129	Barclays Bank Group measures the volatility of the value of the FVOCI instruments in the liquidity pool through non-traded market risk VaR.

Liquidity risk

All disclosures in this section, pages 115 to 123, are unaudited unless otherwise stated.

Overview

The efficient management of liquidity is essential to the Barclays Bank Group in order to retain the confidence of markets and maintain the sustainability of the business. The liquidity risk control framework is used to manage all liquidity risk exposures under both business-as-usual and stressed conditions. The liquidity risk framework is designed to maintain liquidity resources that are sufficient in amount, quality and funding tenor profile to support the liquidity risk appetite as expressed by the Barclays Bank PLC Board. The liquidity risk appetite is monitored against both internal and regulatory liquidity metrics.

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 a Domestic Liquidity Sub-Group (Barclays Bank PLC DoLSub) arrangement.

Liquidity regulation

The bank monitors its position against both the LCR (Liquidity Coverage Ratio) and NSFR (Net Stable Funding Ratio) according to the PRA regulatory requirements which include certain Basel III standards that were retained in the UK regulatory framework from 1 January 2022 as part of the UK's withdrawal from the EU. 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 (HQLA) to survive an acute stress scenario lasting for 30 days. The NSFR has been developed to promote a sustainable and stable structure of assets and liabilities.

Liquidity risk stress testing

The Internal Liquidity Stress Test (ILST) measures the potential contractual and contingent stress outflows under a range of stress 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. Barclays Bank PLC DolSub also runs a liquidity stress test which measures the anticipated outflows over a 12 month market-wide scenario.

As at 31 December 2023, Barclays Bank PLC DoLSub held eligible liquid assets well above 100% of net stressed outflows as measured according to its internal and regulatory requirements. The 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 liquidity pool decreased to £176bn (December 2022: £191bn), while the Average LCR increased to 151% (December 2022:134%). The liquidity pool movement was driven by a reduction in wholesale funding led by short term Money Market balances and changes in business funding consumption. The increase in LCR is driven by a decrease in net stress outflows led by an increase in the proportion of corporate deposits treated as operational.

As at 31 December	2023 £bn	2022 £bn
Barclays Bank PLC DoLSub Liquidity Pool	**176**	191
	%	%
Barclays Bank PLC DoLSub Liquidity Coverage Ratio[a]	**151**	134

Note
a Liquidity Coverage Ratio is now shown on an average basis, based on the average of the last 12 spot month end ratios. LCR comparatives have been updated for consistency.

The Barclays Bank Group has direct access to US, European and Asian capital markets through its global investment banking operations and to long-term investors through its clients worldwide. Key sources of wholesale funding include money markets, certificates of deposit, commercial paper, medium term issuances (including structured notes) and securitisations. This funding capacity enables the Barclays Bank Group to maintain a stable and diversified funding base.

The Barclays Bank Group also supports various central bank monetary initiatives, such as the Bank of England's Term Funding Scheme with additional incentives for SMEs (TFSME), and the European Central Bank's Targeted Long-Term Refinancing Operations (TLTRO). These are reported under 'repurchase agreements and other similar secured borrowing' on the balance sheet. In 2023, Barclays Bank Group repaid £0.9bn of TLTRO drawings reducing its outstanding balance to £0.5bn as at 31 December 2023. Barclays Bank Group had £6.9bn TFSME balances outstanding at the year-end.

Net Stable Funding Ratio (NSFR)

The external NSFR metric requires banks to maintain a stable funding profile taking into account both on and certain off balance sheet exposures over a medium to long term period. The ratio is defined as the Available Stable Funding (capital and certain liabilities which are defined as stable sources of funding) relative to the Required Stable Funding (a measure of assets on balance sheet and certain off balance sheet exposures which may require longer term funding). The NSFR (average of last four quarter end ratios) was 110% at December 2023, equivalent to a surplus of £31bn above the regulatory requirement and demonstrates Barclays Bank PLC's stable balance sheet funding profile.

Net Stable Funding Ratio[a]	2023 £bn	2022 £bn
Total Available Stable Funding	**339**	310
Total Required Stable Funding	**308**	288
Surplus	**31**	22
Net Stable Funding Ratio	**110 %**	108 %

Note
a Average represents the last four spot quarter end ratios.

As part of the liquidity risk appetite, Barclays Bank PLC DoLSub establishes minimum LCR, NSFR and internal liquidity stress test limits. Barclays Bank PLC DoLSub plans to maintain its surplus to the internal and regulatory requirements at an efficient level. Risks to market funding conditions, the Barclays Bank Group's liquidity position and funding profile are assessed continuously, and actions are taken to manage the size of the liquidity pool and the funding profile as appropriate.

Contractual maturity of financial assets and liabilities

The table below provides detail on the contractual maturity of all financial instruments and other assets and liabilities. Derivatives (other than those designated in a hedging relationship) and trading portfolio assets and liabilities are included in the 'not more than one month' column at their fair value. Liquidity risk on these items is not managed on the basis of contractual maturity since these items are not held for settlement according to such maturity and will frequently be settled before contractual maturity at fair value. Derivatives designated in a hedging relationship are included according to their contractual maturity.

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank Group	Not more than one month	Over one month but not more than three months	Over three months but not more than six months	Over six months but not more than one year	Over one year but not more than three years	Over three years but not more than five years	Over five years	Total
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m
Assets								
Cash and balances at central banks	189,686	—	—	—	—	—	—	189,686
Cash collateral and settlement balances	56,656	47,052	—	—	—	—	—	103,708
Loans and advances at amortised cost to banks and customers	21,083	5,462	8,269	15,124	42,178	26,186	27,899	146,201
Debt Securities at amortised cost	3	4,781	300	3,910	11,033	8,527	10,492	39,046
Reverse repurchase agreements and other similar secured lending	204	1	—	34	862	—	2	1,103
Trading portfolio assets	174,566	—	—	—	—	—	—	174,566
Financial assets at fair value through the income statement	156,958	17,758	6,213	5,900	11,000	3,456	2,951	204,236
Derivative financial instruments	255,229	100	—	—	275	280	227	256,111
Financial assets at fair value through other comprehensive income	1,278	1,675	283	4,419	7,578	10,765	25,425	51,423
Other financial assets	1,878	18	152	8	11	—	—	2,067
Total financial assets	857,541	76,847	15,217	29,395	72,937	49,214	66,996	1,168,147
Other assets								17,019
Total assets								1,185,166
Liabilities								
Deposits at amortised cost from bank and customers	224,720	31,711	20,530	20,106	2,546	1,337	848	301,798
Cash collateral and settlement balances	64,130	28,858	—	—	—	—	—	92,988
Repurchase agreements and other similar secured borrowing	13,430	12,433	1,307	696	609	—	79	28,554
Debt securities in issue	2,563	17,004	9,683	7,286	2,405	800	5,912	45,653
Subordinated liabilities	257	121	266	204	11,232	7,151	16,672	35,903
Trading portfolio liabilities	57,761	—	—	—	—	—	—	57,761
Financial liabilities designated at fair value	181,214	31,970	13,867	14,579	23,460	13,994	19,489	298,573
Derivative financial instruments	249,404	21	—	—	28	55	372	249,880
Other financial liabilities	6,014	5	12	24	87	66	80	6,288
Total financial liabilities	799,493	122,123	45,665	42,895	40,367	23,403	43,452	1,117,398
Other liabilities								7,264
Total liabilities								1,124,662

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank Group As at 31 December 2022	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
Assets								
Cash and balances at central banks	202,142	—	—	—	—	—	—	202,142
Cash collateral and settlement balances	57,560	50,302	—	—	—	—	—	107,862
Loans and advances at amortised cost to banks and customers	21,826	5,593	7,606	15,574	44,122	30,171	30,312	155,204
Debt securities at amortised cost	—	—	—	1,769	8,650	9,327	7,557	27,303
Reverse repurchase agreements and other similar secured lending	391	333	—	—	—	—	1	725
Trading portfolio assets	133,771	—	—	—	—	—	—	133,771
Financial assets at fair value through the income statement	158,659	21,028	7,003	6,878	10,922	2,909	3,729	211,128
Derivative financial instruments	302,687	69	19	4	174	—	23	302,976
Financial assets at fair value through other comprehensive income	1,318	2,081	2,871	715	11,645	11,493	14,961	45,084
Other financial assets	1,311	36	112	43	—	1	—	1,503
Total financial assets	879,665	79,442	17,611	24,983	75,513	53,901	56,583	1,187,698
Other assets								15,839
Total assets								1,203,537
Liabilities								
Deposits at amortised cost from banks and customers	229,256	29,456	18,918	10,809	1,284	621	1,235	291,579
Cash collateral and settlement balances	68,813	27,998	—	—	—	—	—	96,811
Repurchase agreements and other similar secured borrowing	9,834	—	—	943	1,105	—	83	11,965
Debt securities in issue	3,682	23,454	12,516	10,059	4,769	1,501	4,031	60,012
Subordinated liabilities	—	17	240	2,079	9,151	9,001	17,765	38,253
Trading portfolio liabilities	72,460	—	—	—	—	—	—	72,460
Financial liabilities designated at fair value	171,523	26,481	14,352	9,104	24,539	8,528	17,528	272,055
Derivative financial instruments	288,403	10	58	4	222	112	397	289,206
Other financial liabilities	7,213	19	17	35	223	117	182	7,806
Total financial liabilities	851,184	107,435	46,101	33,033	41,293	19,880	41,221	1,140,147
Other liabilities								4,437
Total liabilities								1,144,584

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank PLC As at 31 December 2023	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
Assets								
Cash and balances at central banks	153,701	—	—	—	—	—	—	153,701
Cash collateral and settlement balances	41,541	33,730	—	—	—	—	—	75,271
Loans and advances at amortised cost to banks and customers	62,161	48,834	17,106	17,062	46,061	25,462	25,753	242,439
Debt securities at amortised cost	2	4,779	—	3,159	9,461	6,974	9,201	33,576
Reverse repurchase agreements and other similar secured lending	3,832	2,144	—	34	864	—	2	6,876
Trading portfolio assets	112,654	—	—	—	—	—	—	112,654
Financial assets at fair value through the income statement	200,290	25,176	10,763	8,003	11,989	5,518	2,221	263,960
Derivative financial instruments	224,495	57	—	—	273	252	224	225,301
Financial assets at fair value through other comprehensive	439	1,475	283	4,419	7,574	10,765	25,426	50,381
Other financial assets	1,796	—	406	—	—	—	—	2,202
Total financial assets	800,911	116,195	28,558	32,677	76,222	48,971	62,827	1,166,361
Other assets								27,377
Total assets								1,193,738
Liabilities								
Deposits at amortised cost from banks and customers	240,560	29,971	17,185	17,810	7,928	6,011	27,838	347,303
Cash collateral and settlement balances	40,183	18,109	—	—	—	—	—	58,292
Repurchase agreements and other similar secured borrowing	21,302	12,483	1,882	1,359	6,444	402	79	43,951
Debt securities in issue	120	8,094	7,381	4,729	473	646	3,390	24,833
Subordinated liabilities	257	—	266		11,070	7,150	16,494	35,237
Trading portfolio liabilities	50,995	—	—	—	—	—	—	50,995
Financial liabilities designated at fair value	233,392	33,679	15,818	13,427	21,426	16,349	17,854	351,945
Derivative financial instruments	220,897	20	—	—	26	53	369	221,365
Other financial liabilities	4,560	1	2	5	20	9	14	4,611
Total financial liabilities	812,266	102,357	42,534	37,330	47,387	30,620	66,038	1,138,532
Other liabilities								1,978
Total liabilities								1,140,510

Contractual maturity of financial assets and liabilities (audited)

Barclays Bank PLC As at 31 December 2022	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
Assets								
Cash and balances at central banks	170,307	—	—	—	—	—	—	170,307
Cash collateral and settlement balances	43,160	39,211	—	—	—	—	—	82,371
Loans and advances at amortised cost to banks and customers	30,990	40,342	7,810	21,629	41,212	27,766	32,157	201,906
Debt securities at amortised cost	—	—	—	1,443	7,633	8,340	6,461	23,877
Reverse repurchase agreements and other similar secured lending	4,911	996	—	—	—	—	1	5,908
Trading portfolio assets	83,043	—	—	—	—	—	—	83,043
Financial assets at fair value through the income statement	180,540	29,126	9,016	9,074	11,880	4,907	2,782	247,325
Derivative financial instruments	258,276	146	10	4	251	—	21	258,708
Financial assets at fair value through other comprehensive income	780	641	2,854	714	11,644	11,492	14,961	43,086
Other financial assets	1,220	—	496	9	—	—	—	1,725
Total financial assets	773,227	110,462	20,186	32,873	72,620	52,505	56,383	1,118,256
Other assets								29,656
Total assets								1,147,912
Liabilities								
Deposits at amortised cost from banks and customers	226,992	29,673	16,077	9,354	3,593	3,534	24,672	313,895
Cash collateral and settlement balances	46,459	18,496	—	—	—	—	—	64,955
Repurchase agreements and other similar secured borrowing	15,095	729	601	2,294	5,954	1,551	83	26,307
Debt securities in issue	90	16,028	10,548	8,719	1,220	366	3,195	40,166
Subordinated liabilities	—	—	240	1,861	8,858	9,000	17,697	37,656
Trading portfolio liabilities	52,093	—	—	—	—	—	—	52,093
Financial liabilities designated at fair value	197,649	32,718	14,722	8,557	21,095	10,022	16,088	300,851
Derivative financial instruments	249,771	3	59	4	221	112	397	250,567
Other financial liabilities	6,429	9	6	12	197	50	113	6,816
Total financial liabilities	794,578	97,656	42,253	30,801	41,138	24,635	62,245	1,093,306
Other liabilities								2,139
Total liabilities								1,095,445

Expected maturity date may differ from the contractual date, to account for:

- Trading portfolio assets and liabilities and derivative financial instruments which may not be held to maturity as part of the Barclays Bank Group's trading strategies.
- Corporate and retail deposits, reported under deposits at amortised cost, are repayable on demand or at short notice on a contractual basis. In practice, their behavioural maturity is typically longer than their contractual maturity, and therefore provide stable funding for the Barclays Bank Group's operations and liquidity needs.
- Loans to corporate and retail customers, which are included within loans and advances at amortised cost and financial assets at fair value, may be repaid earlier in line with terms and conditions of the contract.
- Debt securities in issue, subordinated liabilities, and financial liabilities designated at fair value may include early redemption features.

Contractual maturity of financial liabilities on an undiscounted basis

The following table presents the cash flows payable by the Barclays Bank Group under financial liabilities by remaining contractual maturities at the balance sheet date. The amounts disclosed in the table are the contractual undiscounted cash flows of all financial liabilities (i.e. nominal values).

The balances in the below table do not agree directly to the balances in the consolidated balance sheet as the table incorporates all cash flows, on an undiscounted basis, related to both principal as well as those associated with all future coupon payments.

Derivative financial instruments held for trading and trading portfolio liabilities are included in the 'not more than one month' column at their fair value.

Contractual maturity of financial liabilities - undiscounted (audited)

Barclays Bank Group	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
As at 31 December 2023								
Deposits at amortised cost from banks and customers	**224,753**	**31,931**	**20,850**	**20,720**	**2,738**	**1,556**	**1,017**	**303,565**
Cash collateral and settlement balances	**64,132**	**29,098**	**—**	**—**	**—**	**—**	**—**	**93,230**
Repurchase agreements and other similar secured borrowing	**13,463**	**12,516**	**1,326**	**719**	**632**	**—**	**213**	**28,869**
Debt securities in issue	**2,571**	**17,142**	**9,849**	**7,481**	**2,571**	**908**	**8,464**	**48,986**
Subordinated liabilities	**257**	**121**	**272**	**205**	**11,911**	**8,426**	**24,613**	**45,805**
Trading portfolio liabilities	**57,761**	**—**	**—**	**—**	**—**	**—**	**—**	**57,761**
Financial liabilities designated at fair value	**181,348**	**32,178**	**14,174**	**15,013**	**24,882**	**15,309**	**32,541**	**315,445**
Derivative financial instruments	**249,405**	**21**	**—**	**—**	**31**	**64**	**705**	**250,226**
Other financial liabilities	**6,014**	**7**	**14**	**28**	**101**	**73**	**92**	**6,329**
Total financial liabilities	**799,704**	**123,014**	**46,485**	**44,166**	**42,866**	**26,336**	**67,645**	**1,150,216**
As at 31 December 2022								
Deposits at amortised cost from banks and customers	229,259	29,663	18,918	10,943	1,302	621	1,489	292,195
Cash collateral and settlement balances	68,813	28,186	—	—	—	—	—	96,999
Repurchase agreements and other similar secured borrowing	9,843	0	—	946	1,184	—	252	12,225
Debt securities in issue	3,689	23,545	12,615	10,301	4,932	1,732	5,424	62,238
Subordinated liabilities	—	17	245	2,108	9,504	10,165	27,024	49,063
Trading portfolio liabilities	72,460	—	—	—	—	—	—	72,460
Financial liabilities designated at fair value	171,723	26,674	14,905	9,399	25,654	9,847	32,198	290,400
Derivative financial instruments	288,403	14	60	4	244	131	793	289,649
Other financial liabilities	7,213	22	21	43	251	139	204	7,893
Total financial liabilities	851,403	108,121	46,764	33,744	43,071	22,635	67,384	1,173,122

Contractual maturity of financial liabilities - undiscounted (audited)

Barclays Bank PLC	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
As at 31 December 2023								
Deposits at amortised cost from banks and customers	**240,624**	**30,171**	**17,451**	**18,348**	**8,548**	**7,170**	**58,751**	**381,063**
Cash collateral and settlement balances	**40,188**	**18,305**	**—**	**—**	**—**	**—**	**—**	**58,493**
Repurchase agreements and other similar secured borrowing	**21,335**	**12,570**	**1,917**	**1,416**	**6,840**	**467**	**213**	**44,758**
Debt securities in issue	**120**	**8,158**	**7,510**	**4,865**	**522**	**733**	**4,244**	**26,152**
Subordinated liabilities	**257**	**—**	**272**	**—**	**11,749**	**8,425**	**24,435**	**45,138**
Trading portfolio liabilities	**50,995**	**—**	**—**	**—**	**—**	**—**	**—**	**50,995**
Financial liabilities designated at fair value	**233,540**	**33,882**	**16,078**	**13,824**	**22,773**	**17,877**	**29,181**	**367,155**
Derivative financial instruments	**220,898**	**20**	**—**	**—**	**29**	**62**	**702**	**221,711**
Other financial liabilities	**4,560**	**1**	**3**	**6**	**22**	**10**	**16**	**4,618**
Total financial liabilities	**812,517**	**103,107**	**43,231**	**38,459**	**50,483**	**34,744**	**117,542**	**1,200,083**
As at 31 December 2022								
Deposits at amortised cost from banks and customers	226,999	29,763	16,077	9,485	3,733	3,683	41,434	331,174
Cash collateral and settlement balances	46,459	18,951	—	—	—	—	—	65,410
Repurchase agreements and other similar secured borrowing	15,120	737	617	2,388	6,662	1,759	252	27,535
Debt securities in issue	90	16,096	10,668	8,917	1,306	432	4,214	41,723
Subordinated liabilities	—	—	245	1,890	9,211	10,164	26,955	48,465
Trading portfolio liabilities	52,093	—	—	—	—	—	—	52,093
Financial liabilities designated at fair value	198,712	32,968	15,082	8,776	22,178	11,443	29,387	318,546
Derivative financial instruments	249,771	3	60	4	244	131	792	251,005
Other financial liabilities	6,429	11	9	17	214	63	127	6,870
Total financial liabilities	795,673	98,529	42,758	31,477	43,548	27,675	103,161	1,142,821

Maturity of off-balance sheet commitments given

The table below presents the maturity split of the Barclays Bank Group's off-balance sheet commitments given at the balance sheet date. The amounts disclosed in the table are the undiscounted cash flows (i.e. nominal values) on the basis of earliest opportunity at which they are available.

Maturity analysis of off-balance sheet commitments given (audited)

Barclays Bank Group	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
As at 31 December 2023								
Contingent liabilities and financial guarantees	**26,706**	**119**	**2**	**1**	**1**	**—**	**—**	**26,829**
Documentary credits and other short-term trade related transactions	**2,348**	**3**	**1**	**—**	**—**	**—**	**—**	**2,352**
Standby facilities, credit lines and other commitments	**335,528**	**—**	**—**	**—**	**55**	**—**	**—**	**335,583**
Total off-balance sheet commitments given	**364,582**	**122**	**3**	**1**	**56**	**—**	**—**	**364,764**
As at 31 December 2022								
Contingent liabilities and financial guarantees	25,713	71	14	1	1	—	—	25,800
Documentary credits and other short-term trade related transactions	1,742	1	5	—	—	—	—	1,748
Standby facilities, credit lines and other commitments	333,192	—	—	—	37	—	—	333,229
Total off-balance sheet commitments given	360,647	72	19	1	38	—	—	360,777

Maturity analysis of off-balance sheet commitments given (audited)

Barclays Bank PLC	Not more than one month £m	Over one month but not more than three months £m	Over three months but not more than six months £m	Over six months but not more than one year £m	Over one year but not more than three years £m	Over three years but not more than five years £m	Over five years £m	Total £m
As at 31 December 2023								
Contingent liabilities and financial guarantees	**68,830**	**119**	**2**	**1**	**1**	**—**	**—**	**68,953**
Documentary credits and other short-term trade related transactions	**2,294**	**3**	**1**	**—**	**—**	**—**	**—**	**2,298**
Standby facilities, credit lines and other commitments	**204,374**	**—**	**—**	**—**	**55**	**—**	**—**	**204,429**
Total off-balance sheet commitments given	**275,498**	**122**	**3**	**1**	**56**	**—**	**—**	**275,680**
As at 31 December 2022								
Contingent liabilities and financial guarantees	62,116	71	14	1	1	—	—	62,203
Documentary credits and other short-term trade related transactions	1,680	1	5	—	—	—	—	1,686
Standby facilities, credit lines and other commitments	205,612	—	—	—	37	—	—	205,649
Total off-balance sheet commitments given	269,408	72	19	1	38	—	—	269,538

Capital risk

All disclosures in this section, page 124 are unaudited unless otherwise stated.

Overview

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 2023 Pillar 3 Report, expected to be published on 20 February 2024, and which will be available at home.barclays/investor-relations/reports-and-events/annual-reports.

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 31 December 2023 Barclays Bank PLC solo-consolidated CET1 ratio was 12.1% which is above its minimum regulatory requirement of 10.5%.

Capital ratios[a,b,d]

As at 31 December	2023	2022
CET1	**12.1%**	12.7%
Tier 1 (T1)	**16.0%**	16.7%
Total regulatory capital	**19.2%**	20.8%

Capital resources (audited)

As at 31 December	2023 £m	2022 £m
CET1 capital	**25,470**	25,907
T1 capital	**33,864**	34,139
Total regulatory capital	**40,530**	42,321
Total risk weighted assets (RWAs) (unaudited)	**211,193**	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[a,c,d,e]

As at 31 December	2023 £m
UK leverage ratio	**6.0%**
T1 capital	**55,560**
UK leverage exposure	**924,826**
Average UK leverage ratio	**5.4%**
Average T1 capital	**55,681**
Average UK leverage exposure	**1,022,824**

Notes
a 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.
b The fully loaded CET1 ratio was 12.1%, with £25.5bn of CET1 capital and £211.2bn of RWAs, calculated without applying the transitional arrangements of the CRR as amended by CRR II.
c No comparatives are provided for Leverage as this is the first reporting year for Barclays Bank PLC sub-consolidated.
d 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 12.1% and 16.4% respectively calculated without applying the transitional arrangements of the CRR as amended by CRR II.
e Although the leverage ratio is expressed in terms of T1 capital, the countercyclical leverage ratio buffer (CCLB) and 75% of the minimum requirement must be covered solely with CET1 capital. The CET1 capital held against the 0.2% CCLB was £1.8bn.

Foreign exchange risk (audited)

The Barclays Bank Group is exposed to two sources of foreign exchange risk.

a) Transactional foreign currency exposure

Transactional foreign currency exposures represent exposures on banking assets and liabilities, denominated in currencies other than the functional currency of the transacting entity.

The Barclays Bank Group's risk management policies are designed to prevent the holding of significant open positions in foreign currencies outside the trading portfolio which is monitored through VaR.

Banking book transactional foreign exchange risk is monitored on a daily basis by the market risk function and minimised by the businesses.

b) Translational foreign exchange exposure

The Barclays Bank Group's investments in overseas subsidiaries and branches create capital resources denominated in foreign currencies, principally USD and EUR. Changes in the GBP value of the net investments due to foreign currency movements are captured in the currency translation reserve, resulting in a movement in shareholders' equity.

Functional currency of operations (audited)

	Foreign currency net investments	Borrowings which hedge the net investments	Derivatives which hedge the net investments	Structural currency exposures pre-economic hedges	Economic hedges	Remaining structural currency exposures
	£m	£m	£m	£m	£m	£m
As at 31 December 2023						
USD	**26,199**	**(5,733)**	**(2,168)**	**18,298**	**(7,326)**	**10,972**
EUR	**9,521**	**(2,600)**	**—**	**6,921**	**(277)**	**6,644**
JPY	**701**	**(174)**	**—**	**527**	**—**	**527**
Other	**2,960**	**—**	**(1,565)**	**1,395**	**(505)**	**890**
Total	**39,381**	**(8,507)**	**(3,733)**	**27,141**	**(8,108)**	**19,033**
As at 31 December 2022						
USD	27,523	(5,973)	(2,086)	19,464	(8,376)	11,088
EUR	9,673	(2,395)	(3)	7,275	(283)	6,992
JPY	689	—	(197)	492	—	492
Other	3,010	—	(1,602)	1,408	(279)	1,129
Total	40,895	(8,368)	(3,888)	28,639	(8,938)	19,701

Economic hedges relate to exposures arising on foreign currency denominated preference share and AT1 instruments. These instruments are accounted for at historical cost under IFRS and do not qualify as hedges for accounting purposes. The gain or loss arising from changes in the GBP value of these instruments is recognised on redemption in retained earnings.

During 2023, total structural currency exposure net of hedging instruments decreased by £0.7bn to £19.0bn (2022: £19.7bn). Foreign currency net investments decreased by £1.5bn to £39.4bn (2022: £40.9bn) driven predominantly by a £1.3bn decrease in US dollars, £0.1bn decrease in Euro and £0.1bn increase in other currencies. The hedges associated with these foreign currency investments decreased by £0.1bn to £12.2bn (2022: £12.3bn).

Pension risk review

The UK Retirement Fund (UKRF) represents approximately 96% (2022: 96%) of the Barclays Bank Group's total retirement benefit obligations globally. As such this risk review section focuses exclusively on the UKRF. The UKRF is closed to new entrants and there is no new final salary benefit being accrued. Existing active members accrue a combination of a cash balance benefit and a defined contribution element. Pension risk arises as the market value of the pension fund assets may decline, investment returns may reduce or the estimated value of the pension liabilities may increase.

Assets

The Trustee Board of the UKRF defines its overall long-term investment strategy with investments across a broad range of asset classes. This results in a diversified mix of return seeking assets as well as liability matching assets to better match future pension obligations. The two largest risks within the asset portfolio are credit spread and growth assets. The split of scheme assets is shown within Note 30 to the financial statements. The fair value of the UKRF assets was £24.2bn as at 31 December 2023 (2022: £24.7bn).

Liabilities

The UKRF retirement benefit obligations are a series of future cash flows with relatively long duration. On an IAS 19 basis these cash flows are sensitive to changes in the expected long-term price inflation rate (RPI) and the discount rate (GBP AA corporate bond yield):

- An increase in long-term expected inflation corresponds to an increase in liabilities.
- A decrease in the discount rate corresponds to an increase in liabilities.

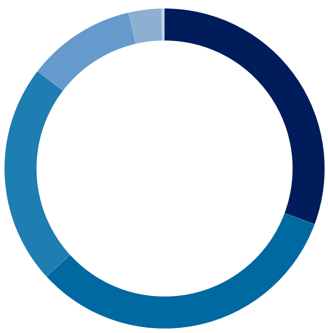
Pension risk is generated through the Barclays Bank Group's defined benefit schemes and this risk is set to reduce over time as the main defined benefit scheme is closed to new entrants. The chart below outlines the shape of the UKRF's liability cash flow profile as at 31 December 2023 that takes account of the future inflation indexing of payments to beneficiaries. The majority of the cash flows (approximately 96%) fall between 0 and 40 years, peaking between 11 and 20 years and reducing thereafter. The shape may vary depending on changes to inflation and longevity expectations and any members who elect to transfer out. Transfers out will bring forward the liability cash flows.

For more detail on the UKRF's financial and demographic valuation assumptions see Note 30 to the financial statements.

The graph below shows the evolution of the UKRF's net IAS 19 position over the last two years. During 2023, the decrease in the UKRF surplus was driven by assets underperforming the discount rate and lower corporate bond yields.

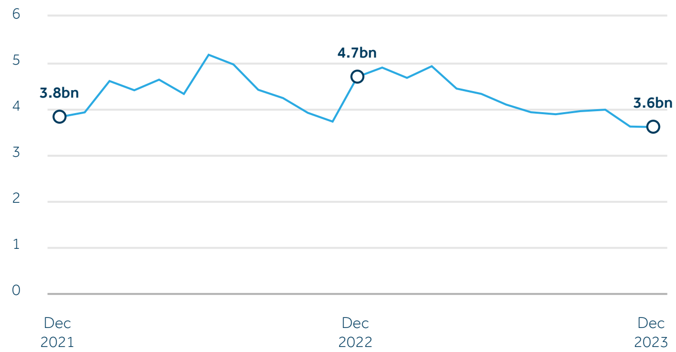
Refer to Note 30 to the financial statements for the sensitivity of the UKRF to changes in key assumptions.

Proportion of liability cash flows (%)



0-10 years	30.7
11-20 years	32.6
21-30 years	22.2
31-40 years	11
41-50 years	3.3
51+ years	0.3

IAS 19 pension position from 2021 to 2023 (£bn)



Risk measurement

In line with the Barclays Bank Group's risk management framework the assets and liabilities of the UKRF are modelled within a VaR framework to show the volatility of the pension position at a total portfolio level. This enables the risks, diversification and liability matching characteristics of the UKRF obligations and investments to be adequately captured. VaR is measured and monitored on a monthly basis. Risks are reviewed and reported regularly at the Pensions Executive Board. The VaR model takes into account the valuation of the liabilities on an IAS 19 basis (see Note 30 to the financial statements). The Trustee receives quarterly VaR measures on a funding basis.

The pension liability is also sensitive to post-retirement mortality assumptions which are reviewed regularly (See Note 30 to the financial statements).

To mitigate part of this risk the UKRF has entered into a longevity swap hedging approximately three quarters of current pensioner liabilities.

In addition, the impact of pension risk to the Barclays Bank Group is taken into account as part of the stress testing process. Stress testing is performed internally at least on an annual basis. The UKRF exposure is also included as part of regulatory stress tests.

The Barclays Bank Group's defined benefit pension schemes affect capital in two ways:

- An IAS 19 deficit is treated as a liability on the Barclays Bank Group's balance sheet. Movement in a deficit due to remeasurements, including actuarial losses, are recognised immediately through Other Comprehensive Income and as such reduce shareholders' equity and CET1 capital. An IAS 19 surplus is treated as an asset on the balance sheet and increases shareholders' equity; however, it is deducted for the purposes of determining CET1 capital.
- In the Barclays Bank Group's statutory balance sheet an IAS 19 surplus or deficit is partially offset by a deferred tax liability or asset respectively. These may or may not be recognised for calculating CET1 capital depending on the overall deferred tax position of the Barclays Bank Group at the particular time.

Pension risk is taken into account in the Pillar 2A capital assessment undertaken by the PRA at least annually. The Pillar 2A requirement forms part of the overall capital requirement for Barclays Bank PLC.

Interest rate risk in the banking book

All disclosures in this section, pages 128 to 129, are unaudited unless otherwise stated.

Overview

The treasury and capital risk framework covers interest rate sensitive exposures held in the banking book, mostly relating to accrual accounted and FVOCI instruments. The potential volatility of net interest income (NII) is measured by an Annual Earnings at Risk (AEaR) metric which is monitored regularly and reported to senior management and the Barclays Bank PLC Board Risk Committee as part of the limit monitoring framework.

Summary of performance in the period

NII sensitivity to interest rate shocks has decreased year on year due to changes in the customer banking book's composition. Barclays Bank PLC's strategy remains to stabilise income across various interest rate environments, this has led to a broadly neutral outcome of sensitivities to both a +25bps and -25bps shock.

Key metrics

-£8m

AEaR across the Barclays Bank Group from a +25bps shock to forward interest rate curves.

Net interest income sensitivity

The table below shows a sensitivity analysis on pre-tax net interest income for non-traded financial assets and liabilities, including the effect of any hedging. This analysis is not a forward guidance on NII and is intended as a quantification of risk exposure utilising the Net Interest Income (NII) metric as described on page 178 of the Barclays PLC Pillar 3 Report 2023 (unaudited), which includes documentation of the main model assumptions.

Net Interest Income sensitivity (AEaR) by currency (audited)	2023		2022	
	+25 basis points	-25 basis points	+25 basis points	-25 basis points
Barclays Bank Group	£m	£m	£m	£m
GBP	(27)	25	(6)	4
USD	18	(18)	38	(41)
EUR	20	(21)	4	(4)
Other currencies	(19)	19	(11)	12
Total	(8)	5	25	(29)

Net Interest Income sensitivity (AEaR) by currency (audited)	2023		2022	
	+25 basis points	-25 basis points	+25 basis points	-25 basis points
Barclays Bank PLC	£m	£m	£m	£m
GBP	(26)	26	(6)	5
USD	4	(6)	22	(23)
EUR	15	(16)	—	(1)
Other currencies	(22)	22	(15)	15
Total	(29)	26	1	(4)

Analysis of equity sensitivity

The analysis of equity sensitivity table measures the overall impact of a +/- 25bps movement in interest rates on retained earnings, FVOCI, cash flow hedge reserves and pensions. For non-NII items a DV01 metric is used, which is an indicator of the shift in value for a 1bp movement in the yield curve.

Analysis of equity sensitivity (audited)	31 December 2023		31 December 2022	
	+25 basis points	-25 basis points	+25 basis points	-25 basis points
Barclays Bank Group	£m	£m	£m	£m
Net interest income	(8)	5	25	(29)
Taxation effects on the above	1	(1)	(4)	5
Effect on profit for the year	(7)	4	21	(24)
As percentage of net profit after tax	(0.2%)	0.1%	0.5%	(0.5%)
Effect on profit for the year (per above)	(7)	4	21	(24)
Fair value through other comprehensive income reserve	(234)	242	(367)	368
Cash flow hedge reserve	(585)	585	(625)	625
Taxation effects on the above	131	(132)	268	(268)
Effect on equity	(695)	699	(703)	701
As percentage of equity	(1.1%)	1.2%	(1.2%)	1.2%

Analysis of equity sensitivity (audited)	31 December 2023		31 December 2022	
	+25 basis points	-25 basis points	+25 basis points	-25 basis points
Barclays Bank PLC	£m	£m	£m	£m
Net interest income	(29)	26	1	(4)
Taxation effects on the above	5	(4)	—	1
Effect on profit for the year	(24)	22	1	(3)
As percentage of net profit after tax	(0.8%)	0.8%	—%	(0.1%)
Effect on profit for the year (per above)	(24)	22	1	(3)
Fair value through other comprehensive income reserve	(235)	243	(367)	368
Cash flow hedge reserve	(531)	531	(576)	576
Taxation effects on the above	122	(124)	255	(255)
Effect on equity	(668)	672	(687)	686
As percentage of equity	(1.3%)	1.3%	(1.3%)	1.3%

Movements in the FVOCI reserve impact CET1 capital. However, movements in the cash flow hedge reserve and pensions remeasurement reserve recognised in FVOCI do not affect CET1 capital.

Volatility of the FVOCI portfolio in the liquidity pool

Changes in value of FVOCI exposures flow directly through capital via the FVOCI reserve. The volatility in the value of the FVOCI investments in the liquidity pool is captured and managed through a value measure rather than an earning measure, i.e. non-traded market risk VaR.

Although the underlying methodology to calculate the non-traded VaR is identical to the one used in traded management VaR, the two measures are not directly comparable. The non-traded VaR represents the volatility to capital driven by the FVOCI exposures. These exposures are in the banking book and do not meet the criteria for trading book treatment.

Analysis of volatility of the FVOCI portfolio in the liquidity pool	2023			2022		
	Average	High	Low	Average	High	Low
For the year ended 31 December	£m	£m	£m	£m	£m	£m
Non-traded market value at risk (daily, 95%)	67	78	51	40	51	31

Daily Value at Risk trended upwards in H1 2023 due to increase in time series volatility and addition in interest rate risk positioning. Daily Value at Risk reduced towards the end of H2 2023 as time series volatility subsided.

All disclosures in this section, pages 130 to 132, are unaudited unless otherwise stated.

Overview

Operational risks are inherent in the Barclays Bank Group's business activities and it is not cost effective or possible to attempt to eliminate all operational risks. The Operational Risk Framework is therefore focused on identifying operational risks, assessing them and managing them within the Barclays Bank Group's approved risk appetite.

The Operational Risk principal risk comprises the following risks: Change Delivery Management Risk; Data Management Risk; Financial Reporting Risk; Fraud Risk; Information Security Risk; Operational Recovery Planning Risk; Payments Process Risk; People Risk; Physical Security Risk; Premises Risk; Risk Reporting; Supplier Risk; Tax Risk; Technology Risk and Transaction Operations Risk. The operational risk profile is also informed by a number of connected risks: Cybersecurity; Data and Resilience. These themes represent threats to the Barclays Bank Group that extend across multiple risk types, and therefore require an integrated risk management approach.

For definitions of these risks refer to the Management of operational risk section of the Barclays PLC Pillar 3 Report 2023. To provide complete coverage of the potential adverse impacts on the Barclays Bank Group arising from operational risk, the operational risk taxonomy extends beyond the risks listed above to cover operational risks associated with other principal risks too.

This section provides an analysis of the Barclays Bank Group's operational risk profile, including events above the Barclays Bank Group's reportable threshold, which have had a financial impact in 2023. The Barclays Bank Group's operational risk profile is informed by bottom-up risk assessments undertaken by each business unit and top-down qualitative review for each risk type. Fraud, Transaction Operations, Information Security and Technology continue to be highlighted as key operational risk exposures.

For information on compliance risk events, see the compliance risk section.

Summary of performance in the period

During 2023, total operational risk losses[a] decreased to £54m (2022: £72m) and the number of recorded events for 2023 decreased to 842 from 924 events recorded during the prior year. The total operational risk losses for the year were mainly driven by events falling within the Execution, Delivery & Process Management and External Fraud categories, which tend to be high volume but low impact events.

Key metrics

80%

of the Barclays Bank Group's net reportable operational risk events had a loss value of £50,000 or less

35%

of events by number are due to Execution, Delivery and Process Management

64%

of events by number are due to External Fraud

78%

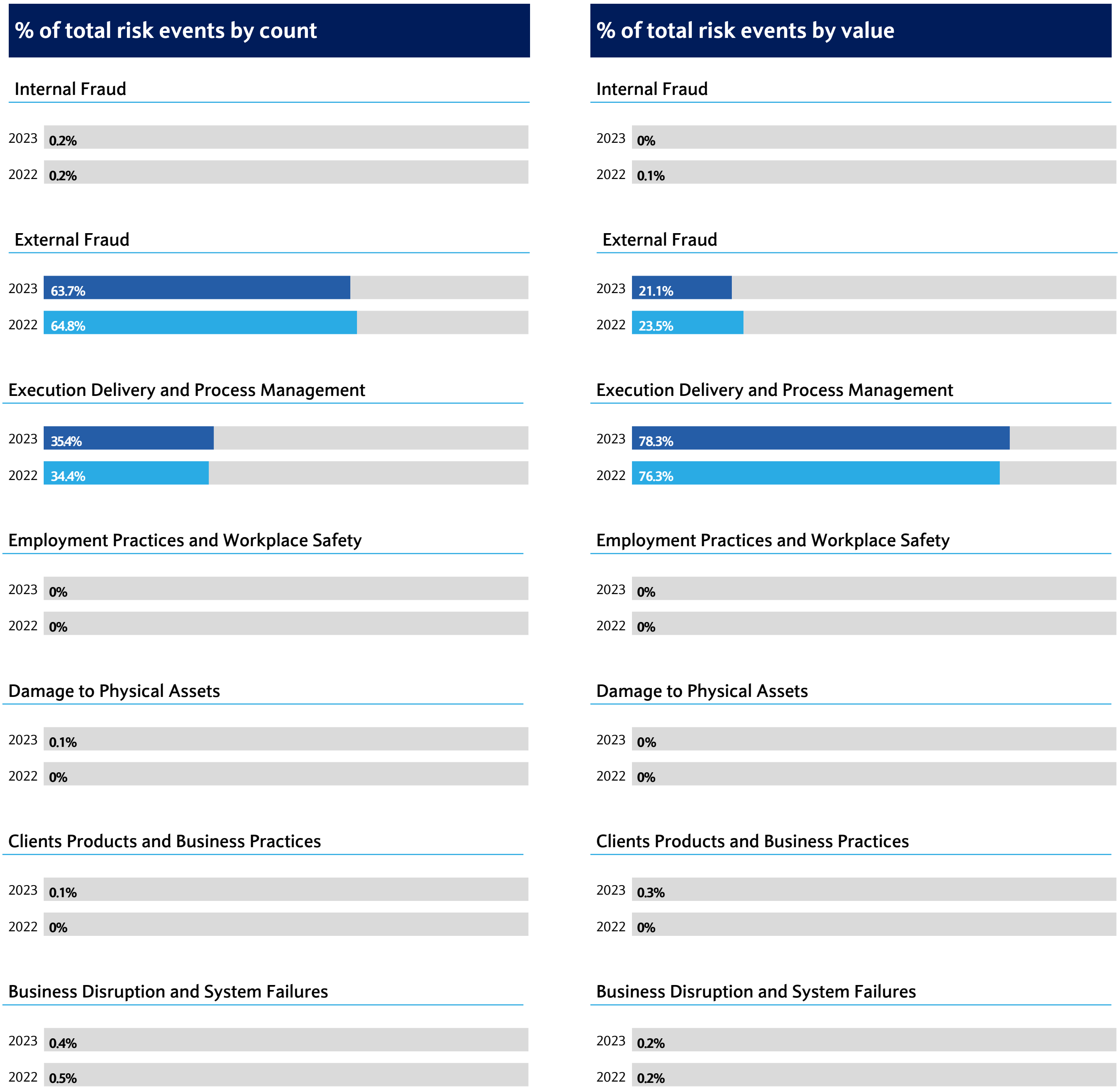
of losses are from events aligned to Execution, Delivery and Process Management

Operational risk profile

Within operational risk, there are a large number of small value risk events. In 2023, 80% (2022: 80%) of the Barclays Bank Group's reportable operational risk events by volume had a value of less than £50,000 each. Cumulatively, events under this £50,000 threshold accounted for only 20% (2022: 20%) of the Barclays Bank Group's total net operational risk losses. A small proportion of operational risk events have a material impact on the financial results of the Barclays Bank Group.

The analysis below presents the Barclays Bank Group's operational risk events by Basel event category:

Operational risk events by BASEL event category



Note

a The data disclosed includes operational risk losses for reportable events impacting the Barclays Bank Group business areas, having impact of > £10,000 and excludes Gain or Insurance Recovery impacts, events that are compliance or legal risk, aggregate and boundary events. A boundary event is an operational risk event that results in a credit risk impact. Due to the nature of risk events that keep evolving, data for prior year losses are updated.

- Execution, Delivery and Process Management impacts during 2023 decreased to £42m (2022: £55m) and accounted for 78% of total operational risk losses (2022: 76%). The events in this category are typical of the banking industry as a whole where high volumes of transactions are processed on a daily basis, mapping mainly to Barclays Transaction Operations risk type. The overall frequency of events in this category in 2023 remained stable at 35% of total events by volume (2022: 34%).

- External Fraud impacts during 2023 decreased to £11m (2022: £17m) and accounted for 21% of total events by value (2022: 24%). Volume of events decreased to 536 accounting for 64% of total event volume (2022: 599 / 65%). In this category, high volume, low value events are driven by transactional fraud often related to debit and credit card usage. Note: Total External Fraud losses in 2023 including those from events with impact <£10,000 amounted to £64m (2022: £66m).

Investment continues to be made in improving the control environment across the Barclays Bank Group. Specific areas of focus include new and enhanced fraud prevention systems and tools to combat the increasing level of fraud attempts being made whilst minimising disruption to genuine transactions. Fraud remains an industry wide threat and the Barclays Bank Group continues to work closely with external partners on various prevention initiatives. Additionally, the Barclays Bank Group continues to invest in its processing infrastructure to manage the risk of processing errors as well as ensuring scalability of operations.

Operational Resilience remains a key area of focus for the Barclays Bank Group, having been reinforced in recent years due to potential operational disruption from the COVID-19 pandemic. The Barclays Bank Group continues to strengthen its resilience approach across its most important business services to improve recoverability and assurance thereof by reviewing scenarios based on current global climates.

Operational risk associated with cybersecurity remains a top focus for the Barclays Bank Group. The sophistication of threat actors continues to grow as noted by multiple external risk events observed throughout the year. Ransomware attacks across the global Barclays supplier base were observed and we worked closely with the affected suppliers to manage potential impacts to the Barclays Bank Group and its clients and customers. The Barclays Bank Group's cybersecurity events were managed within its risk tolerances, and cybersecurity incidents did not materially impact the Barclays Bank Group's business strategy, results of operations, or financial condition.

For further information, refer to the operational risk management section.

Model risk, Compliance risk, Reputation risk and Legal risk

All disclosures in these model risk, compliance risk, reputation risk and legal risk sections on pages 133 to 134 are unaudited unless otherwise stated.

Model risk

The Barclays Bank Group is committed to continuously improving model risk management and made a number of enhancements in 2023, including:

- Continued improvements to the transparency and oversight of model risk through further upgrades to model risk governance structure.
- Continued enhancements to model risk policy and standards to ensure comprehensiveness, consistency and cohesiveness of the model risk framework.
- Continued focus on improving the model risk control framework.
- Enhanced the Group Model Risk Appetite Statement, incorporating model quality and uncertainty around a model's output.
- Continued strengthening of validation practices through expansion of model-level validation procedures, use of an on-going validation training program and further embedment of a validation quality assurance process.
- Executed on hiring strategy by expanding the model risk team to support a wider range of model validation demand, newly emerging model risks, and an enhanced focus on regulatory models.
- Progressed model inception validation by bringing more models into compliance with the model risk management framework, including our first algorithmic trading models.

Compliance risk

The Barclays Bank Group is committed to continuing to drive the right culture throughout all levels of the organisation. The Barclays Bank Group will continue to enhance effective management of Compliance risk and appropriately consider the relevant tools, governance and management information in decision-making processes. Focus on management of compliance risk is ongoing and, alongside other relevant business and control management information, the Barclays Bank Group Conduct Risk Dashboards is a key component of this.

The Barclays Bank Group continues to review the role and impact of Compliance risk events and issues in remuneration decisions at both the individual and business level.

In 2023, the Barclays Bank Group maintained focus on new and heightened inherent Compliance risks, including those relating to the cost of living crisis, the evolving threat landscape as related to financial crime, and challenges in ensuring customer and client data is handled appropriately. These risks continue to be monitored on an ongoing basis.

A key area of focus has been the implementation and embedment of the FCA's new Consumer Duty, with rules for open products and services taking effect at the end July 2023.

Businesses have continued to assess the potential customer, client and market impacts of strategic change. As part of the 2023 Medium-Term Planning Process and associated Strategic Risk Assessment, material compliance risks associated with strategic and financial plans were assessed.

Throughout 2023, compliance risks were raised by each business area for consideration by the Barclays PLC and Barclays Bank PLC Board Risk Committees. The Committees reviewed the risks raised and whether management's proposed actions were appropriate to mitigate the risks effectively.

During 2023, Laws, Rules and Regulation risk (LRR risk) was created as a new risk under the Compliance Principal risk. LRR risk is intended to mitigate the risk of failing to identify applicable LRRs, and ensure appropriate steps are in place to monitor and oversee LRRs. Work is underway to implement processes to support the management and oversight of LRR Risk.

The Barclays Bank Group continued to incur costs in relation to litigation and compliance matters, please refer to Note 24 to the financial statements (Legal, competition and regulatory matters) and Note 22 to the financial statements (Provisions), for further details. Related costs include customer redress and remediation, as well as fines and settlements. Resolution of these litigation and conduct matters remains a necessary and important part of delivering the Barclays Bank Group's strategy and an ongoing commitment to improve oversight of culture and conduct.

The Barclays Bank PLC Board Risk Committee and senior management received Conduct Risk Dashboards setting out key indicators in relation to conduct and financial crime risk. These continue to be evolved and enhanced to allow effective oversight and decision-making. Work is ongoing to enhance the Compliance Risk Control Environment in a timely and effective manner to ensure the Barclays Bank Group operates within Risk Appetite. The tolerance adherence is assessed by the business through key indicators and reported to the Barclays Bank PLC Board Risk Committee as part of the Conduct Risk Dashboard governance process.

The Barclays Bank Group remains focused on continuous improvements being made to manage risk effectively with an emphasis on enhancing governance and management information to identify risk at earlier stages.

Reputation risk

The Barclays Bank Group is committed to continuing to drive the right culture throughout all levels of the organisation. The Barclays Bank Group will continue to enhance effective management of reputation risk and appropriately consider the relevant tools, governance and management information in decision-making processes.

The Barclays Bank PLC Board considers reputation risks raised by businesses. The Board has also considered whether management's proposed actions have been appropriate to mitigate the risks effectively.

The Barclays Bank Group continued to incur costs in relation to litigation and conduct matters, please refer to Note 24 to the financial statements (Legal, competition and regulatory matters) and Note 22 to the financial statements (Provisions), for further details. Related costs include customer redress and remediation, as well as fines and settlements. Resolution of these matters remain an ongoing commitment to improve oversight of culture and conduct and management of reputation risks.

The Barclays Bank Group remains focused on the continuous improvements being made to manage risk effectively, with an emphasis on enhancing governance and management information to help identify risks at earlier stages.

Legal risk

The Barclays Bank Group remains committed to continuous improvements in managing legal risk effectively. During 2023, the Barclays Group-wide legal risk management framework was updated to complement and accommodate the introduction of changes to the compliance risk management framework, which include a requirement for the Legal Function to proactively identify, communicate and provide legal advice on applicable laws, rules and regulations.

Other improvements during 2023 included a review and update of the established supporting legal risk policies, standards and mandatory training, reinforced by ongoing engagement with and education of the Barclays Group's businesses and functions by Legal function colleagues. Legal risk tolerances and legal risk appetite have also been reviewed.

Tolerances adherence is assessed through key indicators, which are also used to evaluate the legal risk profile and are reviewed, at least annually, through the relevant risk and control committees. Mandatory controls to manage legal risks are set out in the legal risk standards and are subject to ongoing monitoring. The implementation of changes to the compliance risk management framework referred to above (and described in more detail on pages 57 to 58 also mitigate legal risk.

Supervision and regulation

Supervision of the Barclays Bank Group

The Barclays Bank Group's operations, including its overseas branches, subsidiaries and associates, are subject to a large number of rules and regulations applicable to the conduct of banking and financial services business in each of the jurisdictions in which the Barclays Bank Group operates. These apply to business operations, impact financial returns and include capital, leverage and liquidity requirements, authorisation, registration and reporting requirements, restrictions on certain activities, and conduct of business regulations, amongst other applicable regulatory requirements.

Regulatory developments in one or more jurisdictions may impact the Barclays Bank Group globally. We focus particularly on UK, US and EU regulation in this Report due to the location of the Barclays Bank Group's principal areas of business. Regulations elsewhere may also have a significant impact on the Barclays Bank Group due to the location of its branches, subsidiaries and, in some cases, clients. For more information on the risks related to the supervision and regulation of the Barclays Bank Group, including regulatory change, see the material existing and emerging risk entitled 'Regulatory Change agenda and impact on Business Model' in the Material existing and emerging risks section.

Supervision in the UK

In the UK, day-to-day regulation and supervision of the Barclays Bank Group is divided between the Prudential Regulation Authority (PRA) (a division of the Bank of England (BoE)) and the Financial Conduct Authority (FCA). In addition, the Financial Policy Committee (FPC) of the BoE has influence on the prudential requirements that may be imposed on the banking system through its powers of direction and recommendation. Certain members of the Barclays Bank Group are also subject to regulatory initiatives undertaken by the UK Payment Systems Regulator (PSR), as a participant in payment systems regulated by the PSR.

Barclays Bank PLC is an authorised person, with permission to accept deposits, amongst other things, and is subject to prudential supervision by the PRA and to conduct regulation and supervision by the FCA. Barclays Bank PLC is subject to prudential supervision on a solo-consolidated basis. The Barclays Group as a whole is also subject to prudential supervision by the PRA on a group consolidated basis. Barclays PLC has been approved by the PRA as a financial holding company. Barclays Capital Securities Limited (BCSL) is authorised and subject to prudential supervision by the PRA as a PRA-designated investment firm and subject to conduct regulation and supervision by the FCA. Barclays Execution Services Limited is an appointed representative of Barclays Bank PLC, Barclays Bank UK PLC and Clydesdale Financial Services Limited.

The PRA's supervision of the Barclays Bank Group is conducted through a variety of regulatory tools, including the collection of information by way of prudential returns or cross-firm reviews, reports obtained from skilled persons, information gathering, regular supervisory visits to firms and regular meetings with management and directors to discuss issues such as strategy, governance, financial resilience, operational resilience, risk management, and recovery and resolution.

Further, the BoE, as the UK resolution authority, informs prudential requirements and sets requirements for the Barclays Group relating to resolution preparedness.

The FCA's supervision of the UK firms in the Barclays Bank Group is carried out through a combination of proactive engagement, meetings, regular supervisory visits, information gathering, and regular meetings with Barclays Bank Group's management and directors to discuss issues such as customer strategy, fair treatment of customers, and financial crime controls, as well as cross-sectoral reviews, which analyse the different areas of the market and the risks that may lie ahead.

The FCA and the PRA also apply the Senior Managers and Certification Regime (the SMCR) which imposes a regulatory approval, individual accountability and fitness and propriety framework in respect of senior individuals within relevant firms.

FCA supervision has focused on conduct risk and customer/client outcomes through implementation of the Consumer Duty (including product design and fair value), fraud and anti-money laundering controls, market operations, access to cash, fair treatment of vulnerable customers and payment account access and closures.

PRA supervision has focused on financial and operational resilience, controls, credit risk management, systems and controls, climate risk and resolvability, where resolvability is reviewed in conjunction with the Resolution Directorate (a division of the BoE).

Both the PRA and the FCA apply standards that generally either anticipate or go beyond requirements established by global or EU standards, whether in relation to capital, leverage and liquidity, resolvability and resolution or matters of conduct. The UK is in the process of reviewing and revising the EU legislation that was onshored into English law following the UK's departure from the EU. This process is ongoing, but based on current indications, potential areas of divergence in approach between the UK and the EU in existing areas of regulation appear moderate and are not expected to result in materially different standards of regulation. Divergence might become more marked in new areas of regulation, such as ESG and Digital. The Financial Services and Markets Act 2023 (FSMA 2023) established a framework for the revocation of retained EU law relating to financial services, with HM Treasury intending to repeal retained EU legislative provisions subject to the transfer of its provisions to the UK regulators' rules where appropriate. The Government is not expected to revoke retained EU law relating to financial services unless the FCA and/or PRA have drafted and consulted on rules in the relevant areas, where it is appropriate that the provisions are replaced. However, HM Treasury may specify parts of retained EU law where the regulators are exempt from such requirements, for example where they are restating retained EU law revoked through FSMA 2023 in their rulebooks without material changes or where they are replacing revoked retained EU law with material changes but the only material effect is to reduce a regulatory burden. Where changes also have other material effects, which may include impacts on the regulators' objectives, for example, the Government has indicated that it is appropriate to require the regulators to consult. The medium term outlook for the costs and impact of operating under the post-Brexit UK regime remains unclear as the regulatory landscape continues to develop. There is potential for an increase in regulatory implementation costs in the near term to adapt systems and controls.

Supervision in the EU

The Barclays Bank Group's operations in Europe are authorised and regulated by a combination of its home regulators and host regulators in the European countries where the Barclays Bank Group operates.

Barclays Bank Ireland PLC is licensed as a credit institution by the Central Bank of Ireland (CBI) and is designated as a significant institution falling under direct supervision on a solo basis by the European Central Bank (ECB) for prudential purposes. Barclays Bank Ireland PLC's EU branches are supervised by the ECB and are also subject to direct supervision for local conduct purposes by national supervisory authorities in the EU jurisdictions where they are established. Barclays Bank Ireland PLC is subject to the requirements set by the Single Resolution Board (SRB) as the resolution authority of Barclays Bank Ireland PLC. Barclays Bank Ireland PLC is also subject to supervision by the CBI as home state or competent authority under various EU financial services directives and regulations.

The Barclays Group provides the majority of its cross-border banking and investment services to EEA clients via Barclays Bank Ireland PLC (a subsidiary of Barclays Bank PLC). Additionally, Barclays Bank PLC and BCSL are authorised in certain EEA Member States to enable them to continue to conduct a limited range of activities without a physical presence, including accessing EEA trading venues and interdealer trading. Barclays Bank PLC also has a branch in Paris (to facilitate access to Target 2), which is regulated by the ACPR.

Supervision in the US

Barclays PLC, Barclays Bank PLC and its New York branch, and Barclays Bank PLC's US subsidiaries are subject to a comprehensive regulatory framework involving numerous statutes, rules and regulations in the US. For example, the Barclays Bank Group's US activities and operations are subject to supervision and regulation by the Board of Governors of the Federal Reserve System (FRB), as well as additional supervision, requirements and restrictions imposed by other federal and state regulators and self-regulatory organisations (SROs). In some cases, US requirements may impose restrictions on the Barclays Bank Group's global activities, in addition to its activities in the US.

Barclays PLC, Barclays Bank PLC, Barclays US Holdings Limited (BUSHL), Barclays US LLC (BUSL) and Barclays Group US Inc. (BGUS) are regulated as bank holding companies (BHCs) by the FRB. BUSL is the Barclays Bank Group's ultimate US holding company that holds substantially all of the Barclays Bank Group's US subsidiaries (including Barclays Capital Inc. (BCI) and Barclays Bank Delaware). BUSL is subject to requirements in respect of capital adequacy, capital planning and stress testing, risk management and governance, liquidity, leverage limits, large exposure limits, restrictions on activities and financial regulatory reporting. Barclays Bank PLC's New York branch is also subject to enhanced prudential standards relating to, among other things, liquidity and risk management.

Barclays PLC, Barclays Bank PLC, BUSHL and BUSL have financial holding company (FHC) status under the Bank Holding Company Act of 1956. FHC status allows these entities to engage in a variety of financial and related activities, directly or through subsidiaries, including underwriting, dealing and market making in securities. Failure to maintain FHC status could result in increasingly stringent penalties and, ultimately, in the closure or cessation of certain operations in the US.

In addition to oversight by the FRB, Barclays Bank PLC's New York branch and many of the Barclays Bank Group's subsidiaries are regulated by additional US authorities based on the location or activities of those entities. The New York branch of Barclays Bank PLC is subject to supervision and regulation by the New York State Department of Financial Services (NYSDFS). Barclays Bank Delaware, a Delaware chartered bank, is subject to supervision and regulation by the Delaware Office of the State Bank Commissioner, the Federal Deposit Insurance Corporation (FDIC), the FRB and the Consumer Financial Protection Bureau (CFPB). The deposits of Barclays Bank Delaware are insured by the FDIC, up to applicable limits. Barclays PLC, Barclays Bank PLC, BUSHL, BUSL, and BGUS are required to act as a source of strength for Barclays Bank Delaware. This could, among other things, require these entities to provide capital support to Barclays Bank Delaware if it fails to meet applicable regulatory capital requirements.

The Barclays Bank Group's US securities broker/dealer and investment banking operations are conducted primarily through BCI, and are also subject to ongoing supervision and regulation by the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA) and other government agencies and SROs under US federal and state securities laws. BCI is also registered as a Futures Commission Merchant with the Commodity Futures Trading Commission (CFTC), through which the Barclays Group conducts its US futures and options on futures business, including client clearing operations, which are subject to ongoing supervision and regulation by the CFTC, the National Futures Association and other SROs.

Under the US framework for regulating swaps and security-based swaps established under Title VII of the Dodd-Frank Act, the CFTC has regulatory authority over swaps, the SEC has regulatory authority over security-based swaps, and the CFTC and SEC jointly regulate mixed swaps (as such terms are defined in the relevant legislation). Accordingly, the Barclays Group's activities related to US swaps and security-based swaps are principally conducted by Barclays Bank PLC and are subject to ongoing supervision and regulation by the CFTC and the SEC, respectively. Barclays Bank PLC is provisionally registered as a swap dealer with the CFTC and conditionally registered as a security-based swap dealer with the SEC. Barclays Bank PLC is also subject to the FRB swaps rules with respect to margin and capital requirements. In addition, Barclays Bank Ireland PLC is provisionally registered as a swap dealer with the CFTC and is subject to the FRB swaps rules with respect to margin and capital.

Supervision in Asia Pacific

The Barclays Bank Group's operations in Asia Pacific are supervised and regulated by a broad range of national banking and financial services regulators.

Prudential regulation

Certain Basel III standards were implemented in EU law through the Capital Requirements Regulation (CRR) and the Capital Requirements Directive IV (CRD IV), as amended by CRR II and CRD V. These standards were retained in the UK regulatory framework via a series of onshoring instruments when the UK withdrew from the European Union. Beyond the minimum standards required by CRR, the PRA has expected the Barclays Group, in common with other major UK banks and building societies, to meet a 7% Common Equity Tier 1 (CET1) ratio at the level of the consolidated group since 1 January 2016. The 7% CET1 ratio is made up of a Pillar 1 minimum capital requirement of 4.5% CET1 and a capital conservation buffer which must be met entirely with CET1 capital.

Global systemically important banks (G-SIBs), such as the Barclays Group, are subject to a number of additional prudential requirements, including the requirement to hold additional loss-absorbing capacity and additional capital buffers above the level required by Basel III standards. The level of the G-SIB buffer is set by the Financial Stability Board (FSB) according to a bank's systemic importance and can range from 1% to 3.5% of risk-weighted assets (RWAs). The G-SIB buffer must be met with CET1 capital. In November 2023, the FSB published an update to its list of G-SIBs, maintaining the 1.5% G-SIB buffer that applies to the Barclays Group.

The Barclays Group is subject to a 'combined buffer requirement' consisting of (i) a capital conservation buffer of 2.5% of RWAs, and (ii) a countercyclical capital buffer (CCyB). The CCyB is based on rates determined by the regulatory authorities in each jurisdiction in which the Barclays Group maintains exposures. In the UK, the CCyB rate is set by the FPC and is currently 2%.

The PRA requires UK firms to hold additional capital to cover risks which the PRA assesses are not fully captured by the Pillar 1 capital requirement. The PRA sets this additional capital requirement (Pillar 2A) at least annually, derived from each firm's individual capital guidance. Under current PRA rules, the Pillar 2A requirement must be met with at least 56.25% CET1 capital and no more than 25% tier 2 capital. In addition, the capital that firms use to meet their minimum requirements (Pillar 1 and Pillar 2A) cannot be counted towards meeting the combined buffer requirement.

The PRA may also impose a confidential 'PRA buffer' to cover risks over a forward looking planning horizon, including with regard to firm-specific stresses or management and governance weaknesses. The PRA buffer must be met separately to the combined buffer requirement, and must be met fully with CET1 capital.

In addition, Barclays Bank PLC is subject to prudential regulation by the PRA on a solo-consolidated basis and is required to meet a minimum Common Equity Tier 1 (CET1) ratio of 10.5% comprising a 4.5% Pillar 1 requirement, a 2.5% capital conservation buffer, a 0.7% countercyclical buffer and a 2.9% Pillar 2A add on. Barclays Bank Ireland PLC is identified as a O-SII (Other Systemically Important Institutions) by the CBI, which has imposed an O-SII buffer on Barclays Bank Ireland PLC of 1%.

On 30 November 2022, the PRA published a consultation paper concerning the implementation of the remaining Basel III standards, which include a revised standardised approach for credit risk, the elimination of modelled approaches for certain credit risk exposure categories, a new standardised approach for operational risk, a new market risk approach and the implementation of an output floor requiring reported RWAs calculated under standardised and modelled approaches to be a minimum of 72.5% of fully standardised calculations. In December 2023 the PRA published its first collection of near-final policy proposals for implementing these measures, including those for market risk, operational risk and the Credit Valuation Adjustment (CVA) and counterparty credit risk. A further collection of policies, including those for credit risk and credit risk mitigation, are expected to be published by the PRA in Q2 2024. The implementation date for these standards has been extended to 1 July 2025. In June 2023, the EU reached a provisional agreement on the implementation of the remaining parts of the Basel III reforms. In December 2023, the preparatory bodies of the Council and Parliament endorsed this banking package. It consists of a legislative act to amend the Capital Requirements Directive (Directive 2013/36/EU), and a legislative act to amend the Capital Requirements Regulation (Regulation No (EU)2013/575) (referred to as CRR III and CRD VI, respectively). The relevant measures are scheduled to apply from January 2025 and mid-2025 respectively.

In October 2021, the FPC and PRA published a policy statement setting out changes to the leverage ratio framework, including applying the leverage ratio requirement on an individual basis and making sub-consolidation available as an alternative to individual application where a firm has subsidiaries that can be consolidated. Barclays Bank PLC applied for this sub-consolidated permission which was approved by the PRA and took effect from 1 January 2023.

In the US, the Barclays Bank Group (including BUSL) is subject to prudential requirements for large domestic US banking organisations, foreign banking organisations and their intermediate holding companies (IHCs) set by the FRB and other US regulatory agencies. BUSL is a "Category III" IHC. BUSL (and Barclays Bank Delaware) is subject to reduced (calibrated at 85%) standardised liquidity requirements, including the liquidity coverage ratio and NSFR.

BUSL is also subject to the FRB's rules regarding single counterparty credit limits (SCCL). The SCCL apply to the largest US BHCs and foreign banks' (including the Barclays Bank Group's) US operations. The SCCL creates two separate limits for foreign banks, the first on combined US operations (CUSO) and the second on the US IHC (BUSL). The SCCL for BUSL, as a US BHC, requires that exposure to an unaffiliated counterparty of BUSL not exceed 25% of BUSL's tier 1 capital. With respect to the CUSO, the SCCL rule allows certification to the FRB that a foreign bank complies with comparable home country regulation.

Barclays Bank PLC has complied with the CUSO requirement since 1 January 2022, with the first certification applicable for its Q1 2022 results. To date, Barclays Bank PLC has not relied on home country certification.

In July 2023, the FRB and other US regulatory agencies proposed changes to the regulatory capital rules applicable to US banks, BHCs and IHCs with total consolidated assets of $100 billion or more (Large Banking Organizations). These changes are intended to be broadly consistent with revisions to Basel III finalised by the Basel Committee on Banking Supervision in 2017. The US proposal would end the use of internal models for credit risk, credit valuation adjustments, and operational risk, create an expanded risk-based credit capital approach in addition to retaining a modified version of the current standardised approach, and make changes to the modeling requirements for market risk. A Large Banking Organization would be required to calculate its risk-based capital ratios under both the expanded risk-based approach and the current standardised approach and would use the lower of the two. All capital buffer requirements would apply regardless of whether the expanded risk-based approach or the existing standardised approach produces the lower ratio. The proposal was subject to a public comment period which ended on 16 January 2024, and would not be effective until 1 July 2025. Certain aspects of the proposal would be subject to a three-year phase-in period. We are analysing the potential effects of the proposed changes, including the timing of implementation.

Stress testing

The Barclays Group and certain of its members, including Barclays Bank PLC, are subject to supervisory stress testing exercises in a number of jurisdictions, designed to assess the resilience of banks to adverse economic or financial developments and ensure that they have robust, forward-looking capital planning processes that account for the risks associated with their business profile. Assessment by regulators is on both a quantitative and qualitative basis, the latter focusing on such elements as data provision and stress testing capability, including model risk management and internal management processes and controls.

Recovery and Resolution

Stabilisation and resolution framework

The current UK framework for recovery and resolution was established by the Banking Act 2009, as amended. The EU framework was established by the 2014 Bank Recovery and Resolution Directive (BRRD), as amended by BRRD II.

The BoE, as the UK resolution authority, has the power to resolve a UK financial institution that is failing or likely to fail by exercising certain stabilisation tools, including (i) bail-in: the cancellation, transfer or dilution of a relevant entity's equity and write-down or conversion of the claims of a relevant entity's unsecured creditors (including holders of capital instruments) and conversion of those claims into equity as necessary to restore solvency; (ii) the transfer of all or part of a relevant entity's business to a private sector purchaser; and (iii) the transfer of all or part of a relevant entity's business to a "bridge bank" controlled by the BoE. When exercising any of its stabilisation powers, the BoE must generally provide that shareholders bear first losses, followed by creditors in accordance with the priority of their claims in insolvency.

In order to enable the exercise of its stabilisation powers, the BoE may impose a temporary stay on the rights of creditors to terminate, accelerate or close out contracts, or override events of default or termination rights that might otherwise be invoked as a result of a resolution action and modify contractual arrangements in certain circumstances (including a variation of the terms of any securities). HM Treasury may also amend the law for the purpose of enabling it to use its powers under this regime effectively, potentially with retrospective effect.

In addition and distinct from bail-in, the BoE has the power to permanently write-down, or convert into equity, tier 1 capital instruments, tier 2 capital instruments and internal eligible liabilities at the point of non-viability of an institution pursuant to broader resolution powers under the Banking Act.

The BoE's preferred approach for the resolution of the Barclays Group is a bail-in strategy with a single point of entry at Barclays PLC. Under such a strategy, Barclays PLC's subsidiaries (including entities within Barclays Bank Group) would remain operational while Barclays PLC's capital instruments and eligible liabilities would be written down or converted to equity in order to recapitalise the Barclays Group and allow for the continued provision of services and operations throughout the resolution. The order in which the bail-in tool is applied reflects the hierarchy of capital instruments under applicable UK legislation and rules and otherwise respecting the hierarchy of claims in an ordinary insolvency. Accordingly, the more subordinated the claim, the more likely losses will be suffered by owners of the claim.

The PRA has made rules that require authorised firms to draw up recovery plans and resolution packs. Recovery plans are designed to outline credible actions that authorised firms could implement in the event of severe stress in order to restore their business to a stable and sustainable condition. The submission of resolution packs was suspended by the PRA in 2018 until further notice and replaced by annual resolution reporting. It continues to be suspended pending PRA assessment of areas of potential duplication between different reporting expectations. The Barclays Group, however, is required to provide the PRA with a recovery plan biennially, although the Group maintains and refreshes this on an annual basis.

Removal of potential impediments to an orderly resolution of a banking group or one or more of its subsidiaries is considered as part of the BoE's resolution planning for each firm, and the BoE can require firms to make significant changes in order to enhance their resolvability. Under the BoE's Resolvability Assessment Framework (RAF), firms are required to have in place capabilities covering three resolvability outcomes: (i) adequate financial resources; (ii) being able to continue to do business through resolution and restructuring; and (iii) being able to communicate and co-ordinate within the firm and with authorities. Barclays Group's second self-assessment report on resolvability under the RAF was submitted to the PRA/BoE in 2023 and public disclosures by both Barclays Group and the PRA/BoE on the most recent report are due in June 2024. Updated reports and disclosures are required every two years. The BoE's assessment on the 2021 report, published in June 2022, concluded that there were no shortcomings, deficiencies or substantive impediments identified in the Barclays Group's resolution capabilities that could impede its ability to execute the preferred resolution strategy. In future, should any such issues be identified, the PRA/BoE could exercise its various powers to direct the Barclays Group to address the relevant issues.

While regulators in many jurisdictions have indicated a preference for single point of entry resolution for the Barclays Group, additional resolution or bankruptcy provisions may apply to certain non-UK Barclays Bank Group entities or branches.

In the US, BUSL is subject to the Orderly Liquidation Authority established by Title II of the Dodd-Frank Act (DFA), a regime for the orderly liquidation of systemically important financial institutions by the FDIC, as an alternative to proceedings under the US Bankruptcy Code. In addition, the licensing authorities of Barclays Bank PLC New York branch and of Barclays Bank Delaware have the authority to take possession of the business and property of the applicable branch or entity they license and/or to revoke or suspend such licence.

In the US, Title I of the DFA, as amended, and the implementing regulations issued by the FRB and the FDIC require each bank holding company with assets of $250bn or more, including those within the Barclays Group, to prepare and submit a plan for the orderly resolution of subsidiaries and operations in the event of future material financial distress or failure. The Barclays Group submitted a "targeted plan" in December 2021. The agencies did not identify any shortcomings or deficiencies with the Barclays Group's 2021 US Resolution Plan. In August 2023, the FRB and FDIC proposed new guidance for triennial full filers (such as the Barclays Group) that would affect the content required to be included in the US Resolution Plan. The proposal generally represents an expansion of the current 165(d) resolution planning guidance the Barclays Group is subject to as a "specified foreign banking organization." The Barclays Group's next submission of the US Resolution Plan in respect of its US operations will be a "full plan" due 31 March 2025, unless the FRB and FDIC provide a further extension.

Barclays Bank Ireland PLC is required by the ECB to submit a standalone BRRD compliant recovery plan on an annual basis. As a Significant Institution under direct ECB supervision, Barclays Bank Ireland PLC falls within the remit of the Single Resolution Board (SRB), as the resolution authority for the European Banking Union. Under the provisions of the BRRD and EU Single Resolution Mechanism Regulation (SRMR), the SRB is required to determine the optimal resolution strategy for Barclays Bank Ireland PLC and, also, to prepare a resolution plan for the bank. The SRB undertakes this work within the context of the BoE's preferred resolution strategy of single point of entry with bail in at Barclays PLC. In order to carry out its mandate, the SRB collects detailed structural and other information from Barclays Bank Ireland PLC on a regular basis, as well as engaging with the bank to identify and address impediments to resolution. This work is done in coordination with the BoE, as the Barclays Group resolution authority. Barclays Bank Ireland PLC is required to meet the SRB's requirements for resolution as set out in the SRB's 'Expectations for Banks' document by 31 July 2024 (this deadline was extended by the SRB in October 2023 from the original deadline of 31 December 2023).

In April 2023, the EU Commission proposed certain reforms to strengthen the EU's bank crisis management and deposit insurance (CMDI) framework, including extending depositor protection to public entities and client money deposited in certain types of client funds. The EU legislative process remains ongoing. Provisional agreement was reached in December 2023 between the Council and the European Parliament on the treatment of internal MREL in bank resolution groups, referred to as the 'Daisy Chains' proposal (a confined part of the CMDI proposals). This treatment is expected to apply from the second half of 2024.

TLAC and MREL

The Barclays Group is under the supervision of the BoE, as the UK resolution authority, and is subject to a Minimum Requirement for Own Funds and Eligible Liabilities (MREL), which includes a component reflecting the FSB's standards on total loss absorbency capacity (TLAC).

Since 1 January 2022, G-SIBs with resolution entities incorporated in the UK have been required to meet an MREL equivalent to the higher of: (i) two times the sum of their Pillar 1 and Pillar 2A requirements; or (ii) the higher of two times their leverage ratio requirement or 6.75% of leverage exposures.

Internal MREL for operating subsidiaries is subject to a scalar in the 75-90% range of the external requirement that would apply to the subsidiary if it were a resolution entity. The starting point for the scalar is 90% for ring-fenced bank sub-groups.

Barclays Bank Ireland PLC is subject to the SRB's MREL policy, as issued in May 2023, in respect of the internal MREL that it will be required to issue to Barclays Bank Group. The SRB's current calibration of internal MREL for non-resolution entities is expressed as two ratios that have to be met in parallel: (a) two times the sum of: (i) the firm's Pillar 1 requirement; and (ii) its Pillar 2 requirement; and (b) two times the leverage ratio requirement. The SRB's policy does not apply any scalar in respect of the internal MREL requirement. Under the SRB MREL policy, a bank specific adjustment can be applied by the SRB to MREL requirements. From 1 January 2024, a revised deduction regime will apply for the indirect subscription of instruments eligible for internal MREL to avoid the double-counting of MREL elements at the level of intermediate entities within a resolution group.

In the US, the FRB's TLAC rule includes provisions that require BUSL to have: (i) a specified outstanding amount of eligible long-term debt; (ii) a specified outstanding amount of TLAC (consisting of common and preferred equity regulatory capital plus eligible long-term debt); and (iii) a specified common equity buffer. In addition, the FRB's TLAC rule prohibits BUSL, for so long as the Barclays Group's overall resolution plan treats BUSL as a non-resolution entity, from issuing TLAC to entities other than those within the Barclays Group.

Bank Levy and FSCS

The BRRD established a requirement for EU member states to set up a pre-funded resolution financing arrangement with funding equal to 1% of covered deposits by 31 December 2024 to cover the costs of bank resolutions. The UK implemented this requirement by way of a tax on the balance sheets of banks known as the 'Bank Levy', which remains in place.

In addition, the UK has a statutory compensation fund called the Financial Services Compensation Scheme (FSCS), which is funded by way of annual levies on most authorised financial services firms.

Structural reform

In the UK, the Financial Services (Banking Reform) Act 2013 put in place a framework for ring-fencing certain operations of large banks. Ring-fencing requires, among other things, the separation of the retail and smaller deposit-taking business activities of UK banks into a legally distinct, operationally separate and economically independent entity (a 'ring-fenced bank'), which is not permitted to undertake a range of activities. In 2023, HM Treasury issued a public call for evidence on aligning the ring-fencing and resolution regimes, amongst other things, and a consultation on reforms to the ring-fencing regime, including amendments to the thresholds above which the regime applies, permitting ring-fenced banks to establish branches and subsidiaries outside the UK or the EEA and the introduction of a transitional period for compliance with the ring-fencing regime following mergers or acquisitions. HM Treasury plans to introduce legislation to implement these reforms in early 2024. The PRA consulted on complementary reforms to HM Treasury's proposals in 2023 and, separately, conducted a review of its ring-fencing rules in compliance with its statutory duty under FSMA to do so every five years. The PRA announced in early 2024 that it intends to consult on targeted reforms to its ring-fencing rules as a result of its review, although the overall conclusion was that most of those rules are performing satisfactorily.

US regulation places further substantive limits on the activities that may be conducted by banks and holding companies, including foreign banking organisations such as the Barclays Group. The 'Volcker Rule', which was part of the DFA and which came into effect in the US in 2015, prohibits banking entities from undertaking certain proprietary trading activities and limits such entities' ability to sponsor or invest in certain private equity funds and hedge funds (in each case broadly defined). As required by the rule, the Barclays Group has developed and implemented an extensive compliance and monitoring programme addressing proprietary trading and covered fund activities (both inside and outside of the US).

Market infrastructure regulation

In recent years, regulators as well as global-standard setting bodies such as the International Organization of Securities Commissions (IOSCO) have focused on improving transparency and reducing risk in markets, particularly risks related to over-the-counter (OTC) derivative transactions. This focus has resulted in a variety of new regulations across the G20 countries and beyond that require or encourage on-venue trading, clearing, posting of margin and disclosure of pre-trade and post-trade information.

In particular, the Markets in Financial Instruments Directive and Markets in Financial Instruments Regulation (collectively referred to as MiFID II) have affected many of the markets in which the Barclays Bank Group operates, the instruments in which it trades and the way it transacts with market counterparties and other customers. MiFID II is currently undergoing a review process in the EU as part of the EU's ongoing focus on the development of a stronger Capital Markets Union. In the UK, FSMA 2023 introduced reforms to remove certain requirements which were previously applicable to trading in wholesale markets and to promote investment in line with the Wholesale Markets Review. Other changes proposed by the review are being progressed by way of amendments to regulatory rules and guidance.

Regulation of benchmarks

The EU and UK Benchmarks Regulation apply to the administration, contribution and use of benchmarks within the EU and the UK, respectively. Financial institutions within the EU or the UK, as applicable, are prohibited from using benchmarks unless their administrators are authorised, registered or otherwise recognised in the EU or the UK, respectively. This prohibition does not currently apply in respect of third country benchmark administrators, as the prohibition on usage of such benchmarks will take effect from the end of 2025 (EU) and 2030 (UK). The FCA has also been working to phase out use of LIBOR, with all LIBOR panels now having ended. Synthetic versions of GBP and USD LIBOR have been made available only for a limited period of time for holders of legacy contracts. Global regulators in conjunction with the industry have developed and are continuing to develop alternative benchmarks and risk-free rate fallback arrangements, including updates to existing, as well as new, applicable legislation.

Regulation of the derivatives market

The European Market Infrastructure Regulation (EMIR) introduced requirements designed to improve transparency and reduce the risks associated with the derivatives market. EMIR has operational and financial impacts on the Group, including by imposing collateral requirements and a requirement to centrally clear certain OTC derivatives contracts on a broad range of market participants. Access to the clearing services of certain Central Counterparties (CCPs) used by Barclays Bank Group entities is currently permitted under temporary equivalence and recognition regimes and decisions in the UK and EU. If not extended or made permanent, the EU's equivalence decision for UK Central Counterparties (CCPs), and exemption for certain intragroup transactions from the EMIR derivatives clearing and margin obligations, both due to expire at the end of June 2025, could also have operational and financial impacts on the Barclays Bank Group, as could the removal of temporary recognition of non-UK CCPs by the UK. The EU has introduced two legislative proposals to amend EMIR which introduce, inter alia, changes to the intragroup transactions exemption making it easier to rely on the exemption, as well as aiming to reduce the concentration of exposures to systemically important third-country central counterparties (in particular, UK Central Counterparties). The legislative process is ongoing.

US regulators have imposed similar rules as in the EU with respect to the mandatory on-venue trading and clearing of certain derivatives, and post-trade transparency, as well as in relation to the margining of OTC derivatives. In December 2017, the CFTC and the European Commission recognised the trading venues of each other's jurisdiction to allow market participants to comply with mandatory on-venue trading requirements while trading on certain venues recognised by the other jurisdiction. In December 2022, the CFTC extended temporary relief that would permit trading venues and market participants located in the UK to continue to rely on this mutual recognition framework following the withdrawal of the UK from the EU.

Certain participants in US swap markets are required to register with the CFTC as 'swap dealers' or 'major swap participants' and/or, with the SEC as 'security-based swap dealers' or 'major security-based swap participants'. Such registrants are subject to CFTC and/or SEC regulation and oversight. Barclays Bank PLC is provisionally registered with the CFTC as a swap dealer and conditionally registered with the SEC as a security-based swap dealer. In addition, Barclays Bank Ireland PLC is provisionally registered as a Swap Dealer with the CFTC.

Accordingly, Barclays Bank PLC and Barclays Bank Ireland PLC are both subject to CFTC rules on business conduct, record-keeping and reporting, and Barclays Bank PLC is subject to SEC rules on business conduct, record-keeping and reporting. However, since Barclays Bank PLC and Barclays Bank Ireland PLC are non-US swap dealers, they are only subject to certain of the CFTC's requirements in respect of swap transactions with US persons and certain persons guaranteed by or affiliated with US persons. In addition, since Barclays Bank PLC is a non-US security-based swap dealer, it is only subject to certain of the SEC's requirements in respect of security-based swap transactions with US persons or which are arranged, negotiated, or executed by US personnel. Additionally, Barclays Bank PLC and Barclays Bank Ireland PLC have elected to comply with certain CFTC/SEC requirements, as applicable, through 'substituted compliance' with EU/UK requirements pursuant to relevant determinations and related relief issued by the SEC and the CFTC, as applicable.

Barclays Bank PLC and Barclays Bank Ireland PLC are subject to FRB rules on capital and margin.

In 2022, the SEC proposed new rules that would require any person with a security-based swap position (aggregated across all affiliated persons) that exceeds any of the thresholds specified by the SEC to promptly report certain information by the next business day, including the identity of the reporting person and the security-based swap position, as well as the ownership of securities positions related to the security-based swap position. Such reports would be available publicly. If adopted as proposed, this rule could increase the burden and cost to Barclays Bank PLC of utilising security-based swaps.

Other regulatory developments in the US

In 2023, the SEC finalised amendments to shorten the standard settlement cycle for most broker-dealer transactions in securities from two business days after the trade (T+2) to one business day after the trade (T+1), which requires significant changes to BCI's settlement procedures and practices, and introduced new rules requiring market-wide improvements in the rate of same-day affirmations and on central matching service providers.

On 13 October 2023, the SEC adopted new rules to establish broad reporting requirements of the terms of securities loans to FINRA for public dissemination, and requiring FINRA to make publicly available certain information it receives regarding those lending transactions.

On 13 October 2023, the SEC adopted new rules requiring a wide range of firms to file monthly reports with the SEC for large short positions in equity securities on a new Form SHO and amendments to the National Market System plan governing the Consolidated Audit Trail, which adds an additional reporting requirement for CAT-reporting firms relying on the bona fide market maker exception to Reg SHO's locate requirement.

On 30 October 2023, the SEC issued exemptive relief, which exempts broker-dealers from their information review obligations concerning the issuer of an over-the-counter security prior to publication or submission of a quotation in that security with respect to a fixed-income security to be sold in compliance with the safe harbor in Rule 144A under the Securities Act of 1933.

On 13 December 2023, the SEC adopted rule amendments under the Exchange Act that, among other things, will mandate central clearing of certain US Treasury securities transactions and amend the broker-dealer customer protection rule as it applies to margin posted for transactions in US Treasury securities. These rule amendments could impose additional costs on the Group's Treasury securities trading activity. The SEC has also put forth a number of other recent proposals that, if adopted, could have a significant impact on the Barclays Bank Group's business and operations, including a series of market structure proposals which would have a significant impact on securities trading activity by BCI and other Barclays Bank Group entities, as the SEC proposals would (a) impose a new SEC best execution obligation on securities broker-dealers, including BCI, (b) require that certain individual investor orders be exposed to auctions before they could be executed internally by certain trading centres, and (c) amend certain rules under Regulation NMS (National Market System) to adopt variable minimum pricing increments, reduce access fee caps for protected quotations, require that the amount of exchange fees and rebates be determinable at the time of execution, and update and expand to certain broker-dealers the disclosures required for order executions in NMS stocks, among other changes.

Other regulation

Consumer protection, culture and diversity and inclusion

In July 2023, the FCA's new Consumer Duty came into force for new and existing products or services that are open to sale or renewal. It will apply to closed products and services from 31 July 2024. The duty sets higher expectations for the standard of care that firms provide to retail customers and impacts all aspects of Barclays' retail businesses, including every retail customer journey, product and service as well as our relationships with partners, suppliers and third parties. This has resulted in significant implementation costs and there will also be higher ongoing costs for the industry as a result of extensive monitoring and evidential requirements.

Our regulators have enhanced their focus on the promotion of cultural values as a key area for banks. The UK regulators have also begun focusing on diversity and inclusion in financial services firms, with the PRA and FCA having published a consultation on the introduction of a new regulatory framework on diversity and inclusion in September 2023. The UK regulators expect to publish final rules on this issue in 2024.

FSMA 2023 contains provisions mandating that the Payment Systems Regulator (PSR) require the reimbursement of authorised push payment scams by payment service providers, including Barclays. This reimbursement requirement will be split 50:50 between the sending and receiving firms. Changes to the rules of the Faster Payments Scheme and a new Specific Direction issued by the PSR to require reimbursement will take effect in October 2024.

Data protection

Most jurisdictions where Barclays Bank Group operates have adopted or are considering comprehensive laws concerning data protection and privacy. Regulations regarding data protection are increasing in number, as well as levels of enforcement, as manifested in increased amounts of fines and the severity of other penalties. We expect that personal privacy and data protection will continue to receive attention and focus from regulators, as well as public scrutiny and attention.

The EU's General Data Protection Regulation (GDPR) and the UK's General Data Protection Regulation (UK GDPR) provide a framework of rights and duties designed to safeguard personal data and apply to the activities conducted from an establishment in the EU or the UK, respectively. The extraterritorial effect of the GDPR and the UK GDPR means entities established outside the EU or the UK may fall within the GDPR or the UK GDPR's ambit when offering goods or services to EU/UK based customers or clients or conducting behavioural monitoring of individuals in the EU/UK. The Data Protection and Digital Information (No.2) Bill was introduced to the UK Parliament in March 2023, which if enacted will bring some divergence between the EU GDPR and UK GDPR. The UK government has indicated that it expects the Bill to become law in mid-2024, although there is still some uncertainty on timing and content.

The data regime in China is likely to continue to evolve, governing the collection, processing and cross-border transfers of China-based individuals' personal data and related restricted data (e.g., macro/derived characteristics data which, if tampered with, divulged or destroyed, may endanger China's economic operation, social stability, national security - among other things - having regard to the volume and granularity of the data). In India, the Digital Personal Data Protection Act, 2023, may be implemented in phases during 2024 and beyond. Except under certain exemptions, its scope would include the processing of personal data in India and would extend to the profiling of, and offering goods and services to, India-based individuals outside of India. As the global data protection regulatory landscape develops, non-compliance with any such requirements and rules could lead to regulatory fines and other penalties.

In the US, Barclays Bank Delaware is subject to the US Federal Gramm-Leach-Bliley Act (GLBA) and the California Privacy Rights Act of 2020, which amended the California Consumer Privacy Act of 2018 and came into effect on 1 January 2023 (CPRA). The GLBA limits the use and disclosure of non-public personal information to non-affiliated third parties, and requires financial institutions to provide written notice of their privacy policies and practices and implement certain information security policies and practices. Any violations of the GLBA could subject Barclays Bank Delaware to additional reporting requirements or regulatory investigation or audits by the financial regulators. More broadly, the Barclays Bank Group's US operations are subject to the CPRA which applies to personal information that is not collected, processed, sold or disclosed subject to the GLBA. The CPRA requires applicable members of the Barclays Bank Group to both provide California residents with additional disclosures regarding the collection, use and sharing of personal information and grant California residents access, deletion, correction and other rights, including the right to opt-out of certain sales or transfers of personal information and the right to limit the processing of sensitive personal information to certain purposes. Any violations of the CPRA may be subject to enforcement by the California Privacy Protection Agency and the California Attorney General and the imposition of monetary penalties, as well as potential lawsuits arising from the private right of action provided to California residents in the case of certain data breaches. Bills proposed in the United States Congress and in the legislatures of various US states, if enacted, may have further impact on the data privacy practices of Barclays' US operations. In addition, all 50 states have laws including obligations to provide notification of security breaches of computer databases that contain personal information to affected individuals, state officers and others.

Cybersecurity and operational resilience

Regulators globally continue to focus on cybersecurity risk management, organisational operational resilience and overall soundness across all financial services firms, with customer and market expectations of uninterrupted access to financial services remaining at an all-time high.

The regulatory focus has been further heightened by the increasing number of high-profile ransomware and other supply chain attacks seen across the industry in recent years and the growing reliance of financial services on Cloud and other third party service providers. This is evidenced by the continuing introduction of new laws and regulatory frameworks directed at enhancing resilience of both firms and their critical third party providers. A new UK framework introduced in March 2021 requires firms to be able to remain within impact tolerances set for their important business services, in severe but plausible disruption scenarios such as a cyber attack, by no later than 31 March 2025. FSMA 2023 introduced a new regime for designated critical third party providers, and in December 2023 the FCA and PRA issued a consultation on proposed rules and guidance for supervising the resilience of critical third party providers.

The EU's Digital Operational Resilience Act (DORA) entered into force in January 2023 and will apply in early 2025 (after a two-year implementation period), introducing comprehensive and sector specific regulation on Information Communication Technologies (ICT) incident reporting, testing and third party risk management, and providing for direct oversight of critical third party providers servicing the EU financial services sector. The existing and anticipated requirements for increased controls will serve to improve industry standardisation and resilience capabilities, enhancing our ability to deliver services during periods of potential disruption. However, such measures are likely to result in increased technology and compliance costs for the Group.

In 2023, the SEC finalised disclosure rules regarding cybersecurity risk management, governance and incident reporting by US-listed companies, including foreign private issuers such as Barclays PLC and Barclays Bank PLC. The new rules require foreign private issuers to annually disclose the policies and procedures relied upon to identify and manage cybersecurity risks, including risk management strategy and whether any risks from cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect the issuer, its business strategy, results of operations or financial condition. In addition, Barclays PLC and Barclays Bank PLC must annually describe Barclays' board of directors' oversight of risks from cybersecurity threats, the board committee responsible for the oversight of such risks, and the processes by which the board or such committee is informed thereof; and details of management's expertise and role in assessing and managing material risks from cybersecurity threats. If Barclays PLC or Barclays Bank PLC are required or determine to disclose material cybersecurity incidents under home country or stock exchange rules, they are required to also furnish this information with the SEC on the SEC's website, in accordance with their obligations as foreign private issuers.

Similarly, NYDFS amended its cybersecurity regulation applying to the New York Branch of Barclays Bank PLC. The NYDFS's amended cybersecurity regulation contains significant updates, including enhanced notification requirements, cybersecurity governance obligations, and requirements applicable to cybersecurity policies and procedures (e.g., encryption and multi-factor authentication, business continuity and incident response plans, and vulnerability management).

Regulatory initiatives on ESG disclosure
The EU Regulation on Sustainable Finance Disclosures (SFDR) and related Delegated Regulations require financial market participants (FMPs) to disclose how they integrate environmental, social and governance factors in their investment decisions for certain financial products and to publish principal adverse impact statements. The SFDR applies to entities established in the EU and in-scope products marketed in the EU, regardless of the location of the entity. The SFDR is currently under review by the Commission.

In addition, the EU Taxonomy Regulation provides for a general framework for the development of an EU-wide classification system for environmentally sustainable economic activities. It sets mandatory entity-level disclosure requirements for companies which fall under the scope of the EU Accounting Directive, in relation to eligibility and alignment of their business activities with the EU Taxonomy Regulation. The EU Taxonomy Regulation also imposes product level disclosure obligations for FMPs on the extent to which their financial products are Taxonomy aligned or not. The taxonomy, and with it the Taxonomy Regulation, is under review to include further sectors and, for example, social elements.

The EU Corporate Sustainability Reporting Directive will introduce sustainability related reporting obligations for various entities, including EU banks and certain non-EU companies and banks (by virtue of having EU listings or significant business in the EU), with reporting to commence on a phased basis from the financial year 2024. Related technical sustainability reporting standards have been developed by the European Financial Reporting Advisory Group.

The second EU Capital Requirements Regulation established, for certain large financial institutions, a Pillar 3 disclosure framework for information on environmental, social and governance risks, including physical risks and transition risks. Amendments proposed by the CRR III and CRD VI banking package will extend the scope of these disclosures and the emphasis on ESG. The ECB has made, and continues to regard, the supervision of the approach of institutions to ESG risk a priority.

In December 2023, the European Council and Parliament institutions reached political agreement on the Directive on Corporate Sustainability Due Diligence, which will require EU firms, and certain non-EU firms, including financial institutions, to carry out due diligence with regard to their own operations and companies in their upstream value chain, in order to identify and prevent, bring to an end or mitigate the adverse impact of their activities on human rights and the environment. Firms will also be required to establish a climate change transition plan. These obligations are expected to come into force on a phased basis from the second half of 2027, at the earliest.

In the UK, the FCA published final rules on the UK Sustainability Disclosure Requirements regime in November 2023 which set out new requirements to prepare sustainability-related product and entity level disclosures for certain firms, as well as a new sustainable investment labelling regime and anti-greenwashing rule applicable to all authorised firms. Currently, the new anti-greenwashing rule (and associated guidance) is due to apply from 31 May 2024, whilst the rest of the changes will take effect on a phased basis, beginning in the second half of 2024. The UK Government has expressed its intention to consider how best to incorporate the Taskforce on Nature-related Financial Disclosures framework for nature-related risk management and disclosures into UK legislation and to consult on introducing Transition Plan Taskforce Disclosure Framework (TPT Framework) related requirements for the UK's largest companies. The Government is also progressing plans to endorse UK Sustainability Disclosure Standards based on the International Sustainability Standards Board (ISSB) sustainability reporting standards (IFRS S1 on general requirements for sustainability disclosures and IFRS S2 on climate disclosures) for use in the UK by July 2024. The FCA plans to consult in 2024 on incorporating provisions relating to the ISSB standards and TPT Framework into its Handbook. Additionally, TCFD-aligned reporting requirements apply to UK publicly quoted companies, large private companies and LLPs (in addition to existing TCFD-related reporting requirements under the Listing Rules).

In the UK, the UK Government has confirmed its intention to develop a UK Green Taxonomy, and the Green Technical Advisory Group continues to publish advice and reports on the development of a Green Taxonomy. Reporting against the Taxonomy will form part of the UK's new Sustainability Disclosure Requirements (SDR). Certain companies will be required to disclose which portion of their activities are Taxonomy-aligned. The structure of the Taxonomy is expected to draw on the EU approach and has six environmental objectives (climate change mitigation, climate change adaptation, sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control and protection and restoration of biodiversity).

In March 2022, the SEC proposed climate related-disclosure requirements for US-listed companies (which would include Barclays PLC and Barclays Bank PLC) that would, among other things, require disclosure of direct and indirect greenhouse gas emissions, with certain emissions disclosures subject to third party attestation requirements; climate-related scenario analysis (if the issuer conducts scenario analysis), together with qualitative and quantitative information about the hypothetical future climate scenarios used in its analysis; climate transition plans or climate-related targets or goals, along with disclosure of progress against any such plans, targets or goals; climate-related risks over the short-, medium- and long-term; qualitative and quantitative information regarding climate-related risks and historical impacts in audited financial statements; corporate governance of climate-related risks; and climate-related risk-management processes. In addition, bills proposed or adopted by the legislatures of certain US states may impose additional or stricter climate related-disclosure requirements on businesses operating in such US states. For example, in October 2023, California adopted the Climate Corporate Data Accountability Act (SB-253) and the Greenhouse Gases: Climate-Related Financial Risk bill (SB-261) which are expected to apply commencing in 2026. Barclays is monitoring such legislative developments and their impact on Barclays' US operations and reporting obligations.

Sanctions and financial crime

The UK Bribery Act 2010 introduced a new form of corporate criminal liability focused broadly on a company's failure to prevent bribery on its behalf. The Criminal Finances Act 2017 introduced new corporate criminal offences of failing to prevent the facilitation of UK and overseas tax evasion. In 2023, the Economic Crime and Corporate Transparency Act 2023 became law. This creates a new offence of failing to prevent a person associated with the Group from committing fraud for the benefit of the Group. These pieces of legislation have broad application and in certain circumstances may have extraterritorial impact on entities, persons or activities located outside the UK, including Barclays PLC's subsidiaries outside the UK. The UK Bribery Act requires the Barclays Bank Group to have adequate procedures to prevent bribery which, due to the extraterritorial nature of the Act, makes this both complex and costly. Additionally, the Criminal Finances Act requires the Barclays Bank Group to have reasonable procedures in place to prevent the criminal facilitation of tax evasion by persons acting for, or on behalf of, the Barclays Bank Group. The Economic Crime and Corporate Transparency Act similarly requires the Group to have reasonable procedures in place to prevent a person associated with the Group from committing fraud.

The Sanctions and Anti-Money Laundering Act 2018 (the Sanctions Act) became law in the UK in 2018. Following the UK's withdrawal from the EU, the Sanctions Act allowed for the adoption of an autonomous UK sanctions regime which came into force in 2021, as well as a more flexible licensing regime post-Brexit. This regime applies within the UK and in relation to the conduct of all UK persons wherever they are in the world; it also applies to overseas branches of UK companies (including the Barclays Bank PLC New York branch).

Within the EU, there is a system of autonomous sanctions by which the European Council adopts a decision made by the EU's Common Foreign and Security Policy. The measures stated in the Council decision are either implemented at the EU level, by way of Regulation, or at a national level in Member States. Regulations are binding and directly effective throughout the EU. Each measure will specify the territorial scope of the relevant sanctions but these can apply broadly within the territory of any EU Member States and to EU nationals wherever they are located as well as to third country branches of EU companies. The EU enforces its anti-money laundering regime through the Fourth Anti-Money Laundering Directive (EU) 2015/849 and the Fifth Anti-Money Laundering Directive (EU) 2018/849 with further changes being proposed through the Sixth Anti-Money Laundering Directive and a package of further reforms currently under discussion.

In the US, the Bank Secrecy Act, the USA PATRIOT Act 2001, the Anti-Money Laundering Act of 2020 and regulations thereunder contain numerous anti-money laundering and anti-terrorist financing requirements for financial institutions. In addition, the Barclays Bank Group is subject to the US Foreign Corrupt Practices Act, which prohibits, among other things, corrupt payments to foreign government officials. It is also subject to various economic sanctions laws, regulations and executive orders administered by the US government, which prohibit or restrict some or all business activities and other dealings with or involving certain individuals, entities, groups, countries and territories.

In some cases, US state and federal regulations addressing sanctions, money laundering and other financial crimes may impact entities, persons or activities located or undertaken outside the US, including Barclays PLC and its subsidiaries. US government authorities have aggressively enforced these laws against financial institutions in recent years. As a result of the conflict in Ukraine, there has been an increased regulatory focus on sanctions compliance in various jurisdictions, including the US, UK and EU. Failure of a financial institution to ensure compliance with such laws could have serious legal, financial and reputational consequences for the institution.

Important information/Disclaimers

Information provided in climate and sustainability disclosures

What is important to our investors and stakeholders evolves over time, and we aim to anticipate and respond to these changes. Disclosure expectations in relation to climate change and sustainability matters are particularly fast moving, and differ from more traditional areas of reporting including in relation to the level of detail and forward-looking nature of the information involved and the consideration of impacts on the environment and other persons. We have adapted our approach in relation to the disclosure of such matters. Our climate and sustainability disclosures take into account the wider context relevant to these topics, which may include evolving stakeholder views, the development of our climate strategy, longer timeframes for assessing potential risks and impacts, international long-term climate- and nature-based policy goals and evolving sustainability-related policy frameworks. Our climate and sustainability disclosures are subject to more uncertainty than disclosures relating to other subjects, given market challenges in relation to data reliability, consistency and timeliness – the use of estimates, judgements and assumptions which are likely to change over time, the application and development of data, models, scenarios and methodologies, the change in regulatory landscape, and variations in reporting standards.

These factors mean disclosures may be amended, updated, and recalculated in future as market practice and data quality and availability develops, and could cause actual achievements, results, performance or other future events or conditions to differ, in some cases materially, from those stated, implied and/or reflected in any forward-looking statements or metrics included in our climate and sustainability disclosures. We give no assurance as to the likelihood of the achievement or reasonableness of any projections, estimates, forecasts, targets, commitments, ambitions, prospects or returns contained in our climate and sustainability disclosures and make no commitment to revise or update any such disclosures to reflect events or circumstances occurring or existing after the date of such statements.

Disclaimers

In preparing the climate and sustainability content within the Barclays Bank PLC Annual Report wherever it appears, we have:

- Made certain key judgements, estimations and assumptions. This is, for example, the case in relation to financed emissions, portfolio alignment, classification of environmental and social financing, operational emissions and sustainability metrics, measurement of climate risk and scenario analysis
- Used climate and sustainability data, models, scenarios and methodologies we consider to be appropriate and suitable for these purposes as at the date on which they were deployed. This includes data, models, scenarios and methodologies made available by third parties (over which we have no control) and which may have been prepared using a range of different methodologies, or where the basis of preparation may not be known to Barclays. Methodologies, interpretations or assumptions may not be capable of being independently verified and may therefore be inaccurate. Climate and sustainability data, models, scenarios and methodologies are subject to future risks and uncertainties and may change over time. Climate and sustainability disclosures in this document, including climate and sustainability-related data, models and methodologies, are not of the same standard as those available in the context of other financial information and use a greater number and level of judgements, assumptions and estimates, including with respect to the classification of climate and sustainable financing activities. Climate and sustainability disclosures are also not subject to the same or equivalent disclosure standards, historical reference points, benchmarks or globally accepted accounting principles. Historical data cannot be relied on as a strong indicator of future trajectories in the case of climate change and its evolution. Outputs of models, processed data, scenario analysis and the application of methodologies will also be affected by underlying data quality, which can be hard to assess, or challenges in accessing data on a timely basis
- Continued (and will continue) to review and develop our approach to data, models, scenarios and methodologies in line with market principles and standards as this subject area matures. The data, models, scenarios and methodologies used (including those made available by third parties) and the judgements, estimates and/or assumptions made in them or by us are rapidly evolving, and this may directly or indirectly affect the metrics, data points, targets, convergence points and milestones contained in the climate and sustainability content within the Barclays Bank PLC Annual Report. Further, changes in external factors which are outside of our control such as accounting and/or reporting standards, improvements in data quality, data availability, or updates to methodologies and models and/or updates or restatements of data by third parties, could impact – potentially materially – the performance metrics, data points, targets, convergence points and milestones contained in the climate and sustainability content within the Barclays Bank PLC Annual Report. In future reports Barclays may present some or all of the information for this reporting period (including information made available by third parties) using updated or more granular data or improved models, scenarios methodologies, market practices or standards. Equally, Barclays may need to re-baseline, restate, revise, recalculate or recalibrate performance against targets, convergence points or milestones on the basis of such updated data.

Such updated information may result in different outcomes than those included in the Barclays Bank PLC Annual Report. It is important for readers and users of the Barclays Bank PLC Annual Report to be aware that direct, like-for-like comparisons of each piece of information disclosed may not always be possible from one reporting period to another.

Included in the Barclays Bank PLC Annual Report a number of graphics, infographics, text boxes and illustrative case studies and credentials which aim to give a high-level overview of certain elements of the climate and sustainability content within the Barclays Bank PLC Annual Report and improve accessibility for readers. These graphics, infographics, text boxes and illustrative case studies and credentials are designed to be read within the context of the Barclays Bank PLC Annual Report as a whole.

There are a variety of internal and external factors which may impact the Group's reported metrics and progress against the Group's targets, convergence points and milestones.

Financial statements
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Detailed analysis of our financial statements, independently audited and providing in-depth disclosure of the financial performance of the Barclays Bank PLC.

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Independent Auditor's report to the members of Barclays Bank PLC

1. OUR OPINION IS UNMODIFIED

In our opinion:

- the financial statements of Barclays Bank PLC give a true and fair view of the Group's and of the Parent Company's affairs as at 31 December 2023, and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with UK-adopted international accounting standards;
- the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards as applied in accordance with the provisions of the Companies Act 2006;
- the Group and Parent Company financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

WHAT OUR OPINION COVERS

We have audited the Group and Parent Company financial statements of Barclays Bank PLC for the year ended 31 December 2023 (FY23) included in the Annual Report and Accounts, which comprise:

Group (Barclays Bank PLC and its subsidiaries)	Parent Company (Barclays Bank PLC)
Consolidated income statement	Balance sheet
Consolidated statement of comprehensive income	Statement of changes in equity
Consolidated balance sheet	Cash flow statement
Consolidated statement of changes in equity	
Consolidated cash flow statement	
Notes 1 to 40 of the Consolidated Financial Statements, including the summary of material accounting policies	

ADDITIONAL OPINION IN RELATION TO IFRS AS ADOPTED BY THE EUROPEAN UNION

As explained in Note 1 to the group financial statements, the Group and the Parent company, in addition to complying with its legal obligation to apply UK-adopted international accounting standards, has also applied International Financial Reporting Standards adopted pursuant to Regulation (EC) No 1606/2002 as it applies in the European Union ("IFRSs as adopted by the EU"). In our opinion the group and the parent company financial statements have been properly prepared in accordance with IFRSs as adopted by the EU.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion and matters included in this report are consistent with those discussed and included in our reporting to the Board Audit Committee ("BAC").

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities.

2. OVERVIEW OF OUR AUDIT

FACTORS DRIVING OUR VIEW OF RISKS

Following our FY22 audit and considering developments affecting the Barclays Bank PLC Group since then, we have updated our risk assessment.

The macro-economic environment continues to drive our risk assessment as the general economic uncertainty has led to sustained affordability pressures associated with rising inflation and interest rates.

This economic uncertainty and change has brought both pressures and opportunities. The higher interest rate environment has provided an uplift to net interest income, and has driven increased competition for deposits.

Lower market volatility and reduced client activity have created a challenging environment within the Corporate and Investment Bank, resulting in lower income for FY23.

As part of our risk assessment, we have maintained our focus on future economic assumptions used by the Group in its key estimates both at the year end and, where relevant, on a forward-looking basis.

Our risk assessment also considered instances of non-compliance with laws and regulations (including open enforcement actions against the Group) and specifically those that could reasonably be expected to have a material effect on the financial statements. We considered management’s assessment of how these occurred and their assessment of whether the risk could be more pervasive.

Key Audit Matters		Item
Impairment allowance on loans and advances at amortised cost, including off-balance sheet elements of the allowance	↗	4.1
Valuation of financial instruments held at fair value	↔	4.2
Valuation of the gross defined benefit pension obligation in respect of the UK Retirement Fund ('UKRF')	↔	4.3
User access management	↔	4.4

Similar risk to FY22 ↔

Increased risk since FY22 ↗

Independent Auditor's report to the members of Barclays Bank PLC

OUR USE OF SPECIALISTS AND INNOVATION	**Using the work of specialists and specific team members with expertise in a specialised area of accounting or auditing:** We used our specialists and specific team members with expertise in a specialised area of accounting or auditing to assist us in various aspects of our audit. This included, for example: – Credit risk modellers for our testing of the ECL models – Economics specialists for our work related to the macro economic variables and scenarios used in the determination of the ECL provisions – Valuation specialists for our independent repricing of samples of financial instruments – Actuarial pensions specialists for our work on the valuation of the defined benefit obligation – Tax specialists for our work over the tax charge, the effective tax rate and uncertain tax positions – IT auditors for our testing of automated and general IT controls **Incorporating unpredictability into our audit:** A requirement of the auditing standards is that we undertake procedures which are deliberately unexpected and could not have reasonably been predicted by Barclays Bank PLC's management. As an example, we update our criteria for selecting journals with a higher risk of management override each year so that the selection criteria do not become predictable. Outside of journals, for a selection of fair value financial instruments, we performed intra-month independent re-pricing to incorporate an element of unpredictability in our audit procedures. **Innovation in the audit:** Our audit is committed to driving innovation and the increased use of technology. In 2023 we have continued to deploy a large number of data and analytics tools across our audit. We have also continued to innovate our audit of valuation of financial instruments, by using the Digital Media Analytics tool to gather market news and key principal investments and leveraged finance exposures for consideration as part of our risk assessment procedures.
BOARD AUDIT COMMITTEE ("BAC") INTERACTION	During the year, the BAC met 11 times. KPMG are invited to attend all BAC meetings and are provided an opportunity to meet with the BAC in private sessions without the Executive Directors being present. For each Key Audit Matter, we have set out communications with the BAC in section 4, including matters that required particular judgement for each. In addition, our audit team includes a senior partner who has specific responsibility for ensuring audit quality (our "Audit Quality Partner"). The Board Audit Committee met with the Audit Quality Partner, twice in the year to receive a report on his assessment of audit quality. The Board Audit Committee also met with KPMG's Head of Audit Quality who provided an update on the initiatives KPMG is taking to sustain high levels of audit quality. The matters included in the BAC Chair's report on pages 19 to 20 are materially consistent with our observations of those meetings. In addition, KPMG are invited to attend the Board Risk Committee meetings.

Independent Auditor's report to the members of Barclays Bank PLC

OUR INDEPENDENCE

We have fulfilled our ethical responsibilities under, and we remain independent of the Group in accordance with, UK ethical requirements including the FRC Ethical Standard as applied to public interest entities.

Apart from the matters noted below, we have not performed any non-audit services during the year ended 31 December 2023 or subsequently which are prohibited by the FRC Ethical Standard.

We have identified that a KPMG member firm has provided preparation of local financial statement services over the period 2018 to 2023, including to a branch of the Company. That member firm had no involvement in the group or parent company audits of Barclays Bank PLC. The services, which have been terminated, were administrative in nature and did not involve any management decision-making or bookkeeping. The work was undertaken after the group audit opinion was signed by KPMG LLP for each of the related financial years and had no direct or indirect effect on Barclays Bank PLC's parent company or consolidated financial statements.

In our professional judgment, we confirm that based on our assessment of the breach, our integrity and objectivity as auditor has not been compromised and we believe that an objective, reasonable and informed third party would conclude that the provision of these services would not impair our integrity or objectivity for any of the impacted financial years. The audit committee concurred with this view.

We were first appointed as auditor by the shareholders for the year ended 31 December 2017. The period of total uninterrupted engagement is for the seven financial years ended 31 December 2023.

The Group lead engagement partner is required to rotate after five years. This is the second set of UK Financial Statements that Stuart Crisp has signed and he will be required to rotate after the FY26 audit.

The average tenure of key audit partners who are responsible for component audits, as set out in section 7 below is two years, with the shortest being their first year of involvement and longest being five years.

Total audit fee	£40m
Other audit related fees	£8m
Other services	£1m
Date first appointed	31 March 2017
Uninterrupted audit tenure	7 years
Next financial period which require a tender	31 December 2027
Tenure of Group lead engagement partner	2 years
Average tenure of key audit partners	2 years

Independent Auditor's report to the members of Barclays Bank PLC

MATERIALITY

(ITEM 6 BELOW)

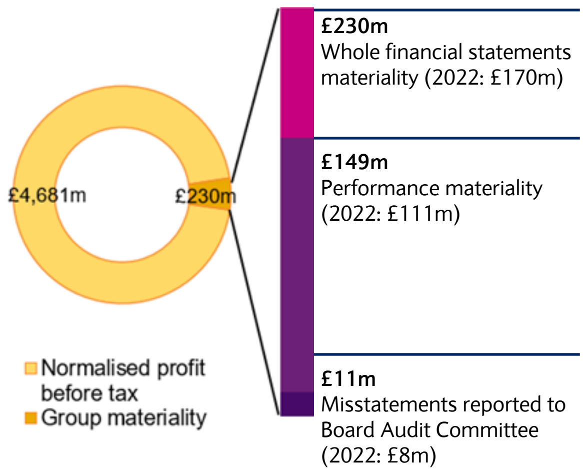
The scope of our work is influenced by our view of materiality and our assessed risk of material misstatement.

We have determined overall materiality for the Barclays Bank PLC Group to be £230m (FY22: £170m).

We determined that profit before tax (PBT) remains the key benchmark for the Barclays Bank PLC Group. For FY23, we adjusted PBT for items which do not represent the normal, continuing operations of the Group. As such, for FY23 we based our materiality on normalised profit before tax of £4,681m, of which it represents 4.9% (FY22: 3.5%).

Materiality for the Parent Company financial statements was set at £140m (2022: £130m), determined with reference to a benchmark of Parent Company profit before tax of which it represents 4.7% (2022: 4.7%).

Normalised Profit before tax £4,681m
(2022 PBT: £4,867m)



Independent Auditor’s report to the members of Barclays Bank PLC

We have performed risk assessment and planning procedures to determine which of the Group’s components are likely to include risks of material misstatement to the Group financial statements, the type of procedures to be performed at these components and the extent of involvement required from component auditors around the world for the purpose of our opinion on the consolidated financial statements.

We have also considered the extent to which the Group has established central hubs in shared service centre structures in India. The outputs from these hubs are included in the financial information of the reporting components and so the India operations are not considered to be a separate component.

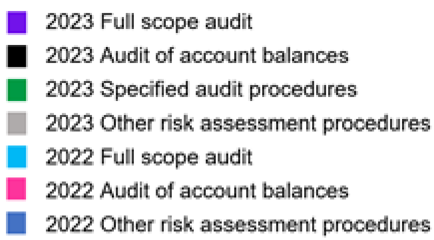
We have performed certain audit procedures centrally across the Group, set out in more detail in Section 7. In addition, we have performed Group level analysis on the remaining components to determine whether further risks of material misstatement exist in those components.

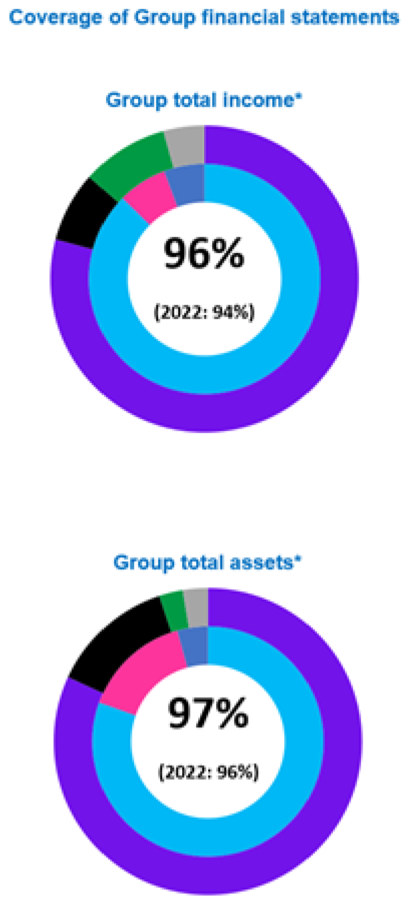
We consider the scope of our audit, as agreed with the Board Audit Committee, to be an appropriate basis for our audit opinion.

GROUP SCOPE

(ITEM 7 BELOW)

The components within the scope of our work accounted for the following percentages:





*Percentage of Group total income and assets over which we performed full scope audit of account balances.

THE IMPACT OF CLIMATE CHANGE ON OUR AUDIT	In planning our audit, we have considered the potential impact of risks arising from climate change on the Group's business and its financial statements. The Group has set out its ambition under the Paris Accord to be a net zero bank by 2050. Further information is provided in the Group's Annual report on pages 48-52. Climate change risks, opportunities and the Group's own commitments and changing regulations could have a significant impact on the Group's business and operations. There is the possibility that climate change risks, both physical and transitional, could affect financial statement balances, through estimates such as credit risk and market risk. There is enhanced narrative in the Annual Report on climate matters. As part of our audit we performed a risk assessment of the impact of climate change risk and the commitments made by the Group in respect of climate change on the financial statements and our audit approach. As a part of this we held discussions with our own climate change professionals to challenge our risk assessment. In doing this we performed the following: – *Understanding management's processes:* we made enquiries to understand management's assessment of the potential impact of climate change risk on the Group's Annual Report and Accounts and the Group's preparedness for this. As a part of this we made enquiries to understand management's risk assessment process as it relates to possible effects of climate change on the Annual Report and Accounts including the way in which the accounting policies of the Group (including those relating to products with specific climate features) are updated to reflect climate change risks. We also read and discussed with management the quantitative analysis prepared by the Group to support its assessment of the impact of climate risk on credit risk. – *Corporate credit risk:* we assessed how the Group considers the impact of climate risk on corporate counterparties through our individual loan assessments where, for performing counterparties, we assessed how climate change risk impacts certain counterparties within the commercial bank, including the impact on their credit rating as applicable. The focus of our procedures was on certain counterparties who operate in industries with greater exposure to climate risk - the energy, transportation, materials and buildings, agriculture, food and forest product sectors. – *Market risk:* as part of our risk assessment, we incorporated a consideration of the climate change impact on unobservable inputs used in the valuation of certain financial instruments in elevated risk sectors including energy, metals and mining. – *Annual report narrative:* we made enquiries of management to understand the process by which climate related narrative is developed including the primary sources of data used and the governance process in place over the narrative. As a part of our risk assessment, we read the climate related information in the front half of the Annual Report and considered consistency with the financial statements and our audit knowledge. On the basis of the procedures performed above, we concluded that, while climate change posed a risk to the determination of asset values in the current year, the risk was not significant when we considered the nature of the assets and the relevant contractual terms. As a result, there was no material impact from climate change on our key audit matters.

3. GOING CONCERN

The Directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the Parent Company or the Group or to cease their operations, and they have concluded that the Parent Company's and the Group's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over their ability to continue as a going concern for at least a year from the date of approval of the financial statements ("the going concern period").

GOING CONCERN

We used our knowledge of the Group and Parent Company, the financial services industry, and the general economic environment to identify the inherent risks to the business model and analysed how those risks might affect the Group's and Parent Company's financial resources or ability to continue operations over the going concern period. The risks that we considered most likely to adversely affect the Group's and Parent Company's available financial resources over this period were:

- the availability of funding and liquidity in the event of a market wide stress scenario; and
- the impact on regulatory capital requirements in the event of an economic slowdown.

We considered whether these risks could plausibly affect the availability of financial resources in the going concern period by comparing severe, but plausible downside scenarios that could arise from these risks individually and collectively against the level of available financial resources indicated by the Group's financial forecasts.

Our procedures also included an assessment of whether the going concern disclosure in note 1 to the financial statements gives a complete and accurate description of the Directors' assessment of going concern.

Accordingly, based on those procedures, we found the directors' use of the going concern basis of preparation without any material uncertainty for the Group and Parent Company to be acceptable. However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the above conclusions are not a guarantee that the Group or the Parent Company will continue in operation.

Our conclusions

- We consider that the directors' use of the going concern basis of accounting in the preparation of the Group's and Parent Company's financial statements is appropriate;
- We have not identified, and concur with the directors' assessment that there is not, a material uncertainty related to events or conditions that, individually or collectively, may cast significant doubt on the Group's or Parent Company's ability to continue as a going concern for the going concern period; and
- We have nothing material to add or draw attention to in relation to the directors' statement in Note 1 to the financial statements on the use of the going concern basis of accounting with no material uncertainties that may cast significant doubt over the Group and Parent Company's use of that basis for the going concern period, and we found the going concern disclosure in note 1 to be acceptable.

Independent Auditor's report to the members of Barclays Bank PLC

4. KEY AUDIT MATTERS

What we mean

Key Audit Matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on:

- the overall audit strategy;
- the allocation of resources in the audit; and
- directing the efforts of the engagement team.

We include below the Key Audit Matters in decreasing order of audit significance together with our key audit procedures to address those matters and our results from those procedures. These matters were addressed, and our results are based on procedures undertaken for the purpose of our audit of the financial statements as a whole. We do not provide a separate opinion on these matters.

4.1. IMPAIRMENT ALLOWANCES ON LOANS AND ADVANCES AT AMORTISED COST, INCLUDING OFF-BALANCE SHEET ELEMENTS OF THE ALLOWANCE

Financial Statement Elements	FY23	FY22	Our assessment of risk vs FY22	Our results
Impairment allowances on loans and advances at amortised cost, including off-balance sheet elements of the allowance – Group (see page 63)	**£4.5bn**	£4.4bn	Our assessment is that the risk has increased since FY22. There is increased uncertainty arising from higher interest rates and continued inflationary pressures.	FY23: Acceptable FY22: Acceptable
Impairment allowances on loans and advances at amortised cost – Parent (see page 70)	**£1.1bn**	£1.2bn		
Impairment allowances on loan commitments and financial guarantee contracts – Parent (see page 70)	**£0.4bn**	£0.4bn		

Independent Auditor's report to the members of Barclays Bank PLC

Description of the Key Audit Matter	Our response to the risk
Subjective estimate The estimation of expected credit losses ("ECL") on financial instruments involves significant judgement and estimates. The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus in the Group and Parent Company's estimation of ECLs are: • Model estimations – Inherently judgemental modelling and assumptions are used to estimate ECL which involves determining Probability of Default ("PD"), Loss Given Default ("LGD"), and Exposure at Default ("EAD"). ECL may be inappropriate if certain models or underlying assumptions do not accurately predict defaults or recoveries over time, become out of line with wider industry experience, or fail to reflect the credit risk of financial assets. As a result, certain IFRS 9 models and model assumptions are the key drivers of complexity and uncertainty in the Group and Parent's calculation of the ECL estimate. • Economic scenarios – IFRS 9 requires the Group and Parent to measure ECL on an unbiased forward-looking basis reflecting a range of future economic conditions. Significant management judgement is applied in determining the forward-looking economic scenarios used as an input to calculate ECL, the associated scenario probability weightings and the key economic variables that drive the scenarios. There is also a high level of complexity of models used to derive the probability weightings. • Qualitative adjustments – Adjustments to the model-driven ECL results are raised by management to address known impairment model limitations, emerging trends, or risks not captured by models. They represent approximately (0.4)% of the ECL. These adjustments are inherently uncertain and significant management judgement is involved in identifying and estimating certain post model adjustments ("PMA's") and management overlays. The effect of these matters is that, as part of our risk assessment, we determined that the impairment of loans and advances to customers including off-balance sheet elements of the allowance has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The credit risk sections of the financial statements (page 63-110) disclose the sensitivities estimated by the Group and Parent. **Disclosure quality** The disclosures regarding the Group and Parent's application of IFRS 9 are key to explaining the key judgements and material inputs to the IFRS 9 ECL results.	**Our procedures to address the risk included:** *Risk assessment:* We performed granular and detailed risk assessment procedures over the entirety of the loan and advances at amortised cost including off-balance sheet elements of the allowance within the Group and Parent Company's financial statements. As part of these risk assessment procedures, we identified the portfolios associated with a risk of material misstatement including those arising from significant judgements over estimation of ECL either due to inputs, methods or assumptions. *Controls testing:* We performed end to end process walkthroughs to identify the key systems, applications and controls used in the ECL processes. We tested the relevant manual, general IT and application controls over key systems used in the ECL process. Key aspects of our controls testing involved evaluating the design and implementation and testing the operating effectiveness of the key controls over the: • completeness and accuracy of the key inputs into the IFRS 9 impairment models; • application of the staging criteria; • model validation, implementation and monitoring; • completeness, authorisation and calculation of post model adjustments and management overlays; • selection and implementation of economic variables and the controls over the economic scenario selection and probabilities; and • credit reviews that determine customer risk ratings for a population of wholesale customers, including a risk-based selection. *Our credit risk modelling expertise:* We involved our own credit risk modellers who assisted in the following: • evaluating the Group and Parent's impairment methodologies for compliance with IFRS 9; • inspecting model code for the calculation of certain components of the ECL model to assess its consistency with the Group and Parent's model methodology; • evaluating whether model changes (including updated model code), for a selection of models which were changed or updated during the year, were appropriate by assessing the updated model methodology against the applicable accounting standard; • reperforming the calculation of certain adjustments to assess consistency with the qualitative adjustment methodologies; • assessing and reperforming, for a selection of models, the reasonableness of the model predictions by comparing them against actual results and evaluating the resulting differences; • evaluating the model output for a selection of models by inspecting the corresponding model functionality and independently implementing the model by rebuilding the model code and comparing our independent output with management's output; and • independently recalculating a selection of model assumptions using more recent data for certain portfolios. This is used to develop a range for ECL which is compared to management's point estimate. *Our economics expertise:* We involved our own economic specialists who assisted us in: • assessing the reasonableness of the Group and Parent's methodology and models for determining the economic scenarios used and the probability weightings applied to them; • assessing key economic variables which included comparing samples of economic variables to external sources; • assessing the overall reasonableness of the economic forecasts by comparing the Group and Parent's forecasts to our own modelled forecasts; and • assessing the reasonableness of the Group and Parent's qualitative adjustments by challenging key economic assumptions applied in their calculation based on external sources. *Other test of details:* Key aspects of our testing in addition to those set out above involved: • sample testing over key inputs into the ECL calculations; • selecting a sample of post model adjustments, considering the size and complexity of management overlays, to assess the reasonableness of the adjustments by challenging key assumptions, inspecting the calculation methodology and tracing a sample of the data used back to source data;

- assessing the completeness of post model adjustments identified based on our knowledge gained from other risk-assessment and substantive audit procedures; and
- selecting a sample of credit reviews to assess the reasonableness of customer risk ratings by challenging key judgements and considering disconfirming or contradictory evidence.

Assessing transparency: We assessed whether the disclosures appropriately disclose and address the uncertainty which exists when determining the ECL. In addition, we assessed whether the disclosure of the key judgements and assumptions was sufficiently clear.

Communications with the Barclays Bank PLC Board Audit Committee

Our discussions with and reporting to the Board Audit Committee included:

- The effectiveness of the control environment operating over the calculation of the ECL provisions;
- The determination and utilisation of judgemental post model adjustments recognised;
- Model monitoring results and adjustments made;
- Management's economic forecast and associated scenario probability weights; and
- The disclosures made to explain ECL, including explaining the resulting estimation uncertainty.

Areas of particular auditor judgement

We identified the following as the areas of particular auditor judgement:

- The appropriateness of the model estimations and qualitative adjustments recorded to the model driven ECL calculations to reflect the current economic environment.

Our results

Based on the risk identified and our procedures performed we considered the impairment allowances on loans and advances at amortised cost, including off-balance sheet elements and the related disclosures to be acceptable (2022 result: acceptable).

Further information in the Annual Report and Accounts: See the Board Audit Committee Report on pages 19 to 20 for details on how the Board Audit Committee considered impairment as an area of focus, page 187 for the accounting policy on accounting for the impairment of financial assets under IFRS 9, pages 63-110 for the credit risk disclosures, and pages 187 to 190 for the financial disclosure note 8; Credit Impairment charges.

4.2 VALUATION OF FINANCIAL INSTRUMENTS HELD AT FAIR VALUE

Financial Statement Elements	FY23	FY22	Our assessment of risk vs FY22	Our results
Group:				
Level 2 assets at fair value* (note 16)	**£549bn**	£582bn		
Level 2 liabilities at fair value* (note 16)	**£571bn**	£572bn		
Level 3 assets at fair value (note 16)	**£16.2bn**	£17.8bn	↔ Our assessment is that the risk is similar to FY22.	FY23: Acceptable FY22: Acceptable
Level 3 liabilities at fair value (note 16)	**£6.2bn**	£7.5bn		
Parent:				
Level 2 assets at fair value* (note 16)	**£554bn**	£569bn		
Level 2 liabilities at fair value* (note 16)	**£583bn**	£561bn		
Level 3 assets at fair value (note 16)	**£14.0bn**	£16.3bn		
Level 3 liabilities at fair value (note 16)	**£5.7bn**	£7.1bn		

*In addition to Level 3 portfolios, the key audit matter identified relates to one Level 2 derivatives portfolio within these balances, and certain xVA adjustments made to derivative valuations, both of which we considered to be harder-to-value.

Description of the Key Audit Matter	Our response to the risk
Subjective valuation The fair value of the Group's and Parent's financial instruments is determined through the application of valuation techniques which can involve the exercise of significant judgement by the Group in relation to the choice of the valuation models, pricing inputs and post-model pricing adjustments, including fair value adjustments (FVAs) and credit, collateral and funding adjustments (together referred to as XVAs). Where significant pricing inputs are unobservable, management has limited reliable, relevant market data available in determining the fair value and hence estimation uncertainty can be high. These financial instruments are classified as Level 3, with management having controls in place over the boundary between Level 2 and 3 positions. Our significant audit risk for the Level 3 portfolios is therefore primarily due to these unobservable inputs. In addition, for the Level 2 portfolios, there may also be valuation complexity, specifically where valuation modelling techniques result in significant limitations or where there is greater uncertainty around the choice of an appropriate pricing methodology, and consequently more than one valuation methodology could be used for that product across the market. We identified two areas of such complexity. The first a derivatives portfolio that we considered to be harder to value Level 2 due to an element of modelling complexity associated with the product, and the second the XVA adjustments made to uncollateralised and partially collateralised derivative valuations. The effect of these matters is that, as part of our risk assessment, we determined that the subjective estimates in fair value measurement of Level 3 and harder-to-value Level 2 portfolios, have a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements as a whole, and possibly many times that amount. The financial statements (note 16) disclose the sensitivity estimated in Level 3 portfolios by the Group and Parent. **Disclosure quality** For the Level 3 portfolios, the disclosures are key to explaining the valuation techniques, key judgements, assumptions and material inputs.	**Our procedures to address the risk included:** *Risk assessment:* We performed granular and detailed risk assessment procedures throughout the audit period over the entirety of the balances within the Group and Parent's financial statements (i.e. all of the fair value financial instruments held by the Group and Parent). As part of these risk assessment procedures, we identified which portfolios and the associated valuation inputs have a risk of material misstatement including those arising from significant judgements over valuation either due to unobservable inputs or complex models. *Controls testing:* We attended management's Valuation Committee throughout the year and observed discussion and challenge over valuation themes including items related to the valuation of certain harder-to-value financial instruments recorded at fair value. We performed end to end process walkthroughs to identify the key systems, applications and controls used in the valuations processes. We tested the design and operating effectiveness of key controls relating specifically to these portfolios. Key aspects of our controls testing involved evaluating the design and implementation and testing the operating effectiveness of the key controls over: ▪ independent price verification (IPV), performed by a control function, of key market pricing inputs, including completeness of positions and valuation inputs subject to the IPV control; ▪ FVAs, including exit adjustments (to mark the portfolio to bid or offer prices), model shortcoming reserves to address model limitations and XVAs; and ▪ the validation, completeness, implementation and usage of valuation models. This included controls over assessment of model limitations and assumptions. *Our valuations expertise:* We involved our own valuations specialists in the following: ▪ independently re-pricing a selection of fair value financial instruments and challenging management on the valuations where they were outside our tolerance; and ▪ challenging the appropriateness of significant models and methodologies used in calculating fair values, risk exposures and in calculating FVAs and XVAs, including comparison to industry practice. *Seeking contradictory evidence:* For a selection of collateral disputes identified through management's control where significant fair value differences were observable with the market participant on the other side of the trade, we challenged management's valuation by inspecting evidence of the investigation and resolution of the disputes. We also utilised collateral dispute data to identify fair value financial instruments with significant fair value differences against market counterparties and selected these to independently reprice. *Inspection of movements:* We inspected trading revenue arising on level 3 positions to assess whether material gains or losses were in line with the accounting standards. *Historical comparison*: We performed a retrospective review by inspecting significant gains and losses on a selection of new fair value financial instruments, position exits and restructurings throughout the audit period and evaluated whether these data points indicated elements of fair value not incorporated in the current valuation methodologies. We also inspected movements in unobservable inputs throughout the period to challenge whether any gain or loss generated was appropriate. *Assessing transparency:* For the Level 3 portfolios, we assessed the adequacy of the Group and Parent's financial statements disclosures in the context of the relevant accounting standards.

Independent Auditor's report to the members of Barclays Bank PLC

Communications with the Barclays PLC Board Audit Committee

Our discussions with and reporting to the Board Audit Committee included:

- Our approach to the audit of the fair value of Level 3 and harder-to-value Level 2 financial instrument assets and liabilities. This included details of our risk assessment, controls and substantive procedures.
- Our conclusions on the appropriateness of the Group's fair value methodology, models, pricing inputs, and fair value adjustments.

Areas of particular auditor judgement

We identified the following as the areas of particular auditor judgement:

- The appropriateness of the valuation of Level 3 and harder-to-value level 2 financial instruments, and particularly the selection of market data inputs and valuation models.

Our results

Based on the risk identified and our procedures performed we consider the fair value of Level 3 and harder-to-value Level 2 financial instrument assets and liabilities recognised and the related disclosures to be acceptable (2022 result: acceptable).

Further information in the Annual Report and Accounts: See the Board Audit Committee Report on pages 19 to 20 for details on how the Board Audit Committee considered Valuations as an area of focus, page 210 for the accounting policy on financial assets and liabilities, and pages 210 to 222 for the financial disclosure note 16; Fair value of financial instruments.

Independent Auditor's report to the members of Barclays Bank PLC

4.3. VALUATION OF THE GROSS DEFINED BENEFIT PENSION OBLIGATION IN RESPECT OF THE UK RETIREMENT FUND ('UKRF')

Financial Statement Elements	FY23	FY22	Our assessment of risk vs FY22	Our results
Defined benefit obligation related to UKRF - Group and Parent (note 30)	**£20.6bn**	£20.0bn	↔ Our assessment is that the risk is similar to FY22.	FY23: Acceptable FY22: Acceptable

Description of the Key Audit Matter	Our response to the risk

Description of the Key Audit Matter

Subjective valuation

The valuation of the defined benefit obligation in respect of the UKRF is dependent on key actuarial assumptions, including the discount rates, retail price index ('RPI') and mortality assumptions. Small changes to these assumptions may still have a significant impact on the measurement of the defined benefit pension obligation.

As part of our risk assessment, we determined that the defined benefit pension obligation has a high degree of estimation uncertainty, with a potential range of reasonable outcomes greater than our materiality for the financial statements, and possibly many times that amount.

Disclosure quality

The disclosures regarding the Group and Parent's application of IAS 19 (including assumptions and sources of estimation uncertainty) are key to explaining the key judgements applied in the IAS 19 Defined Benefit Obligation calculation.

Our response to the risk

Our procedures to address the risk included:

Control testing: We performed end to end process walkthroughs to identify the key systems, applications and controls used in the defined benefit obligation process. We tested the design and operating effectiveness of key controls relating to the process. These included:

- controls over management's review of IAS19 assumptions including the discount rate, RPI and mortality assumptions; and
- reconciliation controls of the IAS19 disclosures to underlying data.

Evaluation of management's expert: We evaluated the objectivity and competence of management's actuarial expert involved in the valuation of the defined benefit pension obligation.

Our actuarial expertise: We involved our own actuarial professionals in the following:

- evaluating the judgements made and the appropriateness of methodologies used by management and management's actuarial expert in determining the key actuarial assumptions; and
- comparing the assumptions used by Barclays Bank PLC to our independently compiled expected ranges based on market observable indices and our market experience.

Assessing transparency: We assessed the adequacy of the Group and Parent's financial statements disclosures in the context of the relevant accounting standards.

Communications with the Barclays Bank PLC Board Audit Committee

Our discussions with and reporting to the Board Audit Committee included;

- Our definition of the Key Audit Matter relating to the valuation of the defined benefit pension obligation including the rationale for not including the valuation of the pension assets in the key audit matter.
- We also discussed our audit response to the key audit matter which included the use of specialists to challenge key aspects of management's actuarial valuation.

Areas of particular auditor judgement

We identified the following as areas of particular auditor judgement:

- Subjective and complex auditor judgement was required in evaluating the key actuarial assumptions used by the Group and Parent (including the discount rate, retail price index and mortality assumptions).

Our results

Based on the risk identified and our procedures performed we consider the valuation of the defined benefit pension obligation in respect of UKRF and the related disclosures to be acceptable (2022 result: acceptable).

Further information in the Annual Report and Accounts: See page 249 for the accounting policy on defined benefit schemes, and pages 249 to 256 for the financial disclosure note 30; Pensions and post-retirement benefits.

4.4. USER ACCESS MANAGEMENT

Financial Statement Elements	Our assessment of risk vs FY22	Our results
User access management has a potential impact throughout the financial statements.	↔ Our assessment is the risk is similar to FY22	FY23 and FY22: Our testing did not identify unauthorised user activities in the systems relevant to financial reporting which would have required us to significantly expand the extent of our planned detailed testing.

Description of the Key Audit Matter	Our response to the risk
Control Performance Operations across several countries support a wide range of products and services resulting in a large and complex IT infrastructure relevant to the financial reporting processes and related internal controls. User access management controls are an integral part of the IT environment to ensure both system access and changes made to systems and data are authorised and appropriate. Our audit approach relies on the effectiveness of IT access management controls. Our audit procedures identified deficiencies in certain IT access controls for systems relevant to financial reporting. More specifically, previously identified control deficiencies remain open around monitoring of activities performed by privileged users on infrastructure components. Management has an ongoing programme to remediate the deficiencies. Since these deficiencies were open during the year, we performed additional procedures to respond to the risk of unauthorised changes to automated controls over financial reporting, such as an assessment of compensating controls implemented by management.	**Our procedures to address the risk included:** *Control testing:* We tested the design, implementation and operating effectiveness of automated controls that support material balances in the financial statements. We also tested the design and operating effectiveness of the relevant preventative and detective general IT controls over user access management including: ▪ authorising access rights for new joiners; ▪ timely removal of user access rights; ▪ logging and monitoring of user activities; ▪ privileged user access management and monitoring; ▪ developer access to transaction and balance information; ▪ segregation of duties; ▪ re-certification of user access rights; and ▪ restricting access to make changes to systems and data. We performed procedures to assess whether additional detective compensating controls operate at the required level of precision to support our assessed risk of unauthorised activities and we tested management's detective controls.

Communications with the Barclays Bank PLC Board Audit Committee

Our discussions with and reporting to the Board Audit Committee included:

- Our response to the Key Audit Matter.

Areas of particular auditor judgement

We identified the following as the areas of particular auditor judgement:

- The Key Audit Matter relates to determining whether user access management controls were designed and implemented and operated effectively. Limited auditor judgement was required relative to the other Key Audit Matters which have been identified.

Our results

Based on the risk identified and our procedures performed, we did not identify unauthorised user activities in the systems relevant to financial reporting which would have required us to significantly expand the extent of our planned detailed testing.

We continue to perform procedures over recoverability of the parent company's investment in subsidiaries. However, given that impairment indicators which existed in the prior year are not present this year, we have not assessed this as one of the most significant risks in our current year audit and, therefore, it is not separately identified in our report this year.

Independent Auditor's report to the members of Barclays Bank PLC

5. OUR ABILITY TO DETECT IRREGULARITIES, AND OUR RESPONSE

FRAUD - IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT DUE TO FRAUD	
FRAUD RISK ASSESSMENT	To identify risks of material misstatement due to fraud ("fraud risks") we assessed events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud. In this risk assessment we considered the following: ▪ Our meetings throughout the year with the Group Head of Risk, Group Head of Compliance and Group Head of Legal and inspection of Barclays Bank PLC's internal ethics and compliance ▪ Enquiries of operational managers, internal audit, and the Board Audit Committee and inspection of policy documentation as to the Group's high-level policies and procedures relating to: ◦ detecting and responding to the risks of fraud as well as whether they have knowledge of any actual, suspected or alleged fraud; and ◦ the internal controls established to mitigate risks related to fraud, including the appropriateness and impact of changes made to these controls to facilitate remote/hybrid working; ▪ The Group's remuneration policies and key drivers for remuneration and bonus levels; and ▪ Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with banks, and this experience was relevant to the discussion about where fraud risks may arise. The discussions also involved our forensic specialists to assist us in identifying fraud risks based on discussions of the circumstances of the Group and Company, including consideration of fraudulent schemes that had arisen in similar sectors and industries. The forensic specialists participated in the initial fraud risk assessment discussions and were consulted as required where further guidance was necessary.
FRAUD RISK COMMUNICATION	We communicated identified fraud risks throughout the audit team and we remained alert to any indications of fraud throughout the audit. This included communication from the Group to component audit teams of relevant fraud risks identified at the Group level.
FRAUD RISKS AND OUR PROCEDURES TO ADDRESS THEM	We identified four fraud risks which were communicated to component audit teams. The nature of these fraud risks is substantially unchanged from the prior year. The fraud risks we identified are set out below: 1) IFRS 9 ECL: Judgemental qualitative adjustments made to the ECL provision 2) Valuations- risk relating to unobservable pricing inputs used to price level 3 fair value instruments 3) Existence and accuracy of unconfirmed over-the-counter bilateral derivatives 4) The risk of management override of controls, common with all audits under ISAs (UK). As required by auditing standards and taking into account our overall knowledge of the control environment, we performed procedures to address the above risks, the risk that Group and component management may be in a position to make inappropriate accounting entries and the risk of bias in accounting estimates and judgements. On this audit, we have not identified a significant risk of fraud related to revenue recognition for the Group as a whole. Our audit procedures included evaluating the design and implementation and operating effectiveness of relevant internal controls, assessing significant accounting estimates for bias, as well as substantive procedures to address the fraud risks. These procedures also included identifying journal entries to test based on risk criteria and comparing the identified entries to supporting documentation. *Incorporating unpredictability into our audit*: A requirement of the auditing standards is that we undertake procedures which are deliberately unexpected and could not have reasonably been predicted by Barclays Bank PLC's management. As an example, we update our criteria for selecting journals with a higher risk of management override for testing each year so that the selection criteria do not become predictable. Outside of journals, for a selection of fair value financial instruments, we performed intra-month independent re-pricing to incorporate an element of unpredictability in our audit procedures.
LINK TO KEY AUDIT MATTERS	Further details of the testing we perform over the identified fraud risks for ECL and fair value of financial instruments are included in the respective key audit matters sections 4.1 and 4.2 of this report, as the procedures relating to those estimates also address the risk of fraud.

Independent Auditor’s report to the members of Barclays Bank PLC

LAWS AND REGULATIONS - IDENTIFYING AND RESPONDING TO RISKS OF MATERIAL MISSTATEMENT DUE TO NON-COMPLIANCE WITH LAWS AND REGULATIONS	
RISK ASSESSMENT	We identified areas of laws and regulations that could reasonably be expected to have a material effect on the financial statements. For this risk assessment, matters considered include the following: ▪ our general commercial and sector experience; ▪ inquiries with the directors and other management (as required by auditing standards); ▪ inspection of the Group’s key regulatory and legal correspondence; ▪ inspection of the policies and procedures regarding compliance with laws and regulations; ▪ relevant discussions with the Group’s external legal counsel; ▪ relevant discussions with the Group’s key regulatory supervisors including the Prudential Regulation Authority, Financial Conduct Authority, Federal Reserve Board, Federal Deposit Insurance Corporation and the Joint Supervisory Team; and ▪ the Group’s own assessment of the risks of non-compliance with laws and regulations, and the internal controls established to mitigate these. This assessment was considered and approved by the Board. Our risk assessment also considered instances of non-compliance with laws and regulations and enforcement actions against the Group during the year and specifically those that could reasonably be expected to have a material effect on the financial statements. As the Group operates in a highly regulated environment, our assessment of risks of material misstatement also considered the control environment, including the Group’s higher-level procedures for complying with regulatory requirements. Our assessment included inspection of key frameworks, policies and standards in place, understanding and evaluating the role of the compliance function in establishing these and monitoring compliance and testing of related controls around whistleblowing and complaints.
RISK COMMUNICATION	Our identified laws and regulations risks was communicated throughout our team and we remained alert to any indications of non-compliance throughout the audit. This included communication from the Group to component audit teams of relevant laws and regulations identified at Group level.
DIRECT LAWS CONTEXT AND LINK TO AUDIT	The potential effect of these laws and regulations on the financial statements varies considerably. Firstly, the Group is subject to laws and regulations that directly impact the financial statements including: ▪ financial reporting legislation (including related companies’ legislation); ▪ distributable profits legislation; and ▪ taxation legislation (direct and indirect). We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.
MOST SIGNIFICANT INDIRECT LAW/ REGULATION AREAS	Secondly, the Group is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines, remediation payments or litigation, or the loss of the Group’s permission to operate in countries where the non-adherence to laws could prevent trading in such countries. We identified the following areas as those most likely to have such an effect: ▪ Specific aspects of regulatory capital and liquidity requirements ▪ Other banking laws and regulations including securities issuance law ▪ Customer conduct rules ▪ Money laundering ▪ Sanctions list and financial crime ▪ Market abuse regulations ▪ Certain aspects of companies legislation recognising the financial and regulated nature of the Group’s activities. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any. If a breach of operational regulations is not disclosed to us or evident from relevant correspondence, an audit will not detect that breach.

Independent Auditor's report to the members of Barclays Bank PLC

AUDIT RESPONSE	In relation to the legal, competition and regulatory matters disclosed in note 24 we performed audit procedures which included making enquiries of Barclays Bank PLC's internal counsel and inspection of minutes of meetings and of regulatory correspondence. For a subset of these matters which we deemed to be more significant we also made enquiries of external counsel and obtained legal confirmations from Barclays Bank PLC's external counsel. In respect of regulatory matters relating to conduct risk as disclosed in note 24 our procedures included inspection of regulatory correspondence, independent enquiry of the Group's main regulators and performing audit procedures to respond to risks of material misstatement identified in recognised conduct provisions.
CONTEXT OF THE ABILITY OF THE AUDIT TO DETECT FRAUD OR BREACHES OF LAW OR REGULATION	Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of fraud, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. Our audit procedures are designed to detect material misstatement. We are not responsible for preventing non-compliance or fraud and cannot be expected to detect non-compliance with all laws and regulations.

6. OUR DETERMINATION OF MATERIALITY

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the financial statements as a whole.

	What we mean A quantitative reference for the purpose of planning and performing our audit
MATERIALITY FOR THE GROUP FINANCIAL STATEMENTS AS A WHOLE **2023: £230m** 2022: £170m	**Basis for determining materiality and judgements applied** We have determined overall materiality for the Barclays Bank PLC Group to be £230m (FY22: £170m). We determined that profit before tax (PBT) remains the key benchmark for the Barclays Bank PLC Group. We selected PBT as the benchmark because it is the metric in the primary statements which best reflects the focus of the users of the financial statements. During FY23, Barclays Bank PLC took actions that resulted in significant additional costs of £458m in Q4 as disclosed on page 4. These are one-off costs to help drive future returns. Given the nature of these costs, we normalised PBT by adding back these items because they do not represent the normal, continuing operations of the Group. As such, for FY23 we based our Group materiality on Group normalised PBT of £4,681m (2022: £4,867m). Our Group materiality of £230m (2022: £170m) was determined by applying a percentage to normalised PBT. When using a profit-related measure to determine overall materiality, KPMG's approach is to apply a percentage between 3% and 5% to the measure. In setting overall materiality, we applied a percentage of 4.9% (2022: 3.5%) to the benchmark. Materiality for the Parent Company financial statements was set at £140m (2022: £130m), determined with reference to a benchmark of Parent Company profit before tax of which it represents 4.7% (2022: 4.7%) of PBT.

Independent Auditor's report to the members of Barclays Bank PLC

PERFORMANCE MATERIALITY **2023: £149m** 2022: £111m	**What we mean** Our procedures on individual account balances and disclosures were performed to a lower threshold, performance materiality, so as to reduce to an acceptable level the risk that individually immaterial misstatements in individual account balances add up to a material amount across the financial statements as a whole. **Basis for determining performance materiality and judgements applied** We have considered performance materiality at a level of 65% (2022: 65%) of materiality for Barclays Bank PLC Group's financial statements as a whole to be appropriate. The Parent Company performance materiality was set at £91m (2022: £85m) which equates to 65% (2022: 65%) of materiality for the Parent Company financial statements as a whole. We applied this percentage in our determination of performance materiality based on the level of control deficiencies during the prior period.

AUDIT MISSTATEMENT POSTING THRESHOLD **2023: £11m** 2022: £8m	**What we mean** This is the amount below which identified misstatements are considered to be clearly trivial from a quantitative point of view. We may become aware of differences below this threshold which could alter the nature, timing and scope of our audit procedures, for example if we identify smaller differences which are indicators of fraud. This is also the amount above which all differences identified are communicated to Barclays Bank PLC's Board Audit Committee. **Basis for determining the audit misstatement reporting threshold and judgements applied** The audit misstatement posting threshold has been set at a level of 5% (2022: 5%) of materiality for Barclays Bank PLC's Group financial statements. We also report to the Audit Committee any other identified misstatements that warrant reporting on qualitative grounds.

The overall materiality for the Group financial statements of £230m (2022: £170m) compares as follows to the other main financial statement elements amounts.

	Total Revenue		Total Assets		Net Assets	
	2023	2022	**2023**	2022	**2023**	2022
	£18,268m	£18,194m	**£1,185,166m**	£1,203,537m	**£60,504m**	£58,953m
Group Materiality as % of caption	**1.26%**	0.93%	**0.02%**	0.01%	**0.38%**	0.29%

Independent Auditor's report to the members of Barclays Bank PLC

7. THE SCOPE OF OUR AUDIT

GROUP SCOPE

What we mean

How the Group audit team determined the procedures to be performed across the Group.

We have subjected three (2022: three) of the Group's components to full scope audits for Group purposes. Our approach to scoping the three components was as follows:

- For two components, Barclays Bank Delaware and Barclays Capital Inc, we directly instructed the component audit teams to conduct and report to us on full scope audits;
- For the third full scope component, Barclays Bank Solus, was subjected to a full scope audit by us.

We have subjected two (2022: four) of the Group's components to an audit of specific account balances. For Barclays Bank Ireland PLC and Barclays Capital Securities Ltd, we directly instructed the component audit team to conduct and report to us on an audit of certain account balances.

In addition, the group has a large number of other components, and we performed specified, risk-focused audit procedures over some account balances selected from amongst those components. The components over which we performed work represented 7.75% (2022: 4.67%) of Barclays Bank PLC Group's total income and 3.07% (2022: 2.96%) of the Group's total assets.

Scope	Number of components	Range of materiality applied
Full scope audit	3	£58m - £140m
Audit of account balance	2	£40m - £48m

Barclays Bank PLC has centralised certain Group-wide processes in a shared service centre in India, the outputs of which are included in the financial information of the reporting components it services and therefore it is not a separate reporting component. This service centre is subject to specified audit procedures, predominantly the testing of transaction processing, reconciliations and review controls. Additional procedures are performed at certain reporting components to address the audit risks not covered by the work performed by the shared service centre.

The Group audit team has also performed certain audit procedures on the following areas on behalf of relevant components:

- Testing of IT systems and automated business controls; and
- Operating expenses and Group recharges.

The Group team communicated the results of these procedures to the applicable component teams.

In addition, we have performed Group level analysis on the remaining components to determine whether further risks of material misstatement exist in those components.

We were able to rely upon the Group's internal control over financial reporting in all areas of our audit, and where our controls testing supported this approach, which enabled us to reduce the scope of our substantive audit work.

GROUP AUDIT TEAM OVERSIGHT

What we mean

The extent of the Group audit team's involvement in component audits.

A hybrid communication and oversight strategy was implemented between the Group audit team and the components during the year. This included:

– A global planning conference held in London and led by the Group audit team to discuss key audit risks and obtain input from component teams and other participating locations.

– The components in scope for Group reporting purposes were either visited by the Group audit team to assess the audit risk and strategy, or such review occurred remotely. Throughout the audit, we inspected the components' key working papers to understand and challenge the audit approach and audit findings of each component, the findings reported to the Group team were discussed in more detail, and any further work required by the Group team was then performed by the component auditors.

– Instructions issued by the Group audit team to component auditors setting out the significant areas to be covered, including the relevant key audit matters identified above and the information to be reported back to the Group audit team. For example, minimum criteria for high-risk journals were set by the Group team and applied consistently across the audit.

– Review and approval by the Group audit team of the component materiality for all components.

– Risk assessment and challenge sessions with each component audit team were held in the planning, interim and final phases of the audit led by the Group lead engagement partner and audit quality partner;

– Monthly video conferences with the partners and directors of the Group and component audit teams along with regular ad hoc contact in person and via video calls and email exchanges to challenge the component audit approach and findings

– Stuart Crisp, the Group Lead Engagement Partner (and Senior Statutory Auditor), attended each Board Audit Committee and Board Risk Committee for Barclays PLC and Barclays Bank PLC and at least one Board Audit Committee for Barclays Bank UK, Barclays Bank Europe, and the IHC covering Barclays Capital Inc. and Barclays Bank Delaware.

Independent Auditor’s report to the members of Barclays Bank PLC

8. OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

ALL OTHER INFORMATION

Our responsibility	Our reporting
Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge.	Based solely on that work we have not identified material misstatements or inconsistencies in the other information.

STRATEGIC REPORT AND THE DIRECTORS' REPORT

Our responsibility and reporting

Based solely on that work on the other information described above we report to you as follows:

- we have not identified material misstatements in the strategic report and the directors’ reports;
- in our opinion the information given in the strategic report and the directors’ report for the financial year is consistent with the financial statements; and

in our opinion those reports have been prepared in accordance with the Companies Act 2006.

OTHER MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

Our responsibility	Our reporting
Under the Companies Act 2006, we are required to report to you if, in our opinion: ▪ adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or ▪ the Parent Company financial statements are not in agreement with the accounting records and returns; or ▪ certain disclosures of directors’ remuneration specified by law are not made; or ▪ we have not received all the information and explanations we require for our audit.	We have nothing to report in this respect.

9. EUROPEAN SINGLE ELECTRONIC FORMAT (ESEF)

Barclays Bank PLC has prepared its consolidated financial statements, which comprise the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated balance sheet, and consolidated cash flow statement and the related notes, in ESEF. The requirements for this format are set out in the Commission Delegated Regulation (EU) 2019/815 with regard to regulatory technical standards on the specification of a single electronic reporting format (“the ESEF Regulation”).

The Directors are responsible for preparing the financial statements in accordance with the ESEF regulation. We were engaged by Barclays Bank PLC to report on whether the consolidated financial statements are prepared, in all material respects, in accordance with the ESEF regulation.

We have examined the consolidated financial statements in order to determine whether the consolidated financial statements of the Group as at 31 December 2023 have been prepared in compliance with the relevant requirements in the ESEF Regulation that are applicable to financial statements. This relates to financial statements prepared in a valid xHTML format, and the XBRL markup of the consolidated financial statements using the core taxonomy and the common rules on markups specified in the ESEF Regulation.

In our opinion the consolidated financial statements of Barclays Bank PLC as at 31 December 2023, identified as bbplc-2023-12-31 have been prepared, in all material respects, in compliance with the requirements of the ESEF Regulation.

10. RESPECTIVE RESPONSIBILITIES

Directors’ responsibilities

As explained more fully in their statement set out on page 27 the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and Parent Company’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 they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's report to the members of Barclays Bank PLC

Auditor's responsibilities

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

11. THE PURPOSE OF OUR AUDIT WORK AND TO WHOM WE OWE OUR RESPONSIBILITIES

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and the terms of our engagement by the Company. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and the further matters we are required to state to them in accordance with the terms agreed with the Company, 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 and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Stuart Crisp
(Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants
15 Canada Square
London
E14 5GL

19 February 2024

Consolidated income statement

For the year ended 31 December	Notes	2023 £m	2022 £m	2021 £m
Continuing operations				
Interest and similar income	3	**24,261**	11,779	5,672
Interest and similar expense	3	**(17,608)**	(6,381)	(2,599)
Net interest income		**6,653**	5,398	3,073
Fee and commission income	4	**8,708**	8,171	8,581
Fee and commission expense	4	**(3,247)**	(2,745)	(1,994)
Net fee and commission income		**5,461**	5,426	6,587
Net trading income	5	**5,980**	7,624	5,788
Net investment income/(expense)	6	**112**	(323)	(80)
Other income		**62**	69	40
Total income		**18,268**	18,194	15,408
Staff costs	28	**(5,591)**	(5,192)	(4,456)
Infrastructure costs	7	**(1,073)**	(900)	(1,054)
Administration and general expenses	7	**(5,755)**	(4,879)	(4,375)
Litigation and conduct	7	**(44)**	(1,427)	(374)
Operating expenses	7	**(12,463)**	(12,398)	(10,259)
Share of post-tax results of associates and joint ventures		**(4)**	3	4
Profit/(loss) on disposal of subsidiaries, associates and joint ventures		**—**	1	(12)
Profit before Impairment		**5,801**	5,800	5,141
Credit impairment (charges)/releases	8	**(1,578)**	(933)	277
Profit before tax		**4,223**	4,867	5,418
Taxation	9	**(662)**	(485)	(830)
Profit after tax		**3,561**	4,382	4,588
Attributable to:				
Equity holders of the parent		**2,753**	3,650	3,957
Other equity instrument holders		**808**	732	631
Total equity holders of the parent		**3,561**	4,382	4,588
Profit after tax		**3,561**	4,382	4,588

Note
As permitted by section 408 of the Companies Act 2006 an income statement for the parent company has not been presented. Included in shareholders' equity for Barclays Bank PLC is a profit after tax for the year ended 31 December 2023 of £2,866m (2022: £2,784m).

Consolidated statement of comprehensive income

For the year ended 31 December	2023 £m	2022 £m	2021 £m
Profit after tax	**3,561**	4,382	4,588
Other comprehensive income/(loss) that may be recycled to profit or loss:			
Currency translation reserve			
Currency translation differences[a]	**(1,242)**	2,411	(155)
Tax	**33**	—	—
Fair value through other comprehensive income reserve movement relating to debt securities			
Net gains/(losses) from changes in fair value	**1,142**	(6,376)	(1,383)
Net (gains)/losses transferred to net profit on disposal	**(102)**	68	(248)
Net (gains)/losses related to (releases of) impairment	**(2)**	8	(6)
Net (losses)/gains due to fair value hedging	**(849)**	4,627	1,105
Tax	**(54)**	449	170
Cash flow hedging reserve			
Net gains/(losses) from changes in fair value	**2,506**	(7,290)	(2,212)
Net losses/(gains) transferred to net profit	**1,158**	543	(327)
Tax	**(1,002)**	1,808	740
Other comprehensive income/(loss) that may be recycled to profit or loss	**1,588**	(3,752)	(2,316)
Other comprehensive income/(loss) not recycled to profit or loss:			
Retirement benefit remeasurements	**(1,182)**	(755)	1,299
Own credit	**(983)**	2,092	(105)
Tax	**609**	(156)	(563)
Other comprehensive (loss)/income not recycled to profit or loss	**(1,556)**	1,181	631
Other comprehensive income/(loss) for the year	**32**	(2,571)	(1,685)
Total comprehensive income for the year	**3,593**	1,811	2,903
Attributable to:			
Equity holders of the parent	**3,593**	1,811	2,903
Total comprehensive income for the year	**3,593**	1,811	2,903

Note
a Includes £nil gain (2022: £1m gain; 2021: £20m loss) on recycling of currency translation differences.

Consolidated financial statements
Consolidated balance sheet

As at 31 December	Notes	2023 £m	2022 £m
Assets			
Cash and balances at central banks		**189,686**	202,142
Cash collateral and settlement balances		**103,708**	107,862
Debt securities at amortised cost		**39,046**	27,303
Loans and advances at amortised cost to banks		**9,024**	8,961
Loans and advances at amortised cost to customers		**137,177**	146,243
Reverse repurchase agreements and other similar secured lending at amortised cost		**1,103**	725
Trading portfolio assets	11	**174,566**	133,771
Financial assets at fair value through the income statement	12	**204,236**	211,128
Derivative financial instruments	13	**256,111**	302,976
Financial assets at fair value through other comprehensive income	14	**51,423**	45,084
Investments in associates and joint ventures	33	**22**	26
Goodwill and intangible assets	20	**1,084**	1,665
Property, plant and equipment	18	**1,262**	1,379
Current tax assets		**546**	737
Deferred tax assets	9	**3,888**	4,583
Retirement benefit assets	30	**3,667**	4,743
Assets included in disposal group classified as held for sale	39	**3,916**	—
Other assets		**4,701**	4,209
Total assets		**1,185,166**	**1,203,537**
Liabilities			
Deposits at amortised cost from banks		**14,598**	20,124
Deposits at amortised cost from customers		**287,200**	271,455
Cash collateral and settlement balances		**92,988**	96,811
Repurchase agreements and other similar secured borrowing at amortised cost		**28,554**	11,965
Debt securities in issue		**45,653**	60,012
Subordinated liabilities	25	**35,903**	38,253
Trading portfolio liabilities	11	**57,761**	72,460
Financial liabilities designated at fair value	15	**298,573**	272,055
Derivative financial instruments	13	**249,880**	289,206
Current tax liabilities		**411**	422
Deferred tax liabilities	9	**3**	—
Retirement benefit liabilities	30	**173**	184
Provisions	22	**817**	858
Liabilities included in disposal group classified as held for sale	39	**3,164**	—
Other liabilities	21	**8,984**	10,779
Total liabilities		**1,124,662**	**1,144,584**
Equity			
Called up share capital and share premium	26	**2,348**	2,348
Other equity instruments	26	**10,765**	10,691
Other reserves	27	**(363)**	(1,464)
Retained earnings		**47,754**	47,378
Total equity		**60,504**	**58,953**
Total liabilities and equity		**1,185,166**	**1,203,537**

The Board of Directors approved the financial statements on pages 168 to 276 on 19 February 2024

CS Venkatakrishnan
Barclays Bank Group – Chief Executive Officer

Steven Ewart
Barclays Bank Group – Chief Financial Officer

Consolidated financial statements
Consolidated statement of changes in equity

Statement of changes in equity

	Called up share capital and share premium[a]	Other equity instruments[a]	Other reserves[b]	Retained earnings	Total equity
	£m	£m	£m	£m	£m
Balance as at 1 January 2023	2,348	10,691	(1,464)	47,378	58,953
Profit after tax	—	808	—	2,753	3,561
Currency translation movements	—	—	(1,209)	—	(1,209)
Fair value through other comprehensive income reserve	—	—	135	—	135
Cash flow hedges	—	—	2,662	—	2,662
Retirement benefit remeasurement	—	—	—	(846)	(846)
Own credit reserve	—	—	(710)	—	(710)
Total comprehensive income for the year	—	808	878	1,907	3,593
Issue and redemption of other equity instruments	—	74	—	(12)	62
Other equity instruments coupons paid	—	(808)	—	—	(808)
Employee settled Barclays PLC share schemes	—	—	—	409	409
Vesting of Barclays PLC shares under share-based payment schemes	—	—	—	(442)	(442)
Dividends on ordinary shares	—	—	—	(1,348)	(1,348)
Dividends on preference shares and other shareholders equity	—	—	—	(40)	(40)
Net equity impact on inter Barclays PLC Group transfers	—	—	220	(96)	124
Other reserve movements	—	—	3	(2)	1
Balance as at 31 December 2023	2,348	10,765	(363)	47,754	60,504

Notes
a For further details refer to Note 26.
b For further details refer to Note 27.

Statement of changes in equity

	Called up share capital and share premium[a]	Other equity instruments[a]	Other reserves[b]	Retained earnings	Total equity
	£m	£m	£m	£m	£m
Balance as at 1 January 2022	2,348	9,693	861	43,415	56,317
Profit after tax	—	732	—	3,650	4,382
Currency translation movements	—	—	2,411	—	2,411
Fair value through other comprehensive income reserve	—	—	(1,224)	—	(1,224)
Cash flow hedges	—	—	(4,939)	—	(4,939)
Retirement benefit remeasurement	—	—	—	(282)	(282)
Own credit reserve	—	—	1,463	—	1,463
Total comprehensive income for the year	—	732	(2,289)	3,368	1,811
Issue and redemption of other equity instruments	—	998	—	38	1,036
Other equity instruments coupons paid	—	(732)	—	—	(732)
Employee settled Barclays PLC share schemes	—	—	—	419	419
Vesting of Barclays PLC shares under share-based payment schemes	—	—	—	(413)	(413)
Dividends on ordinary shares	—	—	—	(200)	(200)
Dividends on preference shares and other shareholders equity	—	—	—	(31)	(31)
Own credit realisation	—	—	(36)	36	—
Capital contribution from Barclays Plc	—	—	—	750	750
Other reserve movements	—	—	—	(4)	(4)
Balance as at 31 December 2022	2,348	10,691	(1,464)	47,378	58,953

Notes
a For further details refer to Note 26.
b For further details refer to Note 27.

Consolidated cash flow statement

For the year ended 31 December	Notes	2023 £m	2022 £m	2021 £m
Reconciliation of profit before tax to net cash flows from operating activities:				
Profit before tax		**4,223**	4,867	5,418
Adjustment for non-cash items:				
Credit impairment charges/(releases)		**1,578**	933	(277)
Depreciation, amortisation and impairment of property, plant, equipment and intangibles		**489**	483	683
Provisions and pension charges		**63**	1,188	85
Net loss on disposal of investments and property, plant and equipment		**7**	8	12
Other non-cash movements including exchange rate movements		**7,567**	(13,491)	1,968
Changes in operating assets and liabilities				
Net decrease/ (increase) in cash collateral and settlement balances		**31**	(1,078)	3,633
Net decrease/ (increase) in loans and advances at amortised cost		**8,313**	(30,617)	(7,190)
Net (increase)/decrease in reverse repurchase agreements and other similar secured lending		**(378)**	2,452	5,804
Net increase in deposits at amortised cost		**10,219**	28,751	18,132
Net (decrease)/increase in debt securities in issue		**(14,359)**	11,624	18,965
Net increase/(decrease) in repurchase agreements and other similar secured borrowing		**16,589**	(804)	2,326
Net decrease/(increase) in derivative financial instruments		**7,539**	(8,002)	(3,655)
Net (increase)/decrease in trading portfolio assets		**(40,795)**	13,100	(19,207)
Net (decrease)/increase in trading portfolio liabilities		**(14,699)**	19,169	7,152
Net decrease/(increase) in financial assets and liabilities at fair value through the income statement		**33,410**	(1,978)	(14,960)
Net increase in other assets		**(1,301)**	(3,311)	(2,235)
Net (decrease)/increase in other liabilities		**(1,864)**	1,834	2,082
Corporate income tax paid		**(265)**	(144)	(1,239)
Net cash from operating activities		**16,367**	24,984	17,497
Purchase of debt securities at amortised cost		**(14,901)**	(20,014)	(6,931)
Proceeds from redemption or sale of debt securities at amortised cost		**2,681**	12,925	2,424
Purchase of financial assets at fair value through other comprehensive income		**(50,254)**	(43,139)	(44,058)
Proceeds from sale or redemption of financial assets at fair value through other comprehensive income		**44,126**	42,157	47,601
Purchase of property, plant and equipment and intangibles		**(439)**	(540)	(758)
Disposal of subsidiaries and associates, net of cash disposed		**—**	—	65
Other cash flows associated with investing activities		**—**	—	4
Net cash from investing activities		**(18,787)**	(8,611)	(1,653)
Dividends paid and other coupon payments on equity instruments		**(2,196)**	(963)	(1,452)
Issuance of subordinated liabilities	25	**5,986**	15,381	9,099
Redemption of subordinated liabilities	25	**(7,431)**	(8,367)	(7,241)
Issue of shares and other equity instruments	26	**2,499**	3,134	1,072
Repurchase of shares and other equity instruments	26	**(2,425)**	(2,136)	—
Capital contribution		**—**	750	—
Vesting of employee share schemes		**(442)**	(413)	(356)
Net cash from financing activities		**(4,009)**	7,386	1,122
Effect of exchange rates on cash and cash equivalents		**(5,013)**	10,235	(4,231)
Net (decrease)/increase in cash and cash equivalents		**(11,442)**	33,994	12,735
Cash and cash equivalents at beginning of year		**219,854**	185,860	173,125
Cash and cash equivalents at end of year		**208,412**	219,854	185,860
Cash and cash equivalents comprise:				
Cash and balances at central banks		**189,686**	202,142	169,085
Loans and advances to banks with original maturity less than three months		**7,117**	6,229	6,473
Cash collateral balances with central banks with original maturity less than three months		**10,325**	10,625	9,690
Treasury and other eligible bills with original maturity less than three months		**1,284**	858	612
Cash and cash equivalents at end of year		**208,412**	219,854	185,860

Interest received by the Barclays Bank Group was £51,484m (2022: £33,657m; 2021: £11,616m) and interest paid by the Barclays Bank Group was £43,488m (2022: £26,566m; 2021: £7,493m). These amounts include interest paid and received arising from trading activities.

The Barclays Bank Group is required to maintain balances with central banks and other regulatory authorities and these amounted to £2,973m (2022: £3,038m; 2021: £4,260m).

Balance sheet

As at 31 December	Notes	2023 £m	2022 £m
Assets			
Cash and balances at central banks		**153,701**	170,307
Cash collateral and settlement balances		**75,271**	82,371
Debt securities at amortised cost		**33,576**	23,877
Loans and advances at amortised cost to banks		**15,308**	15,377
Loans and advances at amortised cost to customers		**227,131**	186,529
Reverse repurchase agreements and other similar secured lending at amortised cost		**6,876**	5,908
Trading portfolio assets	11	**112,654**	83,043
Financial assets at fair value through the income statement	12	**263,960**	247,325
Derivative financial instruments	13	**225,301**	258,708
Financial assets at fair value through other comprehensive income	14	**50,381**	43,086
Investments in associates and joint ventures	33	**12**	12
Investment in subsidiaries	31	**19,105**	19,264
Goodwill and intangible assets	20	**104**	107
Property, plant and equipment	18	**117**	110
Current tax assets		**719**	891
Deferred tax assets	9	**2,509**	3,114
Retirement benefit assets	30	**3,621**	4,695
Other assets		**3,392**	3,188
Total assets		**1,193,738**	1,147,912
Liabilities			
Deposits at amortised cost from banks		**13,616**	18,615
Deposits at amortised cost from customers		**333,687**	295,280
Cash collateral and settlement balances		**58,292**	64,955
Repurchase agreements and other similar secured borrowing at amortised cost		**43,951**	26,307
Debt securities in issue		**24,833**	40,166
Subordinated liabilities	25	**35,237**	37,656
Trading portfolio liabilities	11	**50,995**	52,093
Financial liabilities designated at fair value	15	**351,945**	300,851
Derivative financial instruments	13	**221,365**	250,567
Current tax liabilities		**331**	303
Deferred tax liabilities	9	**2**	—
Retirement benefit liabilities	30	**71**	80
Provisions	22	**477**	592
Other liabilities	21	**5,708**	7,980
Total liabilities		**1,140,510**	1,095,445
Equity			
Called up share capital and share premium	26	**2,348**	2,348
Other equity instruments	26	**15,472**	15,398
Other reserves	27	**(3,209)**	(4,552)
Retained earnings		**38,617**	39,273
Total equity		**53,228**	52,467
Total liabilities and equity		**1,193,738**	1,147,912

Note
a As permitted by section 408 of the Companies Act 2006 an income statement for the parent company has not been presented. Included in shareholders' equity for Barclays Bank plc is a profit after tax for the year ended 2023 of £2,866m (2022: £2,784m).

The Board of Directors approved the financial statements on pages 173 to 176 on 19 February 2024.

CS Venkatakrishnan
Barclays Bank Group – Chief Executive Officer

Steven Ewart
Barclays Bank Group – Chief Financial Officer

Financial statements of Barclays Bank PLC
Parent company accounts

Statement of changes in equity

	Called up share capital and share premium[a]	Other equity instruments[a, b]	Other reserves[c]	Retained earnings	Total equity
	£m	£m	£m	£m	£m
Balance as at 1 January 2023	2,348	15,398	(4,552)	39,273	52,467
Profit after tax	—	1,247	—	1,619	2,866
Currency translation movements	—	—	(572)	—	(572)
Fair value through other comprehensive income reserve	—	—	132	—	132
Cash flow hedges	—	—	2,483	—	2,483
Retirement benefit remeasurement	—	—	—	(839)	(839)
Own credit reserve	—	—	(703)	—	(703)
Total comprehensive income for the year	—	1,247	1,340	780	3,367
Issue and redemption of other equity instruments	—	74	—	(12)	62
Other equity instruments coupons paid	—	(1,247)	—	—	(1,247)
Employee settled Barclays PLC share schemes	—	—	—	406	406
Vesting of Barclays PLC shares under share-based payment schemes	—	—	—	(442)	(442)
Dividends paid on ordinary shares	—	—	—	(1,348)	(1,348)
Dividends paid on preference shares and other shareholders' equity	—	—	—	(40)	(40)
Other reserve movements	—	—	3	—	3
Balance as at 31 December 2023	2,348	15,472	(3,209)	38,617	53,228

Notes
a For further details refer to Note 26.
b Other equity instruments includes AT1 securities issued by Barclays Bank PLC and borrowings of $6bn from a wholly-owned, indirect subsidiary of Barclays Bank PLC. The borrowings have been recorded as equity since, under their terms, interest payments are non cumulative and discretionary whilst repayment of principal is perpetually deferrable by Barclays Bank PLC. Should Barclays Bank PLC make a discretionary dividend payment on its ordinary shares in the six months preceding the date of an interest payment, it will be obliged to make that interest payment. In 2023, interest paid on these borrowings was £439m.
c For further details refer to Note 27.

Statement of changes in equity

	Called up share capital and share premium[a]	Other equity instruments[a, b]	Other reserves[c]	Retained earnings	Total equity
	£m	£m	£m	£m	£m
Balance as at 1 January 2022	2,348	14,400	(1,236)	37,180	52,692
Profit after tax	—	982	—	1,802	2,784
Currency translation movements	—	—	1,149	—	1,149
Fair value through other comprehensive income reserve	—	—	(1,232)	—	(1,232)
Cash flow hedges	—	—	(4,556)	—	(4,556)
Retirement benefit remeasurement	—	—	—	(315)	(315)
Own credit reserve	—	—	1,359	—	1,359
Total comprehensive income for the year	—	982	(3,280)	1,487	(811)
Issue and redemption of other equity instruments	—	998	—	38	1,036
Other equity instruments coupons paid	—	(982)	—	—	(982)
Employee settled Barclays PLC share schemes	—	—	—	425	425
Vesting of Barclays PLC shares under share-based payment schemes	—	—	—	(413)	(413)
Dividends paid on ordinary shares	—	—	—	(200)	(200)
Dividends paid on preference shares and other shareholders' equity	—	—	—	(31)	(31)
Own credit realisation	—	—	(36)	36	—
Capital contribution from Barclays PLC	—	—	—	750	750
Other reserve movements	—	—	—	1	1
Balance as at 31 December 2022	2,348	15,398	(4,552)	39,273	52,467

Notes
a For further details refer to Note 26.
b Other equity instruments includes AT1 securities issued by Barclays Bank PLC and borrowings of $6bn from a wholly-owned, indirect subsidiary of Barclays Bank PLC. The borrowings have been recorded as equity since, under their terms, interest payments are non cumulative and discretionary whilst repayment of principal is perpetually deferrable by Barclays Bank PLC. Should Barclays Bank PLC make a discretionary dividend payment on its ordinary shares in the six months preceding the date of an interest payment, it will be obliged to make that interest payment. In 2022, interest paid on these borrowings was £250m.
c For further details refer to Note 27.

Financial statements of Barclays Bank PLC
Parent company accounts

Cash flow statement

For the year ended 31 December	Notes	2023 £m	2022 £m	2021 £m
Reconciliation of profit before tax to net cash flows from operating activities:				
Profit before tax		**2,977**	2,744	3,323
Adjustment for non-cash items:				
Credit impairment charges/(releases)		**98**	165	(414)
Impairment of Investments in subsidiaries		**166**	2,533	107
Depreciation, amortisation and impairment of property, plant, equipment and intangibles		**33**	72	331
Provisions and pensions (credits)/charges		**(95)**	996	75
Net loss/(profit) on disposal of investments and property, plant and equipment		**2**	(115)	(49)
Other non-cash movements including exchange rate movements		**5,991**	(11,858)	1,002
Changes in operating assets and liabilities				
Net decrease in cash collateral and settlement balances		**137**	2,671	313
Net increase in loans and advances at amortised cost		**(40,968)**	(19,764)	(10,255)
Net (increase)/decrease in reverse repurchase agreements and other similar secured lending		**(968)**	(926)	6,553
Net increase in deposits at amortised cost		**33,408**	27,134	14,571
Net (decrease)/increase in debt securities in issue		**(15,333)**	7,581	15,364
Net increase/(decrease) in repurchase agreements and other similar secured borrowing		**17,644**	(2,895)	1,480
Net decrease/(increase) in derivative financial instruments		**4,205**	(1,723)	(1,827)
Net (increase)/decrease in trading portfolio assets		**(29,611)**	13,681	(12,635)
Net (decrease)/increase in trading portfolio liabilities		**(1,098)**	1,977	2,023
Net decrease/(increase) in financial assets and liabilities at fair value through the income statement		**34,459**	(959)	(9,579)
Net increase in other assets		**(244)**	(3,035)	(1,989)
Net (decrease)/increase in other liabilities		**(2,378)**	2,196	1,557
Corporate income tax received/(paid)		**249**	422	(373)
Net cash from operating activities		**8,674**	20,897	9,578
Purchase of debt securities at amortised cost		**(11,984)**	(18,519)	(5,442)
Proceeds from redemption or sale of debt securities at amortised cost		**2,023**	12,107	1,278
Purchase of financial assets at fair value through other comprehensive income		**(46,808)**	(36,084)	(37,842)
Proceeds from sale or redemption of financial assets at fair value through other comprehensive income		**39,852**	35,066	41,544
Purchase of property, plant and equipment and intangibles		**(22)**	(28)	(20)
Disposal of subsidiaries and associates, net of cash disposed		**(1)**	125	65
Increase in investment in subsidiaries		**(7)**	(2,667)	(1,473)
Other cash flows associated with investing activities		**—**	(1)	—
Net cash from investing activities		**(16,947)**	(10,001)	(1,890)
Dividends paid and other coupon payments on equity instruments		**(2,635)**	(1,213)	(1,616)
Issuance of subordinated liabilities	25	**5,643**	14,904	8,788
Redemption of subordinated liabilities	25	**(7,209)**	(8,104)	(7,095)
Issue of shares and other equity instruments	26	**2,499**	3,134	1,072
Repurchase of shares and other equity instruments	26	**(2,425)**	(2,136)	—
Capital contribution		**—**	750	—
Vesting of shares under employee share schemes		**(442)**	(413)	(356)
Net cash from financing activities		**(4,569)**	6,922	793
Effect of exchange rates on cash and cash equivalents		**(3,938)**	8,166	(2,913)
Net (decrease)/increase in cash and cash equivalents		**(16,780)**	25,984	5,568
Cash and cash equivalents at beginning of year		**185,043**	159,059	153,491
Cash and cash equivalents at end of year		**168,263**	185,043	159,059
Cash and cash equivalents comprise:				
Cash and balances at central banks		**153,701**	170,307	144,964
Loans and advances to banks with original maturity less than three months		**3,130**	3,466	3,793
Cash collateral balances with central banks with original maturity less than three months		**10,325**	10,625	9,690
Treasury and other eligible bills with original maturity less than three months		**1,107**	645	612
Cash and cash equivalents at end of year		**168,263**	185,043	159,059

Interest received by Barclays Bank PLC was £35,467m (2022: £25,048m; 2021: £7,284m) and interest paid by Barclays Bank PLC was £32,796m (2022: £21,325m; 2021: £5,496m). These amounts include interest paid and received arising from trading activities. Dividends received were £529m (2022: £1,862m; 2021: £1,174m).
Barclays Bank PLC was required to maintain balances with central banks and other regulatory authorities of £767m (2022: £1,070m; 2021: £1,585m).

This section describes the Barclays Bank Group's material policies and critical accounting estimates that relate to the financial statements and notes as a whole. If an accounting policy or a critical accounting estimate relates to a particular note, the accounting policy and/or critical accounting estimate is contained with the relevant note.

1 Material accounting policies

1. Reporting entity
Barclays Bank PLC is a public company limited by shares registered in England under company number 1026167, having its registered office at 1 Churchill Place, London, E14 5HP.

These financial statements are prepared for Barclays Bank PLC and its subsidiaries (the Barclays Bank Group) under Section 399 of the Companies Act 2006. The Barclays Bank Group is a major global financial services provider engaged in credit cards, wholesale banking, investment banking, wealth management and investment management services. In addition, separate financial statements have been presented for the holding company.

2. Compliance with International Financial Reporting Standards
The consolidated financial statements of the Barclays Bank Group, and the separate financial statements of Barclays Bank PLC, have been prepared in accordance with UK-adopted international accounting standards.

The consolidated financial statements of the Barclays Bank Group, and the separate financial statements of Barclays Bank PLC, have also been prepared in accordance with (1) International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), including interpretations issued by the IFRS Interpretations Committee, as there are no applicable differences from IFRS as issued by the IASB for the periods presented; and (2) IFRS adopted pursuant to Regulation (EC) No. 1606/2002 as it applies in the European Union ("IFRS as adopted by the EU").

There are currently no differences between UK-adopted international accounting standards and IFRS as adopted by the EU and therefore no reconciliation of variances is provided.

The principal accounting policies applied in the preparation of the consolidated and separate financial statements are set out below, and in the relevant notes to the financial statements. These policies have been consistently applied, with the exception of International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12), which is effective from 1 January 2023 and applies retrospectively; and the Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) and Definition of an Accounting Estimate (Amendments to IAS 8) which were applied from 1 January 2023.

3. Basis of preparation
The consolidated and separate financial statements have been prepared under the historical cost convention modified to include the fair valuation of investment property, and particular financial instruments, to the extent required or permitted under IFRS as set out in the relevant accounting policies. The financial statements are stated in millions of Pounds Sterling (£m), the functional currency of Barclays Bank PLC.

The financial statements have been prepared on a going concern basis, in accordance with the Companies Act 2006 as applicable to companies using IFRS. The financial statements are prepared on a going concern basis as the Board is 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 financial statements.

In making this assessment, the Board has considered a wide range of information relating to present and future conditions and has reviewed a working capital report (WCR). The WCR is used by the Board to assess the future performance of the Barclays Bank Group and whether it has the resources in place that are required to meet its ongoing regulatory requirements. The WCR assessment is based upon business plans which contain future forecasts of profitability taken from the Barclays Bank Group's medium term plan as well as projections of regulatory capital requirements and business funding needs. The WCR also includes an assessment of the impact of internally generated stress testing scenarios on the liquidity and capital requirement 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 showed that the Barclays Bank Group had sufficient capital and liquidity in place to support its future business requirements and remained above its regulatory minimum requirements in the stress scenarios. Accordingly, the Board concluded that there was a reasonable expectation that the Barclays Bank Group has adequate resources to continue as a going concern for a period of at least 12 months from the date of approval of the financial statements.

4. Accounting policies
The Barclays Bank Group prepares financial statements in accordance with IFRS. The Barclays Bank Group's material accounting policies relating to specific financial statement items, together with a description of the accounting estimates and judgements that were critical to preparing those items, are set out under the relevant notes. Accounting policies that affect the financial statements as a whole are set out below.

(i) Consolidation
The consolidated financial statements combine the financial statements of Barclays Bank PLC and all its subsidiaries. Subsidiaries are entities over which Barclays Bank PLC has control. The Barclays Bank Group has control over another entity when the Barclays Bank Group has all of the following:

1) power over the relevant activities of the investee, for example through voting or other rights;
2) exposure to, or rights to, variable returns from its involvement with the investee; and
3) the ability to affect those returns through its power over the investee.

As the consolidated financial statements include partnerships where the Barclays Bank Group member is a partner, advantage has been taken of the exemption under Regulation 7 of the Partnership (Accounts) Regulations 2008 with regard to preparing and filing of individual partnership financial statements.

Details of the principal subsidiaries are given in Note 31.

(ii) Foreign currency translation
Transactions in foreign currencies are translated into Sterling at the rate ruling on the date of the transaction. Foreign currency monetary balances are translated into Sterling at the period end exchange rates. Exchange gains and losses on such balances are taken to the income statement.

The Barclays Bank Group's foreign operations (including subsidiaries, joint ventures, associates and branches) based mainly outside the UK may have different functional currencies. The functional currency of an operation is the currency of the main economy to which it is exposed.

Prior to consolidation (or equity accounting) the assets and liabilities of non-Sterling operations are translated at the period end exchange rate and items of income, expense and other comprehensive income are translated into Sterling at the rate on the date of the transactions. Exchange differences arising on the translation of foreign operations are included in currency translation reserves within equity. These are transferred to the income statement when the Barclays Bank Group disposes of the entire interest in a foreign operation, when partial disposal results in the loss of control of an interest in a subsidiary, when an investment previously accounted for using the equity method is accounted for as a financial asset, or on the disposal of a foreign operation within a branch.

(iii) Financial assets and liabilities

Recognition

The Barclays Bank Group recognises financial assets and liabilities when it becomes a party to the terms of the contract. Trade date or settlement date accounting is applied depending on the classification of the financial asset.

Classification and measurement

Financial assets are classified on the basis of two criteria:
i) the business model within which financial assets are managed; and
ii) their contractual cash flow characteristics (whether the cash flows represent 'solely payments of principal and interest' (SPPI)).

The Barclays Bank Group assesses the business model criteria at a portfolio level. Information that is considered in determining the applicable business model includes (i) policies and objectives for the relevant portfolio, (ii) how the performance and risks of the portfolio are managed, evaluated and reported to management, and (iii) the frequency, volume and timing of sales in prior periods, sales expectation for future periods, and the reasons for such sales.

The contractual cash flow characteristics of financial assets are assessed with reference to whether the cash flows represent SPPI. Terms that could change the contractual cash flows so that it would not meet the condition for SPPI are considered, including: (i) contingent and leverage features, (ii) non-recourse arrangements, (iii) features that could modify the time value of money, and (iv) Social, Environmental and Sustainability-linked features. Terms with de-minimis impact do not preclude cash flows from representing SPPI.

The accounting policy for each type of financial asset or liability is included within the relevant note for the item. The Barclays Bank Group's policies for determining the fair values of the assets and liabilities are set out in Note 16.

Derecognition

The Barclays Bank Group derecognises a financial asset, or a portion of a financial asset, from its balance sheet where (i) the contractual rights to cash flows from the asset have expired, or (ii) the contractual rights to the cash flows from the asset have been transferred (usually by sale) and with them either (a) substantially all the risks and rewards of the asset have been transferred, or (b) where neither substantially all the risks and rewards have been transferred or retained, where control over the asset has been lost.

Financial liabilities are de-recognised when the liability has been settled, has expired or has been extinguished. An exchange of an existing financial liability for a new liability with the same lender on substantially different terms – generally a difference of 10% or more in the present value of the cash flows or a substantive qualitative amendment – is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

It may not be obvious whether substantially all of the risks and rewards of a transferred asset, or portion of an asset, have been transferred. It is often necessary to perform a quantitative analysis that compares the Barclays Bank Group's exposure to variability in asset cash flows before the transfer with its retained exposure after the transfer. A cash flow analysis of this nature may require judgement. In particular, it is necessary to estimate the asset's expected future cash flows as well as potential variability around this expectation. The method of estimating expected future cash flows depends on the nature of the asset, with market and market-implied data used to the greatest extent possible. The potential variability around this expectation is typically determined by stressing underlying parameters to create reasonable alternative upside and downside scenarios. Probabilities are then assigned to each scenario. Stressed parameters may include default rates, loss severity, or prepayment rates.

Accounting for reverse repurchase and repurchase agreements including other similar lending and borrowing

Reverse repurchase agreements (and stock borrowing or similar transactions) are a form of secured lending whereby the Barclays Bank Group provides a loan or cash collateral in exchange for the transfer of collateral, generally in the form of marketable securities subject to an agreement to transfer the securities back at a fixed price in the future. Repurchase agreements are where the Barclays Bank Group obtains such loans or cash collateral, in exchange for the transfer of collateral.

The Barclays Bank Group purchases (a reverse repurchase agreement) or borrows securities subject to a commitment to resell or return them. The securities are not included in the balance sheet as the Barclays Bank Group does not acquire the risks and rewards of ownership. Consideration paid (or cash collateral provided) is accounted for as a loan asset at amortised cost, unless it is designated or mandatorily at fair value through profit and loss.

The Barclays Bank Group may also sell (a repurchase agreement) or lend securities subject to a commitment to repurchase or redeem them. The securities are retained on the balance sheet as the Barclays Bank Group retains substantially all the risks and rewards of ownership. Consideration received (or cash collateral provided) is accounted for as a financial liability at amortised cost, unless it is designated at fair value through profit and loss.

(iv) Issued debt and equity instruments

Issued financial instruments or their components are classified as liabilities if the contractual arrangement results in the Barclays Bank Group having an obligation to either deliver cash or another financial asset, or a variable number of equity shares, to the holder of the instrument. If this is not the case, the instrument is generally an equity instrument and the proceeds included in equity, net of transaction costs. Dividends and other returns to equity holders are recognised when paid or declared by the members at the Annual General Meeting and treated as a deduction from equity.

Where issued financial instruments contain both liability and equity components, these are accounted for separately. The fair value of the debt is estimated first and the balance of the proceeds is included within equity.

(v) Cash flow statement
Cash comprises cash on hand and balances at central banks. Cash equivalents comprise loans and advances to banks, cash collateral balances with central banks related to payment schemes and treasury and other eligible bills, all with original maturities of three months or less.

Investments in debt securities at amortised cost, presented within loans and advances on the balance sheet, are deemed to be investing activities for the purposes of the cash flow statement, except those instruments considered to be cash equivalents.

5. New and amended standards and interpretations

The accounting policies adopted have been consistently applied, with the exception of the following:

International Tax Reform—Pillar Two Model Rules (Amendments to IAS 12)
On 23 May 2023, the IASB issued amendments to IAS 12 to provide a mandatory temporary exemption to the requirements to account for deferred taxes assets and liabilities related to Pillar Two income taxes, as published by the Organisation for Economic Co-operation and Development (OECD).

The amendments are effective for accounting periods beginning on or after 1 January 2023 and the mandatory temporary exemption is applied retrospectively to prior periods.

Disclosures related to the amendments are made in Note 9 on page 192.

Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
The amendments require entities to disclose their material rather than their significant accounting policies. The Barclays Bank Group adopted the amendments effective 1 January 2023. Whilst these amendments do not change the Barclays Bank Group's accounting policies, the Barclays Bank Group has reviewed the accounting policy information disclosed in these financial statements against the new requirements.

Under the amendments, accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

Definition of an Accounting Estimate (Amendments to IAS 8)
Under the new definition, accounting estimates are clarified as monetary amounts in financial statements that are subject to measurement uncertainty. Where an entity's accounting policy requires an item to be measured at monetary amounts that cannot be observed directly, it should develop an accounting estimate to achieve this objective. The amendments are effective 1 January 2023 and were adopted on this date.

IFRS 17 – Insurance contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts, a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. IFRS 17 has replaced IFRS 4 Insurance Contracts that was issued in 2005. In June 2020, the IASB published amendments to IFRS 17, to include scope exclusion for certain credit card contracts and similar contracts that provide insurance coverage, the optional scope exclusion for loan contracts that transfer significant insurance risk, and the clarification that only financial guarantees issued are in scope of IFRS 9.

IFRS 17 applies to all types of insurance contracts (i.e. life, non-life, direct insurance and reinsurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions apply.

IFRS 17 was effective for accounting periods beginning on or after 1 January 2023 but the impact to the Barclays Bank Group is not material.

Future accounting developments
The following accounting standards have been issued by the IASB but are not yet effective:

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
In January 2020 the IASB issued amendments to IAS 1 to clarify the presentation of liabilities in the balance sheet, with an effective date of 1 January 2024.

The amendments clarify that a liability should be classified as non-current only if the entity has the right to defer settlement of the liability for at least 12 months after the reporting period, and that (i) the right to defer settlement must exist at the end of the reporting period and (ii) management's intentions or expectations about whether it will exercise its right to defer settlement does not affect the classification. Further clarifications include how lending conditions affect classification and classification of liabilities the entity will or may settle by issuing its own equity instruments.

In October 2022, the IASB also issued further amendments to IAS 1 to improve the information an entity provides when its right to defer settlement of a liability for at least 12 months is subject to compliance with covenants, and to respond to stakeholders' concerns about the classification of such a liability as current or non-current.

6. Critical accounting estimates and judgements

The preparation of financial statements in accordance with IFRS requires the use of estimates. It also requires management to exercise judgement in applying the accounting policies. The key areas involving a higher degree of judgement or complexity or areas where assumptions are significant to the consolidated and individual financial statements are highlighted under the relevant note. Critical accounting estimates and judgements are disclosed in:

- Credit impairment charges on pages 187 to 190
- Tax on pages 191 to 195
- Fair value of financial instruments on pages 210 to 222
- Pensions and post-retirement benefit obligations on pages 249 to 256
- Provisions including conduct and legal, competition and regulatory matters on pages 232 to 239

7. Other disclosures

To improve transparency and ease of reference, by concentrating related information in one place, certain disclosures required under IFRS have been included within the Risk review section as follows:

- Credit risk on pages 52 to 53 and on pages 63 to 110
- Market risk on page 54 and on pages 112 to 113
- Treasury and capital risk – capital on page 54 to 56 and on page 124
- Treasury and capital risk – liquidity on pages 54 to 56 and on pages 115 to 123

These disclosures are covered by the Audit opinion (included on pages 146 to 167) where referenced as audited.

Notes to the financial statements
Financial performance and returns

The notes included in this section focus on the results and performance of the Barclays Bank Group. Information on the segmental performance, income generated, expenditure incurred, tax, and dividends are included here.

2 Segmental reporting

Presentation of segmental reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee, which is responsible for allocating resources and assessing performance of the operating segments, and has been identified as the chief operating decision maker. All transactions between business segments are conducted on an arm's-length basis, with intra-segment revenue and costs being eliminated in Head Office. Income and expenses directly associated with each segment are included in determining business segment performance.

The Barclays Bank Group divisions have been, for segmental reporting purposes, defined as Corporate and Investment Bank and Consumer, Cards and Payments.

- **Corporate and Investment Bank** which includes the Global Markets, Investment Banking and Corporate Banking businesses.
- **Consumer, Cards and Payments** which includes the International Cards and Consumer Bank, Private Bank and Payments businesses.

The below table also includes Head Office which comprises head office and certain central support functions including the Barclays Bank Group service company full time equivalent employees.

Analysis of results by business

	Corporate and Investment Bank	Consumer, Cards and Payments	Head Office	Barclays Bank Group
	£m	£m	£m	£m
For the year ended 31 December 2023				
Total income	13,084	5,340	(156)	18,268
Operating expenses	(8,751)	(3,280)	(388)	(12,419)
Litigation and conduct	6	(53)	3	(44)
Total operating expenses	(8,745)	(3,333)	(385)	(12,463)
Other net expenses[a]	(3)	—	(1)	(4)
Profit/(loss) before impairment	4,336	2,007	(542)	5,801
Credit impairment charges	(23)	(1,525)	(30)	(1,578)
Profit/(loss) before tax	4,313	482	(572)	4,223
Total assets (£bn)	1,083.9	90.3	11.0	1,185.2
Total liabilities (£bn)	(1,035.6)	(87.7)	(1.4)	(1,124.7)
Number of employees (full time equivalent)	8,400	3,900	11,600	23,900
Average number of employees (full time equivalent)				23,800
Average number of employees (headcount)				24,000

	Corporate and Investment Bank	Consumer, Cards and Payments	Head Office	Barclays Bank Group
	£m	£m	£m	£m
For the year ended 31 December 2022				
Total income	13,722	4,547	(75)	18,194
Operating expenses	(8,011)	(2,800)	(160)	(10,971)
Litigation and conduct	(1,189)	(230)	(8)	(1,427)
Total operating expenses	(9,200)	(3,030)	(168)	(12,398)
Other net income[a]	3	1	—	4
Profit/(loss) before impairment	4,525	1,518	(243)	5,800
Credit impairment charges	(119)	(814)	—	(933)
Profit/(loss) before tax	4,406	704	(243)	4,867
Total assets (£bn)	1,111.2	79.9	12.4	1,203.5
Total liabilities (£bn)	(1,057.1)	(85.0)	(2.5)	(1,144.6)
Number of employees (full time equivalent)	8,000	2,900	11,000	21,900
Average number of employees (full time equivalent)				21,100
Average number of employees (headcount)				21,300

	Corporate and Investment Bank £m	Consumer, Cards and Payments £m	Head Office £m	Barclays Bank Group £m
For the year ended 31 December 2021				
Total income	12,481	3,337	(410)	15,408
Operating expenses	(7,169)	(2,316)	(400)	(9,885)
Litigation and conduct	(237)	(108)	(29)	(374)
Total operating expenses	(7,406)	(2,424)	(429)	(10,259)
Other net (expenses)/income[a]	(8)	1	(1)	(8)
Profit/(loss) before impairment	5,067	914	(840)	5,141
Credit impairment releases/(charges)	461	(185)	1	277
Profit/(loss) before tax	5,528	729	(839)	5,418
Total assets (£bn)	986.2	64.4	11.2	1,061.8
Total liabilities (£bn)	(930.1)	(72.0)	(3.4)	(1,005.5)
Number of employees (full time equivalent)	7,800	2,600	9,800	20,200
Average number of employees (full time equivalent)				20,300
Average number of employees (headcount)				20,500

Note
a Other net (expenses)/income represents the share of post-tax results of associates and joint ventures, and profit (or loss) on disposal of subsidiaries, associates and joint ventures.

Barclays PLC Group has changed the way that its businesses are being managed and will publish comparative financial information reflecting these changes to its segmental reporting which are effective from January 2024.

From 2024, the Barclays Bank Group will present its financial disclosures through the following new segments:

- Barclays UK Corporate Bank
- Barclays Private Bank and Wealth Management
- Barclays Investment Bank
- Barclays US Consumer Bank

The previously reported Head Office will additionally include the held for sale German consumer finance business and the Merchant Acquiring component of the Payments business which were both previously reported within Consumer, Cards and Payments.

Income by geographic region[b]

For the year ended 31 December	2023 £m	2022 £m	2021 £m
United Kingdom	**6,095**	7,962	4,585
Europe	**2,513**	2,320	2,358
Americas	**8,200**	6,516	7,326
Africa and Middle East	**87**	63	45
Asia	**1,373**	1,333	1,094
Total	**18,268**	18,194	15,408

Income from individual countries which represent more than 5% of total income[b]

For the year ended 31 December	2023 £m	2022 £m	2021 £m
United Kingdom	**6,095**	7,962	4,585
United States	**8,013**	6,340	7,162

Note
b The geographical analysis is based on the location of the office where the transactions are recorded.

3 Net interest income

Accounting for interest income and expenses
Interest income on loans and advances at amortised cost and financial assets at fair value through other comprehensive income, and interest expense on financial liabilities held at amortised cost, are calculated using the effective interest method which allocates interest, and direct and incremental fees and costs, over the expected lives of the assets and liabilities.

The effective interest method requires the Barclays Bank Group to estimate future cash flows, in some cases based on its experience of customers' behaviour, considering all contractual terms of the financial instrument, as well as the expected lives of the assets and liabilities.

The Barclays Bank Group incurs certain costs to originate credit card balances with the most significant being co-brand partner fees. To the extent these costs are attributed to customers that continuously carry an outstanding balance (revolvers) and incremental to the origination of credit card balances, they are capitalised and subsequently included within the calculation of the effective interest rate. They are amortised to interest income over the period of expected repayment of the originated balance. Costs attributed to customers that settle their outstanding balances each period (transactors) are deferred on the balance sheet as a cost of obtaining a contract and amortised to fee and commission expense over the life of the customer relationship (refer to Note 4). There are no other individual estimates involved in the calculation of effective interest rates that are material to the results or financial position.

	2023 £m	2022 £m	2021 £m
Cash and balances at central banks	**8,384**	2,097	128
Debt securities at amortised cost	**1,819**	1,035	148
Loans and advances at amortised cost	**7,854**	6,419	4,117
Fair value through other comprehensive income	**3,808**	1,493	380
Negative interest on liabilities	**46**	208	248
Other [a]	**2,350**	527	651
Interest and similar income	**24,261**	11,779	5,672
Deposits at amortised cost	**(8,741)**	(3,104)	(331)
Debt securities in issue	**(3,030)**	(1,473)	(413)
Subordinated liabilities	**(2,697)**	(966)	(934)
Negative interest on assets	**(7)**	(208)	(374)
Other [b]	**(3,133)**	(630)	(547)
Interest and similar expense	**(17,608)**	(6,381)	(2,599)
Net interest income	**6,653**	5,398	3,073

Notes
a Other interest and similar income includes interest income from cash collateral and reverse repurchase agreements and other similar secured lending at amortised cost.
b Other interest and similar expense includes interest expense from cash collateral and repurchase agreements and other similar secured borrowing at amortised cost.

Interest and similar income presented above represents interest revenue calculated using the effective interest method. Costs to originate credit card balances of £885m (2022: £747m; 2021: £623m) have been amortised to interest and similar income during the year.

4 Net fee and commission income

Accounting for net fee and commission income

The Barclays Bank Group recognises fee and commission income charged for services provided by the Barclays Bank Group as and when performance obligations are satisfied, for example, on completion of the underlying transaction. Incremental costs are reported within fee and commission expense if they are directly attributable to generating identifiable fee and commission income. Where the contractual arrangements also result in the Barclays Bank Group recognising financial instruments in scope of IFRS 9, such financial instruments are initially recognised at fair value in accordance with IFRS 9 before applying the provisions of IFRS 15.

Fee and commission income is disaggregated below by fee types that reflect the nature of the services offered across the Barclays Bank Group and operating segments, in accordance with IFRS 15. The below table includes a total for fees in scope of IFRS 15. Refer to Note 2 for more detailed information about operating segments.

	2023			
	Corporate and Investment Bank £m	Consumer, Cards and Payments £m	Head Office £m	Total £m
Fee type				
Transactional	500	3,192	—	3,692
Advisory	652	251	—	903
Brokerage and execution	1,674	89	—	1,763
Underwriting and syndication	2,079	—	—	2,079
Other	66	51	15	132
Total revenue from contracts with customers	4,971	3,583	15	8,569
Other non-contract fee income	138	1	—	139
Fee and commission income	5,109	3,584	15	8,708
Fee and commission expense	(1,265)	(1,978)	(4)	(3,247)
Net fee and commission income	3,844	1,606	11	5,461

	2022			
	Corporate and Investment Bank £m	Consumer, Cards and Payments £m	Head Office £m	Total £m
Fee type				
Transactional	449	2,803	—	3,252
Advisory	820	144	—	964
Brokerage and execution	1,465	56	—	1,521
Underwriting and syndication	2,036	1	—	2,037
Other	99	134	22	255
Total revenue from contracts with customers	4,869	3,138	22	8,029
Other non-contract fee income	138	4	—	142
Fee and commission income	5,007	3,142	22	8,171
Fee and commission expense	(966)	(1,778)	(1)	(2,745)
Net fee and commission income	4,041	1,364	21	5,426

	2021			
	Corporate and Investment Bank £m	Consumer, Cards and Payments £m	Head Office £m	Total £m
Fee type				
Transactional	390	2,158	—	2,548
Advisory	968	128	—	1,096
Brokerage and execution	1,082	53	—	1,135
Underwriting and syndication	3,425	—	—	3,425
Other	80	155	21	256
Total revenue from contracts with customers	5,945	2,494	21	8,460
Other non-contract fee income	116	5	—	121
Fee and commission income	6,061	2,499	21	8,581
Fee and commission expense	(781)	(1,207)	(6)	(1,994)
Net fee and commission income	5,280	1,292	15	6,587

Fee types

Transactional
Transactional fees are service charges on deposit accounts, cash management services fees and transactional processing fees. These include interchange and merchant fee income generated from credit and bank card usage. Transaction and processing fees are recognised at the point in time the transaction occurs or service is performed. Interchange and merchant fees are recognised upon settlement of the card transaction payment.

The Barclays Bank Group incurs certain card related costs including those related to cardholder reward programmes and payments to co-brand partners. Cardholder reward programme costs related to customers that settle their outstanding balance each period (transactors) are expensed when incurred and presented in fee and commission expense, while costs related to customers that continuously carry an outstanding balance (revolvers) are included in the effective interest rate of the receivable (refer to Note 3). Payments to partners for new cardholder account originations related to transactor accounts are deferred as costs to obtain a contract under IFRS 15, while costs related to revolver accounts are included in the effective interest rate of the receivable (refer to Note 3). Those costs deferred under IFRS 15 are capitalised and amortised over the estimated life of the customer relationship. Payments to co-brand partners based on revenue sharing to the extent the revenue share relates to "revolvers" are included in the effective interest rate of the receivable and to the extent revenue share relates to "transactors" it must be presented in fee and commission expense. Payments based on profitability are presented in fee and commission expense.

Advisory
Advisory fees are generated from wealth management services and investment banking advisory services related to mergers, acquisitions and financial restructurings. Wealth management advisory fees are earned over the period the services are provided and are generally recognised quarterly when the market value of client assets is determined. Investment banking advisory fees are recognised at the point in time when the services related to the transaction have been completed under the terms of the engagement. Investment banking advisory costs are recognised as incurred in fee and commission expense if direct and incremental to the advisory services or are otherwise recognised in operating expenses.

Brokerage and execution
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. Brokerage and execution fees are recognised at the point in time the associated service has been completed which is generally the trade date of the transaction.

Underwriting and syndication

Underwriting and syndication fees are earned for the distribution of client equity or debt securities and the arrangement and administration of a loan syndication. This includes commitment fees to provide loan financing. Underwriting fees are generally recognised on trade date if there is no remaining contingency, such as the transaction being conditional on the closing of an acquisition or another transaction. Underwriting costs are deferred and recognised in fee and commission expense when the associated underwriting fees are recorded. Syndication fees are earned for arranging and administering a loan syndication; however, the associated fee may be subject to variability until the loan has been syndicated to other syndicate members or until other contingencies have been resolved and therefore the fee revenue is deferred until the uncertainty is resolved.

Included in underwriting and syndication fees are loan commitment fees, when the draw down is not probable. Such commitment fees are recognised over time through to the contractual maturity of the commitment.

Contract assets and contract liabilities
The Barclays Bank Group had no material contract assets or contract liabilities as at 31 December 2023 (2022: £nil; 2021: £nil).

Impairment of fee receivables and contract assets
During 2023, there have been no material impairments recognised in relation to fees receivable and contract assets (2022: £nil; 2021: £nil). Fees in relation to transactional business can be added to outstanding customer balances. These amounts may be subsequently impaired as part of the overall loans and advances balance.

Remaining performance obligations
The Barclays Bank Group applies the practical expedient of IFRS 15 and does not disclose information about remaining performance obligations that have original expected durations of one year or less or because the Barclays Bank Group has a right to consideration that corresponds directly with the value of the service provided to the client or customer.

Costs incurred in obtaining or fulfilling a contract
The Barclays Bank Group expects that incremental costs of obtaining a contract such as success fee and commission fees paid are recoverable and therefore capitalise such contract costs. Capitalised contract costs net of amortisation as at 31 December 2023 are £203m (2022: £190m; 2021: £148m).

Capitalised contract costs are amortised over the customer relationship period depending on the transfer of services to which the asset pertains. In 2023, the amount of amortisation was £52m (2022: £45m; 2021: £35m) and there was no impairment loss recognised in connection with the capitalised contract costs (2022: £nil; 2021: £nil).

5 Net trading income

Accounting for net trading income

Trading positions are held at fair value, and the resulting gains and losses are included in net trading income, together with interest and dividends arising from long and short positions and funding costs relating to trading activities. Incremental costs are reported within net trading income if they are directly attributable to generating identifiable trading income.

Income arises from both the sale and purchase of trading positions, margins which are achieved through market making and customer business and from changes in fair value caused by movements in interest and exchange rates, equity prices and other market variables.

Gains or losses on non-trading financial instruments designated or mandatorily at fair value with changes in fair value recognised in the income statement are included in net trading income.

	2023 £m	2022 £m	2021 £m
Net gains on financial instruments held for trading	**4,310**	5,603	3,999
Net gains on financial instruments designated at fair value	**362**	501	682
Net gains on financial instruments mandatorily at fair value	**1,308**	1,520	1,107
Net trading income	**5,980**	7,624	5,788

6 Net investment income/(expense)

Accounting for net investment income/(expense)

Dividends are recognised when the right to receive the dividend has been established. Incremental costs are reported within net investment income if they are directly attributable to generating identifiable investment income. Other accounting policies relating to net investment income are set out in Note 12 and Note 14.

	2023 £m	2022 £m	2021 £m
Net gains/(losses) from financial assets mandatorily at fair value	**133**	19	(116)
Net gains/(losses) from disposal of debt instruments at fair value through other comprehensive income	**102**	(68)	248
Net (losses)/gains from disposal of financial assets and liabilities measured at amortised cost	**(9)**	(66)	22
Net losses on other investments	**(114)**	(208)	(234)
Net investment income/(expense)	**112**	(323)	(80)

7 Operating expenses

	2023 £m	2022 £m	2021 £m
Infrastructure costs			
Property and equipment	**591**	417	371
Depreciation and amortisation	**438**	470	403
Impairment of property, equipment and intangible assets	**44**	13	280
Total infrastructure costs	**1,073**	900	1,054
Administration and general expenses			
Consultancy, legal and professional fees	**422**	403	390
Marketing and advertising	**391**	312	235
UK bank levy	**149**	150	134
Other administration and general expenses	**4,793**	4,014	3,616
Total administration and general expenses	**5,755**	4,879	4,375
Staff costs[a]	**5,591**	5,192	4,456
Litigation and conduct[b]	**44**	1,427	374
Operating expenses	**12,463**	12,398	10,259

Notes
a For further details on staff costs including accounting policies, refer to Note 28.
b Includes costs related to the Over-issuance of Securities (2022: £966m, 2021: £220m).

8 Credit impairment charges/(releases)

Accounting for the impairment of financial assets

Impairment

In accordance with IFRS 9, the Barclays Bank Group is required to recognise expected credit losses (ECLs) based on unbiased forward-looking information for all financial assets at amortised cost, lease receivables, debt financial assets at fair value through other comprehensive income, loan commitments and financial guarantee contracts. Intercompany exposures in the individual financial statements, including loan commitments and financial guarantee contracts, are also in scope of IFRS 9 for ECL purposes.

At the reporting date, an allowance (or provision for loan commitments and financial guarantees) is required for the 12 month (Stage 1) ECLs. If the credit risk has significantly increased since initial recognition (Stage 2), or if the financial instrument is credit impaired (Stage 3), an allowance (or provision) should be recognised for the lifetime ECLs.

The measurement of ECL is calculated using three main components: (i) probability of default (PD) (ii) loss given default (LGD) and (iii) the exposure at default (EAD).

The 12 month and lifetime ECLs are calculated by multiplying the respective PD, LGD and the EAD. The 12 month and lifetime PDs represent the PD occurring over the next 12 months and the remaining maturity of the instrument respectively. The EAD represents the expected balance at default, taking into account the repayment of principal and interest from the balance sheet date to the default event together with any expected drawdowns of committed facilities. The LGD represents expected losses on the EAD given the event of default, taking into account, among other attributes, the mitigating effect of collateral value at the time it is expected to be realised and the time value of money.

Expected credit loss measurement is based on the ability of borrowers to make payments as they fall due. The Barclays Bank Group also considers sector specific risks and whether additional adjustments are required in the measurement of ECL. Credit risk may be impacted by climate considerations for certain sectors, such as oil and gas.

Determining a significant increase in credit risk since initial recognition:

The Barclays Bank Group assesses when a significant increase in credit risk has occurred based on quantitative and qualitative assessments. The credit risk of an exposure is considered to have significantly increased when:

i) Quantitative test

The annualised lifetime PD has increased by more than an agreed threshold relative to the equivalent at origination.

PD deterioration thresholds are defined as percentage increases, and are set at an origination score band and segment level to ensure the test appropriately captures significant increases in credit risk at all risk levels. Generally, thresholds are inversely correlated to the origination PD, i.e. as the origination PD increases, the threshold value reduces.

The assessment of the point at which a PD increase is deemed 'significant' is based upon analysis of the portfolio's risk profile against a common set of principles and performance metrics (consistent across both retail and wholesale businesses), incorporating expert credit judgement where appropriate. Application of quantitative PD floors does not represent the use of the low credit risk exemption as exposures can separately move into stage 2 via the qualitative route described below.

Wholesale assets apply a 100% increase in PD and 0.2% PD floor to determine a significant increase in credit risk.

Retail assets apply bespoke relative increase and absolute PD thresholds based on product type and origination PD. Thresholds are subject to maximums defined by Barclays Bank Group policy and typically apply minimum relative thresholds of 50%-100% and a maximum relative threshold of 400%

For existing/historical exposures where origination point scores or data are no longer available or do not represent a comparable estimate of lifetime PD, a proxy origination score is defined, based upon:

- back-population of the approved lifetime PD score either to origination date or, where this is not feasible, as far back as possible (subject to a data start point no later than 1 January 2015); or
- use of available historical account performance data and other customer information, to derive a comparable 'proxy' estimation of origination PD.

ii) Qualitative test

This is relevant for accounts that meet the portfolio's 'high risk' criteria and are subject to closer credit monitoring.

High risk customers may not be in arrears but either through an event or an observed behaviour exhibit credit distress. The definition and assessment of high risk includes as wide a range of information as reasonably available, such as industry and Barclays Bank Group-wide customer level data, including but not limited to bureau scores and high consumer indebtedness index, wherever possible or relevant.

Whilst the high risk populations applied for IFRS 9 impairment purposes are aligned with risk management processes, they are also regularly reviewed and validated to ensure that they capture any incremental segments where there is evidence of credit deterioration.

iii) Backstop criteria

This is relevant for accounts that are more than 30 calendar days past due. The 30 days past due criteria is a backstop rather than a primary driver of moving exposures into Stage 2.

The criteria for determining a significant increase in credit risk for assets with bullet repayments follows the same principle as all other assets, i.e. quantitative, qualitative and backstop tests are all applied.

Exposures will move back to Stage 1 once they no longer meet the criteria for a significant increase in credit risk. This means that, at a minimum all payments must be up-to-date, the PD deterioration test is no longer met, the account is no longer classified as high risk, and the customer has evidenced an ability to maintain future payments.

Exposures are only removed from Stage 3 and re-assigned to Stage 2 once the original default trigger event no longer applies. Exposures being removed from Stage 3 must no longer qualify as credit impaired, and:

a) the obligor will also have demonstrated consistently good payment behaviour over a 12-month period, by making all consecutive contractual payments due and, for forborne exposures, the relevant EBA defined probationary period has also been successfully completed; or
b) (for non-forborne exposures) the performance conditions are defined and approved within an appropriately sanctioned restructure plan, including 12 months' payment history have been met.

Management overlays and other exceptions to model outputs are applied only if consistent with the objective of identifying significant increases in credit risk.

Forward-looking information
The measurement of ECL involves complexity and judgement, including estimation of PD, LGD, a range of unbiased future economic scenarios, estimation of expected lives (where contractual life is not appropriate), and estimation of EAD and assessing significant increases in credit risk.

Credit losses are the expected cash shortfalls from what is contractually due over the expected life of the financial instrument, discounted at the original effective interest rate (EIR). ECLs are the unbiased probability-weighted credit losses determined by evaluating a range of possible outcomes and considering future economic conditions.

Refer to the Measurement uncertainty and sensitivity analysis section on page 86 for further details.

Definition of default, credit impaired assets, write-offs, and interest income recognition
The definition of default for the purpose of determining ECLs, and for internal credit risk management purposes, has been aligned to the Regulatory Capital CRR Article 178 definition of default, to maintain a consistent approach with IFRS 9 and associated regulatory guidance. The Regulatory Capital CRR Article 178 definition of default considers indicators that the debtor is unlikely to pay, includes exposures in forbearance and is no later than when the exposure is more than 90 days past due. When exposures are identified as credit impaired at the time when they are purchased or originated, interest income is calculated on the carrying value net of the impairment allowance.

An asset is considered credit impaired when one or more events occur that have a detrimental impact on the estimated future cash flows of the financial asset. This comprises assets defined as defaulted and other individually assessed exposures where imminent default or actual loss is identified.

Uncollectible loans are written off against the related allowance for loan impairment on completion of the Barclays Bank Group's internal processes and when all reasonably expected recoverable amounts have been collected. Subsequent recoveries of amounts previously written off are credited to the income statement. The timing and extent of write-offs may involve some element of subjective judgement. Nevertheless, a write-off will often be prompted by a specific event, such as the inception of insolvency proceedings or other formal recovery action, which makes it possible to establish that some or the entire advance is beyond realistic prospect of recovery.

Accounting for purchased financial guarantee contracts
The Barclays Bank Group may enter into a financial guarantee contract which requires the issuer of such contract to reimburse the Barclays Bank Group for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument. For these separate financial guarantee contracts, the Barclays Bank Group recognises a reimbursement asset aligned with the recognition of the underlying ECLs, if it is considered virtually certain that a reimbursement would be received if the specified debtor fails to make payment when due in accordance with the terms of the debt instrument.

Loan modifications and renegotiations that are not credit-impaired
When modification of a loan agreement occurs as a result of commercial restructuring activity rather than due to the credit risk of the borrower, an assessment must be performed to determine whether the terms of the new agreement are substantially different from the terms of the existing agreement. This assessment considers both the change in cash flows arising from the modified terms as well as the change in overall instrument risk profile. In respect of payment holidays granted to borrowers which are not due to forbearance, if the revised cash flows on a present value basis (based on the original EIR) are not substantially different from the original cash flows, the loan is not considered to be substantially modified.

Where terms are substantially different, the existing loan will be derecognised and a new loan will be recognised at fair value, with any difference in valuation recognised immediately within the income statement, subject to observability criteria.

Where terms are not substantially different, the loan carrying value will be adjusted to reflect the present value of modified cash flows discounted at the original EIR, with any resulting gain or loss recognised immediately within the income statement as a modification gain or loss.

Expected life
Lifetime ECLs must be measured over the expected life. This is restricted to the maximum contractual life and takes into account expected prepayment, extension, call and similar options. The exceptions are certain revolver financial instruments, such as credit cards and bank overdrafts, that include both a drawn and an undrawn component where the entity's contractual ability to demand repayment and cancel the undrawn commitment does not limit the entity's exposure to credit losses to the contractual notice period. For revolving facilities, expected life is analytically derived to reflect the behavioural life of the asset, i.e. the full period over which the business expects to be exposed to credit risk. Behavioural life is typically based upon historical analysis of the average time to default, closure or withdrawal of facility. Where data is insufficient or analysis inconclusive, an additional 'maturity factor' may be incorporated to reflect the full estimated life of the exposures, based upon experienced judgement and/or peer analysis. Potential future modifications of contracts are not taken into account when determining the expected life or EAD until they occur.

Discounting
ECLs are discounted at the EIR at initial recognition or an approximation thereof and consistent with income recognition. For loan commitments the EIR is the rate that is expected to apply when the loan is drawn down and a financial asset is recognised. Issued financial guarantee contracts are discounted at the risk-free rate. Lease receivables are discounted at the rate implicit in the lease. For variable/floating rate financial assets, the spot rate at the reporting date is used and projections of changes in the variable rate over the expected life are not made to estimate future interest cash flows or for discounting.

Modelling techniques

Currently, Internal Ratings-Based models are leveraged to calculate the point-in-time PD and LGD, which serve as key inputs to the IFRS 9 models. Thereafter, these inputs are extrapolated by the IFRS 9 models to create macroeconomic sensitive forecast of PDs, LGDs and in turn ECL.

Forbearance

A financial asset is subject to forbearance when it is modified due to the credit distress of the borrower. A modification made to the terms of an asset due to forbearance will typically be assessed as a non-substantial modification that does not result in derecognition of the original loan, except in circumstances where debt is exchanged for equity.

Both performing and non-performing forbearance assets are classified as Stage 3 except where it is established that the concession granted has not resulted in diminished financial obligation and that no other regulatory definitions of default criteria have been triggered, in which case the asset is classified as Stage 2. The minimum probationary period for non-performing forbearance is 12 months and for performing forbearance, 24 months. Hence, a minimum of 36 months is required for non-performing forbearance to move out of a forborne state.

No financial instrument in forbearance can transfer back to Stage 1 until all of the Stage 2 thresholds are no longer met and can only move out of Stage 3 when no longer credit impaired.

Critical accounting estimates and judgements

IFRS 9 impairment involves several important areas of judgement, including estimating forward looking modelled parameters (PD, LGD and EAD), developing a range of unbiased future economic scenarios, estimating expected lives and assessing significant increases in credit risk, based on the Barclays Bank Group's experience of managing credit risk. The determination of expected life is most material for Barclays Bank Group's credit card portfolios which is obtained via behavioural life analysis to materially capture the risk of these facilities.

Within the retail and small businesses portfolios, which comprise large numbers of small homogenous assets with similar risk characteristics where credit scoring techniques are generally used, the impairment allowance is calculated using forward looking modelled parameters which are typically run at account level. There are many models in use, each tailored to a product, line of business or customer category. Judgement and knowledge is needed in selecting the statistical methods to use when the models are developed or revised. Management adjustments to impairment models, which contain an element of subjectivity, 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 appropriate.

For individually significant assets in Stage 3, impairment allowances are calculated on an individual basis and all relevant considerations that have a bearing on the expected future cash flows across a range of economic scenarios are taken into account. These considerations can be particularly subjective and can include the business prospects for the customer, the realisable value of collateral, the Barclays Bank Group's position relative to other claimants, the reliability of customer information and the likely cost and duration of the work-out process. The level of the impairment allowance is the difference between the value of the discounted expected future cash flows (discounted at the loan's original effective interest rate), and its carrying amount. Furthermore, judgements change with time as new information becomes available or as work-out strategies evolve, resulting in frequent revisions to the impairment allowance as individual decisions are taken. Changes in these estimates would result in a change in the allowances and have a direct impact on the impairment charge.

Temporary adjustments to calculated IFRS 9 impairment allowances may be applied in limited circumstances to account for situations where known or expected risk factors or information have not been considered in the ECL assessment or modelling process. For further information please see pages 83 to 84 in credit risk performance.

Information about the potential impact of the physical and transition risks of climate change on borrowers is considered, taking into account reasonable and supportable information to make accounting judgements and estimates. Climate change is inherently of a long-term nature, with significant levels of uncertainty, and consequently requires judgement in determining the possible impact in the next financial year, if any.

	2023			2022			2021		
	Impairment charges / (releases)	Recoveries and reimbursements[a]	Total[b]	Impairment charges / (releases)	Recoveries and reimbursements[a]	Total	Impairment charges / (releases)	Recoveries and reimbursements[a]	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Loans and advances at amortised cost[c]	**1,656**	**(41)**	**1,615**	1,118	(228)	890	(264)	259	(5)
Off-balance sheet loan commitments and financial guarantee contracts	**(37)**	**—**	**(37)**	7	—	7	(257)	—	(257)
Total	**1,619**	**(41)**	**1,578**	1,125	(228)	897	(521)	259	(262)
Cash collateral and settlement balances	**4**	**—**	**4**	28	—	28	(4)	—	(4)
Financial instruments at fair value through other comprehensive income	**(2)**	**—**	**(2)**	8	—	8	(6)	—	(6)
Other financial asset measured at cost	**(2)**	**—**	**(2)**	0	—	0	(5)	—	(5)
Credit impairment charges /(releases)	**1,619**	**(41)**	**1,578**	1,161	(228)	933	(536)	259	(277)

Notes

a Recoveries and reimbursements includes £24m (2022: £195m, 2021: £(290)m) for reimbursements expected to be received under the arrangement where the Barclays Bank Group has entered into financial guarantee contracts which provide credit protection over certain assets with third parties and cash recoveries of previously written off amounts of £17m (2022: £33m, 2021: £31m).

b Includes net impairment charges of £19m relating to the German Consumer Finance business classified as assets held for sale during the year.

c Includes Debt securities at amortised cost.

Write-offs that can be subjected to enforcement activity

The contractual amount outstanding on financial assets that were written off during the year and that can still be subjected to enforcement activity is £395m (2022: £512m). This is lower than the write-offs presented in the movement in gross exposures and impairment allowance table due to assets sold during the year post write-offs and post write-off recoveries.

Modification of financial assets

Financial assets of £2,177m (2022: £2,237m, 2021: £3,260m), with a loss allowance measured at an amount equal to lifetime ECL, were subject to non-substantial modification during the year, with a resulting loss of £2m (2022: £1m, 2021: £2m). The gross carrying amount at 31 December 2023 of financial assets subject to non-substantial modification for which the loss allowance has changed to a 12 month ECL during the year amounts to £149m (2022: £1,077m, 2021: £419m).

9 Tax

Accounting for income taxes

The Barclays Bank Group applies IAS 12 Income Taxes in accounting for taxes on income. Income tax payable on taxable profits (current tax) is recognised as an expense in the periods in which the profits arise. Withholding taxes are also treated as income taxes. Income tax recoverable on tax allowable losses is recognised as a current tax asset only to the extent that it is regarded as recoverable by offsetting against taxable profits arising in the current or prior periods. Current tax is measured using tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. Deferred tax liabilities are recognised for all taxable temporary differences except for the initial recognition of goodwill. Deferred tax is not recognised where the temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss. Deferred tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date which are expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. Deferred tax assets and liabilities are only offset when there is both a legal right to set-off and an intention to settle on a net basis.

The Barclays Bank Group considers an uncertain tax position to exist when it considers that ultimately, in the future, the amount of profit subject to tax may be greater than the amount initially reflected in the Barclays Bank Group's tax returns. The Barclays Bank Group accounts for provisions in respect of uncertain tax positions in two different ways.

A current tax provision is recognised when it is considered probable that the outcome of a review by a tax authority of an uncertain tax position will alter the amount of cash tax due to, or from, a tax authority in the future. From recognition, the current tax provision is then measured at the amount the Barclays Bank Group ultimately expects to pay the tax authority to resolve the position. The accrual of interest and penalty amounts in respect of uncertain income tax positions is recognised as an expense within profit before tax.

Deferred tax provisions are adjustments made to the carrying value of deferred tax assets in respect of uncertain tax positions. A deferred tax provision is recognised when it is considered probable that the outcome of a review by a tax authority of an uncertain tax position will result in a reduction in the carrying value of the deferred tax asset. From recognition of a provision, measurement of the underlying deferred tax asset is adjusted to take into account the expected impact of resolving the uncertain tax position on the loss or temporary difference giving rise to the deferred tax asset.

The approach taken to measurement takes account of whether the uncertain tax position is a discrete position that will be reviewed by the tax authority in isolation from any other position, or one of a number of issues which are expected to be reviewed together concurrently and resolved simultaneously with a tax authority. The Barclays Bank Group's measurement of provisions is based upon its best estimate of the additional profit that will become subject to tax. For a discrete position, consideration is given only to the merits of that position. Where a number of issues are expected to be reviewed and resolved together, the Barclays Bank Group will take into account not only the merits of its position in respect of each particular issue but also the overall level of provision relative to the aggregate of the uncertain tax positions across all the issues that are expected to be resolved at the same time. In addition, in assessing provision levels, it is assumed that tax authorities will review uncertain tax positions and that all facts will be fully and transparently disclosed.

Critical accounting estimates and judgements

There are two key areas of judgement that impact the reported tax position. Firstly, the level of provisioning for uncertain tax positions; and secondly, the recognition and measurement of deferred tax assets.

The Barclays Bank Group does not consider there to be a significant risk of a material adjustment to the carrying amount of current and deferred tax balances, including provisions for uncertain tax positions in the next financial year. The provisions for uncertain tax positions cover a diverse range of issues and reflect advice from external counsel where relevant. It should be noted that only a proportion of the total uncertain tax positions will be under audit at any point in time, and could therefore be subject to challenge by a tax authority over the next year.

Deferred tax assets have been recognised based on business profit forecasts which included consideration for the current view of climate impacts. Details on the recognition of deferred tax assets are provided in this note.

	2023 £m	2022 £m	2021 £m
Current tax charge/(credit)			
Current year	**605**	623	904
Adjustments in respect of prior years	**(96)**	(625)	393
	509	(2)	1,297
Deferred tax charge/(credit)			
Current year	**43**	19	(179)
Adjustments in respect of prior years	**110**	468	(288)
	153	487	(467)
Tax charge	**662**	485	830

The table below shows the reconciliation between the actual tax charge and the tax charge that would result from applying the standard UK corporation tax rate to the Barclays Bank Group's profit before tax.

	2023 £m	2023 %	2022 £m	2022 %	2021 £m	2021 %
Profit before tax from continuing operations	**4,223**		4,867		5,418	
Tax charge based on the applicable UK corporation tax rate of 23.5% (2022: 19%, 2021: 19%)	**992**	**23.5%**	925	19.0%	1,029	19.0%
Impact of profits/losses earned in territories with different statutory rates to the UK (weighted average tax rate is 23.6% (2022: 22.3%, 2021: 24.0%))	**3**	**0.1%**	160	3.3%	273	5.0%
Recurring items:						
Non-creditable taxes including withholding taxes	**124**	**3.0%**	117	2.4%	124	2.3%
Non-deductible expenses	**47**	**1.1%**	28	0.6%	61	1.1%
Impact of UK bank levy being non-deductible	**35**	**0.8%**	28	0.6%	25	0.5%
Impact of Barclays Bank PLC's overseas branches being taxed both locally and in the UK	**14**	**0.3%**	17	0.3%	25	0.5%
Adjustments in respect of prior years	**14**	**0.3%**	(157)	(3.2%)	105	1.9%
Tax adjustments in respect of share-based payments	**1**	**—**	10	0.2%	(5)	(0.1%)
Changes in recognition of deferred tax and effect of unrecognised tax losses	**(58)**	**(1.4%)**	(146)	(3.0%)	(140)	(2.6%)
Non-taxable gains and income	**(60)**	**(1.4%)**	(129)	(2.6%)	(152)	(2.8%)
Banking surcharge[a] and other items	**(89)**	**(2.1%)**	(39)	(0.8%)	(48)	(0.9%)
Tax relief on payments made under AT1 instruments	**(174)**	**(4.1%)**	(136)	(2.8%)	(113)	(2.1%)
Tax relief on holdings of inflation-linked government bonds	**(194)**	**(4.6%)**	(510)	(10.5%)	(157)	(2.9%)
Non-recurring items:						
Remeasurement of UK deferred tax assets due to tax rate changes	**—**	**—**	183	3.8%	(218)	(4.0%)
Non-deductible provisions for investigations and litigation	**—**	**—**	85	1.7%	—	—
Non-deductible provisions for UK customer redress	**7**	**0.2%**	49	1.0%	21	0.4%
Total tax charge	**662**	**15.7%**	485	10.0%	830	15.3%

Note
a Banking surcharge includes the impact of the 4.25% UK banking surcharge rate on profits/losses and tax adjustments relating to UK banking entities.

Factors influencing the effective tax rate

As a result of the increase in the UK corporation tax rate from 19% to 25% from 1 April 2023, the applicable UK corporation tax rate for the year ended 31 December 2023 is 23.5%. In addition, the banking surcharge rate reduced from 8% to 3% from 1 April 2023 resulting in a total tax rate applicable to banks' UK profits of 27.75% for the year ended 31 December 2023.

The effective tax rate of 15.7% is lower than the applicable UK corporation tax rate of 23.5% primarily due to tax relief on holdings of inflation-linked government bonds, and tax relief on payments made under AT1 instruments. These factors, which have each decreased the effective tax rate, are partially offset by non-creditable taxes including withholding taxes.

Factors that may influence the effective tax rate in future periods

The Barclays Bank Group's future tax charge will be sensitive to the geographic mix of profits earned, the tax rates in force and changes to the tax rules in the jurisdictions that the Barclays Bank Group operates in.

Tax law is, at times, complex, and it is the role of courts and tribunals to act as the final authority on the correct interpretation of tax law. In October 2023, a First-tier Tax Tribunal hearing took place between Barclays Bank PLC and HM Revenue & Customs in respect of the UK corporation tax treatment of an element of the finance costs associated with reserve capital instruments issued as part of the capital raising announced by Barclays in October 2008, which have since been redeemed. The maximum additional tax liability that could arise under the dispute is £215m and a provision of £106m is carried in respect of this uncertainty. The judgement is expected to be received in early 2024.

The OECD and G20 Inclusive Framework on Base Erosion and Profit Shifting announced plans under the Pillar Two Framework to introduce a global minimum tax rate of 15% and the OECD issued model rules in 2021. Further OECD guidance has been released during 2022 and 2023 and the UK Government enacted legislation on 11 July 2023 to implement the global minimum tax rules and a UK domestic minimum tax. The UK's Pillar Two rules apply for accounting periods beginning on or after 31 December 2023 and will apply in respect of profits for every jurisdiction where the Barclays Bank Group operates.

Additionally, the Barclays Bank Group may be subject to Qualifying Domestic Minimum Top-up Taxes (QDMTTs) under the Pillar Two rules implemented in its operating jurisdictions. The application of QDMTT rules should not affect the overall impact of any additional taxes resulting from the Pillar Two regime on the Barclays Bank Group's tax charge, as any taxes paid under a local QDMTT would be expected to result in a reduction in any top-up tax being payable in the UK.

The Barclays Bank Group has adopted the International Tax Reform - Pillar Two Model Rules amendments to IAS 12, which were issued on 23 May 2023 and approved by the UK Endorsement Board on 19 July 2023, and has applied the exception set out in paragraph 4A in respect of recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Barclays Bank Group has reviewed the published UK legislation alongside the OECD model rules and guidance and has performed an assessment of the expected impact of the new regime. Additional taxes resulting from the implementation of Pillar Two are expected to arise from 1 January 2024 in respect of a limited number of jurisdictions in which the Barclays Bank Group operates, principally in the Isle of Man, Jersey, Guernsey, and Ireland, by virtue of their low statutory tax rates. However, these additional taxes are not expected to significantly increase the Barclays Bank Group's future tax charge based on an estimated impact of c.£20m per annum, with actual future liabilities being dependent on levels of profits in particular jurisdictions. The Barclays Bank Group will continue to review further guidance due to be released by the OECD and governments implementing this new tax regime to assess the potential impact.

In the USA, the corporate alternative minimum tax on adjusted financial statements income introduced by the Inflation Reduction Act became effective on 1 January 2023. The Barclays Bank Group will continue to review the regulations and guidance as they are issued. However, the Barclays Bank Group's tax liability was not increased as a result of the corporate alternative minimum tax in 2023 and it is not expected that it will materially increase the Barclays Bank Group's future effective tax rate.

Tax in the consolidated statement of comprehensive income
Tax relating to each component of other comprehensive income can be found in the consolidated statement of comprehensive income.

Tax included directly in equity
Tax included directly in equity comprises a £13m credit (2022: £1m debit) relating to share-based payments and deductible costs on issuing other equity instruments.

Deferred tax assets and liabilities
The deferred tax amounts on the balance sheet were as follows:

	Barclays Bank Group	
	2023	2022
	£m	£m
US Intermediate Holding Company Tax Group ('IHC Tax Group')	973	1,094
Barclays Bank PLC's US Branch Tax Group	386	482
UK Tax Group	2,054	2,557
Other (outside the UK and US tax groups)	475	450
Deferred tax asset	3,888	4,583
Deferred tax liability	(3)	—
Net deferred tax	3,885	4,583

	Barclays Bank PLC	
	2023	2022
	£m	£m
Barclays Bank PLC's US Branch Tax Group	386	482
UK Tax Group	2,053	2,553
Other (outside the UK and US tax groups)	70	79
Deferred tax asset	2,509	3,114
Deferred tax liability	(2)	—
Net deferred tax	2,507	3,114

US deferred tax assets in the IHC and the US Branch Tax Groups
The deferred tax asset in the IHC Tax Group of £973m (2022: £1,094m) includes £35m (2022: £21m) relating to tax losses, with the balance relating to temporary differences. The deferred tax asset in Barclays Bank PLC's US Branch Tax Group of £386m (2022: £482m) relates entirely to temporary differences.

In relation to the IHC Tax Group, these temporary differences include £387m (2022: £434m) arising from New York State and City prior net operating loss conversion which can be carried forward and will expire in 2034. Business profit forecasts indicate that all of the New York State attributable amounts will be utilised prior to expiry and that £38m of the New York City attributable amounts previously recognised will not be utilised prior to expiry. Accordingly, in the current period the deferred tax asset recognised has been reduced by £38m.

UK Tax Group deferred tax assets and liabilities
The net deferred tax asset in the UK Tax Group of £2,054m (2022: £2,557m) includes a deferred tax asset of £1,241m (2022: £1,237m) relating to tax losses with the balance relating to temporary differences. There is no time limit on utilisation of UK tax losses and business profit forecasts indicate these losses will be fully recovered.

Other deferred tax assets (outside the UK and US tax groups)
The deferred tax asset of £475m (2022: £450m) in other entities within the Barclays Bank Group includes £147m (2022: £90m) relating to tax losses. These deferred tax assets relate to a number of different territories and their recognition is based on profit forecasts or local country law which indicate that it is probable that those deferred tax assets will be fully recovered.

Of the deferred tax asset of £475m (2022: £450m), an amount of £20m (2022: £33m) relates to entities which have suffered a loss in either the current or prior year and the utilisation of which is dependent upon future taxable profits. This has been taken into account in reaching the above conclusion that these deferred tax assets will be fully recovered in the future.

The table below shows movements on deferred tax assets and liabilities during the year. The amounts are different from those disclosed on the balance sheet and in the preceding table as they are presented before offsetting asset and liability balances where there is a legal right to set-off and an intention to settle on a net basis.

Barclays Bank Group

	Fixed asset timing differences	Fair value through other comprehensive income	Cash flow hedges	Retirement benefit obligations	Loan impairment allowance	Own credit	Share based payments and deferred compensation	Other temporary differences	Tax losses carried forward	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Assets	215	590	2,040	21	548	—	329	1,138	1,348	6,229
Liabilities	(65)	—	—	(1,315)	—	(190)	—	(76)	—	(1,646)
As at 1 January 2023	150	590	2,040	(1,294)	548	(190)	329	1,062	1,348	4,583
Income statement	18	(26)	—	(27)	(12)	—	20	(204)	78	(153)
Other comprehensive income and reserves	—	(54)	(982)	325	—	273	(9)	—	—	(447)
Other movements	(5)	—	—	(2)	(30)	2	(13)	(47)	(3)	(98)
	163	510	1,058	(998)	506	85	327	811	1,423	3,885
Assets	275	510	1,058	16	506	85	327	903	1,423	5,103
Liabilities	(112)	—	—	(1,014)	—	—	—	(92)	—	(1,218)
As at 31 December 2023	163	510	1,058	(998)	506	85	327	811	1,423	3,885
Assets	678	144	309	24	481	426	327	1,134	1,196	4,719
Liabilities	(30)	—	—	(1,674)	—	—	—	(40)	—	(1,744)
As at 1 January 2022	648	144	309	(1,650)	481	426	327	1,094	1,196	2,975
Income statement	(531)	(6)	—	(7)	47	—	(2)	(140)	152	(487)
Other comprehensive income and reserves	—	449	1,731	357	—	(616)	(17)	—	—	1,904
Other movements	33	3	—	6	20	—	21	108	—	191
	150	590	2,040	(1,294)	548	(190)	329	1,062	1,348	4,583
Assets	215	590	2,040	21	548	—	329	1,138	1,348	6,229
Liabilities	(65)	—	—	(1,315)	—	(190)	—	(76)	—	(1,646)
As at 31 December 2022	150	590	2,040	(1,294)	548	(190)	329	1,062	1,348	4,583

Barclays Bank PLC

	Fixed asset timing differences	Fair value through other comprehensive income	Cash flow hedges	Retirement benefit obligations	Loan impairment allowance	Own credit	Share based payments and deferred compensation	Other temporary differences	Tax losses carried forward	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Assets	51	596	2,014	—	181	—	122	922	1,237	5,123
Liabilities	(12)	—	—	(1,313)	—	(190)	—	(494)	—	(2,009)
As at 1 January 2023	39	596	2,014	(1,313)	181	(190)	122	428	1,237	3,114
Income statement	4	—	—	(24)	15	—	8	(160)	7	(150)
Other comprehensive income and reserves	—	(54)	(966)	325	—	272	(4)	—	—	(427)
Other movements	—	—	—	(1)	(16)	—	1	(14)	—	(30)
	43	542	1,048	(1,013)	180	82	127	254	1,244	2,507
Assets	43	542	1,048	—	180	82	127	305	1,244	3,571
Liabilities	—	—	—	(1,013)	—	—	—	(51)	—	(1,064)
As at 31 December 2023	43	542	1,048	(1,013)	180	82	127	254	1,244	2,507
Assets	555	147	307	—	200	411	128	536	1,076	3,360
Liabilities	(14)	—	—	(1,673)	—	—	—	—	—	(1,687)
As at 1 January 2022	541	147	307	(1,673)	200	411	128	536	1,076	1,673
Income statement	(488)	—	—	—	(19)	—	1	(144)	161	(489)
Other comprehensive income and reserves	(30)	449	1,707	360	—	(601)	(7)	—	—	1,878
Other movements	16	—	—	—	—	—	—	36	—	52
	39	596	2,014	(1,313)	181	(190)	122	428	1,237	3,114
Assets	51	596	2,014	—	181	—	122	922	1,237	5,123
Liabilities	(12)	—	—	(1,313)	—	(190)	—	(494)	—	(2,009)
As at 31 December 2022	39	596	2,014	(1,313)	181	(190)	122	428	1,237	3,114

Other movements include the impact of changes in foreign exchange rates as well as deferred tax amounts relating to acquisitions and disposals.

The amount of deferred tax asset expected to be recovered after more than 12 months for the Barclays Bank Group is £3,577m (2022: £5,514m) and for Barclays Bank PLC is £2,323m (2022: £4,335m). The amount of deferred tax liability expected to be settled after more than 12 months for the Barclays Bank Group is £1,145m (2022: £1,545m) and for Barclays Bank PLC is £1,015m (2022: £1,505m). These amounts are before offsetting asset and liability balances where there is a legal right to set-off and an intention to settle on a net basis.

Unrecognised deferred tax

Tax losses and temporary differences

The Barclays Bank Group has deferred tax assets not recognised in respect of gross deductible temporary differences of £527m (2022: £111m), unused tax credits of £381m (2022: £323m), and gross tax losses of £21,373m (2022: £22,263m). The tax losses include capital losses of £3,657m (2022: £3,661m). Of these tax losses, £79m (2022: £149m) expire within five years, £13m (2022: £401m) expire within six to ten years, £10,504m (2022: £10,393m) expire within eleven to twenty years and £10,777m (2022: £11,320m) can be carried forward indefinitely. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits and gains will be available against which they can be utilised.

For Barclays Bank PLC, deferred tax assets have not been recognised in respect of gross deductible temporary differences of £142m (2022: £48m), unused tax credits of £206m (2022: £206m), and gross tax losses of £4,169m (2022: £4,277m) which includes capital losses of £2,901m (2022: £2,905m). Of these tax losses, £71m (2022: £138m) expire within five years and £4,098m (2022: £4,139m) can be carried forward indefinitely. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profits and gains will be available against which they can be utilised.

Barclays Bank Group investments in subsidiaries, branches and associates

Deferred tax is not recognised in respect of the value of Barclays Bank Group's investments in subsidiaries, branches and associates where the Barclays Bank Group is able to control the timing of the reversal of the temporary differences and it is probable that such differences will not reverse in the foreseeable future. The aggregate amount of these temporary differences for which deferred tax liabilities have not been recognised was £870m (2022: £852m).

10 Dividends on ordinary shares and preference shares

The 2023 financial statements include £1,348m (2022: £200m, 2021: £794m) of dividends paid on ordinary shares. This comprises a 2022 interim dividend of £700m (2021; £200m, 2020: £174m) and 1 interim dividend in relation to 2023 of £648m (2022: £nil, 2021: 2 interim dividends totalling £620m).

This results in a total dividend for the year of £0.58 (2022: £0.09, 2021: £0.34) per ordinary share.

Dividends paid on preference shares amounted to £40m (2022: £31m, 2021; £27m). Dividends paid on the Euro preference shares amounted to £333.36 per share (2022: £53.42, 2021: £14.37). Dividends paid on the US Dollar preference shares amounted to £499.58 per share (2022: £511.27, 2021: £459.69).

The Directors have approved an interim dividend in respect of 2023 of £852m. The financial statements for the year ended 31 December 2023 do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained profits in the year ending 31 December 2024.

The notes included in this section focus on assets and liabilities the Barclays Bank Group holds and recognises at fair value. Details regarding the Barclays Bank Group's approach to managing market risk can be found on page 54.

11 Trading portfolio

Accounting for trading portfolio assets and liabilities
All assets and liabilities held for trading purposes are held at fair value with gains and losses in the changes in fair value taken to the income statement in net trading income (Note 5).

	Barclays Bank Group	
	2023	2022
	£m	£m
Debt securities and other eligible bills	**75,459**	55,430
Equity securities	**86,353**	65,034
Traded loans	**12,653**	13,198
Commodities	**101**	109
Trading Portfolio Assets	**174,566**	133,771
Debt securities and other eligible bills	**(39,639)**	(39,068)
Equity securities	**(18,122)**	(33,392)
Trading Portfolio Liabilities	**(57,761)**	(72,460)

	Barclays Bank PLC	
	2023	2022
	£m	£m
Debt securities and other eligible bills	**37,492**	31,410
Equity securities	**62,563**	38,662
Traded loans	**12,599**	12,971
Commodities	**—**	—
Trading Portfolio assets	**112,654**	83,043
Debt securities and other eligible bills	**(22,608)**	(22,977)
Equity securities	**(28,387)**	(29,116)
Trading Portfolio liabilities	**(50,995)**	(52,093)

12 Financial assets at fair value through the income statement

Accounting for financial assets designated at fair value
Financial assets, other than those held for trading, are classified in this category if they are so irrevocably designated at inception and the use of the designation removes or significantly reduces an accounting mismatch.

Subsequent changes in fair value for these instruments are recognised in the income statement in net investment income, except if reporting it in trading income reduces an accounting mismatch.

The details on how the fair value amounts are derived for financial assets at fair value are described in Note 16.

Accounting for financial assets mandatorily at fair value
Financial assets that are held for trading are recognised at fair value through profit or loss. In addition, financial assets are held at fair value through profit or loss if they do not contain contractual terms that give rise on specified dates to cash flows that are Solely Payments of Principal and Interest (SPPI), or if the financial asset is not held in a business model that is either (i) a business model to collect the contractual cash flows or (ii) a business model that is achieved by both collecting contractual cash flows and selling.

	Barclays Bank Group	
	2023	2022
	£m	£m
Loans and advances	1,367	1,679
Debt securities	130	205
Other financial assets	—	1
Financial assets designated at fair value	**1,497**	**1,885**
Loans and advances	45,174	36,511
Debt securities	2,415	3,012
Equity securities	5,938	4,934
Reverse repurchase agreements and other similar secured lending	149,131	164,698
Other financial assets	81	88
Financial assets mandatorily at fair value	**202,739**	**209,243**
Total	**204,236**	**211,128**

	Barclays Bank PLC	
	2023	2022
	£m	£m
Loans and advances	1,367	1,679
Other financial assets	—	1
Financial assets designated at fair value	**1,367**	**1,680**
Loans and advances	50,569	44,151
Debt securities	3,604	3,869
Equity securities	119	159
Reverse repurchase agreements and other similar secured lending	208,284	197,440
Other financial assets	17	26
Financial assets mandatorily at fair value	**262,593**	**245,645**
Total	**263,960**	**247,325**

Credit risk of financial assets designated at fair value and related credit derivatives

The following table shows the maximum exposure to credit risk, the changes in fair value attributable to changes in credit risk, and the cumulative changes in fair value since initial recognition for loans and advances. The table does not include debt securities as they have minimal exposure to credit risk due to limited gross exposure.

	Barclays Bank Group					
	Maximum exposure as at 31 December		Changes in fair value during the year ended		Cumulative changes in fair value from inception	
	2023	2022	2023	2022	2023	2022
	£m	£m	£m	£m	£m	£m
Loans and advances designated at fair value, attributable to credit risk	1,367	1,679	3	—	1	(3)
Value mitigated by related credit derivatives	613	855	(5)	(1)	(5)	(1)

	Barclays Bank PLC					
	Maximum exposure as at 31 December		Changes in fair value during the year ended		Cumulative changes in fair value from inception	
	2023	2022	2023	2022	2023	2022
	£m	£m	£m	£m	£m	£m
Loans and advances designated at fair value, attributable to credit risk	1,367	1,679	3	—	1	(3)
Value mitigated by related credit derivatives	613	855	(5)	(1)	(5)	(1)

13 Derivative financial instruments

Accounting for derivatives

Derivative instruments are contracts whose value is derived from one or more underlying financial instruments or indices defined in the contract. They include swaps, forward-rate agreements, futures, options and combinations of these instruments and primarily affect the Barclays Bank Group's net interest income, net trading income and derivative assets and liabilities. Notional amounts of the contracts are not recorded on the balance sheet. Derivatives are used to hedge interest rate, credit risk, inflation risk, exchange rate, commodity, equity exposures and exposures to certain indices such as house price indices and retail price indices related to non-trading positions.

All derivative instruments are held at fair value through profit or loss, except for derivatives that are in a designated cash flow or net investment hedge accounting relationship. Derivatives are classified as assets when their fair value is positive or as liabilities when their fair value is negative.

Hedge accounting

The Barclays Bank Group applies the requirements of IAS 39 *Financial Instruments: Recognition and Measurement* for hedge accounting purposes. The Barclays Bank Group applies hedge accounting to represent the economic effects of its interest rate, currency and contractually linked inflation risk management strategies. Where derivatives are held for risk management purposes, and when transactions meet the required criteria for documentation and hedge effectiveness, the Barclays Bank Group applies fair value hedge accounting, cash flow hedge accounting, or hedging of a net investment in a foreign operation, as appropriate to the risks being hedged.

Fair value hedge accounting

Changes in fair value of derivatives that qualify and are designated as fair value hedges are recorded in the income statement, together with changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The fair value changes adjust the carrying value of the hedged asset or liability held at amortised cost.

If hedge relationships no longer meet the criteria for hedge accounting, hedge accounting is discontinued. For fair value hedges of interest rate risk, the fair value adjustment to the hedged item is amortised to the income statement over the period to maturity of the previously designated hedge relationship using the effective interest method. If the hedged item is sold or repaid, the unamortised fair value adjustment is recognised immediately in the income statement. For items classified as fair value through other comprehensive income, the hedge accounting adjustment is included in other comprehensive income.

Cash flow hedge accounting

For qualifying cash flow hedges, the fair value gain or loss associated with the effective portion of the cash flow hedge is recognised initially in other comprehensive income, and then recycled to the income statement in the periods when the hedged item will affect profit or loss. Any ineffective portion of the gain or loss on the hedging instrument is recognised in the income statement immediately.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the hedged item is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the income statement.

Hedges of net investments

The Barclays Bank Group's net investments in foreign operations, including monetary items accounted for as part of the net investment, are hedged for foreign currency risks using both derivatives and foreign currency borrowings. Hedges of net investments are accounted for similarly to cash flow hedges; the effective portion of the gain or loss on the hedging instrument is being recognised directly in other comprehensive income and the ineffective portion being recognised immediately in the income statement. The cumulative gain or loss recognised in other comprehensive income is recognised in the income statement on the disposal or partial disposal of the foreign operation, or other reductions in the Barclays Bank Group's investment in the operation.

Barclays Bank Group	2023			2022		
	Notional contract amount	Fair value		Notional contract amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
	£m	£m	£m	£m	£m	£m
Total derivative assets/(liabilities) held for trading	64,413,042	255,219	(249,380)	52,164,242	302,665	(288,398)
Total derivative assets/(liabilities) held for risk management	212,817	892	(500)	178,628	311	(808)
Derivative assets/(liabilities)	**64,625,859**	**256,111**	**(249,880)**	52,342,870	302,976	(289,206)

Barclays Bank PLC	2023			2022		
	Notional contract amount	Fair value		Notional contract amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
	£m	£m	£m	£m	£m	£m
Total derivative assets/(liabilities) held for trading	45,979,749	224,476	(220,870)	42,452,511	258,254	(249,760)
Total derivative assets/(liabilities) held for risk management	207,416	825	(495)	177,532	454	(807)
Derivative assets/(liabilities)	**46,187,165**	**225,301**	**(221,365)**	42,630,043	258,708	(250,567)

Further information on netting arrangements of derivative financial instruments can be found within Note 17.

The fair values and notional amounts of derivatives held for trading are set out in the following table:

Derivatives held for trading and risk management	2023			2022		
Barclays Bank Group	Notional contract amount	Fair value		Notional contract amount	Fair value	
		Assets	Liabilities		Assets	Liabilities
	£m	£m	£m	£m	£m	£m
Derivatives held for trading						
Foreign exchange derivatives						
OTC derivatives	6,531,231	86,830	(82,625)	5,773,814	108,865	(103,040)
Derivatives cleared by central counterparty	186,672	529	(512)	113,455	440	(473)
Exchange traded derivatives	17,899	2	(2)	19,426	15	(6)
Foreign exchange derivatives	6,735,802	87,361	(83,139)	5,906,695	109,320	(103,519)
Interest rate derivatives						
OTC derivatives	19,684,538	105,405	(92,485)	14,938,526	130,917	(117,016)
Derivatives cleared by central counterparty	27,074,746	1,936	(2,065)	21,390,094	2,317	(2,340)
Exchange traded derivatives	6,800,161	2,824	(2,895)	5,654,126	2,257	(2,167)
Interest rate derivatives	53,559,445	110,165	(97,445)	41,982,746	135,491	(121,523)
Credit derivatives						
OTC derivatives	587,472	4,936	(6,005)	619,843	4,262	(4,731)
Derivatives cleared by central counterparty	860,878	2,726	(2,625)	1,107,377	1,161	(1,321)
Credit derivatives	1,448,350	7,662	(8,630)	1,727,220	5,423	(6,052)
Equity and stock index derivatives						
OTC derivatives	448,503	17,791	(25,769)	410,002	12,670	(16,715)
Exchange traded derivatives	2,017,045	30,379	(32,549)	1,924,613	35,986	(36,774)
Equity and stock index derivatives	2,465,548	48,170	(58,318)	2,334,615	48,656	(53,489)
Commodity derivatives						
OTC derivatives	4,734	44	(4)	4,411	14	(51)
Exchange traded derivatives	199,163	1,817	(1,844)	208,555	3,761	(3,764)
Commodity derivatives	203,897	1,861	(1,848)	212,966	3,775	(3,815)
Derivative assets/(liabilities) held for trading	64,413,042	255,219	(249,380)	52,164,242	302,665	(288,398)
Total OTC derivatives	27,256,478	215,006	(206,888)	21,746,596	256,728	(241,553)
Total derivatives cleared by central counterparty	28,122,296	5,191	(5,202)	22,610,926	3,918	(4,134)
Total exchange traded derivatives	9,034,268	35,022	(37,290)	7,806,720	42,019	(42,711)
Derivative assets/(liabilities) held for trading	64,413,042	255,219	(249,380)	52,164,242	302,665	(288,398)
Derivatives held for risk management						
Derivatives designated as cash flow hedges						
Currency Swaps	17,995	625	(8)	2,000	175	(12)
Interest rate swaps	266	17	—	266	12	—
Interest rate derivatives cleared by central counterparty	95,964	—	—	92,366	—	—
Derivatives designated as cash flow hedges	114,225	642	(8)	94,632	187	(12)
Derivatives designated as fair value hedges						
Interest rate swaps	4,670	140	(447)	4,561	27	(776)
Interest rate derivatives cleared by central counterparty	90,189	—	—	75,547	—	—
Derivatives designated as fair value hedges	94,859	140	(447)	80,108	27	(776)
Derivatives designated as hedges of net investments						
Forward foreign exchange	3,733	110	(45)	3,888	97	(20)
Derivatives designated as hedges of net investments	3,733	110	(45)	3,888	97	(20)
Derivative assets/(liabilities) held for risk management	212,817	892	(500)	178,628	311	(808)
Total OTC derivatives	26,664	892	(500)	10,715	311	(808)
Total derivatives cleared by central counterparty	186,153	—	—	167,913	—	—
Derivative assets/(liabilities) held for risk management	212,817	892	(500)	178,628	311	(808)

Assets and liabilities held at fair value

Derivatives held for trading and risk management Barclays Bank PLC	2023 Notional contract amount £m	2023 Fair value Assets £m	2023 Fair value Liabilities £m	2022 Notional contract amount £m	2022 Fair value Assets £m	2022 Fair value Liabilities £m
Derivatives held for trading						
Foreign exchange derivatives						
OTC derivatives	**6,172,851**	**80,964**	**(77,668)**	5,437,740	101,837	(97,212)
Derivatives cleared by central counterparty	**186,672**	**529**	**(512)**	113,455	440	(473)
Exchange traded derivatives	**5,232**	**—**	**—**	5,366	—	—
Foreign exchange derivatives	**6,364,755**	**81,493**	**(78,180)**	5,556,561	102,277	(97,685)
Interest rate derivatives						
OTC derivatives	**10,700,738**	**82,712**	**(74,395)**	9,769,803	102,226	(95,119)
Derivatives cleared by central counterparty	**15,696,268**	**1,022**	**(1,151)**	15,000,610	1,442	(1,561)
Exchange traded derivatives	**3,180,964**	**393**	**(473)**	3,296,390	198	(159)
Interest rate derivatives	**29,577,970**	**84,127**	**(76,019)**	28,066,803	103,866	(96,839)
Credit derivatives						
OTC derivatives	**370,832**	**4,771**	**(5,779)**	420,996	4,060	(4,439)
Derivatives cleared by central counterparty	**658,707**	**2,650**	**(2,528)**	905,621	1,144	(1,301)
Credit derivatives	**1,029,539**	**7,421**	**(8,307)**	1,326,617	5,204	(5,740)
Equity and stock index derivatives						
OTC derivatives	**420,293**	**17,012**	**(24,725)**	383,041	12,089	(15,933)
Exchange traded derivatives	**609,424**	**5,767**	**(6,231)**	389,046	3,359	(4,078)
Equity and stock index derivatives	**1,029,717**	**22,779**	**(30,956)**	772,087	15,448	(20,011)
Commodity derivatives						
OTC derivatives	**4,124**	**37**	**(3)**	3,989	12	(50)
Exchange traded derivatives	**27,357**	**302**	**(311)**	25,435	446	(665)
Commodity derivatives	**31,481**	**339**	**(314)**	29,424	458	(715)
Derivatives with subsidiaries	**7,946,287**	**28,317**	**(27,094)**	6,701,019	31,001	(28,770)
Derivative assets/(liabilities) held for trading	**45,979,749**	**224,476**	**(220,870)**	42,452,511	258,254	(249,760)
Total OTC derivatives	**17,668,838**	**185,496**	**(182,570)**	16,015,569	220,224	(212,753)
Total derivatives cleared by central counterparty	**16,541,647**	**4,201**	**(4,191)**	16,019,686	3,026	(3,335)
Total exchange traded derivatives	**3,822,977**	**6,462**	**(7,015)**	3,716,237	4,003	(4,902)
Derivatives with subsidiaries	**7,946,287**	**28,317**	**(27,094)**	6,701,019	31,001	(28,770)
Derivative assets/(liabilities) held for trading	**45,979,749**	**224,476**	**(220,870)**	42,452,511	258,254	(249,760)
Derivatives held for risk management						
Derivatives designated as cash flow hedges						
Currency Swaps	**17,995**	**625**	**(8)**	2,000	175	(12)
Interest rate swaps	**443**	**—**	**—**	229	4	(4)
Interest rate derivatives cleared by central counterparty	**90,231**	**—**	**—**	91,457	—	—
Derivatives designated as cash flow hedges	**108,669**	**625**	**(8)**	93,686	179	(16)
Derivatives designated as fair value hedges						
Interest rate swaps	**3,071**	**124**	**(440)**	4,479	25	(776)
Forward foreign exchange	**2,122**	**48**	**—**	2,019	145	(8)
Interest rate derivatives cleared by central counterparty	**89,693**	**—**	**—**	74,548	—	—
Derivatives designated as fair value hedges	**94,886**	**172**	**(440)**	81,046	170	(784)
Derivatives designated as hedges of net investments						
Forward foreign exchange	**3,861**	**28**	**(47)**	2,800	105	(7)
Derivatives designated as hedges of net investments	**3,861**	**28**	**(47)**	2,800	105	(7)
Derivative assets/(liabilities) held for risk management	**207,416**	**825**	**(495)**	177,532	454	(807)
Total OTC derivatives	**27,492**	**825**	**(495)**	11,527	454	(807)
Total derivatives cleared by central counterparty	**179,924**	**—**	**—**	166,005	—	—
Derivative assets/(liabilities) held for risk management	**207,416**	**825**	**(495)**	177,532	454	(807)

Hedge accounting

Hedge accounting is applied predominantly for the following risks:

- Interest rate risk – arises due to a mismatch between fixed interest rates and floating interest rates.
- Currency risk – arises due to assets or liabilities being denominated in different currencies than the functional currency of the relevant entity. At a consolidated level, currency risk also arises when the functional currency of subsidiaries are different from the parent.
- Contractually linked inflation risk – arises from financial instruments within contractually specified inflation risk. The Barclays Bank Group does not hedge inflation risk that arises from other activities.

In order to hedge these risks, the Barclays Bank Group uses the following hedging instruments:

- Interest rate derivatives to swap interest rate exposure into either fixed or variable rates.
- Currency derivatives to swap foreign currency exposures into the entity's functional currency, and net investment exposure to local currency.
- Inflation derivatives to swap inflation exposure into either fixed or variable interest rates.

In some cases, certain items which are economically hedged may be ineligible hedged items for the purposes of IAS 39, such as core deposits and equity. In these instances, a proxy hedging solution can be utilised whereby portfolios of floating rate assets are designated as eligible hedged items in cash flow hedges.

In some hedging relationships, the Barclays Bank Group designates risk components of hedged items as follows:

- Benchmark interest rate risk as a component of interest rate risk, such as the Risk Free Rate (RFR) component.
- Inflation risk as a contractually specified component of a debt instrument.
- Spot exchange rate risk for foreign currency financial assets or financial liabilities.
- Components of cash flows of hedged items, for example certain interest payments for part of the life of an instrument.

Using the benchmark interest rate risk results in other risks, such as credit risk and liquidity risk, being excluded from the hedge accounting relationship.

In respect of many of the Barclays Bank Group's hedge accounting relationships, the hedged item and hedging instrument change frequently due to the dynamic nature of the risk management and hedge accounting strategy. The Barclays Bank Group applies hedge accounting to dynamic scenarios, predominantly in relation to interest rate risk, with a combination of hedged items in order for its financial statements to reflect as closely as possible the economic risk management undertaken. In some cases, if the hedge accounting objective changes, the relevant hedge accounting relationship is de-designated and is replaced with a different hedge accounting relationship.

Changes in the GBP value of net investments due to foreign currency movements are captured in the currency translation reserve, resulting in a movement in CET1 capital. The Barclays Bank Group mitigates this by matching the CET1 capital movements to the revaluation of the foreign currency RWA exposures. Net investment hedges are designated where necessary to reduce the exposure to movement in a particular exchange rate to within limits mandated by Risk. As far as possible, existing external currency liabilities are designated as the hedging instruments.

The hedging instruments share the same risk exposures as the hedged items. Hedge effectiveness is determined with reference to quantitative tests, predominantly regression testing, but to the extent hedging instruments are exposed to different risks than the hedged items, this could result in hedge ineffectiveness or hedge accounting failures.

Sources of ineffectiveness include the following:

- Mismatches between the contractual terms of the hedged item and hedging instrument, including basis differences.
- Changes in credit risk of the hedging instruments.
- If a hedging relationship becomes over-hedged, for example in hedges of net investments if the net asset value designated at the start of the period falls below the amount of the hedging instrument.
- Cash flow hedges using external swaps with non-zero fair values.

Assets and liabilities held at fair value

Hedged items in fair value hedges

Barclays Bank Group

Hedged item statement of financial position classification and risk category	Carrying amount £m	Accumulated fair value adjustment included in carrying amount: Total £m	Of which: Accumulated fair value adjustment on items no longer in a hedge relationship £m	Change in fair value used as a basis to determine ineffectiveness £m	Hedge ineffectiveness recognised in the income statement[a] £m
2023					
Assets					
Loans and advances at amortised cost					
- Interest rate risk	**830**	**(154)**	**(5)**	**34**	**(1)**
- Inflation risk	**450**	**246**	**—**	**3**	**(5)**
Debt securities classified as amortised cost					
- Interest rate risk	**2,394**	**(24)**	**(21)**	**48**	**24**
- Inflation risk	**6,484**	**(755)**	**3**	**33**	**(19)**
Financial assets at fair value through other comprehensive income[b]					
- Interest rate risk	**33,021**	**(1,173)**	**(658)**	**964**	**158**
- Inflation risk	**2,052**	**(51)**	**(62)**	**5**	**3**
Total Assets	**45,231**	**(1,911)**	**(743)**	**1,087**	**160**
Liabilities					
Debt securities in issue[c]					
- Interest rate risk	**(44,433)**	**1,872**	**539**	**(723)**	**21**
Total Liabilities	**(44,433)**	**1,872**	**539**	**(723)**	**21**
Total Hedged Items	**798**	**(39)**	**(204)**	**364**	**181**
2022					
Assets					
Loans and advances at amortised cost					
- Interest rate risk	1,950	(135)	3	(325)	(3)
- Inflation risk	445	243	—	(111)	2
Debt securities classified as amortised cost					
- Interest rate risk	159	(19)	(11)	(133)	(20)
- Inflation risk	3,854	(1,287)	—	(1,658)	(18)
Financial assets at fair value through other comprehensive income[b]					
- Interest rate risk	25,044	(3,132)	(228)	(3,833)	145
- Inflation risk	6,019	(181)	17	(690)	(26)
Total Assets	37,471	(4,511)	(219)	(6,750)	80
Liabilities					
Debt securities in issue[c]					
- Interest rate risk	(34,260)	2,746	(26)	3,577	22
Total Liabilities	(34,260)	2,746	(26)	3,577	22
Total Hedged Items	3,211	(1,765)	(245)	(3,173)	102

Notes
a Hedge ineffectiveness is recognised in net interest income.
b For items classified as fair value through other comprehensive income, the hedge accounting adjustment is not included in the carrying amount, but rather adjusts other comprehensive income.
c Includes debt securities in issue and subordinated liabilities.

Hedged items in fair value hedges

Barclays Bank PLC

Hedged item statement of financial position classification and risk category	Carrying amount	Accumulated fair value adjustment included in carrying amount: Total	Of which: Accumulated fair value adjustment on items no longer in a hedge relationship	Change in fair value used as a basis to determine ineffectiveness	Hedge ineffectiveness recognised in the income statement[a]
	£m	£m	£m	£m	£m
2023					
Assets					
Loans and advances at amortised cost					
- Interest rate risk	830	(154)	(5)	34	(2)
- Inflation risk	450	246	—	3	(5)
Debt securities classified as amortised cost					
- Interest rate risk	2,045	(30)	(21)	42	20
- Inflation risk	4,959	(737)	9	51	(19)
Financial assets at fair value through other comprehensive income[b]					
- Interest rate risk	33,038	(1,174)	(659)	965	160
- Inflation risk	2,026	(51)	(62)	5	3
Investments in subsidiaries					
- Foreign exchange risk	5,517	137	85	(234)	—
Total Assets	48,864	(1,763)	(653)	866	157
Liabilities					
Debt securities in issue[c]					
- Interest rate risk	(43,420)	1,870	523	(704)	40
Total Liabilities	(43,420)	1,870	523	(704)	40
Total Hedged items	5,444	107	(130)	162	197
2022					
Assets					
Loans and advances at amortised cost					
- Interest rate risk	1,946	(139)	1	(325)	(1)
- Inflation risk	445	243	—	(111)	2
Debt securities classified as amortised cost					
- Interest rate risk	159	(19)	(11)	(133)	(20)
- Inflation risk	3,854	(1,287)	—	(1,658)	(18)
Financial assets at fair value through other comprehensive income[b]					
- Interest rate risk	25,044	(3,134)	(229)	(3,833)	145
- Inflation risk	6,019	(182)	17	(690)	(26)
Investments in subsidiaries					
-Foreign exchange risk	6,038	187	85	509	—
Total Assets	43,505	(4,331)	(137)	(6,241)	82
Liabilities					
Debt securities in issue[c]					
- Interest rate risk	(33,154)	2,734	(20)	3,462	21
Total Liabilities	(33,154)	2,734	(20)	3,462	21
Total Hedged items	10,351	(1,597)	(157)	(2,779)	103

Notes
a Hedge ineffectiveness is recognised in net interest income.
b For items classified as fair value through other comprehensive income, the hedge accounting adjustment is not included in the carrying amount, but rather adjusts other comprehensive income.
c Includes debt securities in issue and subordinated liabilities.

Amount, timing and uncertainty of future cash flows

The following table shows the fair value hedging instruments which are carried on the balance sheet:

Barclays Bank Group		Carrying value				
		Derivative assets	Derivative liabilities	Loan liabilities	Nominal amount	Change in fair value used as a basis to determine ineffectiveness
Hedge type	Risk category	£m	£m	£m	£m	£m
As at 31 December 2023						
Fair value	Interest rate risk	**137**	**(106)**	**—**	**84,259**	**(121)**
	Inflation risk	**3**	**(341)**	**—**	**10,600**	**(62)**
	Total	**140**	**(447)**		**94,859**	**(183)**
As at 31 December 2022						
Fair value	Interest rate risk	—	—	—	67,613	858
	Inflation risk	27	(776)	—	12,495	2,417
	Total	27	(776)	—	80,108	3,275

Barclays Bank PLC		Carrying value				
		Derivative assets	Derivative liabilities	Loan liabilities	Nominal amount	Change in fair value used as a basis to determine ineffectiveness
Hedge type	Risk category	£m	£m	£m	£m	£m
As at 31 December 2023						
Fair value	Interest rate risk	**81**	**(2)**	**—**	**83,324**	**(119)**
	Foreign exchange risk	**48**	**—**	**(3,315)**	**5,437**	**234**
	Inflation risk	**43**	**(438)**	**—**	**9,440**	**(80)**
	Total	**172**	**(440)**	**(3,315)**	**98,201**	**35**
As at 31 December 2022						
Fair value	Interest rate risk	72	—	—	66,532	974
	Foreign exchange risk	72	(8)	(1,342)	3,361	(509)
	Inflation risk	26	(776)	—	12,495	2,417
	Total	170	(784)	(1,342)	82,388	2,882

The following table profiles the expected notional values of current hedging instruments for fair value hedging in future years:

	2023	2024	2025	2026	2027	2028	2029 and later
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m
Barclays Bank Group							
Fair value hedges of:							
Interest rate risk (outstanding notional amount)	**84,259**	**69,548**	**61,205**	**50,534**	**40,826**	**36,069**	**32,474**
Inflation risk (outstanding notional amount)	**10,600**	**10,584**	**10,503**	**9,663**	**9,118**	**7,420**	**6,908**

For Barclays Bank Group, there are 960 (2022: 712) interest rate risk fair value hedges with an average fixed rate of 2.6% (2022: 1.8%) across the relationships and 79 (2022: 49) inflation risk fair value hedges with an average rate of 1.1% (2022: 0.6%) across the relationships.

	2023	2024	2025	2026	2027	2028	2029 and later
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m
Barclays Bank PLC							
Fair value hedges of							
Interest rate risk (outstanding notional amount)	**83,324**	**68,614**	**60,963**	**50,625**	**40,847**	**36,098**	**32,670**
Inflation risk (outstanding notional amount)	**9,440**	**9,424**	**9,343**	**9,197**	**8,386**	**7,434**	**7,001**
Foreign exchange risk (outstanding notional amount)	**5,437**	**5,437**	**3,315**	**3,315**	**3,315**	**3,315**	**3,315**

Hedged items in cash flow hedges and hedges of net investments in foreign operations

Barclays Bank Group

Description of hedge relationship and hedged risk	Change in value of hedged item used as the basis for recognising ineffectiveness £m	Balance in cash flow hedging reserve for continuing hedges £m	Balance in currency translation reserve for continuing hedges £m	Balances remaining in cash flow hedging reserve for which hedge accounting is no longer applied £m	Balances remaining in currency translation reserve for which hedge accounting is no longer applied £m	Hedging (gains) or losses recognised in other comprehensive income £m	Hedge ineffectiveness recognised in the income statement[a] £m
2023							
Cash flow hedge of:							
Interest rate risk							
Loans and advances at amortised cost	**(694)**	**94**	**—**	**1,909**	**—**	**(694)**	**23**
Cash and balances at Central Banks	**(1,004)**	**(151)**	**—**	**2,121**	**—**	**(1,004)**	**132**
Foreign exchange risk							
Loans and advances at amortised cost	**(463)**	**30**	**—**	**—**	**—**	**(463)**	**5**
Inflation risk							
Debt securities classified at amortised cost	**(313)**	**(181)**	**—**	**21**	**—**	**(313)**	**—**
Total cash flow hedges	**(2,474)**	**(208)**	**—**	**4,051**	**—**	**(2,474)**	**160**
Hedge of net investment in foreign operations							
USD foreign operations	**(522)**	**—**	**1,374**	**—**	**—**	**(522)**	**—**
EUR foreign operations	**(49)**	**—**	**83**	**—**	**—**	**(49)**	**—**
Other foreign operations	**(115)**	**—**	**53**	**—**	**96**	**(115)**	**—**
Total foreign operations	**(686)**	**—**	**1,510**	**—**	**96**	**(686)**	**—**
2022							
Cash flow hedge of:							
Interest rate risk							
Loans and advances at amortised cost	2,978	2,212	—	962	—	2,978	(87)
Cash and balances at Central Banks	4,204	2,413	—	1,938	—	4,204	(110)
Foreign exchange risk							
Loans and advances at amortised cost	3	(13)	—	—	—	3	2
Inflation risk							
Debt securities classified at amortised cost	362	142	—	16	—	98	33
Total cash flow hedges	7,547	4,754	—	2,916	—	7,283	(162)
Hedge of net investment in foreign operations							
USD foreign operations	922	—	1,767	—	—	922	—
EUR foreign operations	170	—	127	—	—	170	—
Other foreign operations	38	—	180	—	88	38	—
Total foreign operations	1,130	—	2,074	—	88	1,130	—

Note
a Hedge ineffectiveness is recognised in net interest income.

Hedged items in cash flow hedges and hedges of net investments in foreign operations

Barclays Bank PLC

Description of hedge relationship and hedged risk	Change in value of hedged item used as the basis for recognising ineffectiveness £m	Balance in cash flow hedging reserve for continuing hedges £m	Balance in currency translation reserve for continuing hedges £m	Balances remaining in cash flow hedging reserve for which hedge accounting is no longer applied £m	Balances remaining in currency translation reserve for which hedge accounting is no longer applied £m	Hedging (gains) or losses recognised in other comprehensive income £m	Hedge ineffectiveness recognised in the income statement[a] £m
2023							
Cash flow hedge of:							
Interest rate risk							
Loans and advances at amortised cost	**(660)**	**202**	**—**	**1,678**	**—**	**(660)**	**42**
Cash and Balances at Central Banks	**(989)**	**166**	**—**	**1,829**	**—**	**(989)**	**70**
Foreign exchange risk							
Loans and advances at amortised cost	**(463)**	**30**	**—**	**—**	**—**	**(463)**	**5**
Inflation risk							
Debt securities classified at amortised cost	**(313)**	**(181)**	**—**	**21**	**—**	**(313)**	**—**
Total cash flow hedges	**(2,425)**	**217**	**—**	**3,528**	**—**	**(2,425)**	**117**
Hedge of net investment in foreign operations							
USD foreign operations	**(210)**	**—**	**1,176**	**—**	**—**	**(210)**	**—**
EUR foreign operations	**—**	**—**	**(1)**	**—**	**2**	**—**	**—**
Other foreign operations	**(95)**	**—**	**(71)**	**—**	**—**	**(95)**	**—**
Total foreign operations	**(305)**		**1,104**	**—**	**2**	**(305)**	**—**
2022							
Cash flow hedge of:							
Interest rate risk							
Loans and advances at amortised cost	2,864	2,235	—	837	—	2,864	(106)
Cash and Balances at Central Banks	3,768	2,245	—	1,733	—	3,768	(40)
Foreign exchange risk							
Loans and advances at amortised cost	3	(13)	—	—	—	3	2
Inflation risk							
Debt securities classified at amortised cost	362	142	—	16	—	98	33
Total cash flow hedges	6,997	4,609	—	2,586	—	6,733	(111)
Hedge of net investment in foreign operations							
USD foreign operations	328	—	1,377	—	—	328	—
EUR foreign operations	5	—	(3)	—	2	5	—
Other foreign operations	24	—	24	—	—	24	—
Total foreign operations	357	—	1,398	—	2	357	—

Note
a Hedge ineffectiveness is recognised in net interest income.

Notes to the financial statements
Assets and liabilities held at fair value

The following table shows the cash flow and net investment hedging instruments which are carried on the balance sheet:

Barclays Bank Group

		Carrying value				
Hedge type	Risk category	Derivative assets £m	Derivative liabilities £m	Loan liabilities £m	Nominal amount £m	Change in fair value used as a basis to determine ineffectiveness £m
As at 31 December 2023						
Cash flow	Interest rate risk	17	—	—	93,423	1,853
	Foreign exchange risk	625	(8)	—	17,995	468
	Inflation risk	—	—	—	2,807	313
	Total	642	(8)	—	114,225	2,634
Net investment	Foreign exchange risk	110	(45)	(8,507)	12,240	686
As at 31 December 2022						
Cash flow	Interest rate risk	12	—	—	89,996	(7,379)
	Foreign exchange risk	175	(12)	—	2,000	(1)
	Inflation risk	—	—	—	2,636	(329)
	Total	187	(12)	—	94,632	(7,709)
Net investment	Foreign exchange risk	97	(20)	(8,368)	12,256	(1,130)

Barclays Bank PLC

		Carrying value				
Hedge type	Risk category	Derivative assets £m	Derivative liabilities £m	Loan liabilities £m	Nominal amount £m	Change in fair value used as a basis to determine ineffectiveness £m
As at 31 December 2023						
Cash flow	Interest rate risk	—	—	—	87,867	1,761
	Foreign exchange risk	625	(8)	—	17,995	468
	Inflation risk	—	—	—	2,807	313
	Total	625	(8)	—	108,669	2,542
Net investment	Foreign exchange risk	28	(47)	—	3,861	305
As at 31 December 2022						
Cash flow	Interest rate risk	4	(4)	—	88,990	(6,778)
	Foreign exchange risk	175	(12)	—	2,000	(1)
	Inflation risk	—	—	—	2,696	(329)
	Total	179	(16)	—	93,686	(7,108)
Net investment	Foreign exchange risk	105	(7)	(52)	2,852	(357)

For Barclays Bank Group and Barclays Bank PLC there are 2 (2022: 2) foreign exchange risk cash flow hedges with an average foreign exchange rate of JPY 147.80: GBP 1 (2022: JPY 147.8: GBP 1) and 8 (2022: nil) with an average foreign exchange rate of USD 1.25: GBP 1 (2022: nil).

The effect on the income statement and other comprehensive income of recycling amounts in respect of cash flow hedges and net investment hedges of foreign operations is set out in the following table:

Barclays Bank Group	2023		2022	
	Amount recycled from other comprehensive income due to hedged item affecting income statement	Amount recycled from other comprehensive income due to sale of investment, or cash flows no longer expected to occur	Amount recycled from other comprehensive income due to hedged item affecting income statement	Amount recycled from other comprehensive income due to sale of investment, or cash flows no longer expected to occur
Description of hedge relationship and hedged risk	£m	£m	£m	£m
Cash flow hedge of interest rate risk				
Recycled to net interest income	**(1,664)**	**(1)**	(496)	(46)
Cash flow hedge of foreign exchange risk				
Recycled to net interest income	**507**	**—**	(1)	—
Hedge of net investment in foreign operations				
Recycled to other income	**—**	**(6)**	—	(58)

Barclays Bank PLC	2023		2022	
	Amount recycled from other comprehensive income due to hedged item affecting income statement	Amount recycled from other comprehensive income due to sale of investment, or cash flows no longer expected to occur	Amount recycled from other comprehensive income due to hedged item affecting income statement	Amount recycled from other comprehensive income due to sale of investment, or cash flows no longer expected to occur
Description of hedge relationship and hedged risk	£m	£m	£m	£m
Cash flow hedge of interest rate risk				
Recycled to net interest income	**(1,493)**	**(19)**	(406)	(61)
Cash flow hedge of foreign exchange risk				
Recycled to net interest income	**507**	**—**	(1)	—
Hedge of net investment in foreign operations				
Recycled to other income	**—**	**—**	—	—

A detailed reconciliation of the movements of the cash flow hedging reserve and the currency translation reserve is as follows:

Barclays Bank Group	2023		2022	
	Cash flow hedging reserve	Currency translation reserve	Cash flow hedging reserve	Currency translation reserve
	£m	£m	£m	£m
Balance on 1 January	**(5,557)**	**4,992**	(618)	2,581
Currency translation movements	**32**	**(1,934)**	(7)	3,483
Hedging gains/(losses) for the year	**2,474**	**686**	(7,283)	(1,130)
Amounts reclassified in relation to cash flows affecting profit or loss	**1,158**	**6**	543	58
Tax	**(1,002)**	**33**	1,808	—
Balance on 31 December	**(2,895)**	**3,783**	(5,557)	4,992

Barclays Bank PLC	2023		2022	
	Cash flow hedging reserve	Currency translation reserve	Cash flow hedging reserve	Currency translation reserve
	£m	£m	£m	£m
Balance on 1 January	**(5,180)**	**1,417**	(624)	268
Currency translation movements	**19**	**(869)**	2	1,506
Hedging gains/(losses) for the year	**2,425**	**297**	(6,733)	(357)
Amounts reclassified in relation to cash flows affecting profit or loss	**1,005**	**—**	468	—
Tax	**(966)**	**—**	1,707	—
Balance on 31 December	**(2,697)**	**845**	(5,180)	1,417

14 Financial assets at fair value through other comprehensive income

Accounting for financial assets at fair value through other comprehensive income (FVOCI)
Financial assets that are debt instruments held in a business model that is achieved by both collecting contractual cash flows and selling and that contain contractual terms that give rise on specified dates to cash flows that are SPPI are measured at FVOCI. They are subsequently re-measured at fair value and changes therein (except for those relating to impairment, interest income and foreign currency exchange gains and losses) are recognised in other comprehensive income until the assets are sold. Interest (calculated using the effective interest method) is recognised in the income statement in net interest income (Note 3). Upon disposal, the cumulative gain or loss recognised in other comprehensive income is included in net investment income (Note 6).

In determining whether the business model is achieved by both collecting contractual cash flows and selling financial assets, it is determined that both collecting contractual cash flows and selling financial assets are integral to achieving the objective of the business model. The Barclays Bank Group will consider past sales and expectations about future sales to establish if the business model is achieved.

For equity securities that are not held for trading, the Barclays Bank Group may make an irrevocable election on initial recognition to present subsequent changes in the fair value of the instrument in other comprehensive income (except for dividend income which is recognised in profit or loss).

	Barclays Bank Group	
	2023	2022
	£m	£m
Debt securities and other eligible bills	**50,650**	44,861
Equity securities	**2**	1
Loans and advances	**771**	222
Financial assets at fair value through other comprehensive income	**51,423**	45,084

	Barclays Bank PLC	
	2023	2022
	£m	£m
Debt securities and other eligible bills	**49,610**	42,864
Loans and advances	**771**	222
Financial assets at fair value through other comprehensive income	**50,381**	43,086

15 Financial liabilities designated at fair value

Accounting for liabilities designated at fair value through profit and loss
In accordance with IFRS 9, financial liabilities may be designated at fair value, with gains and losses taken to the income statement within net trading income (Note 5) and net investment income (Note 6). Movements in own credit are reported through other comprehensive income, unless the effects of changes in the liability's credit risk would create or enlarge an accounting mismatch in profit and loss. In these scenarios, all gains and losses on that liability (including the effects of changes in the credit risk of the liability) are presented in profit and loss. On derecognition of the financial liability no amounts relating to own credit risk are recycled to the income statement. The Barclays Bank Group has the ability to make the fair value designation when holding the instruments at fair value reduces an accounting mismatch (caused by an offsetting liability or asset being held at fair value), or is managed by the Barclays Bank Group on the basis of its fair value, or includes terms that have substantive derivative characteristics (Note 13).

The details on how the fair value amounts are arrived at for financial liabilities designated at fair value are described in Note 16.

	Barclays Bank Group			
	2023		2022	
	Fair value	Contractual amount due on maturity	Fair value	Contractual amount due on maturity
	£m	£m	£m	£m
Debt securities	**67,486**	**81,651**	57,325	72,728
Deposits	**43,602**	**44,912**	41,037	42,455
Repurchase agreements and other similar secured borrowing	**186,906**	**187,786**	173,172	173,938
Subordinated debt	**579**	**942**	521	1,029
Financial liabilities designated at fair value	**298,573**	**315,291**	272,055	290,150

	Barclays Bank PLC			
	2023		2022	
	Fair value	Contractual amount due on maturity	Fair value	Contractual amount due on maturity
	£m	£m	£m	£m
Debt securities	**60,350**	**73,491**	50,522	65,256
Deposits	**28,072**	**28,777**	26,157	26,928
Repurchase agreements and other similar secured borrowing	**262,944**	**263,943**	223,651	225,331
Subordinated debt	**579**	**942**	521	1,029
Financial liabilities designated at fair value	**351,945**	**367,153**	300,851	318,544

The cumulative own credit net loss recognised for Barclays Bank Group is £307m (2022: £674m gain) and for Barclays Bank PLC it is £285m (2022: £689m gain)

16 Fair value of financial instruments

Accounting for financial assets and liabilities – fair values
Financial instruments that are held for trading are recognised at fair value through profit or loss. In addition, financial assets are held at fair value through profit or loss if they do not contain contractual terms that give rise on specified dates to cash flows that are SPPI, or if the financial asset is not held in a business model that is either (i) a business model to collect the contractual cash flows or (ii) a business model that is achieved by both collecting contractual cash flows and selling. Subsequent changes in fair value for these instruments are recognised in the income statement in net investment income, except if reporting it in trading income reduces an accounting mismatch.

Wherever possible, fair value is determined by reference to a quoted market price for that instrument. For many of the Barclays Bank Group's financial assets and liabilities, especially derivatives, quoted prices are not available and valuation models are used to estimate fair value. The models calculate the expected cash flows under the terms of each specific contract and then discount these values back to a present value. These models use as their basis independently sourced market inputs including, for example, interest rate yield curves, equities and commodities prices, option volatilities and currency rates.

For financial liabilities measured at fair value, the carrying amount reflects the effect on fair value of changes in own credit spreads derived from observable market data such as in primary issuance and redemption activity for structured notes.

On initial recognition, it is presumed that the transaction price is the fair value unless there is observable information available in an active market to the contrary.

For valuations that have made use of unobservable inputs, the difference between the model valuation and the initial transaction price (Day One profit) is recognised in profit or loss either: on a straight-line basis over the term of the transaction; or over the period until all inputs will become observable where appropriate; or released in full when previously unobservable inputs become observable.

Various factors influence the availability of observable inputs and these may vary from product to product and change over time. Factors include the depth of activity in the relevant market, the type of product, whether the product is new and not widely traded in the marketplace, the maturity of market modelling and the nature of the transaction (bespoke or generic). To the extent that valuation is based on models or inputs that are not observable in the market, the determination of fair value can be more subjective, dependent on the significance of the unobservable input to the overall valuation. Unobservable inputs are determined based on the best information available, for example by reference to similar assets, similar maturities or other analytical techniques.

The sensitivity of valuations used in the financial statements to possible changes in significant unobservable inputs is shown on page 219.

Critical accounting estimates and judgements
The valuation of financial instruments often involves a significant degree of judgement and complexity, in particular where valuation models make use of unobservable inputs ('Level 3' assets and liabilities). This note provides information on these instruments, including the related unrealised gains and losses recognised in the period, a description of significant valuation techniques and unobservable inputs, and a sensitivity analysis.

Climate related risks are assumed to be included in the fair values of assets and liabilities traded in active markets. Within less active markets, for counterparties and instruments identified as being more susceptible to climate change risk, an impact assessment was performed by increasing their probability of default. The change in the valuation of the assets and liabilities from this assessment was not sufficiently material to necessitate any amendment to the reported 2023 year-end valuations.

Valuation
Assets and liabilities are classified according to a hierarchy that reflects the observability of significant market inputs. The three levels of the fair value hierarchy are defined below with judgement applied in determining the boundary between Level 2 and 3 classifications.

Quoted market prices – Level 1
Assets and liabilities are classified as Level 1 if their value is observable in an active market. Such instruments are valued by reference to unadjusted quoted prices for identical assets or liabilities in active markets where the quoted price is readily available, and the price represents actual and regularly occurring market transactions. An active market is one in which transactions occur with sufficient volume and frequency to provide pricing information on an ongoing basis.

Notes to the financial statements
Assets and liabilities held at fair value

Valuation technique using observable inputs – Level 2

Assets and liabilities classified as Level 2 have been valued using models whose inputs are observable either directly or indirectly. Valuations based on observable inputs include assets and liabilities such as swaps and forwards which are valued using market standard pricing techniques, and options that are commonly traded in markets where all the inputs to the market standard pricing models are observable. For certain instruments that derive a fair value using unobservable inputs that are not considered significant, then the asset or liability may be classified as Level 2.

Valuation technique using significant unobservable inputs – Level 3

Assets and liabilities are classified as Level 3 if their valuation incorporates significant inputs that are not based on observable market data (unobservable inputs). A valuation input is considered observable if it can be directly observed from transactions in an active market, or if there is compelling external evidence demonstrating an executable exit price. Unobservable input levels are generally determined via reference to observable inputs, historical observations or using other analytical techniques.

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

Assets and liabilities held at fair value

	2023				2022			
	Valuation technique using				Valuation technique using			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Barclays Bank Group	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	**94,615**	**73,442**	**6,509**	**174,566**	62,469	64,822	6,480	133,771
Financial assets at fair value through the income statement	**5,747**	**193,121**	**5,368**	**204,236**	5,647	199,370	6,111	211,128
Derivative financial assets	**107**	**252,464**	**3,540**	**256,111**	10,054	287,749	5,173	302,976
Financial assets at fair value through other comprehensive income	**21,079**	**29,568**	**776**	**51,423**	15,029	30,051	4	45,084
Investment property	**—**	**—**	**2**	**2**	—	—	5	5
Total assets	**121,548**	**548,595**	**16,195**	**686,338**	93,199	581,992	17,773	692,964
Trading portfolio liabilities	**(28,380)**	**(29,013)**	**(368)**	**(57,761)**	(43,679)	(28,725)	(56)	(72,460)
Financial liabilities designated at fair value	**(117)**	**(297,244)**	**(1,212)**	**(298,573)**	(133)	(270,880)	(1,042)	(272,055)
Derivative financial liabilities	**(81)**	**(245,146)**	**(4,653)**	**(249,880)**	(10,823)	(272,020)	(6,363)	(289,206)
Total liabilities	**(28,578)**	**(571,403)**	**(6,233)**	**(606,214)**	(54,635)	(571,625)	(7,461)	(633,721)

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

Assets and liabilities held at fair value

	2023				2022			
	Valuation technique using				Valuation technique using			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Barclays Bank PLC	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	**64,341**	**42,697**	**5,616**	**112,654**	33,165	43,904	5,974	83,043
Financial assets at fair value through the income statement	**30**	**259,170**	**4,760**	**263,960**	923	240,951	5,451	247,325
Derivative financial assets	**—**	**222,421**	**2,880**	**225,301**	3	253,837	4,868	258,708
Financial assets at fair value through other comprehensive income	**20,245**	**29,361**	**775**	**50,381**	13,245	29,838	3	43,086
Investment property	**—**	**—**	**2**	**2**	—	—	2	2
Total assets	**84,616**	**553,649**	**14,033**	**652,298**	47,336	568,530	16,298	632,164
Trading portfolio liabilities	**(35,482)**	**(15,146)**	**(367)**	**(50,995)**	(35,857)	(16,188)	(48)	(52,093)
Financial liabilities designated at fair value	**(16)**	**(350,781)**	**(1,148)**	**(351,945)**	(24)	(299,871)	(956)	(300,851)
Derivative financial liabilities	**—**	**(217,208)**	**(4,157)**	**(221,365)**	—	(244,442)	(6,125)	(250,567)
Total liabilities	**(35,498)**	**(583,135)**	**(5,672)**	**(624,305)**	(35,881)	(560,501)	(7,129)	(603,511)

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

Level 3 Assets and liabilities held at fair value by product type

	2023		2022	
	Assets	Liabilities	Assets	Liabilities
Barclays Bank Group	£m	£m	£m	£m
Interest rate derivatives	2,211	(1,701)	2,361	(2,858)
Foreign exchange derivatives	111	(91)	1,513	(1,474)
Credit derivatives	241	(820)	290	(603)
Equity derivatives	977	(2,041)	1,009	(1,428)
Corporate debt	1,568	(352)	1,677	(49)
Reverse repurchase and repurchase agreements	209	(517)	37	(434)
Loans	8,986	—	9,390	—
Private equity investments	145	—	140	—
Other[a]	1,747	(711)	1,356	(615)
Total	**16,195**	**(6,233)**	17,773	(7,461)

Note
a Other includes funds and fund-linked products, issued debt, Government and Government sponsored debt, asset backed securities, equities cash products and investment property.

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 nature of the valuation techniques used, as well as availability and reliability of observable proxy and historical data and 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.

The valuation techniques used, observability and sensitivity analysis for material products within Level 3, are described below.

Interest rate derivatives
Description: Derivatives linked to interest rates or inflation indices. The category includes futures, interest rate and inflation swaps, swaptions, caps, floors, inflation options, balance guaranteed swaps and other exotic interest rate derivatives.

Valuation: Interest rate and inflation derivatives are generally valued using curves of forward rates constructed from market data to project and discount the expected future cash flows of trades. Instruments with optionality are valued using volatilities implied from market inputs, and use industry standard or bespoke models depending on the product type.

Observability: In general, inputs are considered observable up to liquid maturities which are determined separately for each input and underlying. Unobservable inputs are generally set by referencing liquid market instruments and applying extrapolation techniques or inferred via another reasonable method.

Foreign exchange derivatives
Description: Derivatives linked to the foreign exchange (FX) market. The category includes FX forward contracts, FX swaps and FX options. The majority are traded as over the counter (OTC) derivatives.

Valuation: FX derivatives are valued using industry standard and bespoke models depending on the product type. Valuation inputs include FX rates, interest rates, FX volatilities, interest rate volatilities, FX interest rate correlations and others as appropriate.

Observability: FX correlations, forwards and volatilities are generally observable up to liquid maturities which are determined separately for each input and underlying. Unobservable inputs are set by referencing liquid market instruments and applying extrapolation techniques, or inferred via another reasonable method.

Credit derivatives
Description: Derivatives linked to the credit spread of a referenced entity, index or basket of referenced entities or a pool of referenced assets (e.g. a securitised product). The category includes single name and index credit default swaps (CDS) and total return swaps (TRS).

Valuation: CDS are valued on industry standard models using curves of credit spreads as the principal input. Credit spreads are observed directly from broker data, third party vendors or priced to proxies.

Observability: CDS contracts referencing entities that are actively traded are generally considered observable. Other valuation inputs are considered observable if products with significant sensitivity to the inputs are actively traded in a liquid market. Unobservable valuation inputs are generally determined with reference to recent transactions or inferred from observable trades of the same issuer or similar entities.

Equity derivatives
Description: Exchange traded or OTC derivatives linked to equity indices and single names. The category includes vanilla and exotic equity products.

Valuation: Equity derivatives are valued using industry standard models. Valuation inputs include stock prices, dividends, volatilities, interest rates, equity repurchase curves and, for multi-asset products, correlations.

Observability: In general, valuation inputs are observable up to liquid maturities which are determined separately for each input and underlying. Unobservable inputs are set by referencing liquid market instruments and applying extrapolation techniques, or inferred via another reasonable method.

Corporate debt
Description: Primarily corporate bonds.

Valuation: Corporate bonds are valued using observable market prices sourced from broker quotes, inter-dealer prices or other reliable pricing sources.

Observability: Prices for actively traded bonds are considered observable. Unobservable bonds prices are generally determined by reference to bond yields or CDS spreads for actively traded instruments issued by or referencing the same (or a similar) issuer.

Reverse repurchase and repurchase agreements
Description: Includes securities purchased under resale agreements, securities sold under repurchase agreements, and other similar secured lending agreements. The agreements are primarily short-term in nature.

Valuation: Repurchase and reverse repurchase agreements are generally valued by discounting the expected future cash flows using industry standard models that incorporate market interest rates and repurchase rates, based on the specific details of the transaction.

Observability: Inputs are deemed observable up to liquid maturities or for consensus pricing with low pricing-range, and are determined based on the specific features of the transaction. Unobservable inputs are generally set by referencing liquid market instruments and applying extrapolation techniques, or inferred via another reasonable method.

Loans
Description: A drawn lending facility issued to corporate clients and customers.

Valuation: Loans are valued either using a price based approach or through models that discount expected future cash flows based on interest rates and loan spreads.

Observability: Within this loan population, the price or loan spread may be unobservable.

Private equity investments
Description: Includes investments in equity holdings in operating companies not quoted on a public exchange.

Valuation: Private equity investments are valued in accordance with the 'International Private Equity and Venture Capital Valuation Guidelines' which require the use of a number of individual pricing benchmarks such as the prices of recent transactions in the same or similar entities, discounted cash flow analysis and comparison with the earnings or revenue multiples of listed companies. While the valuation of unquoted equity instruments is subjective by nature, the relevant methodologies are commonly applied by other market participants and have been consistently applied over time.

Observability: Inputs are considered observable if there is active trading in a liquid market of products with significant sensitivity to the inputs. Unobservable inputs include earnings or revenue estimates, multiples of comparative companies, marketability discounts and discount rates.

Other
Description: Other includes funds and fund-linked products, issued debt, Government sponsored debt, asset backed securities, equity cash products and investment property.

Assets and liabilities reclassified between Level 1 and Level 2
During the year, there were no material transfers between Level 1 to Level 2 (2022 there were no material transfers between Level 1 and Level 2).

Level 3 movement analysis
The following table summarises the movements in the Level 3 balances during the year. Transfers have been reflected as if they had taken place at the beginning of the year.

Asset and liability transfers between Level 2 and Level 3 are primarily due to 1) an increase or decrease in observable market activity related to an input or 2) a change in the significance of the unobservable input, with assets and liabilities classified as Level 3 if an unobservable input is deemed significant.

Assets and liabilities held at fair value

Analysis of movements in Level 3 assets and liabilities

Barclays Bank Group	As at 1 January 2023 £m	Purchases £m	Sales £m	Issues £m	Settlements £m	Total gains and (losses) in the period recognised in the income statement: Trading income[b] £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 31 December 2023 £m
Corporate debt	595	352	(146)	—	(220)	76	—	—	56	(34)	679
Loans	4,837	1,425	(1,734)	—	(382)	(34)	—	—	384	(27)	4,469
Other	1,048	1,617	(1,143)	—	—	(31)	—	—	619	(749)	1,361
Trading portfolio assets	**6,480**	**3,394**	**(3,023)**	**—**	**(602)**	**11**	**—**	**—**	**1,059**	**(810)**	**6,509**
Corporate debt	1,082	39	(145)	—	—	10	(8)	—	—	(89)	889
Loans	4,553	3,630	(3,263)	—	(1,017)	36	(14)	—	213	(154)	3,984
Private equity investments	140	8	(2)	—	(6)	(8)	13	—	—	—	145
Reverse repurchase and repurchase agreements	37	166	—	—	—	6	—	—	—	—	209
Other	299	34	(1)	—	(61)	(18)	(5)	—	26	(133)	141
Financial assets at fair value through the income statement	**6,111**	**3,877**	**(3,411)**	**—**	**(1,084)**	**26**	**(14)**	**—**	**239**	**(376)**	**5,368**
Loans	—	533	—	—	—	—	—	—	—	—	533
Other	4	200	—	—	(3)	—	—	—	42	—	243
Assets at fair value through other comprehensive income	**4**	**733**	**—**	**—**	**(3)**	**—**	**—**	**—**	**42**	**—**	**776**
Investment property	**5**	**—**	**(4)**	**—**	**—**	**—**	**1**	**—**	**—**	**—**	**2**
Trading portfolio liabilities	**(56)**	**(367)**	**45**	**—**	**—**	**—**	**—**	**—**	**—**	**10**	**(368)**
Financial liabilities designated at fair value	**(1,042)**	**(38)**	**—**	**(403)**	**—**	**(38)**	**(3)**	**—**	**(147)**	**459**	**(1,212)**
Interest rate derivatives	(497)	131	(31)	—	58	87	—	—	326	436	510
Foreign exchange derivatives	39	—	—	—	37	(15)	—	—	11	(52)	20
Credit derivatives	(313)	(351)	56	—	(15)	(2)	—	—	51	(5)	(579)
Equity derivatives	(419)	(419)	(1)	—	3	(162)	—	—	—	(66)	(1,064)
Net derivative financial instruments[a]	**(1,190)**	**(639)**	**24**	**—**	**83**	**(92)**	**—**	**—**	**388**	**313**	**(1,113)**
Total	**10,312**	**6,960**	**(6,369)**	**(403)**	**(1,606)**	**(93)**	**(16)**	**—**	**1,581**	**(404)**	**9,962**

Analysis of movements in Level 3 assets and liabilities

						Total gains and (losses) in the period recognised in the income statement			Transfers		
Barclays Bank Group	As at 1 January 2022 £m	Purchases £m	Sales £m	Issues £m	Settlements £m	Trading income[b] £m	Other income £m	Total gains or (losses) recognised in OCI £m	In £m	Out £m	As at 31 December 2022 £m
Corporate debt	389	392	(182)	—	(18)	(39)	—	—	87	(34)	595
Loans	758	7,009	(2,635)	—	(19)	(264)	—	—	10	(22)	4,837
Other	1,134	667	(412)	—	(298)	(43)	—	—	275	(275)	1,048
Trading portfolio assets	2,281	8,068	(3,229)	—	(335)	(346)	—	—	372	(331)	6,480
Corporate debt	818	405	—	—	(189)	48	—	—	—	—	1,082
Loans	4,947	8,689	(7,559)	—	(1,201)	(333)	—	—	49	(39)	4,553
Private equity investments	148	35	(59)	—	(3)	7	12	—	—	—	140
Reverse repurchase and repurchase agreements	13	—	—	—	—	24	—	—	—	—	37
Other	153	128	—	—	(1)	—	2	—	17	—	299
Financial assets at fair value through the income statement	6,079	9,257	(7,618)	—	(1,394)	(254)	14	—	66	(39)	6,111
Other	38	—	—	—	(32)	—	—	(2)	—	—	4
Assets at fair value through other comprehensive income	38	—	—	—	(32)	—	—	(2)	—	—	4
Investment properties	7	—	(1)	—	—	—	(1)	—	—	—	5
Trading portfolio liabilities	(27)	(23)	8	—	—	9	—	—	(27)	4	(56)
Financial liabilities designated at fair value	(404)	(285)	—	(98)	82	70	1	—	(448)	40	(1,042)
Interest rate derivatives	(260)	(217)	—	—	54	(467)	—	—	431	(38)	(497)
Foreign exchange derivatives	2	—	—	—	(6)	27	—	—	—	16	39
Credit derivatives	(386)	(4)	(2)	—	57	23	—	—	11	(12)	(313)
Equity derivatives	(1,405)	(213)	—	—	332	307	—	—	(11)	571	(419)
Net derivative financial instruments[a]	(2,049)	(434)	(2)	—	437	(110)	—	—	431	537	(1,190)
Total	5,925	16,583	(10,842)	(98)	(1,242)	(631)	14	(2)	394	211	10,312

Notes
a The derivative financial instruments are represented on a net basis. On a gross basis, derivative financial assets are £3,540m (2022: £5,173m) and derivative financial liabilities are £4,653m (2022: £6,363m).
b Trading income represents gains and (losses) on Level 3 financial instruments which in the majority are offset by losses and gains on financial instruments disclosed in level 2.

Notes to the financial statements
Assets and liabilities held at fair value

Analysis of movements in Level 3 assets and liabilities

						Total gains and (losses) in the period recognised in the income statement			Transfers		
Barclays Bank PLC	As at 1 January 2023	Purchases	Sales	Issues	Settlements	Trading income[b]	Other income	Total gains or (losses) recognised in OCI	In	Out	31 December 2023
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	5,974	1,857	(2,054)	—	(532)	(6)	—	—	699	(322)	5,616
Financial assets at fair value through the income statement	5,451	3,719	(3,252)	—	(1,028)	34	(21)	—	56	(199)	4,760
Fair value through other comprehensive income	3	733	—	—	(3)	—	—	—	42	—	775
Investment property	2	—	—	—	—	—	—	—	—	—	2
Trading portfolio liabilities	(48)	(367)	38	—	—	—	—	—	—	10	(367)
Financial liabilities designated at fair value	(956)	(40)	—	(404)	—	(38)	—	—	(87)	377	(1,148)
Net derivative financial instruments[a]	(1,257)	(621)	22	—	124	(117)	—	—	290	282	(1,277)
Total	9,169	5,281	(5,246)	(404)	(1,439)	(127)	(21)	—	1,000	148	8,361

Analysis of movements in Level 3 assets and liabilities

						Total gains and (losses) in the period recognised in the income statement			Transfers		
Barclays Bank PLC	As at 1 January 2022	Purchases	Sales	Issues	Settlements	Trading income[b]	Other income	Total gains or (losses) recognised in OCI	In	Out	As at 31 December 2022
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	1,987	7,567	(2,822)	—	(324)	(308)	—	—	132	(258)	5,974
Financial assets at fair value through the income statement	5,363	8,921	(7,559)	—	(1,229)	(261)	188	—	66	(38)	5,451
Fair value through other comprehensive income	38	—	—	—	(32)	—	—	(3)	—	—	3
Investment property	3	—	(1)	—	—	—	—	—	—	—	2
Trading portfolio liabilities	(20)	(20)	1	—	—	9	—	—	(22)	4	(48)
Financial liabilities designated at fair value	(391)	(285)	—	(97)	82	70	—	—	(366)	31	(956)
Net derivative financial instruments[a]	(2,079)	(463)	(2)	—	443	(132)	—	—	427	549	(1,257)
Total	4,901	15,720	(10,383)	(97)	(1,060)	(622)	188	(3)	237	288	9,169

Notes
a The derivative financial instruments are represented on a net basis. On a gross basis, derivative financial assets are £2,880m (2022: £4,868m) and derivative financial liabilities are £(4,157)m (2022: £6,125m).
b Trading income represents gains and (losses) on Level 3 financial instruments which in the majority are offset by losses and gains on financial instruments disclosed in level 2.

Unrealised gains and losses on Level 3 financial assets and liabilities
The following tables disclose the unrealised gains and losses recognised in the year arising on Level 3 financial assets and liabilities held at year end.

Unrealised gains and (losses) recognised during the period on Level 3 assets and liabilities held at year end

	2023				2022			
	Income statement				Income statement			
Barclays Bank Group	Trading income[a]	Other income	Other comprehensive income	Total	Trading income[a]	Other income	Other comprehensive income	Total
As at 31 December	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	10	—	—	10	(290)	—	—	(290)
Financial assets at fair value through the income statement	28	1	—	29	(152)	9	—	(143)
Fair value through other comprehensive income	—	—	—	—	—	—	—	—
Investment property	—	1	—	1	—	(1)	—	(1)
Trading portfolio liabilities	—	—	—	—	8	—	—	8
Financial liabilities designated at fair value	(38)	(3)	—	(41)	55	—	—	55
Net derivative financial instruments	(107)	—	—	(107)	(80)	—	—	(80)
Total	(107)	(1)	—	(108)	(459)	8	—	(451)

Unrealised gains and (losses) recognised during the period on Level 3 assets and liabilities held at year end

	2023				2022			
	Income statement				Income statement			
Barclays Bank PLC	Trading income[a]	Other income	Other comprehensive income	Total	Trading income[a]	Other income	Other comprehensive income	Total
As at 31 December	£m	£m	£m	£m	£m	£m	£m	£m
Trading portfolio assets	(8)	—	—	(8)	(261)	—	—	(261)
Financial assets at fair value through the income statement	36	(6)	—	30	(159)	4	—	(155)
Fair value through other comprehensive income	—	—	—	—	—	—	—	—
Trading portfolio liabilities	—	—	—	—	8	—	—	8
Financial liabilities designated at fair value	(38)	—	—	(38)	55	—	—	55
Net derivative financial instruments	(132)	—	—	(132)	(101)	—	—	(101)
Total	(142)	(6)	—	(148)	(458)	4	—	(454)

Note
a Trading income represents gains and (losses) on Level 3 financial instruments which in the majority are offset by losses and gains on financial instruments disclosed in level 2.

Significant unobservable inputs

The following table discloses the valuation techniques and significant unobservable inputs for assets and liabilities recognised at fair value and classified as Level 3 along with the range of values used for those significant unobservable inputs:

			2023		2022		
			Range		Range		
Barclays Bank Group	Valuation technique(s)[a]	Significant unobservable inputs	Min	Max	Min	Max	Units[b]
Derivative financial instruments[c]							
Interest rate derivatives	Discounted cash flows	Inflation forwards	**4**	**7**	3	5	%
		Credit spread	**15**	**1,672**	17	2,159	bps
		Yield	**1**	**7**	(3)	56	%
		Growth curve	**(1)**	**2**	—	—	%
	Correlation Model	Inflation forwards	**—**	**—**	(20)	(13)	%
	Option model	Inflation volatility	**66**	**257**	49	315	bps vol
		Interest rate volatility	**26**	**515**	36	430	bps vol
		FX - IR correlation	**(20)**	**78**	(20)	78	%
		IR - IR correlation	**(20)**	**98**	12	99	%
Credit derivatives	Discounted cash flows	Credit spread	**1**	**765**	3	2,943	bps
	Comparable pricing	Price	**46**	**99**	79	92	points
Equity derivatives	Option model	Equity volatility	**5**	**138**	3	140	%
		Equity - equity correlation	**40**	**100**	40	100	%
	Discounted cash flow	Discount margin	**(238)**	**110**	(205)	634	bps
Non-derivative financial instruments							
Loans	Discounted cash flows	Loan spread	**41**	**802**	51	801	bps
		Credit spread	**186**	**870**	200	426	bps
		Yield	**7**	**18**	5	34	%
	Comparable pricing	Price	**0**	**287**	0	101	points
Corporate debt	Comparable pricing	Price	**0**	**352**	0	232	points
	Discounted cash flows	Loan spread	**—**	**—**	229	834	bps
Reverse repurchase and repurchase agreements	Discounted cash flows	Repo spread	**385**	**468**	321	502	bps

Notes

a A range has not been provided for Net Asset Value as there would be a wide range reflecting the diverse nature of the positions.

b The units used to disclose ranges for significant unobservable inputs are percentages, points and basis points. Points are a percentage of par; for example, 100 points equals 100% of par. A basis point equals 1/100th of 1%; for example, 150 basis points equals 1.5%.

c Certain derivative instruments are classified as Level 3 due to a significant unobservable credit spread input into the calculation of the Credit Valuation Adjustment for the instruments. The range of significant unobservable credit spreads is between 29bps- 1,672bps (2022: 17bps- 2,159bps).

The following section describes the significant unobservable inputs identified in the table above, and the sensitivity of fair value measurement of the instruments categorised as Level 3 assets or liabilities to increases in significant unobservable inputs. Where sensitivities are described, the inverse relationship will also generally apply.

Where reliable interrelationships can be identified between significant unobservable inputs used in fair value measurement, a description of those interrelationships is included below.

Forwards

A price or rate that is applicable to a financial transaction that will take place in the future.

In general, a significant increase in a forward in isolation will result in a fair value increase for the contracted receiver of the underlying (currency, bond, commodity, etc.), but the sensitivity is dependent on the specific terms of the instrument.

Credit spread

Credit spreads typically represent the difference in yield between an instrument and a benchmark security or reference rate. Credit spreads reflect the additional yield that a market participant demands for taking on exposure to the credit risk of an instrument and form part of the yield used in a discounted cash flow calculation.

In general, a significant increase in credit spread in isolation will result in a fair value decrease for a cash asset.

For a derivative instrument, a significant increase in credit spread in isolation can result in a fair value increase or decrease depending on the specific terms of the instrument.

Volatility

Volatility is a measure of the variability or uncertainty in return for a given derivative underlying. It is an estimate of how much a particular underlying instrument input or index will change in value over time. In general, volatilities are implied from observed option prices. For unobservable options the implied volatility may reflect additional assumptions about the nature of the underlying risk, and the strike/maturity profile of a specific contract.

In general a significant increase in volatility in isolation will result in a fair value increase for the holder of a simple option, but the sensitivity is dependent on the specific terms of the instrument.

There may be interrelationships between unobservable volatilities and other unobservable inputs (e.g. when equity prices fall, implied equity volatilities generally rise) but these are generally specific to individual markets and may vary over time.

Correlation

Correlation is a measure of the relationship between the movements of two variables. Correlation can be a significant input into valuation of derivative contracts with more than one underlying instrument. Credit correlation generally refers to the correlation between default processes for the separate names that make up the reference pool of a collateralised debt obligation (CDO) structure.

A significant increase in correlation in isolation can result in a fair value increase or decrease depending on the specific terms of the instrument.

Comparable price

Comparable instrument prices are used in valuation by calculating an implied yield (or spread over a liquid benchmark) from the price of a comparable observable instrument, then adjusting that yield (or spread) to account for relevant differences such as maturity or credit quality. Alternatively, a price-to-price basis can be assumed between the comparable and unobservable instruments in order to establish a value.

Loans includes a portfolio of loans extended to clients within the Barclays Bank Group's leveraged finance business. Leveraged finance loans are originated where Barclays Bank Group provides financing commitments to clients to facilitate strategic transactions such as leverage buyouts and acquisitions. The sensitivity of the portfolio to unobservable inputs is judgmental reflecting their illiquid nature and the significance of unobservable price inputs to the valuation.

In general, a significant increase in comparable price in isolation will result in an increase in the price of the unobservable instrument. For derivatives, a change in the comparable price in isolation can result in a fair value increase or decrease depending on the specific terms of the instrument.

Loan spread

Loan spreads typically represent the difference in yield between an instrument and a benchmark security or reference rate. Loan spreads typically reflect credit quality, the level of comparable assets such as gilts and other factors, and form part of the yield used in a discounted cash flow calculation.

In general, a significant increase in loan spreads in isolation will result in a fair value decrease for a loan.

Sensitivity analysis of valuations using unobservable inputs

	2023				2022			
	Favourable changes		Unfavourable changes		Favourable changes		Unfavourable changes	
	Income statement	Equity	Income statement	Equity	Income statement	Equity	Income statement	Equity
Barclays Bank Group	£m	£m	£m	£m	£m	£m	£m	£m
Interest rate derivatives	**78**	**—**	**(158)**	**—**	119	—	(155)	—
Foreign exchange derivatives	**4**	**—**	**(9)**	**—**	16	—	(22)	—
Credit derivatives	**27**	**—**	**(32)**	**—**	79	—	(71)	—
Equity derivatives	**142**	**—**	**(226)**	**—**	161	—	(168)	—
Corporate debt	**34**	**—**	**(22)**	**—**	45	—	(27)	—
Loans	**545**	**2**	**(763)**	**(2)**	267	—	(481)	—
Private equity investments	**9**	**—**	**(9)**	**—**	10	—	(10)	—
Other[a]	**126**	**1**	**(118)**	**(1)**	30	—	(33)	—
Total	**965**	**3**	**(1,337)**	**(3)**	727	—	(967)	—

Note

a Other includes equity cash products, funds and fund-linked products, Government and Government sponsored debt and asset backed securities.

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 £968m (2022: £727m) or to decrease fair values by up to £1,340m (2022: £967m) with substantially all the potential effect impacting profit and loss. Unfavourable changes shown in the table above are partly provided for through the capital and prudential valuation adjustment framework.

Fair value adjustments
Key balance sheet valuation adjustments are quantified below:

Barclays Bank Group	2023 £m	2022 £m
Exit price adjustments derived from market bid-offer spreads	**(558)**	(566)
Uncollateralised derivative funding	**(4)**	(11)
Derivative credit valuation adjustments	**(209)**	(319)
Derivative debit valuation adjustments	**144**	208

Exit price adjustments derived from market bid-offer spreads
Barclays Bank Group uses mid-market pricing where it is a market maker and has the ability to transact at, or better than, mid price (which is the case for certain equity, bond and vanilla derivative markets). For other financial assets and liabilities, bid-offer adjustments are recorded to reflect the exit level for the expected close out strategy. The methodology for determining the bid-offer adjustment for a derivative portfolio involves calculating the net risk exposure by offsetting long and short positions by strike and term in accordance with the risk management and hedging strategy.

Bid-offer levels are generally derived from market quotes such as broker data. Less liquid instruments may not have a directly observable bid-offer level. In such instances, an exit price adjustment may be derived from an observable bid-offer level for a comparable liquid instrument, or determined by calibrating to derivative prices, or by scenario or historical analysis.

Exit price adjustments derived from market bid-offer spreads have decreased by £8m to £(558)m.

Discounting approaches for derivative instruments
Collateralised
In line with market practice, the methodology for discounting collateralised derivatives takes into account the nature and currency of the collateral that can be posted within the relevant credit support annex (CSA). The CSA aware discounting approach recognises the 'cheapest to deliver' option that reflects the ability of the party posting collateral to change the currency of the collateral.

Uncollateralised
A fair value adjustment of £(4)m has been applied to account for the impact of incorporating the cost of funding into the valuation of uncollateralised and partially collateralised derivative portfolios and collateralised derivatives where the terms of the agreement do not allow the rehypothecation of collateral received. The derivative funding adjustment has decreased by £7m to £(4)m .

Derivative credit and debit valuation adjustments
Derivative credit valuation adjustments and Derivative debit valuation adjustments are incorporated into derivative valuations to reflect the impact on fair value of counterparty credit risk and Barclays Bank Group's own credit quality respectively. These adjustments are calculated for uncollateralised and partially collateralised derivatives across all asset classes. Derivative credit valuation adjustments and Derivative debit valuation adjustments are calculated using estimates of exposure at default, probability of default and recovery rates, at a counterparty level. Counterparties include (but are not limited to) corporates, sovereigns and sovereign agencies and supranationals.

Exposure at default is generally estimated through the simulation of underlying risk factors through approximating with a more vanilla structure, or by using current or scenario-based mark to market as an estimate of future exposure.

Probability of default and recovery rate information is generally sourced from the Credit Default Swap (CDS) markets. Where this information is not available, or considered unreliable, alternative approaches are taken based on mapping internal counterparty ratings onto historical or market-based default and recovery information.

Derivative credit valuation adjustments decreased by £110m to £(209)m as a result of tightening input counterparty credit spreads . Derivative debit valuation adjustments decreased by £64m to £144m, as a result of tightening input Barclays Bank PLC credit spreads.

Correlation between counterparty credit and underlying derivative risk factors, termed 'wrong-way,' or 'right-way' risk, is not systematically incorporated into the Derivative credit valuation adjustments calculation but is adjusted where the underlying exposure is directly related to the counterparty.

Barclays Bank Group continues to monitor market practices and activity to ensure the approach to uncollateralised derivative valuation remains appropriate.

Portfolio exemptions
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, 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 £194m (2022: £106m) for financial instruments measured at fair value and £18m (2022: £25m) for financial instruments carried at amortised cost. There are additions and FX gains of £136m (2022: £49m) and amortisation and releases of £48m (2022: £65m) for financial instruments measured at fair value and additions of £nil (2022: £nil) and amortisation and releases of £7m (2022: £3m) for financial instruments carried at amortised cost.

Notes to the financial statements
Assets and liabilities held at fair value

Third party credit enhancements
Structured and brokered certificates of deposit issued by Barclays Bank Group are insured up to $250,000 per depositor by the Federal Deposit Insurance Corporation (FDIC) in the US. The FDIC is funded by premiums that 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 £5,162m (2022: £5,197m).

Comparison of carrying amounts and fair values
The following table summarises the fair value of financial assets and liabilities measured at amortised cost on Barclays Bank Group's and Barclays Bank PLC's balance sheet disaggregated by balance sheet classification:

Barclays Bank Group	2023					2022				
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
As at 31 December	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Financial assets										
Debt securities at amortised cost	39,046	37,807	13,976	21,384	2,447	27,303	26,702	9,143	16,284	1,275
Loans and advances at amortised cost	146,201	147,323	5,766	73,231	68,326	155,204	155,025	5,067	70,275	79,683
Reverse repurchase agreements and other similar secured lending	1,103	1,103	—	1,103	—	725	725	—	725	—
Assets included in disposal groups classified as held for sale	3,855	3,855	—	3,855	—	—	—	—	—	—
Financial liabilities										
Deposits at amortised cost	(301,798)	(301,851)	(166,087)	(135,461)	(303)	(291,579)	(291,552)	(176,959)	(114,267)	(326)
Repurchase agreements and other similar secured borrowing	(28,554)	(28,554)	—	(28,554)	—	(11,965)	(11,966)	—	(11,966)	—
Debt securities in issue	(45,653)	(45,557)	—	(44,595)	(962)	(60,012)	(59,895)	—	(57,954)	(1,941)
Subordinated liabilities	(35,903)	(37,295)	—	(37,100)	(195)	(38,253)	(38,686)	—	(38,465)	(220)
Liabilities included in disposal groups classified as held for sale	(3,078)	(3,078)	—	(3,078)	—	—	—	—	—	—

Barclays Bank PLC[a]	2023					2022				
	Carrying amount	Fair value	Level 1	Level 2	Level 3	Carrying amount	Fair value	Level 1	Level 2	Level 3
As at 31 December	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Financial assets										
Debt securities at amortised cost	33,576	32,413	13,975	16,125	2,313	23,877	23,114	9,143	12,921	1,050
Loans and advances at amortised cost	242,439	241,631	1,453	207,030	33,148	201,906	200,554	1,217	159,031	40,306
Reverse repurchase agreements and other similar secured lending	6,876	6,876	—	6,876	—	5,908	5,908	—	5,908	—
Financial liabilities										
Deposits at amortised cost	(347,303)	(347,284)	(139,396)	(207,585)	(303)	(313,895)	(313,895)	(146,958)	(166,612)	(326)
Repurchase agreements and other similar secured borrowing	(43,951)	(43,951)	—	(43,951)	—	(26,307)	(26,309)	—	(26,309)	—
Debt securities in issue	(24,833)	(24,769)	—	(24,752)	(17)	(40,166)	(40,115)	—	(40,096)	(19)

Note
a Balance sheet classifications where underlying financial instruments are materially the same as Barclays Bank Group have not been presented.

The fair value is an estimate of the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As a wide range of valuation techniques are available, it may not be appropriate to directly compare this fair value information to independent market sources or other financial institutions. Different valuation methodologies and assumptions can have a significant impact on fair values which are based on unobservable inputs.

Financial assets

Loans and advances at amortised cost
The fair value of loans and advances, for the purpose of this disclosure, is derived from discounting expected cash flows in a way that reflects the current market price for lending to issuers of similar credit quality. Where market data or credit information on the underlying borrowers is unavailable, a number of proxy/extrapolation techniques are employed to determine the appropriate discount rates.

Reverse repurchase agreements and other similar secured lending
The fair value of reverse repurchase agreements approximates carrying amount as these balances are generally short dated and fully collateralised.

Financial liabilities

Deposits at amortised cost
In many cases, the fair value disclosed approximates carrying value because the instruments are short term in nature or have interest rates that reprice frequently, such as customer accounts and other deposits and short-term debt securities.

The fair value for deposits with longer-term maturities, mainly time deposits, are estimated using discounted cash flows applying either market rates or current rates for deposits of similar remaining maturities. Consequently the fair value discount is minimal.

Repurchase agreements and other similar secured borrowing
The fair value of repurchase agreements approximates carrying amount as these balances are generally short dated.

Debt securities in issue
Fair values of other debt securities in issue are based on quoted prices where available, or where the instruments are short dated, carrying amount approximates fair value.

Subordinated liabilities
Fair values for dated and undated convertible and non-convertible loan capital are based on quoted market rates for the issuer concerned or issuers with similar terms and conditions.

17 Offsetting financial assets and financial liabilities

The Barclays Bank Group reports financial assets and financial liabilities on a net basis on the balance sheet only if there is a legally enforceable right to set-off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The following table shows the impact of netting arrangements on:

- All financial assets and liabilities that are reported net on the balance sheet.
- All derivative financial instruments and reverse repurchase and repurchase agreements and other similar secured lending and borrowing agreements that are subject to enforceable master netting arrangements or similar agreements, but do not qualify for balance sheet netting.

The 'Net amounts' presented in the table below are not intended to represent the Barclays Bank Group's actual exposure to credit risk, as a variety of credit mitigation strategies are employed in addition to netting and collateral arrangements.

Barclays Bank Group	Amounts subject to enforceable netting arrangements							
	Effects of offsetting on-balance sheet			Related amounts not offset				
	Gross amounts	Amounts offset[a]	Net amounts reported on the balance sheet	Financial instruments	Financial collateral[b]	Net amount	Amounts not subject to enforceable netting arrangements[c]	Balance sheet total[d]
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m
Derivative financial assets	**306,735**	**(55,781)**	**250,954**	**(198,633)**	**(39,927)**	**12,394**	**5,157**	**256,111**
Reverse repurchase agreements and other similar secured lending[e]	**677,255**	**(529,435)**	**147,820**	**—**	**(147,397)**	**423**	**2,414**	**150,234**
Total assets	**983,990**	**(585,216)**	**398,774**	**(198,633)**	**(187,324)**	**12,817**	**7,571**	**406,345**
Derivative financial liabilities	**(297,308)**	**54,241**	**(243,067)**	**198,633**	**27,930**	**(16,504)**	**(6,813)**	**(249,880)**
Repurchase agreements and other similar secured borrowing[e]	**(736,112)**	**529,435**	**(206,677)**	**—**	**206,677**	**—**	**(8,783)**	**(215,460)**
Total liabilities	**(1,033,420)**	**583,676**	**(449,744)**	**198,633**	**234,607**	**(16,504)**	**(15,596)**	**(465,340)**
As at 31 December 2022								
Derivative financial assets	374,848	(76,429)	298,419	(238,062)	(45,920)	14,437	4,557	302,976
Reverse repurchase agreements and other similar secured lending[e]	560,060	(397,439)	162,621	—	(161,992)	629	2,802	165,423
Total assets	934,908	(473,868)	461,040	(238,062)	(207,912)	15,066	7,359	468,399
Derivative financial liabilities	(360,242)	76,530	(283,712)	238,062	26,407	(19,243)	(5,494)	(289,206)
Repurchase agreements and other similar secured borrowing[e]	(573,332)	397,439	(175,893)	—	175,893	—	(9,244)	(185,137)
Total liabilities	(933,574)	473,969	(459,605)	238,062	202,300	(19,243)	(14,738)	(474,343)

Notes
a Amounts offset for derivative financial assets additionally includes cash collateral netted of £7,527m (2022: £15,199m). Amounts offset for derivative financial liabilities additionally includes cash collateral netted of £9,067m (2022: £15,098m). Settlement assets and liabilities have been offset amounting to £29,297m (2022: £24,250m).
b Financial collateral of £39,927m (2022: £45,920m) was received in respect of derivative assets, including £29,944m (2022: £34,496m) of cash collateral and £9,983m (2022: £11,424m) of non-cash collateral. Financial collateral of £27,930m (2022: £26,407m) was placed in respect of derivative liabilities, including £24,212m (2022: £24,990m) of cash collateral and £3,718m (2022: £1,417m) of non-cash collateral. The collateral amounts are limited to net balance sheet exposure so as to not include over-collateralisation.
c This column includes contractual rights of set-off that are subject to uncertainty under the laws of the relevant jurisdiction.
d The balance sheet total is the sum of 'Net amounts reported on the balance sheet' that are subject to enforceable netting arrangements and 'Amounts not subject to enforceable netting arrangements'.
e Reverse repurchase agreements and other similar secured lending of £150,234m (2022: £165,423m) is split by fair value £149,131m (2022: £164,698m) and amortised cost £1,103m (2022: £725m). Repurchase agreements and other similar secured borrowing of £215,460m (2022: £185,137m) is split by fair value £186,906m (2022: £173,172m) and amortised cost £28,554m (2022: £11,965m).

Derivative assets and liabilities

The 'Financial instruments' column identifies financial assets and liabilities that are subject to set off under netting agreements, such as the ISDA Master Agreement or derivative exchange or clearing counterparty agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transactions covered by the agreements if an event of default or other predetermined events occur.

Financial collateral refers to cash and non-cash collateral obtained, typically daily or weekly, to cover the net exposure between counterparties by enabling the collateral to be realised in an event of default or if other predetermined events occur.

Reverse repurchase and repurchase agreements and other similar secured lending and borrowing

The 'Financial instruments' column identifies financial assets and liabilities that are subject to set off under netting agreements, such as Global Master Repurchase Agreements and Global Master Securities Lending Agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transactions covered by the agreements if an event of default or other predetermined events occur.

Financial collateral typically comprises highly liquid securities which are legally transferred and can be liquidated in the event of counterparty default.

These offsetting collateral arrangements and other credit risk mitigation strategies used by the Barclays Bank Group are further explained in the Credit risk mitigation section on page 53.

Barclays Bank PLC	Amounts subject to enforceable netting arrangements							
	Effects of offsetting on-balance sheet			Related amounts not offset				
	Gross amounts	Amounts offset[a]	Net amounts reported on the balance sheet	Financial instruments	Financial collateral[b]	Net amount	Amounts not subject to enforceable netting arrangements[c]	Balance sheet total[d]
As at 31 December 2023	£m	£m	£m	£m	£m	£m	£m	£m
Derivative financial assets	**254,810**	**(34,202)**	**220,608**	**(179,930)**	**(28,854)**	**11,824**	**4,693**	**225,301**
Reverse repurchase agreements and other similar secured lending[e]	**746,121**	**(532,487)**	**213,634**	**—**	**(213,634)**	**—**	**1,526**	**215,160**
Total assets	**1,000,931**	**(566,689)**	**434,242**	**(179,930)**	**(242,488)**	**11,824**	**6,219**	**440,461**
Derivative financial liabilities	**(248,228)**	**32,849**	**(215,379)**	**179,930**	**22,296**	**(13,153)**	**(5,986)**	**(221,365)**
Repurchase agreements and other similar secured borrowing[e]	**(831,957)**	**532,487**	**(299,470)**	**—**	**299,470**	**—**	**(7,425)**	**(306,895)**
Total liabilities	**(1,080,185)**	**565,336**	**(514,849)**	**179,930**	**321,766**	**(13,153)**	**(13,411)**	**(528,260)**
As at 31 December 2022	£m	£m	£m	£m	£m	£m	£m	£m
Derivative financial assets	302,076	(47,480)	254,596	(209,530)	(32,520)	12,546	4,112	258,708
Reverse repurchase agreements and other similar secured lending[e]	607,414	(406,040)	201,374	—	(201,374)	—	1,974	203,348
Total assets	909,490	(453,520)	455,970	(209,530)	(233,894)	12,546	6,086	462,056
Derivative financial liabilities	(292,493)	46,654	(245,839)	209,530	20,758	(15,551)	(4,728)	(250,567)
Repurchase agreements and other similar secured borrowing[e]	(648,513)	406,040	(242,473)	—	242,473	—	(7,485)	(249,958)
Total liabilities	(941,006)	452,694	(488,312)	209,530	263,231	(15,551)	(12,213)	(500,525)

Notes

a Amounts offset for derivative financial assets additionally includes cash collateral netted of £4,709m (2022: £8,771m). Amounts offset for derivative financial liabilities additionally includes cash collateral netted of £6,062m (2022: £9,597m). Settlement assets and liabilities have been offset amounting to £21,734m (2022: £17,683m).

b Financial collateral of £28,854m (2022: £32,520m) was received in respect of derivative assets, including £20,465m (2022: £23,212m) of cash collateral and £8,389m (2022: £9,308m) of non-cash collateral. Financial collateral of £22,296m (2022: £20,758m) was placed in respect of derivative liabilities, including £20,094m (2022: £19,624m) of cash collateral and £2,202m (2022: £1,134m) of non-cash collateral. The collateral amounts are limited to net balance sheet exposure so as to not include over-collateralisation.

c This column includes contractual rights of set-off that are subject to uncertainty under the laws of the relevant jurisdiction.

d The balance sheet total is the sum of 'Net amounts reported on the balance sheet' that are subject to enforceable netting arrangements and 'Amounts not subject to enforceable netting arrangements'.

e Reverse Repurchase agreements and other similar secured lending of £215,160m (2022: £203,348m) is split by fair value £208,284m (2022: £197,440m) and amortised cost £6,876m (2022: £5,908m). Repurchase agreements and other similar secured borrowing of £306,895m (2022: £249,958m) is split by fair value £262,944m (2022: £223,651m) and amortised cost £43,951m (2022: £26,307m).

Derivative assets and liabilities

The 'Financial instruments' column identifies financial assets and liabilities that are subject to set off under netting agreements, such as the ISDA Master Agreement or derivative exchange or clearing counterparty agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transactions covered by the agreements if an event of default or other predetermined events occur.

Financial collateral refers to cash and non-cash collateral obtained, typically daily or weekly, to cover the net exposure between counterparties by enabling the collateral to be realised in an event of default or if other predetermined events occur.

Reverse repurchase and repurchase agreements and other similar secured lending and borrowing

The 'Financial instruments' column identifies financial assets and liabilities that are subject to set off under netting agreements, such as Global Master Repurchase Agreements and Global Master Securities Lending Agreements, whereby all outstanding transactions with the same counterparty can be offset and close-out netting applied across all outstanding transactions covered by the agreements if an event of default or other predetermined events occur.

Financial collateral typically comprises highly liquid securities which are legally transferred and can be liquidated in the event of counterparty default.

These offsetting collateral arrangements and other credit risk mitigation strategies used by the Barclays Bank PLC are further explained in the Credit risk mitigation section on page 53.

18 Property, plant and equipment

Accounting for property, plant and equipment

Property, plant and equipment is stated at cost, which includes direct and incremental acquisition costs less accumulated depreciation and provisions for impairment, if required. Subsequent costs are capitalised if these result in enhancement of the asset.

Depreciation is provided on the depreciable amount of items of property, plant and equipment on a straight-line basis over their estimated useful economic lives. Depreciation rates, methods and the residual values underlying the calculation of depreciation of items of property, plant and equipment are kept under review to take account of any change in circumstances including consideration on future Climate and Sustainability investments.

The Barclays Bank Group and Barclays Bank PLC use the following annual rates in calculating depreciation:

Annual rates in calculating depreciation	Depreciation rate
Freehold land	Not depreciated
Freehold buildings	2%-3.3%
Leasehold property	Over the remaining life of the lease
Costs of adaptation of freehold and leasehold property	6%-10%
Equipment installed in freehold and leasehold property	6%-10%
Computers and similar equipment	17%-33%
Fixtures and fittings and other equipment	9%-20%

Costs of adaptation and installed equipment are depreciated over the shorter of the life of the lease or the depreciation rates noted in the table above.

Investment property

The Barclays Bank Group and Barclays Bank PLC initially recognises investment property at cost, and subsequently at fair value at each balance sheet date, reflecting market conditions at the reporting date. Gains and losses on remeasurement are included in the income statement.

	Barclays Bank Group				
	Investment property £m	Property £m	Equipment £m	Right of use assets[a] £m	Total £m
Cost					
As at 1 January 2023	**5**	**1,624**	**1,039**	**781**	**3,449**
Additions	**—**	**18**	**85**	**9**	**112**
Disposals[b]	**(3)**	**(12)**	**(186)**	**(3)**	**(204)**
Exchange and other movements	**—**	**(90)**	**4**	**16**	**(70)**
As at 31 December 2023	**2**	**1,540**	**942**	**803**	**3,287**
Accumulated depreciation and impairment					
As at 1 January 2023	**—**	**(782)**	**(775)**	**(513)**	**(2,070)**
Depreciation charge	**—**	**(47)**	**(78)**	**(52)**	**(177)**
Impairment charge	**—**	**—**	**—**	**(13)**	**(13)**
Disposals[b]	**—**	**9**	**185**	**3**	**197**
Exchange and other movements	**—**	**42**	**(22)**	**18**	**38**
As at 31 December 2023	**—**	**(778)**	**(690)**	**(557)**	**(2,025)**
Net book value	**2**	**762**	**252**	**246**	**1,262**
Cost					
As at 1 January 2022	7	1,702	1,058	715	3,482
Additions	—	93	79	20	192
Disposals[b]	(1)	(269)	(212)	(14)	(496)
Exchange and other movements	(1)	98	114	60	271
As at 31 December 2022	5	1,624	1,039	781	3,449
Accumulated depreciation and impairment					
As at 1 January 2022	—	(920)	(877)	(437)	(2,234)
Depreciation charge	—	(70)	(61)	(69)	(200)
Impairment charge	—	—	—	(13)	(13)
Disposals[b]	—	269	209	16	494
Exchange and other movements	—	(61)	(46)	(10)	(117)
As at 31 December 2022	—	(782)	(775)	(513)	(2,070)
Net book value	5	842	264	268	1,379

	Barclays Bank PLC				
	Investment property £m	Property £m	Equipment £m	Right of use assets[a] £m	Total £m
Cost					
As at 1 January 2023	**2**	**61**	**179**	**331**	**573**
Additions	**—**	**7**	**15**	**10**	**32**
Disposals[b]	**—**	**(6)**	**(39)**	**(2)**	**(47)**
Exchange and other movements	**—**	**—**	**(5)**	**15**	**10**
As at 31 December 2023	**2**	**62**	**150**	**354**	**568**
Accumulated depreciation and impairment					
As at 1 January 2023	**—**	**(45)**	**(135)**	**(283)**	**(463)**
Depreciation charge	**—**	**(1)**	**(14)**	**(12)**	**(27)**
Impairment charge	**—**	**—**	**—**	**(4)**	**(4)**
Disposals[b]	**—**	**3**	**41**	**1**	**45**
Exchange and other movements	**—**	**1**	**5**	**(8)**	**(2)**
As at 31 December 2023	**—**	**(42)**	**(103)**	**(306)**	**(451)**
Net book value	**2**	**20**	**47**	**48**	**117**
Cost					
As at 1 January 2022	3	295	281	323	902
Additions	—	8	19	6	33
Disposals[b]	(1)	(243)	(139)	(5)	(388)
Exchange and other movements	—	1	18	7	26
As at 31 December 2022	2	61	179	331	573
Accumulated depreciation and impairment					
As at 1 January 2022	—	(272)	(246)	(256)	(774)
Depreciation charge	—	(15)	(13)	(26)	(54)
Impairment charge	—	—	—	(13)	(13)
Disposals[b]	—	243	139	5	387
Exchange and other movements	—	(1)	(15)	7	(9)
As at 31 December 2022	—	(45)	(135)	(283)	(463)
Net book value	2	16	44	48	110

Notes
a Right of use (ROU) asset balances relate to Property Leases accounted in accordance with IFRS 16. Refer to Note 19 for further details.
b Disposals pertain to fully depreciated assets which are not in use.

Property rentals of £8m (2022: £8m) have been included in other income within the Barclays Bank Group.

The fair value of investment property is determined by reference to current market prices for similar properties, adjusted as necessary for condition and location, or by reference to recent transactions updated to reflect current economic conditions. Discounted cash flow techniques may be employed to calculate fair value where there have been no recent transactions, using current external market inputs such as market rents and interest rates. Valuations are carried out by management with the support of appropriately qualified independent valuers.

19 Leases

Accounting for leases
When the Barclays Bank Group or Barclays Bank PLC are the lessee, they are required to recognise both:
- a lease liability, measured at the present value of remaining cash flows on the lease; and
- a right of use (ROU) asset, measured at the amount of the initial measurement of the lease liability, plus any lease payments made prior to commencement date, initial direct costs, and estimated costs of restoring the underlying asset to the condition required by the lease, less any lease incentives received.

Subsequently the lease liability will increase for the accrual of interest, resulting in a constant rate of return throughout the life of the lease, and reduce when payments are made. The right of use asset will amortise to the income statement over the life of the lease.

On the balance sheet, the ROU assets are included within property, plant and equipment and the lease liabilities are included within other liabilities.

The Barclays Bank Group and Barclays Bank PLC apply the recognition exemption in IFRS 16 for leases with a term not exceeding 12 months. For these leases the lease payments are recognised as an expense on a straight line basis over the lease term unless another systematic basis is more appropriate.

When the Barclays Bank Group or Barclays Bank PLC are the lessor, the lease must be classified as either a finance lease or an operating lease. A finance lease is a lease which confers substantially all the risks and rewards of the leased assets on the lessee. An operating lease is a lease where substantially all of the risks and rewards of the leased asset remain with the lessor.

As Lessors
The Barclays Bank Group and Barclays Bank PLC do not have any material operating and finance leases as lessors.

As Lessees
The Barclays Bank Group and Barclays Bank PLC lease various offices, branches and other premises under non-cancellable lease arrangements to meet its operational business requirements. In some instances, the Barclays Bank Group or Barclays Bank PLC will sublease property to third parties when it is no longer needed to meet business requirements. Currently, the Barclays Bank Group and Barclays Bank PLC do not have any material subleasing arrangements.

ROU asset balances relate to property leases only. Refer to Note 19 for the carrying amount of ROU assets.

The Barclays Bank Group and Barclays Bank PLC have not recognised any expenses related to short term leases during the current and previous year.

Lease liabilities	Barclays Bank Group	
	2023	2022
	£m	£m
As at 1 January	**496**	495
Interest expense	**21**	18
New leases	**9**	18
Disposals	**(1)**	(4)
Cash payments[a]	**(265)**	(89)
Exchange and other movements	**20**	58
As at 31 December (see Note 21)	**280**	496

Lease liabilities	Barclays Bank PLC	
	2023	2022
	£m	£m
As at 1 January	**239**	247
Interest expense	**10**	9
New leases	**9**	6
Disposals	**(1)**	—
Cash payments[a]	**(214)**	(37)
Exchange and other movements	**8**	14
As at 31 December (see Note 21)	**51**	239

Note
a Cash payments in 2023 include a one time lease liability payment of £182m related to a structural cost action in relation to the real estate review.

The below table sets out a maturity analysis of undiscounted lease liabilities, showing the lease payments after the reporting date.

Undiscounted lease liabilities maturity analysis	Barclays Bank Group	
	2023	2022
	£m	£m
Not more than one year	**62**	91
One to two years	**55**	94
Two to three years	**49**	80
Three to four years	**43**	66
Four to five years	**28**	66
Five to ten years	**72**	181
Greater than ten years	**16**	19
Total undiscounted lease liabilities as at 31 December	**325**	597

Undiscounted lease liabilities maturity analysis	Barclays Bank PLC	
	2023	2022
	£m	£m
Not more than one year	12	36
One to two years	12	36
Two to three years	9	35
Three to four years	5	31
Four to five years	3	29
Five to ten years	8	119
Greater than ten years	6	7
Total undiscounted lease liabilities as at 31 December	**55**	293

In addition to the cash flows identified above, the Barclays Bank Group and Barclays Bank PLC are exposed to:

- Variable lease payments: This variability will typically arise from either inflation index instruments or market-based pricing adjustments.

  Currently, Barclays Bank Group has 49 leases (2022: 41 leases) out of the total 94 leases (2022: 106 leases) which have variable lease payment terms based on market based pricing adjustments. Of the gross cash flows identified above, £229m (2022: £418m) is attributable to leases with some degree of variability predominately linked to market based pricing adjustments.

  Currently, Barclays Bank PLC has 26 leases (2022: 21 leases) out of the total 40 leases (2022: 46 leases) which have variable lease payment terms based on market based pricing adjustments. Of the gross cash flows identified above, £30m (2022: £266m) is attributable to leases with some degree of variability predominately linked to market based pricing adjustments.

- Extension and termination options: The table above represents the Barclays Bank Group's and the Barclays Bank PLC's best estimate of future cash outflows for leases, including assumptions regarding the exercising of contractual extension and termination options. The above gross cash flows have been reduced by £429m (2022: £486m) and £9m (2022: £11m) respectively for leases where the Barclays Bank Group and the Barclays Bank PLC are highly expected to exercise an early termination option. However, there is no significant impact where the Barclays Bank Group or Barclays Bank PLC are expected to exercise an extension option.

  The Barclays Bank Group and Barclays Bank PLC do not have any restrictions or covenants imposed by the lessor on its property leases which restrict its businesses.

20 Goodwill and intangible assets

Accounting for goodwill and intangible assets

Goodwill

Goodwill arising on the acquisition of subsidiaries represents the excess of the fair value of the purchase consideration over the fair value of the Barclays Bank Group's share of the assets acquired and the liabilities and contingent liabilities assumed on the date of the acquisition.

Goodwill is reviewed annually for impairment, or more frequently when there are indications that impairment may have occurred. The test involves comparing the carrying value of the cash generating unit (CGU) including goodwill with the present value of the pre-tax cash flows, discounted at a rate of interest that reflects the inherent risks, of the CGU to which the goodwill relates, or the CGUs fair value if this is higher.

Intangible assets

Intangible assets are initially recognised when they are separable or arise from contractual or other legal rights, the cost can be measured reliably and, in the case of intangible assets not acquired in a business combination, where it is probable that future economic benefits attributable to the assets will flow from their use.

For internally generated intangible assets, only costs incurred during the development phase are capitalised. Expenditure in the research phase is expensed when it is incurred.

Intangible assets are stated at cost (which is, in the case of assets acquired in a business combination, the acquisition date fair value) less accumulated amortisation and provisions for impairment, if any, and are amortised over their useful lives in a manner that reflects the pattern to which they contribute to future cash flows, generally using the amortisation periods set out below:

Annual rates in calculating amortisation	Amortisation period
Goodwill	Not amortised
Internally generated software[a]	12 months to 6 years
Other software	12 months to 6 years
Customer lists	12 months to 25 years
Licences and other	12 months to 25 years

Note

a Exceptions to the above period relate to useful lives of certain core banking platforms that are assessed individually and, if appropriate, amortised over longer periods ranging from 10 years to 15 years.

Intangible assets are reviewed for impairment when there are indications that impairment may have occurred. Intangible assets not yet available for use are reviewed annually for impairment.

		Intangible assets				
	Goodwill	Internally generated software	Other software	Customer lists	Licences and other	Total
	£m	£m	£m	£m	£m	£m
Barclays Bank Group						
Cost						
As at 1 January 2023	345	1,477	91	1,562	956	4,431
Additions	—	310	23	—	4	337
Disposals[a]	—	(325)	(13)	—	(2)	(340)
Exchange and other movements[b]	(10)	(196)	(28)	(85)	(830)	(1,149)
As at 31 December 2023	335	1,266	73	1,477	128	3,279
Accumulated amortisation and impairment						
As at 1 January 2023	(68)	(787)	(49)	(1,382)	(480)	(2,766)
Disposals[a]	—	325	13	—	2	340
Amortisation charge	—	(163)	(9)	(39)	(48)	(259)
Impairment charge	—	(40)	—	—	—	(40)
Exchange and other movements[b]	—	42	3	76	409	530
As at 31 December 2023	(68)	(623)	(42)	(1,345)	(117)	(2,195)
Net book value	267	643	31	132	11	1,084

The German Consumer Finance business moved to assets held for sale during the year and this resulted in an impairment of Intangible assets of £32m.

	Goodwill	Internally generated software	Other software	Customer lists	Licences and other	Total
	£m	£m	£m	£m	£m	£m
Barclays Bank Group						
Cost						
As at 1 January 2022	326	1,508	95	1,339	876	4,144
Additions	—	275	—	76	17	368
Disposals[a]	—	(427)	(13)	(12)	(33)	(485)
Exchange and other movements	19	121	9	159	96	404
As at 31 December 2022	345	1,477	91	1,562	956	4,431
Accumulated amortisation and impairment						
As at 1 January 2022	(68)	(966)	(52)	(1,207)	(402)	(2,695)
Disposals[a]	—	427	13	12	33	485
Amortisation charge	—	(153)	(6)	(44)	(67)	(270)
Impairment charge	—	—	—	—	—	0
Exchange and other movements	—	(95)	(4)	(143)	(44)	(286)
As at 31 December 2022	(68)	(787)	(49)	(1,382)	(480)	(2,766)
Net book value	277	690	42	180	476	1,665

Notes
a Disposals pertain to fully amortised assets which are not in use.
b In the current year the Barclays Bank Group has reclassified assets with a total net book value of £412m recognised on balance sheet relating to sign-on bonus payments made to co-brand credit card partners from Intangible Assets (Licences and other) to Other Assets. This change in classification has been made to more appropriately reflect the nature of the assets.

Notes to the financial statements
Assets at amortised cost and other investments

	Goodwill	Intangible assets: Internally generated software	Other software	Customer lists	Licences and other	Total
	£m	£m	£m	£m	£m	£m
Barclays Bank PLC						
Cost						
As at 1 January 2023	**164**	**27**	**3**	**12**	**24**	**230**
Additions	—	—	—	—	—	—
Disposals	—	—	—	—	—	—
Exchange and other movements	—	(1)	(1)	—	(1)	(3)
As at 31 December 2023	**164**	**26**	**2**	**12**	**23**	**227**
Accumulated amortisation and impairment						
As at 1 January 2023	**(69)**	**(25)**	**(1)**	**(11)**	**(17)**	**(123)**
Disposals	—	—	—	—	—	—
Amortisation charge	—	(2)	—	—	—	(2)
Exchange and other movements	—	1	—	—	1	2
As at 31 December 2023	**(69)**	**(26)**	**(1)**	**(11)**	**(16)**	**(123)**
Net book value	**95**	**—**	**1**	**1**	**7**	**104**

	Goodwill	Internally generated software	Other software	Customer lists	Licences and other	Total
	£m	£m	£m	£m	£m	£m
Barclays Bank PLC						
Cost						
As at 1 January 2022	164	26	3	11	22	226
Additions	—	—	—	—	1	1
Disposals	—	—	—	—	—	—
Exchange and other movements	—	1	—	1	1	3
As at 31 December 2022	164	27	3	12	24	230
Accumulated amortisation and impairment						
As at 1 January 2022	(69)	(22)	(1)	(11)	(14)	(117)
Disposals	—	—	—	—	—	—
Amortisation charge	—	(2)	—	—	(3)	(5)
Exchange and other movements	—	(1)	—	—	—	(1)
As at 31 December 2022	(69)	(25)	(1)	(11)	(17)	(123)
As at Net book value	95	2	2	1	7	107

Goodwill

Goodwill is allocated to business operations according to business segments as follows:

	Barclays Bank Group 2023	2022
	£m	£m
Consumer, Cards and Payments	**267**	277
Total net book value of goodwill	267	277

	Barclays Bank PLC 2023	2022
	£m	£m
Consumer, Cards and Payments	**95**	95
Total net book value of goodwill	**95**	95

2023 impairment review

The 2023 impairment review was performed during Q4 2023, with the approach and results of this analysis set out below.

Determining the carrying value of CGUs

The carrying value for each CGU is the sum of the tangible equity, goodwill and intangible asset balances associated with that CGU.

The Barclays Bank Group manages the assets and liabilities of its CGUs with reference to the tangible equity of the respective businesses. That tangible equity is derived from the level of risk weighted assets (RWAs) and capital required to be deployed in the CGU and therefore reflects its relative risk, as well as the level of capital that management considers a market participant would be required to hold and retain to support business growth.

Goodwill is initially allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the acquisition that generated it. Goodwill is only reallocated if there is a change in its use or when reporting structures are altered in a way that changes the composition of one or more cash-generating units to which goodwill has been allocated. The goodwill allocated to the Barclays Bank Group's CGUs is unchanged in the year.

Cash flows

The five-year cash flows used in the calculation of value in use are based on the formally agreed medium-term plans approved by the Board. These are prepared using macroeconomic assumptions which management considers reasonable and supportable, and reflect business agreed initiatives for the forecast period.

Discount rates

IAS 36 requires that the discount rate used in a value in use calculation reflects the pre-tax rate an investor would require if they were to choose an investment that would generate similar cash flows to those that the entity expects to generate from the asset. In determining the discount rate, management identified the cost of equity associated with market participants that closely resemble the Barclays Bank Group's CGUs. The cost of equity has been used as the discount rate in the impairment assessment and applied to the post tax cash flows of the CGU. This post-tax method incorporates the impact of changing tax rates on the cash flows and is expected to produce the same VIU result as a pre-tax method adjusted for varying tax rates. Using the resultant VIU the equivalent pre-tax discount rates have been calculated. The cost of equity rate used for all CGUs in this year's calculation has been increased to reflect the relative volatility of Barclays plc's stock price versus the average of our peers. The range of equivalent pre-tax discount rates applicable across the CGUs range from 14.7% to 17.2% (2022: 14.1% to 16.0%).

Terminal growth rate

The terminal growth rate is used to estimate the effect of projecting cash flows to the end of an asset's useful economic life. It is management's judgement that the cash flows associated with the CGUs will grow in line with the major economies in which the Barclays Bank Group operates. The UK inflation rate is used as an approximation for the future growth rates. The terminal growth rate used is 2.0% (2022: 2.0%).

Outcome of goodwill and intangibles review

Based on management's plans and assumptions the value in use exceeds the carrying value of the CGUs and no goodwill impairment has been indicated by the 2023 impairment review.

Other intangible assets

Determining the estimated useful lives of intangible assets (such as those arising from contractual relationships) requires an analysis of circumstances. The assessment of whether an asset is exhibiting indicators of impairment as well as the calculation of impairment, which requires the estimate of future cash flows and fair values less costs to sell, also requires the preparation of cash flow forecasts and fair values for assets that may not be regularly bought and sold.

Notes to the financial statements
Accruals, provisions, contingent liabilities and legal proceedings

The notes included in this section focus on the Barclays Bank Group's accruals, provisions and contingent liabilities. Provisions are recognised for present obligations arising as consequences of past events where it is probable that a transfer of economic benefit will be necessary to settle the obligation, and it can be reliably estimated. Contingent liabilities reflect potential liabilities that are not recognised on the balance sheet.

21 Other liabilities

	Barclays Bank Group	
	2023	2022
	£m	£m
Accruals and deferred income	**2,695**	2,973
Other creditors	**5,969**	7,255
Items in the course of collection due to other banks	**40**	55
Lease liabilities (refer to Note 19)	**280**	496
Other liabilities	**8,984**	10,779

	Barclays Bank PLC	
	2023	2022
	£m	£m
Accruals and deferred income	**1,096**	1,164
Other creditors	**4,542**	6,548
Items in the course of collection due to other banks	**19**	29
Lease liabilities (refer to Note 19)	**51**	239
Other liabilities	**5,708**	7,980

22 Provisions
Accounting for provisions

Provisions are recognised for present obligations arising as consequences of past events where it is more likely than not that a transfer of economic benefit will be necessary to settle the obligation, which can be reliably estimated.

Critical accounting estimates and judgements

The financial reporting of provisions involves a significant degree of judgement and is complex. Identifying whether a present obligation exists and estimating the probability, timing, nature and quantum of the outflows that may arise from past events requires judgements to be made based on the specific facts and circumstances relating to individual events and often requires specialist professional advice. When matters are at an early stage, accounting judgements and estimates can be difficult because of the high degree of uncertainty involved. Management continues to monitor matters as they develop to re-evaluate on an ongoing basis whether provisions should be recognised, however there can remain a wide range of possible outcomes and uncertainties, particularly in relation to legal, competition and regulatory matters, and as a result it is often not practicable to make meaningful estimates even when matters are at a more advanced stage.

The amount that is recognised as a provision can also be very sensitive to the assumptions made in calculating it. This gives rise to a large range of potential outcomes which require judgement in determining an appropriate provision level. See Note 24 for more detail of legal, competition and regulatory matters.

Accruals, provisions, contingent liabilities and legal proceedings

	Redundancy and restructuring £m	Customer redress £m	Legal, competition and regulatory matters £m	Sundry provisions £m	Total £m
Barclays Bank Group					
As at 1 January 2023	45	46	113	122	326
Additions	178	12	27	45	262
Amounts utilised	(80)	(11)	(68)	(11)	(170)
Unused amounts reversed	(13)	(25)	(10)	(14)	(62)
Exchange and other movements	(4)	(1)	(3)	(4)	(12)
As at 31 December 2023	126	21	59	138	344
Undrawn contractually committed facilities and guarantees[a]					
As at 1st January 2023					532
Net change in expected credit loss provision and other movements					(59)
As at 31 December 2023					473
Total Provisions					
As at 1st January 2023					858
As at 31 December 2023					817

	Redundancy and restructuring £m	Customer redress £m	Legal, competition and regulatory matters £m	Sundry provisions £m	Total £m
Barclays Bank PLC					
As at 1 January 2023	15	44	90	40	189
Additions	63	11	5	5	84
Amounts utilised	(28)	(10)	(56)	(4)	(98)
Unused amounts reversed	(5)	(25)	(5)	(11)	(46)
Exchange and other movements	—	(1)	(2)	(1)	(4)
As at 31 December 2023	45	19	32	29	125
Undrawn contractually committed facilities and guarantees[a]					
As at 1st January 2023					403
Net change in expected credit loss provision and other movements					(51)
As at 31 December 2023					352
Total Provisions					
As at 1st January 2023					592
As at 31 December 2023					477

Note
a Undrawn contractually committed facilities and guarantees provisions are accounted for under IFRS 9. Further analysis of the movement in the expected credit loss provision is disclosed within the 'Movement in gross exposures and impairment allowance including provisions for loan commitments and financial guarantees' table on page 72 to 76.

Provisions expected to be recovered or settled within no more than 12 months after 31 December 2023 for Barclays Bank Group were £717m (2022: £764m) and for Barclays Bank PLC were £458m (2022: £560m).

Redundancy and restructuring
These provisions comprise the estimated cost of restructuring, including redundancy costs where an obligation exists. For example, when the Barclays Bank Group has a detailed formal plan for restructuring a business and has raised valid expectations in those affected by the restructuring by announcing its main features or starting to implement the plan.

Customer redress
Customer redress provisions comprise the estimated cost of making redress payments to customers, clients and counterparties for losses or damages associated with inappropriate judgement in the execution of the Barclays Bank Group's business activities.

Legal, competition and regulatory matters
The Barclays Bank Group is engaged in various legal proceedings, both in the UK and a number of other overseas jurisdictions, including the US. For further information in relation to legal proceedings and discussion of the associated uncertainties, please refer to Note 24.

Sundry provisions
This category includes provisions that do not fit into any of the other categories, such as fraud losses and dilapidation provisions.

Undrawn contractually committed facilities and guarantees
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 drawn exposure to the extent that the allowance does not exceed the exposure as ECL is not reported separately. 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. For further information, refer to the Credit Risk section for loan commitments and financial guarantees on pages 72 to 76.

23 Contingent liabilities and commitments

Accounting for contingent liabilities
Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events and present obligations where the transfer of economic resources is uncertain or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed unless the likelihood of an outflow of economic resources is remote.

The following table summarises the nominal principal amount of contingent liabilities and commitments which are not recorded on-balance sheet:

	Barclays Bank Group	
	2023	2022
	£m	£m
Guarantees and letters of credit pledged as collateral security	17,578	17,700
Performance guarantees, acceptances and endorsements	9,251	8,100
Total contingent liabilities and financial guarantees	**26,829**	25,800
Of which: Financial guarantees and letters of credit carried at fair value	*1,266*	*1,423*
Documentary credits and other short-term trade related transactions	2,352	1,748
Standby facilities, credit lines and other commitments	335,583	333,229
Total commitments	**337,935**	334,977
Of which: Loan commitments carried at fair value	*15,203*	*13,471*

	Barclays Bank PLC	
	2023	2022
	£m	£m
Guarantees and letters of credit pledged as collateral security	58,136	52,219
Performance guarantees, acceptances and endorsements	10,817	9,984
Total contingent liabilities and financial guarantees	**68,953**	62,203
Of which: Financial guarantees and letters of credit carried at fair value	*1,264*	*1,423*
Documentary credits and other short-term trade related transactions	2,298	1,686
Standby facilities, credit lines and other commitments	204,429	205,650
Total commitments	**206,727**	207,336
Of which: Loan commitments carried at fair value	*13,225*	*11,939*

Provisions for expected credit losses held against contingent liabilities and commitments equal £473m (2022: £532m) for Barclays Bank Group and £352m (2022: £403m) for Barclays Bank PLC and are reported in Note 22.

Further details on contingent liabilities relating to legal and competition and regulatory matters can be found in Note 24.

24 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 22 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 and other proceedings

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.

Other proceedings

In November 2023, Barclays received requests for arbitration from two Jersey special purpose vehicles connected to PCP International Finance Limited asserting claims in relation to the October 2008 capital raising. Barclays is defending these claims.

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.

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 filed an amended complaint, which was dismissed in October 2023. The plaintiffs are appealing the dismissal.

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.

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 have appealed 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 (as amended in November 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 any 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. Barclays' motion to dismiss the other repurchase action was denied in October 2023. Barclays is appealing the decision.

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 appealed this decision, and in February 2024 the appellate court affirmed the dismissal.

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 was granted in September 2023, which means the case may proceed as a class action. The defendants are appealing this decision. In the California action, the California appeals court reversed the dismissal of the plaintiffs' claims in April 2023. In the Illinois action, the defendants reached a settlement with the Attorney General for the State of Illinois to resolve the litigation. The court approved the settlement in October 2023 and dismissed the matter. The financial impact of the settlement is not material to the Barclays Bank Group's operating results, cash flows or financial position. This matter is now concluded.

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.

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.

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 actions, including one putative class action and individual actions brought by certain swap execution facilities, which are consolidated in the SDNY. The complaints allege the defendants conspired to prevent the development of exchanges for IRS and demand unspecified money damages. The plaintiffs' motion for class certification was denied in December 2023, meaning the case cannot proceed as a class action. The plaintiffs have sought the court's leave to appeal that decision.

In 2017, Tera Group Inc. (Tera) filed a separate civil antitrust action in the SDNY claiming that certain conduct alleged in the IRS cases also caused Tera to suffer harm with respect to the Credit Default Swaps market. In 2019, the court dismissed Tera's claims for unjust enrichment and tortious interference but denied motions to dismiss the antitrust claims. Tera filed an amended complaint in January 2020. Barclays' motion to dismiss all claims was granted in August 2023. Tera has filed a Notice of Appeal.

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 judgment 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 filed cross-motions on the scope of trial. In January 2024, the court ruled in Barclays' favour. BDC is appealing, and the trial is adjourned until the appeal is decided.

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 has been withdrawn.

Civil actions in respect of the US Anti-Terrorism Act

Eight civil actions, on behalf of more than 4,000 plaintiffs, were 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 has given the plaintiffs until February 2024 to make a motion to vacate the judgment. The other two dismissed actions in the EDNY were consolidated into one action. The plaintiffs in that action, and in one other action in the EDNY, filed amended complaints in December 2023. 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 was substantially completed during 2023, utilising provisions booked to account for any remediations.

Motor finance commission arrangements

In January 2024, the FCA announced that it was appointing a skilled person to undertake a review of the historical use of discretionary commission arrangements and sales in the motor finance market across several firms. This follows two final decisions by the UK Financial Ombudsman Service (FOS), including one upholding a complaint against CFS in relation to commission arrangements and disclosure in the sale of motor finance products and a number of complaints and court claims, including some against CFS. Barclays will co-operate fully with the FCA's skilled person review, the outcome of which is unknown, including any potential financial impact. The FCA plans to set out next steps on this matter by the end of September 2024. Barclays ceased operating in the motor finance market in late 2019.

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.

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 price 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 have been consolidated into a single action in federal court in New York. Barclays has moved to dismiss the complaint.

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 either removing certain Barclays overseas subsidiaries that have operations in the UK from Barclays' UK VAT group or preventing them from joining it. Supplies between members of a UK VAT group are generally free from VAT. The notices had both retrospective and prospective effect. Barclays has appealed HMRC's decisions to the First Tier Tribunal (Tax Chamber) in relation to both the retrospective VAT assessments and the on-going VAT payments made since 2018. £181m of VAT (inclusive of interest) was assessed retrospectively by HMRC covering the periods 2014 to 2018, of which approximately £128m is expected to be attributed to Barclays Bank UK PLC and £53m to Barclays Bank PLC. This retrospectively assessed VAT was paid in 2018 and an asset, adjusted to reflect expected eventual recovery, is recognised. Since 2018 Barclays has paid, and recognised as an expense, VAT on intra-group supplies from the relevant subsidiaries to the members of the VAT group.

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 enforcement investigation which is focussed on aspects of Barclays' transaction monitoring in relation to certain business lines now in Barclays Bank UK PLC. The FCA has informed Barclays that it is closing the enforcement investigation into this matter.

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, guarantees, 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, measures to combat money laundering and financial crime, 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.

The notes included in this section focus on the Barclays Bank Group's loan capital and shareholders' equity including issued share capital, retained earnings, other equity balances and interests of minority shareholders in our subsidiary entities (non-controlling interests). For more information on capital management and how the Barclays Bank Group maintains sufficient capital to meet our regulatory requirements refer to pages 54 to 56.

25 Subordinated liabilities

Accounting for subordinated liabilities

Subordinated liabilities are measured at amortised cost using the effective interest method under IFRS 9, unless they are irrevocably designated at fair value through profit or loss at initial recognition because such designation eliminates or significantly reduces an accounting mismatch. Refer to Note 15 for details about accounting for liabilities designated at fair value through profit or loss.

	Barclays Bank Group	
	2023	2022
	£m	£m
At amortised cost		
As at 1 January	**38,253**	32,185
Issuances	**5,986**	15,381
Redemptions	**(7,431)**	(8,367)
Other	**(905)**	(946)
As at 31 December	**35,903**	38,253
Designated at fair value (Note 15)	**579**	521
Total subordinated liabilities	**36,482**	38,774

	Barclays Bank PLC	
	2023	2022
	£m	£m
At amortised cost		
As at 1 January	**37,656**	31,875
Issuances	**5,643**	14,904
Redemptions	**(7,209)**	(8,104)
Other	**(853)**	(1,019)
As at 31 December	**35,237**	37,656
Designated at fair value (Note 15)	**579**	521
Total subordinated liabilities	**35,816**	38,177

Issuances of £5,986m comprise £4,967m intra-group loans from Barclays PLC, £676m USD 7.119% Fixed-to-Floating Rate Subordinated Callable Notes issued to Barclays PLC, £315m USD Floating Rate Notes and £28m JPY Floating Rate Notes issued externally by Barclays Bank PLC subsidiaries.

Redemptions of £7,431m comprise £6,800m intra-group loans from Barclays PLC, £409m notes issued externally by Barclays Bank PLC, £194m USD Floating Rate Notes and £28m JPY Floating Rate Notes issued externally by Barclays Bank PLC subsidiaries. £409m notes issued externally by Barclays Bank PLC comprise £202m Undated Floating Rate Primary Capital Notes Series 2, £94m Undated Floating Rate Primary Capital Notes Series 1, £43m EUR Subordinated Floating Rate Notes, £40m GBP 9% Permanent Interest Bearing Capital Bonds and £30m USD Junior Undated Floating Rate Notes.

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

Subordinated liabilities include accrued interest and comprise undated and dated subordinated liabilities as follows:

	Barclays Bank Group	
	2023	2022
	£m	£m
Undated subordinated liabilities	**143**	538
Dated subordinated liabilities	**36,339**	38,236
Total subordinated liabilities	**36,482**	38,774

	Barclays Bank PLC	
	2023	2022
	£m	£m
Undated subordinated liabilities	**143**	538
Dated subordinated liabilities	**35,673**	37,639
Total subordinated liabilities	**35,816**	38,177

None of the Barclays Bank Group's or Barclays Bank PLC's subordinated liabilities are secured.

Undated subordinated liabilities[a]		Barclays Bank Group	
		2023	2022
	Initial call date	£m	£m
Barclays Bank PLC externally issued subordinated liabilities			
Undated Notes			
6.125% Undated Subordinated Notes	2027	**35**	34
Junior Undated Floating Rate Notes (USD 38m)	Any interest payment date	—	32
Undated Floating Rate Primary Capital Notes Series 1 (USD 167m)	Any interest payment date	—	102
Undated Floating Rate Primary Capital Notes Series 2 (USD 295m)	Any interest payment date	—	210
Bonds			
9% Permanent Interest Bearing Capital Bonds (GBP 40m)	At any time	—	40
Loans			
5.03% Reverse Dual Currency Undated Subordinated Loan (JPY 8,000m)	2028	**44**	49
5% Reverse Dual Currency Undated Subordinated Loan (JPY 12,000m)	2028	**64**	71
Total undated subordinated liabilities		**143**	538

Undated subordinated liabilities[a]		Barclays Bank PLC	
		2023	2022
	Initial call date	£m	£m
Barclays Bank PLC externally issued subordinated liabilities			
Undated Notes			
6.125% Undated Subordinated Notes	2027	**35**	34
Junior Undated Floating Rate Notes (USD 38m)	Any interest payment date	—	32
Undated Floating Rate Primary Capital Notes Series 1 (USD 167m)	Any interest payment date	—	102
Undated Floating Rate Primary Capital Notes Series 2 (USD 295m)	Any interest payment date	—	210
Bonds			
9% Permanent Interest Bearing Capital Bonds (GBP 40m)	At any time	—	40
Loans			
5.03% Reverse Dual Currency Undated Subordinated Loan (JPY 8,000m)	2028	**44**	49
5% Reverse Dual Currency Undated Subordinated Loan (JPY 12,000m)	2028	**64**	71
Total undated subordinated liabilities		**143**	538

Note

a Instrument values are disclosed to the nearest million.

Undated subordinated liabilities
Undated subordinated liabilities are issued by Barclays Bank PLC and its subsidiaries for the development and expansion of their businesses and to strengthen their capital bases. The principal terms of the undated subordinated liabilities are described below:

Subordination
All undated subordinated liabilities rank behind the claims against the bank of depositors and other unsecured unsubordinated creditors and holders of dated subordinated liabilities.

Interest
All undated subordinated liabilities bear a fixed rate of interest until the initial call date.

After the initial call date, in the event that they are not redeemed, the 6.125% Undated Notes will bear interest at rates fixed periodically in advance for five-year periods based on market rates. After the initial call date, in the event that they are not redeemed, all other undated subordinated liabilities will bear interest at rates fixed periodically in advance based on market rates.

Payment of interest
Barclays Bank PLC is not obliged to make a payment of interest on its Undated Notes, Bonds and Loans if, in the preceding six months, a dividend has not been declared or paid on any class of shares of Barclays PLC or, in certain cases, any class of preference shares of Barclays Bank PLC. Interest not paid becomes payable in each case if such a dividend is subsequently paid or in certain other circumstances. During the year, Barclays Bank PLC paid interest on each of its Undated Notes, Bonds and Loans.

No payment of principal or any interest may be made unless Barclays Bank PLC satisfies a specified solvency test.

Repayment
All undated subordinated liabilities are repayable at the option of Barclays Bank PLC in whole at the initial call date and on any fifth anniversary after the initial call date. In addition, each issue of undated subordinated liabilities is repayable, at the option of Barclays Bank PLC, in whole for certain tax reasons, either at any time, or on an interest payment date. There are no events of default except non-payment of principal or mandatory interest. Any repayments require the prior consent of the PRA.

Other
All issues of undated subordinated liabilities are non-convertible.

Dated subordinated liabilities[a]			Barclays Bank Group	
			2023	2022
	Initial call date	Maturity date	£m	£m
Barclays Bank PLC externally issued subordinated liabilities				
Subordinated Floating Rate Notes (EUR 50m)		2023	—	44
5.75% Fixed Rate Subordinated Notes		2026	**282**	280
5.4% Reverse Dual Currency Subordinated Loan (JPY 15,000m)		2027	**84**	93
6.33% Subordinated Notes (GBP 50m)		2032	**48**	46
Subordinated Floating Rate Notes (EUR 68m)		2040	**59**	60
External issuances by other subsidiaries		2033	**649**	573
Barclays Bank PLC notes issued intra-group to Barclays PLC				
2% Fixed Rate Subordinated Callable Notes (EUR 1,500m)	2023	2028	—	1,354
3.75% Fixed Rate Resetting Subordinated Callable Notes (SGD 200m)	2025	2030	**117**	120
5.20% Fixed Rate Subordinated Notes (USD 1,367m)		2026	**1,019**	1,051
1.125% Fixed Rate Resetting Subordinated Callable Notes (EUR 1,000m)	2026	2031	**816**	794
4.836% Fixed Rate Subordinated Callable Notes (USD 1,200m)	2027	2028	**898**	931
8.407% Fixed Rate Resetting Subordinated Callable Loan (GBP 1,000m)	2027	2032	**1,030**	1,009
5.088% Fixed-to-Floating Rate Subordinated Callable Notes (USD 1,300m)	2029	2030	**931**	966
7.437% Fixed Rate Resetting Subordinated Callable Notes (USD 2,000m)	2032	2033	**1,609**	1,689
5.262% Fixed Rate Resetting Subordinated Callable Notes (EUR 1,250m)	2033	2034	**1,180**	1,066
7.119% Fixed-to-Floating Rate Subordinated Callable Notes (USD 860m)	2033	2034	**672**	—
3.811% Fixed Rate Resetting Subordinated Callable Notes (USD 1,000m)	2041	2042	**619**	641
5.25% Fixed Rate Subordinated Notes (USD 827m)		2045	**445**	488
4.95% Fixed Rate Subordinated Notes (USD 1,250m)		2047	**636**	174
Floating Rate Subordinated Notes (USD 456m)		2047	**365**	385
Barclays Bank PLC intra-group loans from Barclays PLC				
Various Fixed Rate Subordinated Loans			**5,632**	8,042
Various Subordinated Floating Rate Loans			**458**	677
Various Fixed Rate Subordinated Callable Loans			**17,841**	16,105
Various Subordinated Floating Rate Callable Loans			**370**	1,127
Zero Coupon Callable Loans		2052	**579**	521
Total dated subordinated liabilities			**36,339**	38,236

Note
a Instrument values are disclosed to the nearest million.

Dated subordinated liabilities[a]			Barclays Bank PLC	
			2023	2022
	Initial call date	Maturity date	£m	£m
Barclays Bank PLC externally issued subordinated liabilities				
Subordinated Floating Rate Notes (EUR 50m)		2023	—	44
5.75% Fixed Rate Subordinated Notes		2026	**282**	280
5.4% Reverse Dual Currency Subordinated Loan (JPY 15,000m)		2027	**84**	93
6.33% Subordinated Notes (GBP 50m)		2032	**48**	46
Subordinated Floating Rate Notes (EUR 68m)		2040	**59**	60
Barclays Bank PLC notes issued intra-group to Barclays PLC				
2% Fixed Rate Subordinated Callable Notes (EUR 1,500m)	2023	2028	—	1,354
3.75% Fixed Rate Resetting Subordinated Callable Notes (SGD 200m)	2025	2030	**117**	120
5.20% Fixed Rate Subordinated Notes (USD 1,367m)		2026	**1,019**	1,051
1.125% Fixed Rate Resetting Subordinated Callable Notes (EUR 1,000m)	2026	2031	**816**	794
4.836% Fixed Rate Subordinated Callable Notes (USD 1,200m)	2027	2028	**898**	931
8.407% Fixed Rate Resetting Subordinated Callable Loan (GBP 1,000m)	2027	2032	**1,030**	1,009
5.088% Fixed-to-Floating Rate Subordinated Callable Notes (USD 1,300m)	2029	2030	**931**	966
7.437% Fixed Rate Resetting Subordinated Callable Notes (USD 2,000m)	2032	2033	**1,609**	1,689
5.262% Fixed Rate Resetting Subordinated Callable Notes (EUR 1,250m)	2033	2034	**1,180**	1,066
7.119% Fixed-to-Floating Rate Subordinated Callable Notes (USD 860m)	2033	2034	**672**	—
3.811% Fixed Rate Resetting Subordinated Callable Notes (USD 1,000m)	2041	2042	**619**	641
5.25% Fixed Rate Subordinated Notes (USD 827m)		2045	**445**	488
4.95% Fixed Rate Subordinated Notes (USD1,250m)		2047	**636**	174
Floating Rate Subordinated Notes (USD 456m)		2047	**365**	385
Barclays Bank PLC intra-group loans from Barclays PLC				
Various Fixed Rate Subordinated Loans			**5,615**	8,018
Various Subordinated Floating Rate Loans			**458**	677
Various Fixed Rate Subordinated Callable Loans			**17,841**	16,105
Various Subordinated Floating Rate Callable Loans			**370**	1,127
Zero Coupon Callable Notes		2052	**579**	521
Total dated subordinated liabilities			**35,673**	37,639

Notes
a Instrument values are disclosed to the nearest million.

Dated subordinated liabilities
Dated subordinated liabilities are issued by Barclays Bank PLC and its subsidiaries for the development and expansion of their businesses and to strengthen their respective capital bases. The principal terms of the dated subordinated liabilities are described below:

Currency and maturity
In addition to the individual dated subordinated liabilities listed in the Barclays Bank Group table, the £24,880m (2022: £26,472m) of intra-group loans is made up of various fixed, fixed to floating rate, floating and zero coupon loans from Barclays PLC with notional amounts denominated in USD 22,675m, EUR 6,782m, GBP 250m, JPY 102,100m, AUD 1,890m, NOK 220m, CAD 450m and CHF 260m, with maturities ranging from 2024 to 2052. Certain intra-group loans have a call date one year prior to their maturity.

Subordination
All dated subordinated liabilities, both externally issued and issued intra-group to Barclays PLC, rank behind the claims against Barclays Bank PLC of depositors and other unsecured unsubordinated creditors but before the claims of the undated subordinated liabilities and the holders of Barclays Bank PLC equity. The Barclays Bank PLC intra-group loans from Barclays PLC rank pari passu amongst themselves but ahead of the Barclays Bank PLC notes issued intra-group to Barclays PLC and the Barclays Bank PLC externally issued subordinated liabilities. The external dated subordinated liabilities issued by subsidiaries are similarly subordinated as the external subordinated liabilities issued by Barclays Bank PLC.

Interest
Interest on floating rate notes and loans is set by reference to market rates at the time of issuance and fixed periodically in advance, based on the related market rates.

Interest on fixed rate notes and loans is set by reference to market rates at the time of issuance and fixed until maturity.

Interest on fixed rate callable notes and loans is set by reference to market rates at the time of issuance and fixed until the call date or maturity as applicable. After the call date (where relevant), in the event that the notes or loans are not redeemed, the interest rate will be reset to either a fixed or floating rate until maturity based on market rates.

No interest is paid on zero coupon notes.

Repayment
Those subordinated liabilities with a call date are repayable at the option of Barclays Bank PLC on such call date in accordance with the conditions governing the respective debt obligations, some in whole or in part, and some only in whole, or otherwise on maturity. The remaining dated subordinated liabilities outstanding at 31 December 2023 are redeemable only on maturity, subject, in particular cases, to provisions allowing an early redemption in the event of certain changes in tax law or to certain changes in legislation or regulations.

Any repayments prior to maturity may require, in the case of Barclays Bank PLC, the prior consent of the PRA or BoE or, in the case of the overseas issues, the consent of the local regulator for that jurisdiction and of the PRA in certain circumstances.

There are no committed facilities in existence at the balance sheet date which permit the refinancing of debt beyond the date of maturity.

26 Ordinary shares, preference shares and other equity

Called up share capital, allotted and fully paid and other equity instruments	Barclays Bank Group and Barclays Bank PLC			Barclays Bank Group	Barclays Bank PLC
	Ordinary share capital	Preference share capital	Total share capital	Other equity instruments	Other equity instruments
	£m	£m	£m	£m	£m
As at 1 January 2023	**2,342**	**6**	**2,348**	**10,691**	**15,398**
AT1 securities issuance	—	—	—	2,499	2,499
AT1 securities redemption	—	—	—	(2,425)	(2,425)
As at 31 December 2023	**2,342**	**6**	**2,348**	**10,765**	**15,472**
As at 1 January 2022	2,342	6	2,348	9,693	14,400
AT1 securities issuance	—	—	—	3,134	3,134
AT1 securities redemption	—	—	—	(2,136)	(2,136)
As at 31 December 2022	2,342	6	2,348	10,691	15,398

Ordinary shares
The issued ordinary share capital of Barclays Bank PLC, as at 31 December 2023, comprised 2,342m (2022: 2,342m) ordinary shares of £1 each.

Preference shares

The issued preference share capital of Barclays Bank PLC, as at 31 December 2023, comprised 31,856 Euro Preference Shares of €100 each (2022: 31,856) and 58,133 US Dollar Preference Shares of $100 each (2022: 58,133). 1,000 Sterling Preference Shares of £1 each were redeemed during 2022.

Ordinary share capital and preference share capital constitutes 100% (2022: 100%) of total share capital issued.

Euro Preference Shares
140,000 Euro non-cumulative callable preference shares of €100 each (the Euro Preference Shares) were issued on 15 March 2005 for a consideration of €1,383.3m (£966.7m), of which the nominal value was €14m and the balance was share premium. The Euro Preference Shares entitled the holders thereof to receive Euro non-cumulative cash dividends out of distributable profits of Barclays Bank PLC, annually at a fixed rate of 4.75% per annum on the amount of €10,000 per preference share until 15 March 2020, and since 15 March 2020 quarterly at a rate reset quarterly equal to 0.71% per annum above the Euro interbank offered rate for three-month Euro deposits. The board of directors of Barclays Bank PLC may resolve, in its absolute discretion, not to pay in full, or at all, the dividend on the Euro Preference Shares in respect of a particular dividend period.

The Euro Preference Shares are redeemable at the option of Barclays Bank PLC, in whole but not in part only, on each dividend payment date at €10,000 per share plus any dividends accrued for the then current dividend period to the date fixed for redemption.

US Dollar Preference Shares
100,000 US Dollar non-cumulative callable preference shares of $100 each (the US Dollar Preference Shares), represented by 100,000 American Depositary Shares, Series 1, were issued on 8 June 2005 for a consideration of $995.4m (£548.1m), of which the nominal value was $10m and the balance was share premium. The US Dollar Preference Shares entitle the holders thereof to receive US Dollar non-cumulative cash dividends out of distributable profits of Barclays Bank PLC, semi-annually at a fixed rate of 6.278% per annum on the amount of $10,000 per preference share until 15 December 2034, and thereafter quarterly at a rate reset quarterly equal to 1.55% per annum above the London interbank offered rate for three-month US Dollar deposits. The board of directors of Barclays Bank PLC may resolve, for any reason and in its absolute discretion, not to declare or pay in full or in part any dividends on the US Dollar Preference Shares in respect of a particular dividend period.

The US Dollar Preference Shares are redeemable at the option of Barclays Bank PLC, in whole but not in part only, on 15 December 2034, and on each dividend payment date thereafter at $10,000 per share plus any dividends accrued for the then current dividend period to the date fixed for redemption.

No redemption or purchase of any Euro Preference Shares and US Dollar Preference Shares (together, the Preference Shares) may be made by Barclays Bank PLC without the prior consent of the PRA and any such redemption will be subject to the Companies Act 2006 and the Articles of Barclays Bank PLC.

On a winding-up of Barclays Bank PLC or other return of capital (other than a redemption or purchase of shares of Barclays Bank PLC, or a reduction of share capital), a holder of Preference Shares will rank in the application of assets of Barclays Bank PLC available to shareholders: (1) junior to the holder of any shares of Barclays Bank PLC in issue ranking in priority to the Preference Shares; (2) equally in all respects with holders of other preference shares and any other shares of Barclays Bank PLC in issue ranking pari passu with the Preference Shares; and (3) in priority to the holders of ordinary shares and any other shares of Barclays Bank PLC in issue ranking junior to the Preference Shares.

Subject to such ranking, in such event, holders of the Preference Shares will be entitled to receive out of assets of Barclays Bank PLC available for distributions to shareholders, liquidating distributions in the amount of €10,000 per Euro Preference Share and $10,000 per US Dollar Preference Share, plus, in each case, an amount equal to the accrued dividend for the then current dividend period to the date of the commencement of the winding-up or other such return of capital.

If a dividend is not paid in full on any preference shares on any dividend payment date, then a dividend restriction shall apply. This dividend restriction will mean that neither Barclays Bank PLC nor Barclays PLC may (a) declare or pay a dividend (other than payment by Barclays PLC of a final dividend declared by its shareholders prior to the relevant dividend payment date, or a dividend paid by Barclays Bank PLC to Barclays PLC) on any of their respective ordinary shares, other preference shares or other share capital or (b) redeem, purchase, reduce or otherwise acquire any of their respective share capital, other than shares of Barclays Bank PLC held by Barclays PLC or a wholly owned subsidiary, until the earlier of: (1) the date on which Barclays Bank PLC next declares and pays in full a preference share dividend; and (2) the date on or by which all the preference shares are redeemed in full or purchased by Barclays Bank PLC.

Holders of the Preference Shares are not entitled to receive notice of, or to attend, or vote at, any general meeting of Barclays Bank PLC. Barclays Bank PLC is not permitted to create a class of shares ranking as regards participation in the profits or assets of Barclays Bank PLC in priority to the preference shares, save with the sanction of a special resolution of a separate general meeting of the holders of the Preference Shares (requiring a majority of not less than three-fourths of the holders of the Preference Shares voting at the separate general meeting) or with the consent in writing of the holders of three-fourths of the Preference Shares.

Except as described above, the holders of the Preference Shares have no right to participate in the surplus assets of Barclays Bank PLC.

Other equity instruments Other equity instruments issued by Barclays Bank PLC of £15,472m (2022: £15,398m) include AT1 securities issued to Barclays PLC and borrowings of $6bn from a wholly-owned, indirect subsidiary of Barclays Bank PLC. As a result, the other equity instruments balance recorded by Barclays Bank Group is £10,765m (2022: £10,691m).

The borrowings of $6bn from a wholly-owned, indirect subsidiary of Barclays Bank PLC have been recorded as equity since, under their terms, interest payments are non cumulative and discretionary whilst repayment of principal is perpetually deferrable by Barclays Bank PLC. Should Barclays Bank PLC make a discretionary dividend payment on its ordinary shares in the six months preceding the date of an interest payment, it will be obliged to make that interest payment. In 2023, interest paid on these borrowings was £439m (2022: £250m).

Barclays PLC uses funds from its own market issuance of AT1 securities to purchase AT1 securities from the Barclays Bank Group. The AT1 securities are perpetual securities with no fixed maturity and are structured to qualify as AT1 instruments under prevailing capital rules applicable as at the relevant issue date.

In 2023, there were three issuances of AT1 instruments, in the form of Fixed Rate Resetting Perpetual Subordinated Contingent Convertible Securities for £2,499m (2022: three issuance for £3,134m) which includes issuance costs of £26m (2022: £32m). There were two redemptions in 2023 totalling £2,425m (2022: two redemptions totalling £2,136m).

AT1 equity instruments

	Initial call date	2023 £m	2022 £m
AT1 equity instruments - Barclays Bank Group			
7.25% Perpetual Subordinated Contingent Convertible Securities	2023	—	500
7.75% Perpetual Subordinated Contingent Convertible Securities (USD2,500m)	2023	—	1,925
5.875% Perpetual Subordinated Contingent Convertible Securities	2024	**623**	623
8.0% Perpetual Subordinated Contingent Convertible Securities (USD2,000m)	2024	**1,509**	1,509
7.125% Perpetual Subordinated Contingent Convertible Securities	2025	**299**	299
6.375% Perpetual Subordinated Contingent Convertible Securities	2025	**495**	495
6.125% Perpetual Subordinated Contingent Convertible Securities (USD1,500m)	2025	**1,134**	1,134
8.3% Perpetual Subordinated Contingent Convertible Securities (SGD450m)	2027	**263**	263
8.875% Perpetual Subordinated Contingent Convertible Securities	2027	**1,237**	1,237
4.375% Perpetual Subordinated Contingent Convertible Securities (USD1,500m)	2028	**1,072**	1,072
9.250% Perpetual Subordinated Contingent Convertible Securities	2028	**866**	—
7.300% Perpetual Subordinated Contingent Convertible Securities (SGD400m)	2028	**247**	—
8.0% Perpetual Subordinated Contingent Convertible Securities (USD2,000m)	2029	**1,634**	1,634
9.625% Perpetual Subordinated Contingent Convertible Securities (USD1,750m)	2029	**1,386**	—
		10,765	10,691

Notes to the financial statements
Capital instruments, equity and reserves

27 Reserves

Currency translation reserve

The currency translation reserve represents the cumulative gains and losses on the retranslation of net investments in foreign operations, net of the effects of hedging.

Fair value through other comprehensive income reserve

The fair value through other comprehensive income reserve represents the changes in the fair value of financial instruments accounted for at fair value through other comprehensive income investments since initial recognition.

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.

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.

Other reserves

Other reserves includes a merger reserve relating to inter-Barclays Group entity transfers, and redeemed ordinary and preference shares issued by the Barclays Bank Group.

	Barclays Bank Group	
	2023	2022
	£m	£m
Currency translation reserve	**3,783**	4,992
Fair value through other comprehensive income reserve	**(1,207)**	(1,342)
Cash flow hedging reserve	**(2,895)**	(5,557)
Own credit reserve	**(240)**	467
Other reserves	**196**	(24)
Total	**(363)**	(1,464)

	Barclays Bank PLC	
	2023	2022
	£m	£m
Currency translation reserve	**845**	1,417
Fair value through other comprehensive income reserve	**(1,215)**	(1,347)
Cash flow hedging reserve	**(2,697)**	(5,180)
Own credit reserve	**(214)**	486
Other reserves	**72**	72
Total	**(3,209)**	(4,552)

The notes included in this section focus on the costs and commitments associated with employing our staff.

28 Staff costs

Accounting for staff costs

Deferred cash and share awards are made to employees to incentivise performance over the period employees provide services. To receive payment under an award, employees must provide service over the vesting period. The period over which the expense for deferred cash and share awards is recognised is based upon the period employees consider their services contribute to the awards. For past awards, the Barclays Bank Group considers that it is appropriate to recognise the awards over the period from the date of grant to the date that the awards vest. In relation to awards granted from 2017, the Barclays Bank Group, taking into account the changing employee understanding surrounding those awards, considered it appropriate for expense to be recognised over the vesting period including the financial year prior to the grant date.

The accounting policies for share-based payments, and pensions and other post-retirement benefits, are included in Note 29 and Note 30 respectively.

	2023	2022	2021
	£m	£m	£m
Performance costs	**1,308**	1,398	1,308
Salaries	**2,921**	2,637	2,245
Social security costs	**374**	352	297
Post-retirement benefits[a]	**298**	188	181
Other compensation costs	**221**	205	172
Total compensation costs[b]	**5,122**	4,780	4,203
Other resourcing costs			
Outsourcing	**206**	259	136
Redundancy and restructuring	**176**	45	49
Temporary staff costs	**22**	25	17
Other	**65**	83	51
Total other resourcing costs	**469**	412	253
Total staff costs	**5,591**	5,192	4,456

Notes

a Post-retirement benefits charge includes £180m (2022: £140m; 2021: £121m) in respect of defined contribution schemes and £118m (2022: £48m; 2021: £60m) in respect of defined benefit schemes.

b £259m (2022: £197m; 2021: £152m) of compensation cost was capitalised as internally generated software.

29 Share-based payments

Accounting for share-based payments

Employee incentives include awards in the form of shares and share options, as well as offering employees the opportunity to purchase shares on favourable terms. The cost of the employee services received in respect of the shares or share options granted is recognised in the income statement over the period that employees provide services. The overall cost of the award is calculated using the number of shares and options expected to vest and the fair value of the shares or options at the date of grant.

The number of shares and options expected to vest takes into account the likelihood that performance and service conditions included in the terms of the awards will be met. For other share-based payment schemes such as Sharesave and Sharepurchase, there are non-vesting conditions which must be met. Failure to meet the non-vesting condition is treated as a cancellation, resulting in an acceleration of recognition of the cost of the employee services.

The fair value of shares is the market price ruling on the grant date, in some cases adjusted to reflect restrictions on transferability. The fair value of options granted is determined using the Black Scholes model to estimate the numbers of shares likely to vest. The model takes into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the share price over the life of the option and other relevant factors. Market conditions that must be met in order for the award to vest are also reflected in the fair value of the award, as are any other non-vesting conditions – such as continuing to make payments into a share-based savings scheme.

The charge for the year arising from share based payment schemes was as follows:

	Charge for the year		
	2023	2022	2021
	£m	£m	£m
Deferred Share Value Plan / Share Value Plan	**254**	270	235
Others	**144**	153	159
Total equity settled	**398**	423	394
Cash settled	**3**	3	4
Total share based payments	**401**	426	398

Notes to the financial statements
Employee benefits

The terms of the main current plans are as follows:

Share Value Plan (SVP)
SVP awards have been granted to participants in the form of a conditional right to receive Barclays PLC shares or provisional allocations of Barclays PLC shares which vest or are considered for release over a period of three, four, five or seven years. Participants do not pay to receive an award or to receive a release of shares. For awards granted before December 2017, the grantor may also make a dividend equivalent payment to participants on release of a SVP award. SVP awards are also made to eligible employees for recruitment purposes. All awards are subject to potential forfeiture in certain leaver scenarios.

Deferred Share Value Plan (DSVP)
The terms of the DSVP are materially the same as the terms of the SVP as described above, save that Executive Directors are not eligible to participate in the DSVP and the DSVP operates over market purchase shares only.

Other schemes
In addition to the SVP and DSVP, the Barclays PLC Group operates a number of other schemes settled in Barclays PLC Shares including Sharesave (both UK and Ireland), Sharepurchase (both UK and Overseas), and the Barclays PLC Group Long Term Incentive Plan. A delivery of upfront shares to 'Material Risk Takers' can be made as a Share Incentive Award (Holding Period) under the SVP.

Share option and award plans
The weighted average fair value per award granted, weighted average share price at the date of exercise/release of shares during the year, weighted average contractual remaining life, and number of options and awards outstanding (including those exercisable) at the balance sheet date were as follows:

	2023				2022			
	Weighted average fair value per award granted in year £	Weighted average share price at exercise/ release during year £	Weighted average remaining contractual life in years	Number of options/ awards outstanding (000s)	Weighted average fair value per award granted in year £	Weighted average share price at exercise/ release during year £	Weighted average remaining contractual life in years	Number of options/ awards outstanding (000s)
DSVP / SVP[a,b]	**1.49**	**1.68**	**1**	**435,820**	1.43	1.61	1	445,673
Others[a]	**0.31-1.69**	**1.42-1.69**	**0-2**	**51,363**	0.38-1.65	1.59-1.7	0-2	47,610

SVP and DSVP are nil cost awards on which the performance conditions are substantially completed at the date of grant. Consequently, the fair value of these awards is based on the market value at that date.

Sharesave has a contractual life of 3 years and 5 years, the expected volatility is 34.10% for 3 years and 33.12% for 5 years. The risk free interest rates used for valuations are 4.60% and 4.36% for 3 years and 5 years respectively. The pure dividend yield rates used for valuations are 5.27% and 5.02% for 3 years and 5 years respectively. The repo rates used for valuations are (0.50)% and (0.57)% for 3 years and 5 years respectively. The inputs into the model such as risk free interest rate, expected volatility, pure dividend yield rates and repo rates are derived from market data.

Movements in options and awards
The movement in the number of options and awards for the major schemes and the weighted average exercise price of options was:

	DSVP / SVP[a,b]		Others[a,c]			
	Number (000s)		Number (000s)		Weighted average ex. price (£)	
	2023	2022	**2023**	2022	**2023**	2022
Outstanding at beginning of year/acquisition date	**445,673**	370,505	**47,610**	47,480	**0.97**	0.95
Transfers in the year[d]	**214**	(3,742)	**9,700**	2,048	**—**	—
Granted in the year	**208,395**	264,257	**100,831**	93,160	**1.17**	1.33
Exercised/released in the year	**(179,285)**	(162,958)	**(102,130)**	(90,696)	**0.88**	1.18
Less: forfeited in the year	**(39,177)**	(22,389)	**(4,112)**	(4,017)	**1.17**	0.99
Less: expired in the year	**—**	—	**(536)**	(365)	**1.47**	1.19
Outstanding at end of year	**435,820**	445,673	**51,363**	47,610	**1.05**	0.97
Of which exercisable:	**—**	—	**11,898**	5,541	**0.87**	1.21

Notes
a Options/award granted over Barclays PLC shares.
b Weighted average exercise price is not applicable for SVP and DSVP awards as these are not share option schemes.
c The number of awards within Others at the end of the year principally relates to Sharesave (number of awards exercisable at end of year was 7,311,220). The weighted average exercise price relates to Sharesave.
d Awards of employees transferred between the Barclays Bank Group and the rest of the Barclays PLC Group.

Awards and options granted to employees and former employees of the Barclays Bank Group under the Barclays PLC Group share plans may be satisfied using new issue shares, treasury shares and market purchase shares of Barclays PLC. Awards granted to employees and former employees of the Barclays Bank Group under DSVP may only be satisfied using market purchase shares of Barclays PLC.

There were no significant modifications to the share based payments arrangements in 2023 and 2022.

As at 31 December 2023, the total liability arising from cash-settled share based payments transactions was £4m (2022: £5m).

30 Pensions and post-retirement benefits

Accounting for pensions and post-retirement benefits

The Barclays Bank Group operates a number of pension schemes and post-employment benefit schemes.

Defined contribution schemes – the Barclays Bank Group recognises contributions due in respect of the accounting period in the income statement. Any contributions unpaid at the balance sheet date are included as a liability.

Defined benefit schemes – the Barclays Bank Group recognises its obligations to members of each scheme at the period end, less the fair value of the scheme assets after applying the asset ceiling test.

Each scheme's obligations are calculated using the projected unit credit method. Scheme assets are stated at fair value as at the period end.

Changes in pension scheme liabilities or assets (remeasurements) that do not arise from regular pension cost, net interest on net defined benefit liabilities or assets, past service costs, settlements or contributions to the scheme are recognised in other comprehensive income. Remeasurements comprise experience adjustments (differences between previous actuarial assumptions and what has actually occurred), the effects of changes in actuarial assumptions, return on scheme assets (excluding amounts included in the interest on the assets) and any changes in the effect of the asset ceiling restriction (excluding amounts included in the interest on the restriction).

Post-employment benefit schemes – the cost of providing healthcare benefits to retired employees is accrued as a liability in the financial statements over the period that the employees provide services to the Barclays Bank Group, using a methodology similar to that for defined benefit pension schemes.

Pension schemes

UK Retirement Fund (UKRF)

The UKRF is the Barclays Bank Group's main scheme, representing 96% (2022: 96%) of the Barclays Bank Group's total retirement benefit obligations. Barclays Bank PLC is the principal employer of the UKRF. The UKRF was closed to new entrants on 1 October 2012, and comprises 10 sections, the two most significant of which are:

- Afterwork, which comprises a contributory cash balance defined benefit element, and a voluntary defined contribution element. The cash balance element is accrued each year and revalued until Normal Retirement Age in line with the increase in Retail Price Index (RPI) (up to a maximum of 5% p.a.). The main risks that the Barclays Bank Group runs in relation to Afterwork are limited although additional contributions are required if pre-retirement investment returns are not sufficient to provide for the benefits.
- The 1964 Pension Scheme. Most employees recruited before July 1997 built up benefits in this non-contributory defined benefit scheme in respect of service up to 31 March 2010. Pensions were calculated by reference to service and pensionable salary. From 1 April 2010, members became eligible to accrue future service benefits in either Afterwork or the Pension Investment Plan, a historic defined contribution section which is now closed to future contributions. The risks that the Barclays Bank Group runs in relation to the 1964 section are typical of final salary pension schemes, principally that investment returns fall short of expectations, that inflation exceeds expectations, and that retirees live longer than expected.

Barclays Pension Savings Plan (BPSP)

The BPSP is a defined contribution scheme providing benefits for all new UK hires from 1 October 2012. BPSP is not subject to the same investment return, inflation or life expectancy risks for the Barclays Bank Group that defined benefit schemes are. Members' benefits reflect contributions paid and the level of investment returns achieved.

Other

Apart from the UKRF and the BPSP, the Barclays Bank Group operates a number of smaller pension and long-term employee benefits and post-retirement healthcare plans globally, the largest of which are the US defined benefit and defined contribution schemes. Many of the schemes are funded, with assets backing the obligations held in separate legal vehicles such as trusts. Others are operated on an unfunded basis. The benefits provided, the approach to funding, and the legal basis of the schemes, reflect local environments.

Governance

The UKRF operates under trust law and is managed and administered on behalf of the members in accordance with the terms of the Trust Deed and Rules and all relevant legislation. The Corporate Trustee is Barclays Pension Funds Trustees Limited, a private limited company and a wholly owned subsidiary of Barclays Bank PLC. The Trustee is the legal owner of the assets of the UKRF which are held separately from the assets of the Barclays Bank Group.

The Trustee Board comprises six Management Directors selected by Barclays Bank PLC, of whom three are independent Directors with no relationship with the Barclays Bank Group (and who are not members of the UKRF), plus three Member Nominated Directors selected from eligible active, deferred or pensioner members who apply for the role.

The BPSP is a Group Personal Pension arrangement which operates as a collection of personal pension plans. Each personal pension plan is a direct contract between the employee and the BPSP provider (Legal & General Assurance Society Limited), and is regulated by the FCA.

Similar principles of pension governance apply to the Barclays Bank Group's other pension schemes, depending on local legislation.

Amounts recognised

The following tables include amounts recognised in the income statement and an analysis of benefit obligations and scheme assets for all Barclays Bank Group defined benefit schemes. The net position is reconciled to the assets and liabilities recognised on the balance sheet. The tables include funded and unfunded post-retirement benefits. The income statement charge with respect to defined contribution schemes is disclosed as part of footnotes to Note 28 Staff costs.

Income statement (credit)/charge	2023 £m	2022 £m	2021 £m
Current service cost	119	28	58
Net finance (income)/cost	(222)	(122)	(26)
Past service cost	—	20	—
Other movements	(1)	—	2
Total	**(104)**	**(74)**	**34**

Barclays Bank PLC is the principal employer of the UKRF and hence Scheme Assets and Defined Benefit Obligations relating to the UKRF are recognised within the Barclays Bank Group. Barclays Bank UK PLC and Barclays Execution Services Limited are participating employers in the UKRF and their share of the UKRF service cost is borne by them. Of the £151m current service cost in the table below, £8m relates to Barclays Bank UK PLC and £24m relates to Barclays Execution Services Limited. While the entire current service cost obligation is accounted for in the Barclays Bank Group, the income statement charge is accounted for across all the participating employers.

Balance sheet reconciliation	2023		2022	
	Barclays Bank Group Total £m	Of which relates to UKRF £m	Barclays Bank Group Total £m	Of which relates to UKRF £m
Benefit obligation at beginning of the year	(20,801)	(19,990)	(31,834)	(30,859)
Current service cost	(151)	(141)	(209)	(197)
Interest costs on scheme liabilities	(959)	(929)	(725)	(707)
Past service cost	—	—	(20)	(20)
Remeasurement (loss)/gain - financial	(698)	(683)	10,995	10,734
Remeasurement gain/(loss) - demographic	311	310	268	270
Remeasurement (loss)/gain - experience	(264)	(260)	(521)	(510)
Employee contributions	(5)	(1)	(4)	—
Benefits paid	1,115	1,075	1,339	1,299
Exchange and other movements	32	1	(90)	—
Benefit obligation at end of the year	**(21,420)**	**(20,618)**	**(20,801)**	**(19,990)**
Fair value of scheme assets at beginning of the year	25,360	24,680	35,467	34,678
Interest income on scheme assets	1,181	1,155	847	829
Employer contribution	54	39	1,807	1,785
Remeasurement - return on scheme assets (less)/greater than discount rate	(532)	(548)	(11,510)	(11,313)
Employee contributions	5	1	4	—
Benefits paid	(1,115)	(1,075)	(1,339)	(1,299)
Exchange and other movements	(39)	(18)	84	—
Fair value of scheme assets at end of the year	**24,914**	**24,234**	**25,360**	**24,680**
Net surplus	**3,494**	**3,616**	**4,559**	**4,690**
Retirement benefit assets	3,667	3,616	4,743	4,690
Retirement benefit liabilities	(173)	—	(184)	—
Net retirement benefit assets	**3,494**	**3,616**	**4,559**	**4,690**

Balance sheet reconciliation

	2023		2022	
	Barclays Bank PLC Total	Of which relates to UKRF	Barclays Bank PLC Total	Of which relates to UKRF
	£m	£m	£m	£m
Benefit obligation at beginning of the year	**(20,118)**	**(19,990)**	(31,020)	(30,859)
Current service cost	**(143)**	**(141)**	(198)	(197)
Interest costs on scheme liabilities	**(932)**	**(929)**	(709)	(707)
Past service cost	**—**	**—**	(20)	(20)
Remeasurement (loss)/gain - financial	**(676)**	**(683)**	10,774	10,734
Remeasurement gain/(loss) - demographic	**311**	**310**	268	270
Remeasurement (loss)/gain - experience	**(258)**	**(260)**	(509)	(510)
Employee contributions	**(1)**	**(1)**	—	—
Benefits paid	**1,077**	**1,075**	1,302	1,299
Exchange and other movements	**8**	**1**	(6)	—
Benefit obligation at end of the year	**(20,732)**	**(20,618)**	(20,118)	(19,990)
Fair value of scheme assets at beginning of the year	**24,733**	**24,680**	34,741	34,678
Interest income on scheme assets	**1,156**	**1,155**	830	829
Employer contribution	**40**	**39**	1,788	1,785
Remeasurement - return on scheme assets (less)/greater than discount rate	**(551)**	**(548)**	(11,325)	(11,313)
Employee contributions	**1**	**1**	—	—
Benefits paid	**(1,077)**	**(1,075)**	(1,302)	(1,299)
Exchange and other movements	**(20)**	**(18)**	1	—
Fair value of scheme assets at end of the year	**24,282**	**24,234**	24,733	24,680
Net surplus	**3,550**	**3,616**	4,615	4,690
Retirement benefit assets	**3,621**	**3,616**	4,695	4,690
Retirement benefit liabilities	**(71)**	**—**	(80)	—
Net retirement benefit assets	**3,550**	**3,616**	4,615	4,690

Included within the Barclays Bank Group's benefit obligation is £694m (2022: £690m) relating to overseas pensions and £108m (2022: £121m) relating to other post-employment benefits.

As at 31 December 2023, the UKRF's scheme assets were in surplus versus IAS 19 obligations by £3,616m (2022: £4,690m). The decrease in the UKRF surplus during the year was driven by lower corporate bond yields and the assets underperforming the discount rate.

The weighted average duration of the benefit payments reflected in the defined benefit obligation for the UKRF is 12 years (2022: 13 years). The UKRF expected benefits promised to date are projected to be paid out for in excess of 50 years, although 30% of the benefits are expected to be paid in the next 10 years; 35% in years 11 to 20 and 20% in years 21 to 30. The remainder of the benefits are expected to be paid beyond 30 years.

Of the £1,075m (2022: £1,299m) UKRF benefits paid out, £122m (2022: £390m) related to transfers out of the fund.

Where a scheme's assets exceed its obligation, an asset is recognised to the extent that it does not exceed the present value of future contribution holidays or refunds of contributions (the asset ceiling). In the case of the UKRF the asset ceiling is not applied as, in certain specified circumstances such as wind-up, the Barclays Bank Group expects to be able to recover any surplus. Similarly, a liability in respect of future minimum funding requirements is not recognised. The Trustee does not have a substantive right to augment benefits, nor do they have the right to wind-up the plan except in the dissolution of Barclays Bank PLC or termination of contributions by Barclays Bank PLC. The application of the asset ceiling to other plans and recognition of additional liabilities in respect of future minimum funding requirements are considered on an individual plan basis.

Critical accounting estimates and judgements

Actuarial valuation of the scheme's obligation is dependent upon a series of assumptions. Below is a summary of the main financial and demographic assumptions adopted for the UKRF.

Key UKRF financial assumptions	2023 % p.a.	2022 % p.a.
Discount rate	**4.49**	4.80
Inflation rate (RPI)	**3.17**	3.21

The UKRF discount rate assumption for 2023 was based on a standard WTW RATE Link model. The RPI inflation assumption for 2023 was set by reference to the Bank of England's implied inflation curve. The inflation assumption incorporates a deduction of 20 basis points as an allowance for an inflation risk premium. The methodology used to derive the discount rate and inflation assumptions is consistent with that used at the prior year end.

The UKRF's post-retirement mortality assumptions are based on best estimates derived from an analysis in 2022 of the UKRF's own post-retirement mortality experience and taking account of recent evidence from published mortality surveys. An allowance has been made for future mortality improvements based on the 2022 core projection model published by the Continuous Mortality Investigation Bureau subject to a long-term trend of 1.25% per annum in future improvements (2022: 1.25% per annum). The table below shows how the assumed life expectancy at 60, for members of the UKRF, has varied over the past three years:

Assumed life expectancy	2023	2022	2021
Life expectancy at 60 for current pensioners (years)			
– Males	**26.5**	26.8	27.3
– Females	**29.3**	29.5	29.6
Life expectancy at 60 for future pensioners currently aged 40 (years)			
– Males	**28.0**	28.3	29.1
– Females	**30.7**	31.0	31.4

Through transactions in 2020 and 2022, approximately three-quarters of the longevity risk for current pensioners has been reinsured, and the transactions will provide income to the UKRF if pensions are paid out for longer than expected. The contracts form part of the UKRF's investment portfolio.

Sensitivity analysis on actuarial assumptions

The sensitivity analysis has been calculated by valuing the UKRF liabilities using the amended assumptions shown in the table below and keeping the remaining assumptions the same as disclosed in the table above, except in the case of the inflation sensitivity where other assumptions that depend on assumed inflation have also been amended correspondingly. The difference between the recalculated liability figure and that stated in the balance sheet reconciliation table above is the figure shown. The selection of these movements to illustrate the sensitivity of the defined benefit obligation to key assumptions should not be interpreted as the Barclays Bank Group expressing any specific view of the probability of such movements happening.

Change in key assumptions

	2023	2022
	(Decrease)/Increase in UKRF defined benefit obligation £bn	(Decrease)/Increase in UKRF defined benefit obligation £bn
Discount rate		
0.5% p.a. increase	**(1.2)**	(1.1)
0.25% p.a. increase	**(0.6)**	(0.6)
0.25% p.a. decrease	**0.6**	0.6
0.5% p.a. decrease	**1.3**	1.2
Assumed RPI		
0.5% p.a. increase	**0.8**	0.8
0.25% p.a. increase	**0.4**	0.4
0.25% p.a. decrease	**(0.4)**	(0.4)
0.5% p.a. decrease	**(0.8)**	(0.8)
Life expectancy at 60		
One year increase	**0.6**	0.6
One year decrease	**(0.6)**	(0.5)

Assets

A long-term investment strategy has been set for the UKRF, with its asset allocation comprising a mixture of equities, bonds, property and other appropriate assets. This recognises that different asset classes are likely to produce different long-term returns and some asset classes may be more volatile than others. The long-term investment strategy ensures, among other aims, that investments are adequately diversified.

The value of the assets of the schemes and their percentage in relation to total scheme assets were as follows:

Analysis of scheme assets

	Barclays Bank Group Total				Of which relates to UKRF			
	Quoted	Unquoted[a]	Value	% of total fair value of scheme assets	Quoted	Unquoted[a]	Value	% of total fair value of scheme assets
	£m	£m	£m	%	£m	£m	£m	%
As at 31 December 2023								
Equities	116	—	116	0.5	—	—		—
Private equities	—	2,259	2,259	9.1	—	2,259	2,259	9.3
Bonds - fixed government	1,544	—	1,544	6.2	1,289	—	1,289	5.3
Bonds - index-linked government	9,400	—	9,400	37.7	9,383	—	9,383	38.8
Bonds - corporate and other	6,014	1,237	7,251	29.1	5,818	1,237	7,055	29.1
Property	17	1,197	1,214	4.9	—	1,197	1,197	4.9
Infrastructure	814	720	1,534	6.2	814	720	1,534	6.3
Hedge funds	11	1,309	1,320	5.3	—	1,309	1,309	5.4
Derivatives	25	(1,584)	(1,559)	(6.3)	25	(1,584)	(1,559)	(6.4)
Longevity reinsurance contracts	—	(131)	(131)	(0.5)	—	(131)	(131)	(0.5)
Cash and liquid assets[b]	(1,134)	3,036	1,902	7.6	(1,143)	3,036	1,893	7.8
Mixed investment funds	12	—	12	—	—	—	—	—
Other	5	47	52	0.2	—	5	5	—
Fair value of scheme assets	16,824	8,090	24,914	100.0	16,186	8,048	24,234	100.0
As at 31 December 2022								
Equities	113	—	113	0.5	—	—	—	0.0
Private equities	—	2,734	2,734	10.8	—	2,734	2,734	11.1
Bonds - fixed government	1,353	—	1,353	5.3	1,098	—	1,098	4.4
Bonds - index-linked government	9,847	—	9,847	38.9	9,829	—	9,829	39.9
Bonds - corporate and other	5,884	1,551	7,435	29.3	5,690	1,551	7,241	29.3
Property	13	1,310	1,323	5.2	—	1,310	1,310	5.3
Infrastructure	793	790	1,583	6.2	793	790	1,583	6.4
Hedge funds	11	1,362	1,373	5.4	—	1,362	1,362	5.5
Derivatives	(20)	(1,837)	(1,857)	(7.3)	(20)	(1,837)	(1,857)	(7.5)
Longevity reinsurance contracts	—	(123)	(123)	(0.5)	—	(123)	(123)	(0.5)
Cash and liquid assets[b]	(1,776)	3,286	1,510	6.0	(1,789)	3,286	1,497	6.1
Mixed Investment funds	11	—	11	—	—	—	—	—
Other	7	51	58	0.2	—	6	6	—
Fair value of scheme assets	16,236	9,124	25,360	100.0	15,601	9,079	24,680	100.0

Analysis of scheme assets

	Barclays Bank PLC Total				Of which relates to UKRF			
	Quoted £m	Unquoted[a] £m	Value £m	% of total fair value of scheme assets %	Quoted £m	Unquoted[a] £m	Value £m	% of total fair value of scheme assets %
As at 31 December 2023								
Equities	**12**	**—**	**12**	**—**	**—**	**—**		**—**
Private equities	**—**	**2,259**	**2,259**	**9.3**	**—**	**2,259**	**2,259**	**9.3**
Bonds - fixed government	**1,299**	**—**	**1,299**	**5.4**	**1,289**	**—**	**1,289**	**5.3**
Bonds - index-linked government	**9,391**	**—**	**9,391**	**38.7**	**9,383**	**—**	**9,383**	**38.8**
Bonds - corporate and other	**5,821**	**1,237**	**7,058**	**29.1**	**5,818**	**1,237**	**7,055**	**29.1**
Property	**—**	**1,198**	**1,198**	**4.9**	**—**	**1,197**	**1,197**	**4.9**
Infrastructure	**814**	**720**	**1,534**	**6.3**	**814**	**720**	**1,534**	**6.3**
Hedge funds	**—**	**1,309**	**1,309**	**5.4**	**—**	**1,309**	**1,309**	**5.4**
Derivatives	**25**	**(1,584)**	**(1,559)**	**(6.4)**	**25**	**(1,584)**	**(1,559)**	**(6.4)**
Longevity reinsurance contracts	**—**	**(131)**	**(131)**	**(0.5)**	**—**	**(131)**	**(131)**	**(0.5)**
Cash and liquid assets[b]	**(1,143)**	**3,036**	**1,893**	**7.8**	**(1,143)**	**3,036**	**1,893**	**7.8**
Mixed investment funds	**9**	**—**	**9**	**—**	**—**	**—**	**—**	**—**
Other	**—**	**10**	**10**	**—**	**—**	**5**	**5**	**—**
Fair value of scheme assets	**16,228**	**8,054**	**24,282**	**100.0**	**16,186**	**8,048**	**24,234**	**100.0**
As at 31 December 2022								
Equities	8	—	8	—	—	—	—	—
Private equities	—	2,734	2,734	11.1	—	2,734	2,734	11.1
Bonds - fixed government	1,106	—	1,106	4.5	1,098	—	1,098	4.4
Bonds - index-linked government	9,840	—	9,840	39.7	9,829	—	9,829	39.9
Bonds - corporate and other	5,697	1,551	7,248	29.3	5,690	1,551	7,241	29.3
Property	—	1,312	1,312	5.3	—	1,310	1,310	5.3
Infrastructure	793	790	1,583	6.4	793	790	1,583	6.4
Hedge funds	—	1,362	1,362	5.5	—	1,362	1,362	5.5
Derivatives	(20)	(1,837)	(1,857)	(7.5)	(20)	(1,837)	(1,857)	(7.5)
Longevity reinsurance contracts	—	(123)	(123)	(0.5)	—	(123)	(123)	(0.5)
Cash and liquid assets[b]	(1,788)	3,286	1,498	6.1	(1,789)	3,286	1,497	6.1
Mixed Investment funds	3	—	3	—	—	—	—	—
Other	—	19	19	0.1	—	6	6	—
Fair value of scheme assets	15,639	9,094	24,733	100.0	15,601	9,079	24,680	100.0

Notes
a Valuation of unquoted assets is provided by the underlying managers or qualified independent valuers. The valuation for some of the unquoted assets, in particular private equities, is based on valuations as at 30 September 2023 adjusted by cash flows, these being the latest available valuations as at the point of publication. All valuations are determined in accordance with relevant industry guidance. Barclays Bank Group does not believe these valuations will differ materially from the fair value, in the context of the overall UKRF asset size.
b Cash and liquid assets for the UKRF consists of £354m (2022:£521m) cash, £91m (2022:£80m) receivables/payables, £3,036m (2022: £3,286m) pooled cash funds and £(1,588)m (2022: £(2,390)m) repurchase agreements.

Included within the fair value of UKRF scheme assets was nil (2022: nil) relating to shares in Barclays PLC and nil (2022: nil) relating to bonds issued by Barclays PLC or Barclays Bank PLC. The UKRF also invests in pooled investment vehicles which may hold shares or debt issued by Barclays PLC.

During 2023, the Trustee undertook a review of the investment strategy to reflect updated liabilities and market assumptions. The Trustee agreed to continue their existing de-risking plan and make no fundamental changes to the investment strategy.

At 31 December 2023, 39% of the UKRF assets were invested in liability-driven investment strategies; primarily UK gilts as well as interest rate and inflation swaps. These swaps are used to better match the assets to its liabilities. The swaps are used to reduce the scheme's inflation and duration risks against its liabilities.

The UKRF employs derivative instruments, where appropriate, to match assets more closely to liabilities, or to achieve a desired exposure or return. The value of assets shown reflects the assets held by the UKRF, with any derivative holdings reflected on a fair value basis. The UKRF uses repurchase agreements and reverse repurchase agreements to achieve the Trustee's liability hedging objective. Investment managers are allowed to undertake repo transactions on the UKRF's existing gilt holdings to raise cash with which to buy additional gilts for efficient portfolio management; and reverse repo transactions to receive gilts and be paid a fee for providing cash.

The UKRF has a comprehensive and robust liquidity framework in place. The aim of the liquidity framework is to ensure that pension payments and other liquidity outflows are paid in due course, sufficient liquidity and collateral is maintained to achieve strategic allocation targets and that all liquidity outflows/collateral needs are covered without forced sale or strategic asset allocation changes.

The UKRF holds two longevity reinsurance contracts covering 75% of the current pensioner liabilities. The contracts provide income to the UKRF if pensions are paid out for longer than expected. At 31 December 2023, the combined value of the contracts was £(131)m (2022: £(123)m). The negative value reflects the estimated impact of changes in the reinsurance market, demographic assumptions and risk premia since the contracts were entered into by the UKRF.

For information on the UKRF Trustee's approach to Responsible Investment and Climate Risk, in the context of managing the UKRF, please refer to the UKRF Trustee website at https://epa.towerswatson.com/accounts/barclays/public/barclays-bank-responsible-investment-policy/.

Triennial valuation

The UKRF annual funding update as at 30 September 2023 showed a funding surplus of £2.03bn compared to £1.97bn as at 30 September 2022 the triennial actuarial valuation. The improvement was mainly due to asset returns outperforming the change in liabilities.

The main differences between the funding and accounting assumptions are a different approach to setting the discount rate and a more conservative longevity assumption for funding.

As part of the 2022 triennial valuation, the Trustee and Barclays Bank PLC agreed an annual adequacy test on a basis more prudent than the IAS 19 or funding bases. Should the UKRF be sufficiently funded on this basis, the regular employer contributions to the UKRF to fund future Afterwork accrual will not be required in the following calendar year. The test will be reviewed at the 2025 triennial valuation. The test was passed in September 2023, so no regular employer contributions are required for 2024.

The next funding valuation of the UKRF is due to be completed in 2026 with an effective date of 30 September 2025.

Other support measures agreed which remain in place

Collateral – Barclays Bank PLC has entered into an agreement with the UKRF Trustee to provide collateral to cover at least 100% of any funding deficit with an overall cap of £9bn, to provide security if the UKRF is in a funding deficit. The collateral pool is currently zero reflecting the surplus funding position. The arrangement provides the UKRF Trustee with dedicated access to the pool of assets in the event of Barclays Bank PLC not paying any required deficit reduction contribution to the UKRF or in the event of Barclays Bank PLC's insolvency.

Participation – As permitted under the Financial Services and Markets Act 2000 (Banking Reform) (Pensions) Regulations 2016, Barclays Bank UK PLC is a participating employer in the UKRF and will remain so during a transitional phase until September 2025 as set out in a deed of participation. In the event of Barclays Bank PLC's insolvency during this period, provision has been made to require Barclays Bank UK PLC to become the principal employer of the UKRF. Barclays Bank PLC's Section 75 debt would be triggered by the insolvency (the debt would be calculated after allowing for the payment to the UKRF of any collateral above).

Defined benefit contributions paid with respect to the UKRF were as follows:

Contributions paid

	£m
2023	**39**
2022	1,785
2021	955

There were nil (2022: nil) Section 75 contributions included within the Barclays Bank Group's contributions paid as no participating employers left the UKRF in 2023.

The Barclays Bank Group's expected contribution to the UKRF in respect of defined benefits in 2024 is £4m. In addition, the expected contribution to UK defined contribution schemes in 2024 is £6m to the UKRF and £59m to the BPSP.

The section presents information on the Barclays Bank Group's investments in subsidiaries, joint ventures and associates and its interests in structured entities. Detail is also given on securitisation transactions the Barclays Bank Group has entered into and arrangements that are held off-balance sheet.

31 Principal subsidiaries

The significant judgements used in applying this policy are set out below.

Accounting for investment in subsidiaries

In the individual financial statements of Barclays Bank PLC, investments in subsidiaries are stated at cost less impairment.

Investments in subsidiaries, the majority of which are engaged in banking related activities, are recorded on the balance sheet at historical cost less any impairment. At 31 December 2023 the historical cost of investments in subsidiaries was £22,185m (2022: £22,180m), and impairment allowances recognised against these investments totalled £3,080m (2022: £2,916m). The decrease in the balance sheet value of £159m in the year was driven by an increase in the cost of investments in subsidiaries totalling £5m and an increase in impairment of £164m, During the year, 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.

In May 2023, Barclays Bank PLC acquired the entire issued share capital of Barclays Asset Management Limited and Barclays Investment Solutions Limited, part of the Wealth & Investment Management business, 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.

At the end of each reporting period an impairment review is undertaken in respect of investments in the ordinary shares of subsidiaries. Impairment is indicated where the investment exceeds the recoverable amount. The recoverable amount is calculated as a value in use (VIU) which is derived from the present value of future cash flows expected to be received from the investment. The VIU calculations use forecast profits based on financial budgets approved by management, covering a five-year period as an approximation of future cash flows discounted using a discount rate appropriate to the subsidiary being tested. A terminal growth rate is then applied to the cash flows thereafter, which is based upon expectations of future inflation rates.

The 2022 review identified impairment of the investment in Barclays Bank Ireland PLC of £2,489m, reducing its carrying value to £2,548m. The 2023 review did not result in any change in the impairment.

Principal subsidiaries of the Barclays Bank Group are set out below. This includes those subsidiaries that are most significant in the context of the Barclays Bank Group's business, results or financial position.

Company Name	Principal place of business or incorporation	Nature of business	Percentage of voting rights held %	Non-controlling interests - proportion of ownership interests %	Non-controlling interests - proportion of voting interests %
Barclays Bank Delaware	United States	Credit card issuer	100	—	—
Barclays Bank Ireland PLC	Ireland	Banking	100	—	—
Barclays Capital Inc.	United States	Securities dealing	100	—	—
Barclays Capital Securities Limited	United Kingdom	Securities dealing	100	—	—
Barclays Securities Japan Limited	Japan	Securities dealing	100	—	—
Barclays US LLC	United States	Holding company	100	—	—

The country of registration or incorporation is also the principal area of operation of each of the above subsidiaries.

Ownership interests are in some cases different to voting interests due to the existence of non-voting equity interests, such as preference shares.

Significant judgements and assumptions used to determine the scope of the consolidation

Determining whether the Barclays Bank Group has control of an entity is generally straightforward based on ownership of the majority of the voting capital. However, in certain instances, this determination will involve significant judgement, particularly in the case of structured entities where voting rights are often not the determining factor in decisions over the relevant activities. This judgement will involve assessing the purpose and design of the entity. It will also often be necessary to consider whether the Barclays Bank Group, or another involved party with power over the relevant activities, is acting as a principal in its own right or as an agent on behalf of others.

There is also often considerable judgement involved in the ongoing assessment of control over structured entities. In this regard, where market conditions have deteriorated such that the other investors' exposures to the structure's variable returns have been substantively eliminated, the Barclays Bank Group may conclude that the managers of the structured entity are acting as its agent and therefore will consolidate the structured entity.

An interest in equity voting rights exceeding 50% would typically indicate that the Barclays Bank Group has control of an entity. However, the entity set out below is excluded from consolidation because the Barclays Bank Group does not have exposure to its variable returns.

Company name	Country of registration or incorporation	Percentage of voting rights held (%)	Equity shareholders' funds (£m)	Retained profit for the year (£m)
Palomino Limited	Cayman Islands	100	—	—

This entity is managed by an external counterparty and consequently is not controlled by the Barclays Bank Group. Interests relating to this entity are included in Note 32.

Significant restrictions

As is typical for a group of its size and international scope, there are restrictions on the ability of the Barclays Bank Group to obtain distributions of capital, access the assets or repay the liabilities of certain members of the Barclays Bank Group due to the statutory, regulatory and contractual requirements of its subsidiaries and due to the protective rights of non-controlling interests. These are considered below.

Regulatory requirements

The Barclays Bank Group's principal subsidiary companies have assets and liabilities before intercompany eliminations of £524bn (2022: £491bn) and £500bn (2022: £466bn) respectively. Certain classes of these assets and liabilities are subject to prudential regulation and regulatory capital requirements in the countries in which the subsidiaries are regulated. These prudential and regulatory capital requirements require entities to maintain minimum capital levels which cannot be returned to the parent company, Barclays Bank PLC, on a going concern basis.

In order to meet capital requirements, subsidiaries may issue certain equity accounted and debt accounted financial instruments such as Tier 1 and Tier 2 capital instruments and other forms of subordinated liabilities. Refer to Note 25 and Note 26 for particulars of these instruments. These instruments may be subject to cancellation clauses or preference share restrictions that would limit the ability of the entity to repatriate the capital on a timely basis.

Liquidity requirements

Regulated subsidiaries of the Barclays Bank Group are required to meet PRA or local regulatory requirements pertaining to liquidity. These regulated subsidiaries include Barclays Capital Securities Limited (which is regulated for liquidity matters on a combined basis with Barclays Bank PLC under a Domestic Liquidity Sub-Group (DoLSub) arrangement), Barclays Bank Ireland PLC, Barclays Capital Inc. and Barclays Bank Delaware Inc. See page 115 for further details of liquidity requirements.

Statutory requirements

The Barclays Bank Group's subsidiaries are subject to statutory requirements not to make distributions of capital and unrealised profits and generally to maintain solvency. These requirements restrict the ability of subsidiaries to make remittances of dividends to Barclays Bank PLC, the parent, except in the event of a legal capital reduction or liquidation. In most cases the regulatory restrictions referred to above exceed the statutory restrictions.

Asset encumbrance

The Barclays Bank Group uses its financial assets to raise finance in the form of securitisations and through the liquidity schemes of central banks, as well as to provide security to the UK Retirement Fund. Once encumbered, the assets are not available for transfer around the Barclays Bank Group. The assets typically affected are disclosed in Note 35.

Other restrictions

The Barclays Bank Group is required to maintain balances with central banks and other regulatory authorities and these amounted to £2,973m (2022: £3,038m).

32 Structured entities

A structured entity is an entity in which voting or similar rights are not the dominant factor in deciding who controls the entity. An example is when voting rights may relate to administrative tasks only, with the relevant activities of the entity being directed by means of contractual arrangements. Structured entities are generally created to achieve a narrow and well-defined objective with restrictions around their ongoing activities.

Depending on the Barclays Bank Group's power over the activities of the entity and its exposure to and ability to influence its own returns, it may consolidate the entity. In other cases, it may sponsor or have exposure to such an entity but not consolidate it.

Consolidated structured entities

The Barclays Bank Group has contractual arrangements which may require it to provide financial support to the following types of consolidated structured entities:

- Securitisation vehicles: The Barclays Bank Group uses securitisation as a source of financing and a means of risk transfer. Where entities are controlled by the Barclays Bank Group, they are consolidated. Refer to Note 34 for further detail.
- Commercial paper (CP) conduits: These entities issue CP and use the proceeds to lend to clients as part of the Barclays Bank Group's multi-seller conduit programme. The Barclays Bank Group has provided £22.4bn (2022: £20.8bn) in contractual liquidity facilities to the CP conduits that the Barclays Bank Group consolidates. These amounts represent the maximum the conduits can lend externally. The amounts of CP conduit lending (drawn and undrawn) to unconsolidated structured entities can be seen in 'Other interests in unconsolidated structured entities' under multi-seller conduit programme in the 'Nature of interest' table.
- Tender Option Bond (TOB) trusts: During 2023, the Barclays Bank Group provided undrawn liquidity facilities of £3.7bn (2022: £3.8bn) to consolidated TOB trusts. These trusts invest in fixed income instruments issued by state, local or other municipalities in the United States, funded by long-term senior floating-rate notes and junior residual securities.

Unconsolidated structured entities

The term 'unconsolidated structured entities' refers to structured entities not controlled by the Barclays Bank Group, and are established either by Barclays Bank Group or a third party. An interest in a structured entity is any form of contractual or non-contractual involvement which creates variability in returns arising from the performance of the entity for the Barclays Bank Group. Such interests include holdings of debt or equity securities, derivatives that transfer financial risks from the entity to the Barclays Bank Group, lending, loan commitments, financial guarantees and investment management agreements.

Barclays Bank Group enters into transactions with unconsolidated structured entities in the normal course of business to facilitate customer transactions, to provide risk management services and for specific investment opportunities. This is predominantly within the Corporate and Investment Bank. Structured entities may take the form of funds, trusts, securitisation vehicles, and private investment companies. The largest transactions for Barclays Bank Group include loans and derivatives with hedge fund structures and special purpose entities, multi-seller conduit lending, holding notes issued by securitisation vehicles and facilitating customer requirements through funds.

The nature and extent of the Barclays Bank Group's interests in structured entities is summarised below:

Summary of interests in unconsolidated structured entities

	Secured financing £m	Short-term traded interests £m	Traded derivatives £m	Other interests £m	Total £m
As at 31 December 2023					
Assets					
Trading portfolio assets	—	15,482	—	—	15,482
Financial assets at fair value through the income statement	74,551	—	—	1,099	75,650
Derivative financial instruments	—	—	5,685	—	5,685
Financial assets at fair value through other comprehensive income	—	—	—	838	838
Loans and advances at amortised cost	—	—	—	34,162	34,162
Debt securities at amortised cost	—	—	—	9,217	9,217
Reverse repurchase agreements and other similar secured lending	896	—	—	—	896
Other assets	—	—	—	130	130
Total assets	**75,447**	**15,482**	**5,685**	**45,446**	**142,060**
Liabilities					
Derivative financial instruments	—	—	6,173	—	6,173
As at 31 December 2022					
Assets					
Trading portfolio assets	—	8,632	—	—	8,632
Financial assets at fair value through the income statement	75,166	—	—	2,406	77,572
Derivative financial instruments	—	—	4,555	—	4,555
Financial assets at fair value through other comprehensive income	—	—	—	423	423
Loans and advances at amortised cost	—	—	—	30,528	30,528
Debt securities at amortised cost	—	—	—	6,314	6,314
Reverse repurchase agreements and other similar secured lending	117	—	—	—	117
Other assets	—	—	—	65	65
Total assets	75,283	8,632	4,555	39,736	128,206
Liabilities					
Derivative financial instruments	—	—	8,460	—	8,460

Secured financing arrangements, short-term traded interests and traded derivatives are typically managed under Market risk management policies described in the Market risk management section which includes an indication of the change of risk measures compared to last year. For this reason, the total assets of these entities are not considered meaningful for the purposes of understanding the related risks and so have not been presented. Other interests include conduits and lending where the interest is driven by normal customer demand. As at 31 December 2023, Barclays Bank Group entered into transactions with approximately 6,000 (2022: 6,000) structured entities.

Secured financing
The Barclays Bank Group routinely enters into reverse repurchase contracts, margin lending, stock borrowing and similar arrangements on normal commercial terms where the counterparty to the arrangement is a structured entity. Due to the nature of these arrangements, especially the transfer of collateral and ongoing margining, the Barclays Bank Group is able to manage its variable exposure to the performance of the structured entity counterparty. The counterparties included in secured financing mainly include hedge fund limited structures, investment companies and special purpose entities.

Short-term traded interests
As part of its market making activities, the Barclays Bank Group buys and sells interests in structured vehicles, which are predominantly debt securities issued by asset securitisation vehicles. Such interests are typically held individually or as part of a larger portfolio for no more than 90 days. In such cases, the Barclays Bank Group typically has no other involvement with the structured entity other than the securities it holds as part of trading activities and its maximum exposure to loss is restricted to the carrying value of the asset.

Traded derivatives
The Barclays Bank Group enters into a variety of derivative contracts with structured entities which reference market risk variables such as interest rates, equities, foreign exchange rates and credit indices among other things. The main derivative types that are considered interests in structured entities include equity options, index-based and entity specific credit default swaps, and total return swaps. Interest rate swaps and foreign exchange derivatives that are not complex and which expose the Barclays Bank Group to insignificant credit risk by being senior in the payment waterfall of a securitisation and derivatives that are determined to introduce risk or variability to a structured entity are not considered to be an interest in an entity and have been excluded from the disclosures.

A description of the types of derivatives and the risk management practices are detailed in Note 13. The risk of loss may be mitigated through ongoing margining requirements as well as a right to cash flows from the structured entity which are senior in the payment waterfall. Such margining requirements are consistent with market practice for many derivative arrangements and in line with the Barclays Bank Group's normal credit policies.

Derivative transactions require the counterparty to provide cash or other collateral under margining agreements to mitigate counterparty credit risk. The Barclays Bank Group is mainly exposed to settlement risk on these derivatives which is mitigated through daily margining. Total notional contract amounts were £335,552m (2022: £244,780m).

Except for credit default swaps where the maximum exposure to loss is the swap notional amount, it is not possible to estimate the maximum exposure to loss in respect of derivative positions as the fair value of derivatives is subject to changes in market rates of interest, exchange rates and credit indices which by their nature are uncertain. In addition, the Barclays Bank Group's losses would be subject to mitigating action under its traded market risk and credit risk policies that require the counterparty to provide collateral in cash or other assets in most cases.

Other interests in unconsolidated structured entities

The Barclays Bank Group's interests in structured entities not held for the purposes of short-term trading activities are set out below, summarised by the nature of the interest and limited to significant categories, based on maximum exposure to loss.

Nature of interest

	Multi-seller conduit programme £m	Lending £m	Other £m	Total £m	Of which: Barclays Bank Group owned, not consolidated entities[a] £m
As at 31 December 2023					
Financial assets at fair value through the income statement	—	3	1,096	1,099	907
Financial assets at fair value through other comprehensive income	—	638	200	838	—
Loans and advances at amortised cost	8,903	25,259	—	34,162	—
Debt securities at amortised cost	—	—	9,217	9,217	—
Other assets	38	88	4	130	—
Total on-balance sheet exposures	8,941	25,988	10,517	45,446	907
Total off-balance sheet notional amounts	11,947	12,581	—	24,528	—
Maximum exposure to loss	20,888	38,569	10,517	69,974	907
Total assets of the entity	35,439	160,438	84,107	279,984	1,869
As at 31 December 2022					
Financial assets at fair value through the income statement	—	9	2,397	2,406	2,284
Financial assets at fair value through other comprehensive income	—	220	203	423	—
Loans and advances at amortised cost	8,681	21,847	—	30,528	—
Debt securities at amortised cost	—	—	6,314	6,314	—
Other assets	32	33	—	65	—
Total on-balance sheet exposures	8,713	22,109	8,914	39,736	2,284
Total off-balance sheet notional amounts	10,552	10,902	—	21,454	—
Maximum exposure to loss	19,265	33,011	8,914	61,190	2,284
Total assets of the entity	66,504	154,501	63,798	284,803	8,690

Note

a Comprises of Barclays Bank Group owned, not consolidated structured entities per IFRS 10 Consolidated Financial Statements, and Barclays Bank Group sponsored entities. Refer to Note 31 Principal subsidiaries for more details on consolidation.

Maximum exposure to loss

Unless specified otherwise below, the Barclays Bank Group's maximum exposure to loss is the total of its on-balance sheet positions and its off-balance sheet arrangements, being loan commitments and financial guarantees. Exposure to loss is mitigated through collateral, financial guarantees, the availability of netting and credit protection held.

Multi-seller conduit programme

The Barclays Bank Group's multi-seller conduit programme engages in providing financing to various clients and holds whole or partial interests in pools of receivables or similar obligations. These instruments are protected from loss through over-collateralisation, seller guarantees, or other credit enhancements provided to the conduit entity. The Barclays Bank Group's off-balance sheet exposure included in the table above represents liquidity facilities that are provided to the conduit for the benefit of the holders of the commercial paper issued by the conduit and will only be drawn where the conduit is unable to access the commercial paper market. If these liquidity facilities are drawn, the Barclays Bank Group is protected from loss through over-collateralisation, seller guarantees, or other credit enhancements provided to the conduit.

Lending

The portfolio includes lending provided by the Barclays Bank Group to unconsolidated structured entities in the normal course of its lending business to earn income in the form of interest and lending fees and includes loans to structured entities that are generally collateralised by property, equipment or other assets. All loans are subject to the Barclays Bank Group's credit sanctioning process. Collateral arrangements are specific to the circumstances of each loan with additional guarantees and collateral sought from the sponsor of the structured entity for certain arrangements. During the year, the Barclays Bank Group incurred immaterial impairment against such facilities.

Other

This includes fair value loans with structured entities where the market risk is materially hedged with corresponding derivative contracts, interests in debt securities issued by securitisation vehicles and drawn and undrawn loan facilities to these entities. In addition, 'Other' includes investment funds with interests restricted to management fees based on the performance of the fund and trusts held on behalf of beneficiaries with interests restricted to unpaid fees.

Assets transferred to sponsored unconsolidated structured entities

The Barclays Bank Group is considered to sponsor another entity if; it had a key role in establishing that entity, it transferred assets to the entity, the Barclays name appears in the name of the entity or it provides guarantees on the entity's performance. As at 31 December 2023, assets transferred to sponsored unconsolidated structured entities were £1,420m (2022: £1,665m).

33 Investments in associates and joint ventures

There are no individually significant investments in joint ventures or associates held by Barclays Bank Group.

	2023			2022		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
	£m	£m	£m	£m	£m	£m
Equity accounted (Group)	22	—	22	26	—	26

	2023			2022		
	Associates	Joint ventures	Total	Associates	Joint ventures	Total
	£m	£m	£m	£m	£m	£m
Equity accounted (Parent)	12	—	12	12	—	12

Summarised financial information for the Barclays Bank Group's equity accounted associates and joint ventures is set out below. The amounts shown are the Barclays Bank Group's share of the net income of the investees for the year ended 31 December 2023, with the exception of certain undertakings for which the amounts are based on accounts made up to dates not earlier than three months before the balance sheet date.

	Associates			Joint ventures		
	2023	2022	2021	2023	2022	2021
	£m	£m	£m	£m	£m	£m
(Loss)/Profit from continuing operations	(4)	3	—	—	—	—
Other comprehensive income	—	—	1	—	—	—
Total comprehensive (loss)/income from continuing operations	(4)	3	1	—	—	—

34 Securitisations

Accounting for securitisations

The Barclays Bank Group uses securitisations as a source of finance and a means of risk transfer. Such transactions generally result in the transfer of contractual cash flows from portfolios of financial assets to holders of issued debt securities.

Securitisations may, depending on the individual arrangement, result in continued recognition of the securitised assets and the recognition of the debt securities issued in the transaction; lead to partial continued recognition of the assets to the extent of the Barclays Bank Group's continuing involvement in those assets or lead to derecognition of the assets and the separate recognition, as assets or liabilities, of any rights and obligations created or retained in the transfer. Full derecognition only occurs when the Barclays Bank Group transfers both its contractual right to receive cash flows from the financial assets, or retains the contractual rights to receive the cash flows, but assumes a contractual obligation to pay the cash flows to another party without material delay or reinvestment, and also transfers substantially all the risks and rewards of ownership, including credit risk, prepayment risk and interest rate risk.

In the course of its normal banking activities, the Barclays Bank Group makes transfers of financial assets, either where legal rights to the cash flows from the asset are passed to the counterparty or beneficially, where the Barclays Bank Group retains the rights to the cash flows but assumes a responsibility to transfer them to the counterparty. Depending on the nature of the transaction, this may result in derecognition of the assets in their entirety, partial derecognition or no derecognition of the assets subject to the transfer.

A summary of the main transactions, and the assets and liabilities and the financial risks arising from these transactions, is set out below:

Transfers of financial assets that do not result in derecognition

Securitisations

The Barclays Bank Group is party to securitisation transactions involving its credit card and mortgage loan balances.

In these transactions, the assets, interests in the assets, or beneficial interests in the cash flows arising from the assets, are transferred to a special purpose entity, which then issues interest bearing debt securities to third party investors.

Securitisations may, depending on the individual arrangement, result in continued recognition of the securitised assets and the recognition of the debt securities issued in the transaction. Partial continued recognition of the assets to the extent of the Barclays Bank Group's continuing involvement in those assets can also occur or derecognition of the assets and the separate recognition, as assets or liabilities, of any rights and obligations created or retained in the transfer.

The following table shows the carrying amount of securitised assets that have not resulted in full derecognition, together with the associated liabilities, for each category of asset on the balance sheet:

	2023				2022			
	Assets		Liabilities		Assets		Liabilities	
	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m	Carrying amount £m	Fair value £m
Barclays Bank Group								
Loans and advances at amortised cost								
Credit cards, unsecured loans and other retail lending	**6,317**	**6,863**	**(2,336)**	**(2,303)**	4,846	5,283	(1,433)	(1,356)
Financial assets at FVTPL								
Mortgage Loans	**452**	**452**	**—**	**—**	330	330	—	—
Total	**6,769**	**7,315**	**(2,336)**	**(2,303)**	5,176	5,613	(1,433)	(1,356)

Balances included within loans and advances at amortised cost represent securitisations where substantially all the risks and rewards of the assets have been retained by Barclays Bank Group and balances included within Financial assets at FVTPL represent securitisations where the risks and rewards are neither substantially transferred nor retained.

The relationship between the transferred assets and the associated liabilities is that holders of notes may only look to cash flows from the securitised assets for payments of principal and interest due to them under the terms of their notes, although the contractual terms of their notes may be different to the maturity and interest of the transferred assets.

If the Barclays Bank Group transfers a financial asset but does not transfer or retain substantially all the risk and rewards of the asset and retains control over it, the transferred assets are recognised to the extent of Barclays Bank Group's continuing involvement. Total Financial assets of £3,353m (2022: £828m) were transferred in this manner and the carrying value of the assets representing continued involvement is included in the table above.

For transfers of assets in relation to repurchase agreements, see Note 35.

Continuing involvement in financial assets that have been derecognised

In some cases, the Barclays Bank Group may have transferred a financial asset in its entirety but may have continuing involvement in it. This arises in asset securitisations where loans and asset backed securities were derecognised as a result of the Barclays Bank Group's involvement with asset backed securities, residential mortgage backed securities and commercial mortgage backed securities. Continuing involvement largely arises from providing financing into these structures in the form of retained notes, which do not bear first losses.

The table below shows the potential financial implications of such continuing involvement:

	Continuing involvement[a]			Gain from continuing involvement	
	Carrying amount	Fair value	Maximum exposure to loss	For the year ended	Cumulative to 31 December
Type of transfer	£m	£m	£m	£m	£m
2023					
Asset backed securities	**2**	**2**	**2**	**—**	**3**
Residential mortgage backed securities	**1,158**	**1,156**	**1,158**	**57**	**75**
Commercial mortgage backed securities	**392**	**341**	**392**	**3**	**19**
Total	**1,552**	**1,499**	**1,552**	**60**	**97**
2022					
Asset backed securities	8	8	8	1	3
Residential mortgage backed securities	432	426	432	18	22
Commercial mortgage backed securities	412	357	412	5	16
Total	852	791	852	24	41

Note
a Assets which represent the Barclays Bank Group's continuing involvement in derecognised assets are recorded in Loans and advances at amortised cost and Debt Securities at FVTP&L.

35 Assets pledged, collateral received and assets transferred

Assets are pledged or transferred as collateral to secure liabilities under repurchase agreements, securitisations and stock lending agreements or as security deposits relating to derivatives. Assets transferred are non-cash assets transferred to a third party that do not qualify for derecognition from the Barclays Bank Group's balance sheet, for example because the Barclays Bank Group retains substantially all the exposure to those assets under an agreement to repurchase them in the future for a fixed price.

Where non-cash assets are pledged or transferred as collateral for cash received, the asset continues to be recognised in full, and a related liability is also recognised on the balance sheet. Where non-cash assets are pledged or transferred as collateral in an exchange for non-cash assets, the transferred asset continues to be recognised in full, and there is no associated liability as the non-cash collateral received is not recognised on the balance sheet. The Barclays Bank Group is unable to use, sell or pledge the transferred assets for the duration of the transaction and remains exposed to interest rate risk and credit risk on these pledged assets. Unless stated, the counterparty's recourse is not limited to the transferred assets.

Collateralised transactions, such as securities lending and borrowing, repurchase and derivative transactions are conducted in accordance with standard terms which are customary in the market.

The following table summarises the nature and carrying amount of the assets pledged as security:

	Barclays Bank Group	
	2023	2022
	£m	£m
Cash collateral and settlement balances	**70,007**	75,790
Loans and advances at amortised cost	**46,902**	36,752
Trading portfolio assets	**117,696**	63,914
Financial assets at fair value through the income statement	**9,847**	7,747
Financial assets at fair value through other comprehensive income	**24,118**	16,164
Assets pledged	**268,570**	200,367

	Barclays Bank PLC	
	2023	2022
	£m	£m
Cash collateral and settlement balances	**55,797**	60,727
Loans and advances at amortised cost	**48,745**	38,857
Trading portfolio assets	**73,647**	38,870
Financial assets at fair value through the income statement	**4,277**	5,714
Financial assets at fair value through other comprehensive income	**34,143**	27,843
Assets pledged	**216,609**	172,011

The following table summarises the transferred financial assets and the associated liabilities. The transferred assets represents the gross carrying value of the assets pledged and the associated liabilities represents the IFRS balance sheet value of the related liability recorded on the balance sheet.

	Barclays Bank Group	
	Transferred assets	Associated liabilities
	£m	£m
At 31 December 2023		
Derivatives	**77,102**	**(77,102)**
Repurchase agreements	**69,740**	**(41,916)**
Securities lending arrangements	**115,909**	**—**
Other	**5,819**	**(5,188)**
	268,570	**(124,206)**
At 31 December 2022		
Derivatives	77,941	(77,941)
Repurchase agreements	54,509	(31,220)
Securities lending arrangements	62,741	—
Other	5,176	(4,788)
	200,367	(113,949)

	Barclays Bank PLC	
	Transferred assets	Associated liabilities
	£m	£m
At 31 December 2023		
Derivatives	**62,017**	**(62,017)**
Repurchase agreements	**61,696**	**(37,270)**
Securities lending arrangements	**90,097**	**—**
Other	**2,799**	**(2,799)**
	216,609	**(102,086)**
At 31 December 2022		
Derivatives	62,932	(62,932)
Repurchase agreements	48,000	(26,967)
Securities lending arrangements	57,792	—
Other	3,287	(3,287)
	172,011	(93,186)

For repurchase agreements the difference between transferred assets and associated liabilities is predominantly due to IFRS netting. Included within Other are agreements where a counterparty's recourse is limited to the transferred assets. The relationship between the gross transferred assets and the associated liabilities is that holders of notes may only look to cash flows from the securitised assets for payments of principal and interest due to them under the terms of their notes.

	Carrying value		Fair value		
	Transferred assets	Associated liabilities	Transferred assets	Associated liabilities	Net position
	£m	£m	£m	£m	£m
Barclays Bank Group					
2023					
Recourse to transferred assets only	**6,769**	**(2,336)**	**7,315**	**(2,303)**	**5,012**
2022					
Recourse to transferred assets only	5,176	(1,433)	5,613	(1,356)	4,257

The Barclays Bank Group has an additional £2.7bn (2022: £2.7bn) of loans and advances within its asset backed funding programmes that can readily be used to raise additional secured funding and are available to support future issuances.

Collateral held as security for assets

Under certain transactions, including reverse repurchase agreements and stock borrowing transactions, the Barclays Bank Group is allowed to resell or re-pledge the collateral held. Collateralised transactions, such as securities lending and borrowing, repurchase and derivative transactions are conducted in accordance with standard terms which are customary in the market.

The fair value at the balance sheet date of collateral accepted and re-pledged to others was as follows:

	Barclays Bank Group	
	2023	2022
	£m	£m
Fair value of securities accepted as collateral	1,207,312	989,211
Of which fair value of securities re-pledged/transferred to others	1,105,760	892,760

	Barclays Bank PLC	
	2023	2022
	£m	£m
Fair value of securities accepted as collateral	1,223,056	980,685
Of which fair value of securities re-pledged/transferred to others	1,148,453	883,441

The notes included in this section focus on related party transactions, Auditors' remuneration, Barclays Bank PLC (the Parent company) disclosure and Directors' remuneration disclosure. Related parties include any subsidiaries, associates, joint ventures and Key Management Personnel.

36 Related party transactions and Directors' remuneration

Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or one other party controls both.

Parent company

The parent company, which is also the ultimate parent company, is Barclays PLC, which holds 100% of the issued ordinary shares of Barclays Bank PLC. The largest group in which the results of Barclays Bank PLC are consolidated is headed by Barclays PLC, 1 Churchill Place London E14 5HP. The consolidated financial statements of Barclays PLC Group are available to the public and may be obtained from Barclays Corporate Secretariat, 1 Churchill Place London E14 5HP.

Subsidiaries

Transactions between Barclays Bank PLC and its subsidiaries also meet the definition of related party transactions. Where these are eliminated on consolidation, they are not disclosed in the Barclays Bank Group's financial statements. A list of the Barclays Bank Group's principal subsidiaries is shown in Note 31.

Fellow subsidiaries

Transactions between the Barclays Bank Group and other subsidiaries of the parent company also meet the definition of related party transactions.

Other entities

The Barclays Bank Group provides banking services to Barclays Bank Group pension funds (principally the UK Retirement Fund) and other entities, providing loans, overdrafts, interest and non-interest bearing deposits and current accounts to these entities as well as other services. Barclays Bank Group companies also provide investment management and custodian services to the Barclays Bank Group pension schemes. All of these transactions are conducted on the same terms as third party transactions. Summarised financial information for the Barclays Bank Group's investments in associates and joint ventures is set out in Note 33.

Amounts included in the Barclays Bank Group's financial statements, in aggregate, by category of related party entity are as follows:

	Parent	Fellow subsidiaries	Pension funds	Other related parties
	£m	£m	£m	£m
For the year ended and as at 31 December 2023				
Total income	**(1,712)**	**164**	**1**	**52**
Operating expenses	**(89)**	**(4,157)**	**(1)**	**—**
Total assets	**1,338**	**7,710**	**—**	**1,254**
Total liabilities	**37,862**	**7,483**	**144**	**154**
For the year ended and as at 31 December 2022				
Total income	(751)	199	3	(2)
Operating expenses	(69)	(3,459)	(1)	—
Total assets	1,575	9,056	3	—
Total liabilities	40,827	6,668	166	407
For the year ended and as at 31 December 2021				
Total income	(611)	20	3	—
Operating expenses	(64)	(3,195)	(1)	—

Total liabilities include derivatives transacted on behalf of the pensions funds of £77m (2022: £110m).

Amounts included in Barclays Bank PLC's financial statements, in aggregate, by category of related party entity are as follows:

	Parent £m	Subsidiaries £m	Fellow subsidiaries £m	Pension funds £m	Other related parties £m
As at 31 December 2023					
Total assets	**1,338**	**345,289**	**4,749**	**—**	**1,254**
Total liabilities	**37,655**	**241,323**	**7,152**	**143**	**154**
As at 31 December 2022					
Total assets	1,575	279,031	5,914	—	—
Total liabilities	40,419	195,131	6,389	162	407

It is the normal practice of Barclays Bank PLC to provide its subsidiaries with support and assistance by way of guarantees, indemnities, letters of comfort and commitments, as may be appropriate, with a view to enabling them to meet their obligations and to maintain their good standing, including commitment of capital and facilities. For dividends paid to Barclays PLC see Note 10.

Key Management Personnel
Key Management Personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of Barclays Bank PLC (directly or indirectly) and comprise the Directors and Officers of Barclays Bank PLC, certain direct reports of the Chief Executive Officer and the heads of major business units and functions.

The Barclays Bank Group provides banking services to Key Management Personnel and persons connected to them. Transactions during the year and the balances outstanding were as follows:

Loans outstanding	2023 £m	2022 £m
As at 1 January	**—**	—
Loans issued during the year[a]	**11.1**	0.1
Loan repayments during the year[b]	**(0.3)**	0.1
As at 31 December	**10.8**	—

Notes
a Includes loans issued to existing Key Management Personnel and new or existing loans issued to newly appointed Key Management Personnel.
b Includes loan repayments by existing Key Management Personnel and loans to former Key Management Personnel.

No allowances for impairment were recognised in respect of loans to Key Management Personnel (or any connected person).

Deposits outstanding	2023 £m	2022 £m
As at 1 January	**2.0**	2.1
Deposits received during the year[a]	**32.7**	9.4
Deposits repaid during the year[b]	**(27.2)**	(9.5)
As at 31 December	**7.5**	2.0

Notes
a Includes deposits received from existing Key Management Personnel and new or existing deposits received from newly appointed Key Management Personnel.
b Includes deposits repaid by existing Key Management Personnel and deposits of former Key Management Personnel.

Total commitments outstanding
Total commitments outstanding refer to the total of any undrawn amounts on credit card and/or overdraft facilities provided to Key Management Personnel. Total commitments outstanding as at 31 December 2023 were £0.1m (2022: £0.1m).

All loans to Key Management Personnel (and persons connected to them) were made in the ordinary course of business; were made on substantially the same terms, including interest rates and collateral, as those prevailing at the same time for comparable transactions with other persons; and did not involve more than a normal risk of collectability or present other unfavourable features.

Remuneration of Key Management Personnel

Total remuneration awarded to Key Management Personnel below represents salaries, short term benefits and pensions contributions received during the year and awards made as part of the latest remuneration decisions in relation to the year. Costs recognised in the income statement reflect the accounting charge for the year included within operating expenses. The difference between the values awarded and the recognised income statement charge principally relates to the recognition of costs for deferred awards. Figures are provided for the period that individuals met the definition of Key Management Personnel.

	2023 £m	2022 £m	2021 £m
Salaries and other short-term benefits	**46.1**	44.2	35.2
Pension costs	**0.2**	0.2	0.2
Other long-term benefits	**10.8**	12.1	8.5
Share-based payments	**16.3**	16.5	13.2
Employer social security charges on emoluments	**8.2**	7.5	6.0
Costs recognised for accounting purposes	**81.6**	80.5	63.1
Employer social security charges on emoluments	**(8.2)**	(7.5)	(6.0)
Other long-term benefits – difference between awards granted and costs recognised	**2.1**	0.1	3.3
Share-based payments – difference between awards granted and costs recognised	**4.5**	4.2	6.1
Total remuneration awarded	**80.0**	77.3	66.5

Disclosure required by the Companies Act 2006

The following information regarding the Barclays Bank PLC Board of Directors is presented in accordance with the Companies Act 2006:

	2023 £m	2022 £m	2021 £m
Aggregate emoluments[a]	**7.2**	7.1	6.3
Amounts paid under LTIPs[b]	**—**	0.4	1.2
	7.2	7.5	7.5

Notes

a The aggregate emoluments include amounts paid for the 2023 year. In addition, deferred share awards for 2023 with a total value at grant of £1.5m (2022: £2.3m, 2021: £1.4m) will be made to Directors which will only vest subject to meeting certain conditions.

b The figure above for "Amounts paid under LTIPs" for 2023 relates to LTIP awards that were released to Directors in 2023. Dividend shares released on the awards are excluded (where applicable).

There were no pension contributions paid to defined contribution schemes on behalf of Directors (2022: £nil, 2021: £nil). There were no notional pension contributions to defined contribution schemes.

As at 31 December 2023, there were no Directors accruing benefits under a defined benefit scheme (2022: nil, 2021: nil).

The aggregate amount of compensation payable to departing officers in respect of loss of office was £30,519 (2022: £2,253,304, 2021: £426,139).

Of the figures in the table above, the amounts attributable to the highest paid Director in respect of qualifying services are as follows:

	2023 £m	2022 £m	2021 £m
Aggregate emoluments[a]	**3.6**	3.6	2.1
Amounts paid under LTIPs	**—**	—	0.7
	3.6	3.6	2.8

Note

a The aggregate emoluments include amounts paid for the 2023 year. In addition, a deferred share award for 2023 with a value at grant of £1m (2022: £1.5m, 2021: £nil) will be made to the highest paid Director which will only vest subject to meeting certain conditions.

There were no actual pension contributions paid to defined contribution schemes on behalf of the highest paid Director (2022: £nil, 2021: £nil). There were no notional pension contributions to defined contribution schemes (2022: £nil, 2021: £nil).

Advances and credit to Directors and guarantees on behalf of Directors

In accordance with Section 413 of the Companies Act 2006, the total amount of advances and credits made available in 2023 to persons who served as Directors during the year was £0.1m (2022: £nil). The total value of guarantees entered into on behalf of Directors during 2023 was £nil (2022: £nil).

37 Disposals of businesses

There were no disposals of businesses in 2023. During 2022, Barclays Bank PLC sold its direct ownership of subsidiaries Capton Investments Limited and Hawkins to Roder Investment No 1 Limited and Roder investment No 2 Limited recording gains of £43m and £75m respectively.

During 2021, Barclays Bank PLC sold its investment in Barclays Insurance Guernsey PCC to Barclays Principal Investments Limited, a fellow Barclays PLC Group company, at its fair value of £65m. Barclays Bank PLC recorded profit on disposal of £50m in respect of this transaction. The Barclays Bank Group recorded a loss on disposal of £10m.

During 2021, Barclays Bank PLC sold its investment in an SPV holding the lease to premises used by the Barclays Bank PLC Monaco Branch for consideration of £52m. Barclays Bank PLC recorded a profit of £49m. Barclays Bank Group treats this transaction as a sale and leaseback and recorded a gain on sale of £33m within other income.

During 2021, Barclays Bank PLC transferred loans and advances at amortised cost of £49m to Barclays Bank Ireland PLC, in exchange for cash consideration. Barclays Bank PLC also transferred derivative financial instrument assets of £5,886m and derivative financial instrument liabilities of £4,523m to Barclays Bank Ireland PLC. Concurrently, Barclays Bank PLC entered into new derivative positions with Barclays Bank Ireland PLC to hedge the risk on the transferring positions. Therefore, there was no net impact on the balance sheet of Barclays Bank PLC.

38 Auditor's remuneration

Auditor's remuneration is included within consultancy, legal and professional fees in administration and general expenses and comprises:

	2023	2022	2021
	£m	£m	£m
Audit of the Barclays Bank Group's annual accounts	**22**	20	19
Other services:			
Audit of the Barclays Bank PLC subsidiaries[a]	**18**	18	14
Other audit related fees[b]	**8**	8	7
Other services	**1**	1	1
Total Auditor's remuneration	**49**	47	41

Notes
a Comprises the fees for the statutory audit of the subsidiaries both inside and outside UK and fees for the work performed by associates of KPMG in respect of the consolidated financial statements of Barclays Bank PLC.
b Comprises services in relation to statutory and regulatory filings. These include audit services for the review of the interim financial information under the Listing Rules of the UK listing authority.

Audit scope changes are finalised following the completion of the audit and recognised when agreed. The 2023 audit fee includes £1m (2022: £2m, 2021: £3m) relating to the previous year's audit.

39 Assets and liabilities included in disposal group classified as held for sale

Accounting for non-current assets held for sale and associated liabilities

The Barclays Bank Group applies IFRS 5 Non-current Assets Held for Sale and Discontinued Operations. Non-current assets (or disposal groups) are classified as held for sale when their carrying amount is to be recovered principally through a sale transaction rather than continuing use. In order to be classified as held for sale, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary, and the sale must be highly probable. Non-current assets (or disposal groups) held for sale are measured at the lower of carrying amount and fair value less cost to sell. Assets and liabilities classified as held for sale are presented separately in the consolidated balance sheet.

Management accounting estimates and judgements

Management judgement is required in determining whether the IFRS 5 held for sale classification criteria are met, in particular whether the sale is highly probable and expected to qualify for recognition as a completed sale within 12 months of classification. This assessment requires consideration of how committed management is to the sales plan, the likelihood of obtaining regulatory or other external approvals which is often required for sales of banking operations and how committed the buyer is to complete the sales transaction within the agreed timelines.

Barclays is currently engaged in a process to sell its German consumer finance business (comprising credit cards, unsecured personal loans and deposits), currently included within CC&P, as part of our ambition to simplify Barclays and support our focus on growing our key businesses. A sale is expected to complete in 2024.

The perimeter of the disposal group has been accounted for in line with the requirements of IFRS5 as at 31 December 2023. A detailed analysis of the disposal group is presented below:

As at 31 December	2023 £m
Assets included in disposal groups classified as held for sale	
Loans and advances to customers	3,855
Intangible assets	15
Property, plant and equipment	24
Other assets	22
Total assets classified as held for sale	**3,916**
Liabilities included in disposal groups classified as held for sale	
Deposits from customers	3,077
Other liabilities	83
Provisions	4
Total liabilities classified as held for sale	**3,164**
Net assets classified as held for sale	**752**

40 Related Undertakings

The Barclays Bank PLC's corporate structure consists of a number of related undertakings, comprising subsidiary undertakings, joint ventures, associated undertakings and significant holdings. A full list of these related undertakings is set out below, together with the country of incorporation, registered office (or principal place of business) and the identity and percentage of each share class held by Barclays Bank PLC. The information is provided as at 31 December 2023.

The entities are grouped by the countries in which they are incorporated. The profits earned by the activities of these entities are in some cases taxed in countries other than the country of incorporation for example where the entity carries on business through a branch in a territory outside of its country of incorporation. Barclays Bank PLC Country Snapshot provides details of where Barclays Bank PLC carries on its business, where its profits are subject to tax and the taxes it pays in each country it operates in.

Notes

A	Directly held by Barclays Bank PLC
B	Partnership Interest
C	Membership Interest
D	Preference Shares
E	A Preference Shares
F	B Preference Shares
G	Ordinary/Common Shares in addition to other shares
H	A Ordinary Shares
I	B Ordinary Shares
J	C Ordinary Shares
K	F Ordinary Shares
L	First Preference Shares, Second Preference Shares
M	Registered Address not in country of incorporation
N	USD Linked Ordinary Shares
O	Capital Contribution Shares
P	Redeemable Class B Shares
Q	Non-Redeemable Ordinary Shares
R	Class A Shares
S	Class B Shares
T	Class C Shares
U	Class D Shares
V	Class E Shares
W	First Class Common Shares, Second Class Common Shares
X	Redeemable Class A Shares
Y	Not Consolidated
Z	Tracker 1 Euro, GBP, and USD Shares

Notes to the financial statements
Other disclosure matters

Wholly owned subsidiaries	Note
Unless otherwise stated, the undertakings below are wholly owned and included in the consolidation and the share capital held by the Group comprises ordinary and/or common shares, which are held by subsidiaries of the Group. Unless otherwise stated, the Group holds 100% of the nominal value of each share class.	

United Kingdom

1 Churchill Place, London, E14 5HP

Aequor Investments Limited	
Alynore Investments Limited Partnership	B
Ardencroft Investments Limited	A
B D & B Investments Limited	
B.P.B. (Holdings) Limited	A
Barclays Aldersgate Investments Limited	A
Barclays Asset Management Limited	A
Barclays Capital Asia Holdings Limited	A
Barclays Capital Nominees (No.2) Limited	
Barclays Capital Nominees (No.3) Limited	A
Barclays Capital Nominees Limited	A
Barclays Capital Securities Client Nominee Limited	A
Barclays Capital Securities Limited	A, D, G
Barclays CCP Funding LLP	B
Barclays Direct Investing Nominees Limited	
Barclays Directors Limited	A
Barclays Executive Schemes Trustees Limited	A
Barclays Financial Planning Nominee Company Limited	
Barclays Group Holdings Limited	A
Barclays International Holdings Limited	A
Barclays Investment Management Limited	A
Barclays Investments Solutions Limited	A
Barclays Long Island Limited	A
Barclays Nominees (George Yard) Limited	A, Y
Barclays OCIO Services Limited	A
Barclays Pension Funds Trustees Limited	A
Barclays Private Bank	
Barclays Services (Japan) Limited	A
Barclays Shea Limited	A
Barclays Term Funding Limited Liability Partnership	B
Barclays Wealth Nominees Limited	A

Wholly owned subsidiaries	Note
Barclayshare Nominees Limited	
Barcosec Limited	A
Barsec Nominees Limited	A
BB Client Nominees Limited	A
Chapelcrest Investments Limited	
Cornwall Home Loans Limited	A
Dorset Home Loans Limited	A
Durlacher Nominees Limited	A
Eagle Financial and Leasing Services (UK) Limited	A
Finpart Nominees Limited	A
Foltus Investments Limited	
Hawkins Funding Limited	
Heraldglen Limited	G, L
Isle of Wight Home Loans Limited	A
J.V. Estates Limited	A
Kirsche Investments Limited	A
Leonis Investments LLP	B
Long Island Assets Limited	
Maloney Investments Limited	
Menlo Investments Limited	A
Mercantile Credit Company Limited	A
Mercantile Leasing Company (No.132) Limited	A
MK Opportunities LP	B
Naxos Investments Limited	A
Northwharf Nominees Limited	A
Oak Pension Asset Management Limited	Y
Real Estate Participation Management Limited	
Real Estate Participation Services Limited	
Relative Value Investments UK Limited Liability Partnership	B
Relative Value Trading Limited	
Roder Investments No. 1 Limited	A, G, Z
Roder Investments No. 2 Limited	A, G, Z
RVT CLO Investments LLP	B
Surety Trust Limited	A
Swan Lane Investments Limited	
US Real Estate Holdings No.1 Limited	
US Real Estate Holdings No.2 Limited	
US Real Estate Holdings No.3 Limited	
US Real Estate Holdings No.4 Limited	
US Real Estate Holdings No.5 Limited	A
US Real Estate Holdings No.6 Limited	A
Water Street Investments Limited	Y

Wholly owned subsidiaries	Note
Wedd Jefferson (Nominees) Limited	A
Westferry Investments Limited	A
Woolwich Qualifying Employee Share Ownership Trustee Limited	A
Zeban Nominees Limited	A

C/O Teneo Financial Advisory Limited, 3rd Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, West Midlands, B4 6AT

Barclays Capital Finance Limited (In Liquidation)	A
Barclays Capital Japan Securities Holdings Limited (In Liquidation)	
Barclays Global Shareplans Nominee Limited (In Liquidation)	
Barclays Nominees (Branches) Limited (In Liquidation	
Barclays Singapore Global Shareplans Nominee Limited (In Liquidation)	
Cobalt Investments Limited (In Liquidation)	A
DMW Realty Limited (In Liquidation)	A

1-4 , Clyde Place Lane, Glasgow, G5 8DP

R.C. Greig Nominees Limited	A

9, allée Scheffer, Luxembourg, L-2520

Barclays Blossom Finance Limited Partnership	B, M
Barclays Claudas Investments Partnership	B, M
Barclays Pelleas Investments Limited Partnership	B, M

Argentina

855 Leandro N.Alem Avenue, 8th Floor, Buenos Aires

Compañía Sudamerica S.A.	A

Marval, O'Farrell & Mairal, Av. Leandro N. Alem 882, Buenos Aires, C1001AAQ

Compañia Regional del Sur S.A.	A

Brazil

Av. Brigadeiro Faria Lima, No.4.440, 12th Floor, Bairro Itaim Bibi, Sao Paulo, CEP, 04538-132

Barclays Brasil Assessoria Financeira Ltda	A
BNC Brazil Consultoria Empresarial Ltda	A

Wholly owned subsidiaries	Note
Canada	
333 Bay Street, Suite 4910, Toronto ON M5H 2R2	
Barclays Capital Canada Inc.	
Stikeman Elliot LLP, 199 Bay Street, 5300 Commerce Court West, Toronto ON M5L 1B9	
Barclays Corporation Limited	A
Cayman Islands	
PO Box 309, Ugland House, George Town, Grand Cayman, KY1-1104	
Alymere Investments Limited	E, F, G
Analytical Trade UK Limited	A
Barclays Capital (Cayman) Limited	A
Barclays Securities Financing Limited	E, F, G
Barclays US Holdings Limited	A, D, G
Braven Investments No.1 Limited	
Calthorpe Investments Limited	
Capton Investments Limited	
Claudas Investments Limited	A, G, P, X
Claudas Investments Two Limited	
Gallen Investments Limited	
Hornbeam Limited	Y
Hurley Investments No.1 Limited (In Liquidation)	
Mintaka Investments No. 4 Limited	
Palomino Limited	A, Y
Pelleas Investments Limited	A
Pippin Island Investments Limited	A
Razzoli Investments Limited	A, D, G
RVH Limited	A, D, G
Wessex Investments Limited (In Liquidation)	
Walkers Corporate Limited, Cayman Corporate Centre, 27 Hospital Road, George Town, KY1- 9008	
Long Island Holding B Limited (In Liquidation)	A
France	
34-36 avenue de Friedland, 75008, Paris	
Barclays ADF	A

Wholly owned subsidiaries	Note
Germany	
Stuttgarter Straße 55-57, 73033 Göppingen	
Holding Stuttgarter Straße GmbH (In Liquidation)	
Guernsey	
P.O. Box 33, Dorey Court, Admiral Park, St. Peter Port, GY1 4AT	
Barclays UKRF ICC Limited	Y
Barclays UKRF No.1 IC Limited	Y
Barclays UKRF No.2 IC Ltd	Y
Hong Kong	
42nd floor Citibank Tower, Citibank Plaza, 3 Garden Road	
Barclays Bank (Hong Kong Nominees) Limited (In Liquidation)	A
Barclays Capital Asia Nominees Limited (In Liquidation)	
Level 41,Cheung Kong Center, 2 Queen's Road, Central	
Barclays Capital Asia Limited	A
India	
208 Ceejay House, Shivsagar Estate, Dr A Beasant Road, Worli, Mumbai, 400 018	
Barclays Securities (India) Private Limited	
Barclays Wealth Trustees (India) Private Limited	
Nirlon Knowledge Park, Level 9, Block B-6, Off Western Express Highway, Goregaon (East), Mumbai, 400063	
Barclays Investments & Loans (India) Private Limited	D, G
Ireland	
One Molesworth Street, Dublin 2, D02RF29	
Barclays Bank Ireland Public Limited Company	A
Barclays Europe Client Nominees Designated Activity Company	
Barclays Europe Firm Nominees Designated Activity Company	
Barclays Europe Nominees Designated Activity Company	
25-28 North Wall Quay, Dublin1, D01H104	

Wholly owned subsidiaries	Note
Erimon Home Loans Ireland Limited	A
70 Sir John Rogerson's Quay, Dublin 2	
Barclays Finance Ireland Limited	
Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	
Barclays Ireland Investments LP	B, N
Isle of Man	
Eagle Court, Circular Road, Douglas, IM1 1AD, Isle of Man	
Barclays Nominees (Manx) Limited	A
Barclays Private Clients International Limited	A, H, I
2nd Floor, St Georges Court, Upper Church Street, Douglas, IM1 1EE	
Barclays Holdings (Isle of Man) Limited (In Liquidation)	A
Japan	
10-1, Roppongi 6-chome, Minato-ku, Tokyo	
Barclays Funds and Advisory Japan Limited	
Barclays Securities Japan Limited	G, E
6-10-1 Roppongi, Minato-Ku, Tokyo	
Barclays Wealth Services Limited	
Jersey	
Gaspé House, 66-72 Esplanade, St. Helier, JE1 1GH	
Barclays Services Jersey Limited	A
5 Espalanade, St Helier, JE2 3QA	
Barclays Wealth Management Jersey Limited	A
13 Library Place, St Helier, JE4 8NE	
Barclays Nominees (Jersey) Limited	A
Barclaytrust Channel Islands Limited	A
Estera Trust (Jersey) Limited, 13-14 Esplanade, St Helier, JE1 1EE, Jersey	
MK Opportunities GP Ltd	A
Luxembourg	
9, allée Scheffer, L-2520	

Wholly owned subsidiaries	Note
Barclays Bedivere Investments S.à r.l.	G, H, I
Barclays Cantal Investments S.à r.l.	
Barclays Capital Luxembourg S.à r.l.	
Barclays Capital Trading Luxembourg S.à r.l.	
Barclays Claudas Investments S.à r.l.	
Barclays Equity Index Investments S.à r.l.	
Barclays International Luxembourg Dollar Holdings S.à r.l.	
Barclays Luxembourg EUR Holdings S.à r.l	Q
Barclays Luxembourg GBP Holdings S.à r.l.	Q
Barclays Luxembourg Global Funding S.à r.l.	
Barclays Luxembourg Holdings S.à r.l.	G, N
Barclays Luxembourg Holdings SSC	B
68-70 Boulevard de la Petrusse, L-2320	
Adler Toy Holding Sarl	
10 rue du Cha'teau d'Eau, Leudelange, Grand Duchy of Luxembourg L-3364	
BPM Management GP SARL	A

Mauritius

C/O Rogers Capital Corporate Services Limited, 3rd Floor, Rogers House, No.5 President John Kennedy Street, Port Louis	
Barclays Capital Mauritius Limited (In Liquidation)	A
Barclays Capital Securities Mauritius Limited	A
Fifth Floor Ebene Esplanade, 24 Bank Street, Cybercity 72201 Ebene	
Barclays Mauritius Overseas Holdings Limited	A

Mexico

Paseo de la Reforma 505, 41 Floor, Torre Mayor, Col. Cuauhtemoc, CP 06500	
Barclays Bank Mexico, S.A.	I, K
Barclays Capital Casa de Bolsa, S.A. de C.V.	I, K

Wholly owned subsidiaries	Note
Grupo Financiero Barclays Mexico, S.A. de C.V.	I, K
Servicios Barclays, S.A. de C.V. (In Liquidation)	Y

Monaco

31 Avenue de la Costa, Monte Carlo BP 339	
Barclays Private Asset Management (Monaco) S.A.M	

Saudi Arabia

3rd Floor Al Dahna Center, 114 Al-Ahsa Street, PO Box 1454, Riyadh 11431	
Barclays Saudi Arabia (In Liquidation)	A

Singapore

10 Marina Boulevard, #25-01 Marina Bay Financial Centre, Tower 2, 018983	
Barclays Merchant Bank (Singapore) Ltd.	

Spain

Calle Jose, Abascal 51, 28003, Madrid	
Barclays Tenedora De Inmuebles SL.	A
BVP Galvani Global, S.A.U.	A

Switzerland

Chemin de Grange Canal 18-20, PO Box 3941, 1211, Geneva	
Barclays Bank (Suisse) SA	
BPB Holdings SA	

Taiwan

19F-1, No. 7, Xinyi Road, Sec. 5, Taipei,A322, Taiwan	
Barclays Securities Taiwan Limited	A

United States

Corporation Service Company, 251 Little Falls Drive, Wilmington, DE 19808	
Analytical Trade Holdings LLC	
Barclays Asset Backed Depositor LLC	C
Barclays Bank Delaware	D, G
Barclays Capital Derivatives Funding LLC	C
Barclays Capital Energy Inc.	
Barclays Capital Equities Trading GP	B

Wholly owned subsidiaries	Note
Barclays Capital Holdings Inc.	E, F, G
Barclays Capital Real Estate Finance Inc.	
Barclays Capital Real Estate Holdings Inc.	
Barclays Capital Real Estate Inc.	
Barclays Commercial Mortgage Securities LLC	C
Barclays Dryrock Funding LLC	C
Barclays Financial LLC	C
Barclays Group US Inc.	G, D
Barclays Oversight Management Inc.	
Barclays Receivables LLC	C
Barclays Services Corporation	
Barclays Services LLC	C
Barclays US CCP Funding LLC	C
Barclays US Investment Inc	H,I
Barclays US LLC	C
BCAP LLC	C
Gracechurch Services Corporation	
Lagalla Investments LLC	C
Long Island Holding A LLC	C
Marbury Holdings LLC	C
Preferred Liquidity, LLC	H
Procella Investments No.2 LLC	C
Procella Investments No.3 LLC	C
Relative Value Holdings, LLC	
Surrey Funding Corporation	
Sussex Purchasing Corporation	
Sutton Funding LLC	C
US Secured Investments LLC	O
Verain Investments LLC	
Wilmington Riverfront LLC	
100 Bank Street, Suite 630, Burlington, Vermont 05401	
Barclays Insurance U.S. Inc.	
Corporation Service Company, 80 State Street, Albany, NY, 12207-2543	
Barclays Equity Holdings Inc.	
Corporation Service Company Goodwin Square, 225 Asylum Street 20th Floor Hartford CT 06103	
Barclays Capital Inc.	
Corporation Service Company, 2626, Glenwood Ave, Suite 550, Raleigh, NC, 27608	
Barclays US GPF Inc.	
Equifirst Corporation (In Liquidation, dissolved with State of North Carolina)	

Wholly owned subsidiaries	Note
125 S West Street Wilmington, DE 19801	
Curve Investments GP	B
Barclays Dryrock Issuance Trust	

Unless otherwise stated, the undertakings below are included in the consolidation and the share capital held by Barclays Bank PLC comprises ordinary and/or common shares, which are held by subsidiaries of Barclays Bank PLC . The percentage of the nominal value of each share class held by Barclays Bank PLC is provided below.

Other Related Undertakings	%	Note
United Kingdom		
1 Churchill Place, London, E14 5HP		
PSA Credit Company Limited (In Liquidation)	100.00	H, J
Barclays Secured Funding (LM)	20.00	
50 Lothian Road, Festival Square, Edinburgh, EH3 9WJ		
Equistone Founder Partner II L.P.	20.00	B, Y
Equistone Founder Partner III L.P.	20.00	B, Y
Enigma, Wavendon Business Park Milton Keynes, MK178LX		
Intelligent Processing Solutions Limited	19.50	Y
Cayman Islands		
PO Box 309, Ugland House, Grand Cayman KY1-1104		
Newman Holdings Limited (In Liquidation)	80.60	Y
Korea, Republic of		
18th Floor, Daishin Finance Centre, 343, Samil-daero, Jung-go, Seoul		
Woori BC Pegasus Securitization Specialty Co. Ltd	70.00	W
Luxembourg		
9, allee Scheffer, L-2520		
Barclays Alzin Investments S.à r.l.	100.00	R,S, U
Barclays Bordang Investments S.à r.l.	100.00	R, S
Preferred Funding S.à r.l.	100.00	F
Preferred Investments S.à r.l.	100.00	G, P
Barclays Lamorak	100.00	E,Q
Malta		
RS2 Buildings, Fort Road, Mosta, MST 1859		
RS2 Software PLC	18.14	Y
United States		
Corporation Trust Company, Corporation Trust Centre, 1209 Orange Street, Wilmington DE 19801		
DG Solar Lessee, LLC	75.00	C, Y
DG Solar Lessee II, LLC	75.00	C, Y
VS BC Solar Lessee I LLC	50.00	C, Y
1415 Louisiana Street, Suite 1600, TX 77002-0000		
Sabine Oil & Gas Holdings, Inc. (In Liquidation)	22.12	Y

Notes

The term Barclays Bank Group refers to Barclays Bank PLC together with its subsidiaries. Unless otherwise stated, the income statement analysis compares the year ended 31 December 2023 to the corresponding twelve months of 2022 and balance sheet analysis as at 31 December 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.

These results will be filed on a Form 20-F with the US Securities and Exchange Commission (SEC) as soon as practicable following their publication. Once filed with the SEC, a copy of the Form 20-F will be available from the Barclays Investor Relations website at home.barclays/annualreport and from the SEC's website at www.sec.gov.

The Barclays Bank Group is a frequent issuer in the debt capital markets 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 Barclays Bank Group. Barclays cautions readers that no forward-looking statement is a guarantee of future performance and that actual results or other financial condition or performance measures could differ materially from those contained in the forward-looking statements. Forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements sometimes use words such as 'may', 'will', 'seek', 'continue', 'aim', 'anticipate', 'target', 'projected', 'expect', 'estimate', 'intend', 'plan', 'goal', 'believe', 'achieve' or other words of similar meaning. Forward-looking statements can be made in writing but also may be made verbally by directors, officers and employees of 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, business strategy, income levels, costs, assets and liabilities, impairment charges, provisions, capital leverage and other regulatory ratios, capital distributions (including policy on dividends 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), 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, regulations, governmental and regulatory policies, expectations and actions, voluntary codes of practices and the interpretation thereof, changes in International Financial Reporting Standards 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; 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, pandemics and similar events beyond Barclays Bank Group's control; the impact of competition in the banking and financial services industry; capital, liquidity, leverage and other regulatory rules and requirements 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; reforms to benchmark interest rates and indices; higher or lower asset valuations; changes in credit ratings of any entity within Barclays Bank Group or any securities issued by it; changes in counterparty risk; changes in consumer behaviour; the direct and indirect consequences of the conflicts in Ukraine and the Middle East on European and global macroeconomic conditions, political stability and financial markets; political elections; developments in the UK's relationship with the European Union (EU); the risk of cyberattacks, information or security breaches, technology failures or other operational disruptions and any subsequent impacts on Barclays Bank Group's reputation, business or operations; 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 Barclays Bank Group's control. As a result, 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 Barclays Bank Group's forward-looking statements. In setting its targets and outlook for the period 2024-2026, Barclays Bank Group has made certain assumptions about the macro-economic environment, including, without limitation, inflation, interest and unemployment rates, the different markets and competitive conditions in which Barclays Bank Group operates, and its ability to grow certain businesses and achieve costs savings and other structural actions.Additional risks and factors which may impact Barclays Bank Group's future financial condition and performance are identified in the description of material existing and emerging risks beginning on page 35 of this Annual Report, which is available on barclays.com.

Subject to Barclays Bank Group'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.